

## **CHANGFENG ENERGY INC. ANNOUNCES SHIFT IN STRATEGIC FOCUS**

**Toronto, Ontario, November 17, 2017** – Changfeng Energy Inc., (TSXV: CFY) (“Changfeng” or “the Company”), an energy provider in the People’s Republic of China (‘PRC’), announces that in 2017 Changfeng began a three-year plan to strategically shift its corporate focus towards sustainable energy in combination with natural gas to become an integrated energy provider in the PRC. Changfeng has always strived to provide natural gas to our customers, a cleaner alternative to coal, since the Company’s inception over 20 years ago. As the Chinese economy now moves away from fossil fuel dependency in accordance with central government guidance, Changfeng looks to sustainable energy and clean technology to complement the usage of natural gas.

Earlier this month, in the press releases *“Changfeng Energy Announces Joint Venture Agreement with EDF China in Sanya, Hainan, China”* and *“Changfeng Energy Announces Establishment of Joint Venture Company With EDF China in Sanya, Hainan, China”*, Changfeng’s premier integrated smart energy project was announced. Integrated Smart Energy refers to combining the usage of multiple clean energy sources in an integrated system to generate power. Energy sources used in the system can include solar, wind, hydro, electricity, natural gas and thermal energy. Depending on the geography, weather conditions and energy supply of a given region, the energy sources used in the system will vary. Combining the use of multiple energy sources in a single system allows for the use of specific energy sources at different times depending on the energy availability and price, creating maximum efficiency in energy usage. Furthermore, the increased energy efficiency and use of sustainable energy sources is in accordance with China’s central government guidance and therefore receives strong support from local Chinese governments.

In line with this shift in strategic focus, Changfeng will look to free up monetary and human capital from existing projects that are not yet profitable and rededicate the resources to invest in integrated smart energy projects in the PRC. Natural gas will continue to be the cornerstone of Changfeng, providing the foundation necessary for the Company’s growth. The Company will explore opportunities in midstream natural gas infrastructure to diversify risk and round out Changfeng’s portfolio in the natural gas market. Changfeng will also continue to expand its downstream natural gas distribution project portfolio but looks only to invest into natural gas distribution projects that are either already or soon to be generating cash flow. In summary, the following three sectors will be Changfeng’s main business lines in the next three (3) years from 2017-2019: a) natural gas downstream distribution, including urban city pipeline gas distribution, gas refuelling stations; b) integrated smart energy system to distribute power, heat, cooling, and hot water; c) natural gas mid-stream infrastructure.

Huajun Lin, the Company’s CEO and Chairman of the Board states that, “The Chinese energy market is rapidly transforming under the guidance of the Chinese central government. Changfeng must adapt to the new market conditions early on and move to not only to survive but to thrive in the new environment. Since 2016, we began the process to IPO on the Hong Kong Stock Exchange (‘HKEX’). Changfeng engaged Guangfa Capital (Hong Kong) Limited as the sponsor and more recently engaged

consultants to strengthen the Company's internal controls as well as assist with corporate restructuring. The move to list on the HKEx will not only provide more liquidity for our shareholders but will also provide a new financing platform with which Changfeng can fund its aggressive growth strategy moving forward. With Changfeng's experienced management team, dependable strategic partners and innovative corporate culture, I am confident that we will emerge as a leader in the Chinese energy market."

### **Forward-Looking Statements**

Information set forth in this news release may involve forward-looking statements under applicable securities laws. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included in this document are made as of the date of this document and the Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. Although Management believes that the expectations represented in such forward-looking statements are reasonable, there can be no assurance that such expectations will prove to be correct. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

### **CONTACT INFORMATION**

Corporate Investment Relations  
Investor.relations@changfengenergy.cn

Ann Siyin Lin  
VP, Corporate Development  
ann.lin@changfengenergy.cn