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China Nature Energy Technology Holdings Limited

中國納泉能源科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1597)

PROFIT WARNING

This announcement is made by China Nature Energy Technology Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) of the Company and potential investors that based on the preliminary review of the unaudited consolidated management accounts of the Group, the Group is expected to record a net profit of approximately RMB5,000,000 to RMB5,500,000 for the year ended 31 December 2022 (the “**FY2022**”), as compared to the net profit of RMB21,345,000 for the year ended 31 December 2021.

The decrease in net profit of the Group for the FY2022 was mainly attributable to (i) an increase in the price of raw materials and the Group’s appropriate reduction in product prices to maintain a stable market share in the FY2022; and (ii) a decrease in revenue resulting from a decrease in orders from customers for the Company’s pitch control system and operation and maintenance businesses due to the adverse impact of the COVID-19 pandemic on logistics, supply chain, market development and business exchanges. Nonetheless, in view of the recent relaxation of COVID-19 preventative measures in the People’s Republic of China, the Board expects the operations of the Group to resume stable recovery in the coming year.

The Company is still in the course of finalising the Group's audited consolidated results for the FY2022. The information contained in this announcement is only based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts and the information currently available to the Board, which have not been reviewed, confirmed or audited by the auditors of the Company or reviewed by the audit committee of the Company as at date of this announcement, and may be subject to adjustments upon further review by the Board. The annual results announcement of the Company for the FY2022 is expected to be published on 28 March 2023.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
China Nature Energy Technology Holdings Limited
Cheng Liquan Richard
Chairman

Hong Kong, 21 March 2023

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Cheng Liquan Richard and Mr. Cheng Li Fu Cliff, one non-executive Director, namely, Mr. Li Hao and three independent non-executive Directors, namely, Ms. Hung Pui Yu, Mr. Kang Jian and Mr. Li Shusheng.