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SOUTHERN ENERGY HOLDINGS GROUP LIMITED

南方能源控股集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1573)

PROFIT WARNING

This announcement is made by Southern Energy Holdings Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provision (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 of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review, it is expected that the Group is likely to record a consolidated loss attributable to owners of the Company for the year ended 31 December 2019 as compared to a consolidated profit attributable to owners of the Company for the year ended 31 December 2018. The Board considers that such loss is principally due to the suspension of mines operations of the three mines owned by the Group, namely Lasu Coal Mine, Luozhou Coal Mine and Weishe Coal Mine (the “**Mines**”) in Guizhou Province, the People’s Republic of China (the “**PRC**”), since 18 August 2019 and resulted in no revenue contribution from the Mines since that date. Based on the latest information available, operations of the Mines are still under suspension as at the date of this announcement.

The Company is still in the process of finalising the financial results of the Group for the year ended 31 December 2019. The information contained in this announcement is only based on the preliminary assessment by the Board with reference to the information currently available for the time being, but not based on any data or information reviewed by the Board. As announced by the Company on 21 October 2019, Deloitte Touche Tohmatsu resigned as the auditor of the Company with effect from 21 October 2019. As at the date of this announcement, the Company has yet to appoint a replacement auditor for the audit of the consolidated financial statements of the Company for the year ended 31 December 2019. On 31 January 2020, the Company announced that due to the outbreak of the Coronavirus and the current situation in the PRC, Guizhou local government issued a notice on 30 January

2020 which prohibited all corporations (except corporations providing necessities) in the Guizhou Province to resume working before 9 February 2020 to prevent potential spreading of the Coronavirus. The Guizhou local government issued a new notice (省政府辦公廳下發關於有序推進企業項目復產復工的通知) on 8 February 2020 regarding the resumption of operations for all corporations to follow (the “**Notice**”). The Notice includes guidance for corporations on conducting health checks, tracking movements of all staffs within the last 14 days prior to 8 February 2020 and implementing safety precautions, for example, 14 days of quarantine for those who have been out of the province. Due to the continued threats from the Coronavirus, only limited number of staff of the Company are eligible to resume to their positions according to the guidance as stated in the Notice. The majority of our workers and staffs has not yet resumed to their positions in order to comply with the Notice. The uncertain timing of the appointment of auditor and the current restrictions on travelling arrangements may have adverse impact on the timeline of the preliminary announcement of the financial results for the year ended 31 December 2019 as required under the Listing Rules. The Company will continue to closely monitor the situation and will inform the Shareholders and potential investors as and when practicable.

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

By Order of the Board of
SOUTHERN ENERGY HOLDINGS GROUP LIMITED
Xu Bo
Chairman

Guiyang, People’s Republic of China
21 February 2020

As at the date of this announcement, the executive directors of the Company are Mr. Xu Bo, Mr. Huang Youjun and Mr. Xiao Zhijun; and the independent non-executive director of the Company is Mr. Jiang Chenglin.