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**CAM SPC**

*acting for and on behalf of*

**CAM SPC – CNNC-IFMC HK Industry Fund SP**

*(Incorporated in the Cayman Islands with limited liability)*



**順風國際清潔能源有限公司**

SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 01165)**

## **JOINT ANNOUNCEMENT**

**(1) PROPOSED SUBSCRIPTION OF SUBSCRIPTION SHARES**

**(2) APPLICATION FOR WHITEWASH WAIVER**

**AND**

**(3) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

**Financial Adviser to the Subscriber**



**CMBC International Capital Limited**

### **THE SUBSCRIPTION**

On 14 December 2018, the Company entered into the Subscription Agreement with the Subscriber and the Guarantor. Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, 7,591,153,464 Subscription Shares (representing (i) approximately 152.36% of the issued share capital of the Company as at the date of this joint announcement, and (ii) approximately 60.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares)) at the Subscription Price of HK\$0.214 per Subscription Share.

Completion shall be conditional upon the fulfillment or, where applicable, waiver of the Conditions as described in the sub-section headed “*Conditions of the Subscription*” under the section headed “*Subscription Agreement*” in this joint announcement.

The Company will allot and issue the Subscription Shares under the Specific Mandate to be approved by the Independent Shareholders at the EGM.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

Other than the entering into of the MOU, and the Subscription Agreement neither the Subscriber nor any party acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of the Memorandum Announcement and the period up to and including the date of this joint announcement, and none of them is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this joint announcement.

## **TAKEOVERS CODE IMPLICATIONS**

### **Application for the Whitewash Waiver**

Immediately upon Completion, assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares, the Subscriber (together with parties acting in concert with it) will be interested in 7,591,153,464 Shares, representing approximately 60.37% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

Under Rule 26.1 and Rule 13 of the Takeovers Code, upon the allotment and issuance of the Subscription Shares at Completion (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares), the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company and all the Convertible Bonds not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it, unless the Whitewash Waiver is granted by the Executive and the approval by 75% of the Independent Shareholders is obtained in accordance with the Takeovers Code.

The Subscriber has applied to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 and Rule 13 of the Takeovers Code, which, if granted, will be subject to the approval by 75% of the Independent Shareholders taken by way of poll at the EGM.

**The Whitewash Waiver may or may not be granted by the Executive and if granted, will be subject to approval by 75% of Independent Shareholders at the EGM. The grant of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by 75% of the Independent Shareholders are conditions precedent to the Completion. If the Whitewash Waiver is not granted by the Executive or not approved by 75% of the Independent Shareholders, the Subscriber and the Company may collectively elect to waive this condition and proceed with the Subscription in the absence of the Whitewash Waiver. Accordingly, if the Subscriber and the Company collectively elect to proceed with the Subscription in the absence of the Whitewash Waiver, the Subscriber will be obliged to make the Possible Offers. Relevant announcement(s) will be made by the Company and the Subscriber in compliance with the Listing Rules and the Takeovers Code as and when appropriate.**

## **The Disposal and special deal**

The Subscriber is aware of the Disposal at the consideration of approximately RMB4,700 million, the details of which will be set out in the announcement to be made by the Company in relation to the Disposal. Completion of the Subscription is not conditional upon the completion of the Disposal.

As the Disposal, if materialises, is an arrangement between the Company and a substantial shareholder of the Company (the “**Purchaser**”), which is not capable of being extended to all shareholders of the Company, the Disposal constitutes a special deal of the Company under Rule 25 of the Takeovers Code and requires the consent of the Executive. Such consent, if granted, will be subject to (i) the opinion of an independent financial adviser to the Company that the terms of the Disposal are fair and reasonable; and (ii) the approval of the Disposal by disinterested shareholders of the Company by way of poll at an EGM of the Company. If the consent of the Executive cannot be obtained, it is envisaged that the Company will not proceed with the Disposal. As it is envisaged that the Subscription is not interconditional with the Disposal, the Subscription can continue to proceed in such a case. The Company will apply for the consent of the Executive as described above.

## **PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL**

As at the date of this joint announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, of which 4,982,375,490 Shares have been allotted and issued as fully paid or credited as fully paid. In order for the Company to undertake future issuances of Shares, the Board proposes the Authorised Share Capital Increase to increase the authorised share capital of the Company to HK\$200,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares. The proposed Authorised Share Capital Increase is subject to the approval of the Shareholders at the EGM.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Subscriber intends for the Company to maintain the listing status of the Shares on the Main Board of the Stock Exchange after the Completion.

## **EGM**

The EGM will be convened and held for the purposes of considering and if thought fit, approving the Subscription, the granting of the Specific Mandate, the Authorised Share Capital Increase and the Whitewash Waiver. The voting in relation to the Subscription and the Whitewash Waiver at the EGM will be conducted by way of a poll.

The Circular containing, among other things, (i) details of the Subscription, the granting of the Specific Mandate, the Authorised Share Capital Increase and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; and (iv) a notice convening the EGM is expected to be despatched within 21 days of the date of this joint announcement.

## **INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER**

The Independent Board Committee has been established for the purpose of making a recommendation to the Independent Shareholders in respect of the Subscription and the Whitewash Waiver.

The Independent Board Committee comprises all the independent non-executive Directors, namely, Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson. None of the members of the Independent Board Committee has any direct or indirect interest in the Subscription and the Whitewash Waiver.

The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee in relation to the Subscription and the Whitewash Waiver. The advice of the Independent Financial Adviser will be contained in the Circular.

## **SUSPENSION OF TRADING IN THE SHARES**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 11 December 2018. Trading in the Shares on the Stock Exchange will continue to be suspended pending the release of an announcement in relation to the Disposal.

## **WARNING**

**The Subscription is subject to the fulfillment or waiver (as the case may be) of a number of Conditions set out under the section headed “Conditions of the Subscription” in this joint announcement, including approval by the Shareholders at the EGM for the Subscription. As such, the Subscription may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.**

Reference is made to the announcements of the Company dated 27 September 2018 in relation to, among others, the entering into by the Company of a memorandum of understanding for the Subscription (the “**Memorandum Announcement**”).

The Board is pleased to announce that the Subscriber, the Company and the Guarantor have entered into the Subscription Agreement on 14 December 2018. A summary of the principal terms of the Subscription Agreement is set out below.

## **SUBSCRIPTION AGREEMENT**

Date: 14 December 2018

### **Parties**

- (i) The Company, as issuer;
- (ii) CAM SPC – CNNC-IFMC HK Industry Fund SP as subscriber; and
- (iii) Jiangsu Shunfeng Photovoltaic Technology Company Limited\* (江蘇順風光電科技有限公司) as guarantor.

### **The Subscription**

Pursuant to the Subscription Agreement, the Company has conditionally agreed to allot and issue to the Subscriber, and the Subscriber has conditionally agreed to subscribe for, 7,591,153,464 Subscription Shares (representing (i) approximately 152.36% of the issued share capital of the Company as at the date of this joint announcement, and (ii) approximately 60.37% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares)) at the Subscription Price of HK\$0.214 per Subscription Share.

### **Mandate for the issue of the Subscription Shares**

The Company will allot and issue the Subscription Shares under the Specific Mandate to be approved by the Independent Shareholders at the EGM.

### **Ranking**

The Subscription Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue as at the date of the allotment and issue of the Subscription Shares.

The aggregate amount of the consideration for the Subscription Shares is approximately HK\$1,624,000,000, which shall be payable by the Subscriber in cash at Completion.

The Subscription Price, being HK\$0.214 per Subscription Share, represents:

- (i) a discount of approximately 58.85% to the closing price of HK\$0.52 per Share as quoted on the Stock Exchange on 10 December 2018, being the Last Trading Day;
- (ii) a discount of approximately 55.79% to the average of the closing price per Share of approximately HK\$0.484 as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 55.51% to the average of the closing price per Share of approximately HK\$0.481 as quoted on the Stock Exchange for the last 10 trading days up to and including the Last Trading Day;
- (iv) a discount of approximately 48.80% to the average of the closing prices per Share of approximately HK\$0.418 as quoted on the Stock Exchange for the last 30 trading days up to and including the Last Trading Day;
- (v) a discount of approximately 34.76% over the average of the closing prices per Share of approximately HK\$0.328 as quoted on the Stock Exchange for the last 90 trading days up to and including the Last Trading Day;
- (vi) a discount of approximately 85.59% of the audited consolidated net asset value per Share of approximately HK\$1.485 as at 31 December 2017;
- (vii) a discount of approximately 81.22% of the unaudited consolidated net asset value per Share of approximately HK\$1.140 as at 30 June 2018; and
- (viii) a discount of approximately 35.15% of the price as at the date of the Memorandum Announcement.

The Subscription Price was arrived at after arm's length negotiations among the Company and the Subscriber taking into consideration, among other things: (i) the market price of the Shares under prevailing market and economic conditions; (ii) the net loss of the Group for the two years ended 31 December 2017 and for the six months ended 30 June 2018; and (iii) the capital needs and financial position of the Group.

The Directors believe that the Subscription and the Subscriber's takeover of the Company have a strategic meaning to the Group and will help grow the business of the Group significantly by leveraging on the extensive business networks and clientele of CNNC-IFMC and its parent group companies, in addition to the enhancement of the working capital position of the Group.

In light of the factors set out above, the Directors (excluding the independent non-executive Directors who will provide their view in the Circular after considering the advice from the Independent Financial Adviser) consider that the terms of the Subscription are fair and reasonable and on normal commercial terms and the entering into of the Subscription Agreement is in the interests of the Company and the Shareholders as a whole.

## Conditions of the Subscription

Completion is conditional upon satisfaction (or, where applicable, waiver) of the following Conditions:

- (i) the clearance of all necessary announcement(s) and circulars (if any) in relation to the Subscription and the transactions contemplated thereunder by the Stock Exchange and the Executive;
- (ii) the Whitewash Waiver being granted by the Executive to the Subscriber (and such grant not having been withdrawn) and any necessary conditions, if any, attached to the Whitewash Waiver having been fulfilled;
- (iii) the Subscriber being reasonably satisfied with the Hong Kong legal opinion and Cayman legal opinion to be issued by the Company lawyers in relation to, among other matters, (i) the capacity of the Company and the Guarantor entering into the Subscription Agreement; (ii) the performance of the rights and obligations in respect of the Company and the Guarantor under the Subscription Agreement; and (iii) the legality, validity and enforceability of the transactions contemplated under the Subscription Agreement and other matters customary for transactions of this nature;
- (iv) the passing of all necessary resolutions pursuant to the Listing Rules and the Takeovers Code for the Subscription and the transactions contemplated thereunder by the Independent Shareholders at the EGM, including but not limited to the following:
  - (a) the execution, delivery and performance of Subscription Agreement and transactions contemplated thereunder;
  - (b) the granting of a Specific Mandate to the Directors or any authorised representatives to allot and issue the Subscription Shares and to enter the name of the Subscriber into the register of members of the Company as the owner of the Subscription Shares;
  - (c) the Authorised Share Capital Increase; and
  - (d) the Whitewash Waiver;
- (v) each party to the Subscription Agreement and/or its respective subsidiaries and holding companies (as the case may be) shall comply with all applicable laws and regulations, including but not limited to the Listing Rules, the Takeovers Code, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the SFO and the laws and regulations of the places of incorporation of the relevant parties, for the operation of their respective businesses;
- (vi) the Listing Committee having granted (either unconditionally or subject only to conditions to which neither the Company nor the Subscriber objects) listing of and permission to deal in the Subscription Shares and the permission not being revoked or withdrawn by the Stock Exchange;

- (vii) save as the suspension of the trading of Shares for the purposes of obtaining the approval from the Stock Exchange and the SFC for any announcement or circulars in relation to the Subscription Agreement and the transactions contemplated thereunder or the Disposal, there being no other suspension of trading of Shares;
- (viii) the Stock Exchange and/or the SFC not having represented to the Company that the listing status of the Shares be cancelled or the continued listing of the Shares not allowed for any reason;
- (ix) each party to the Subscription Agreement and/or its respective subsidiaries or holding companies (as the case may be) having obtained all approval, permission, consent, authorisation, assurance, confirmation and certificates (if any) from the relevant governmental, executive, regulatory, judicial bodies, court or arbitral organization (including the Stock Exchange, the SFC and the other relevant stock exchanges) of relevant jurisdiction (whether supernational, national or regional) for the Subscription Agreement and the transactions contemplated thereunder;
- (x) the representation and warranties given by the Company in the Subscription Agreement remaining true, accurate and complete in all material respects and not misleading to the material extent on or before the Conditions being satisfied (or waived);
- (xi) no material adverse change to the business, assets, financial situation, performance, operation, properties and conditions (whether financial or otherwise) of the Group;
- (xii) no Substantial Impairment;
- (xiii) the passing of all necessary resolutions pursuant to the Listing Rules and the Takeovers Code for the Subscription and the transactions contemplated thereunder by the Board or other authorities (if any), including but not limited to the following:
  - (a) the resignation of certain executive Directors and the independent non-executive Directors as determined by the Subscriber as the Directors with effect from the Completion; or in the event that the Subscriber and the Company collectively waive conditions (ii) and (iv)(d), the earliest date as permitted for such resignations under the Takeovers Code or other applicable laws, whichever is the later; and
  - (b) the appointment of persons nominated by the Subscriber as Directors taking effect on the Completion Date or in the event that the Subscriber and the Company collectively waive conditions (ii) and (iv)(d), the earliest date as permitted for such appointments under the Takeovers Code or other applicable laws, whichever is the later;
- (xiv) the board of directors of the Subscriber or any other relevant authorities approving the execution, delivery and performance of Subscription Agreement and transactions contemplated thereunder;



- (xv) no notice, order, judgment, action or proceeding of any court, arbitrator, governmental authority, statutory or regulatory body having been served, issued or made which restrains, prohibits or makes unlawful any transaction contemplated by the Subscription Agreement or which is reasonably likely to materially and adversely affect the right of the Subscriber to own the legal and beneficial title to the Subscription Shares, free from Encumbrances, following the Completion Date;
- (xvi) documentary evidence reasonably satisfactory to the Subscriber proving that Mr. Cheng Kin Ming and the companies controlled by him (including but not limited to Peace Link, Asia Pacific Resources and Faithsmart Limited) have waived the right of adjustments to the exercise prices of the outstanding Convertible Bonds held by them and the number of Shares to be issued upon exercise of the outstanding Convertible Bonds held by them in connection with or as result of the Subscription;
- (xvii) the provision of each of the consolidated management accounts of the Remaining Group as at the last day of each month between 30 October 2018 and the Completion Date to the Subscriber and no material adverse change to the financial situation, management, business, properties, performance, legal or financing structure, assets and liabilities of the Remaining Group as compared with the consolidated accounts of the Group as at 30 October 2018 save as disclosed in the Disclosure Letter; and
- (xviii) the Company confirming to the Subscriber that the Conditions have been fulfilled or will be fulfilled (or waived) on the Completion Date in the manner of a confirmation letter.

Save and except conditions (iii), (v), (vii) to (xviii) above which can be waived by the Subscriber and conditions (ii) and (iv)(d) which can be waived by the Subscriber and the Company collectively by notice in writing, no other conditions precedent can be waived. Subject to the terms of the Subscription Agreement, in the event that any of the Conditions shall not have been fulfilled (or waived, if applicable) prior to 31 March 2019 (or such later date which may be agreed by the parties to the Subscription Agreement), the Subscription Agreement shall cease to be of any effect.

**In the event that the Whitewash Waiver is not granted by the Executive, the Subscriber and the Company collectively waive conditions (ii) and (iv)(d) above, and elect to proceed with the Subscription in the absence of the Whitewash Waiver, the Subscriber will be obliged to make the Possible Offers. Announcement(s) will be made by the Company and the Subscriber in this regard in compliance with the Listing Rules and the Takeovers Code as and when appropriate. In addition, in the event that less than 75% of Independent Shareholders approve the Whitewash Waiver at the EGM, the intention of the Subscriber and the Company as to whether or not they will complete the Subscription in the absence of the Whitewash Waiver, and hence make the Possible Offers upon the Completion will be disclosed in the announcement of the results of the EGM.**

## **Guarantee**

Pursuant to the Subscription Agreement, the Guarantor has agreed to irrevocably and unconditionally guarantee to the Subscriber that the Guarantor has to indemnify the amount of contingent liability of the Remaining Group as at 30 October 2018 under the applicable accounting principles (if applicable)

save as to be disclosed in the Disclosure Letter or to be consented by the Subscriber, and the amount of impairment loss of the Remaining Group if there is any Substantial Impairment. The maximum amount that the guarantor has to indemnify is the aggregate amount of the consideration of the Subscription.

### **Application for listing**

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

### **Completion**

Completion will take place on the three Business Days after all of the Conditions have been fulfilled or waived, or on such other date as the parties to the Subscription Agreement may agree.

### **IRREVOCABLE UNDERTAKING**

Mr. Cheng Kin Ming has irrevocably undertaken to the Subscriber that, among others, unless with the prior written consent of the Subscriber, he will ensure and procure that, after the Completion, companies controlled by him, including Peace Link, Asia Pacific Resources and Faithsmart (i) will not exercise the right of adjustments to the exercise prices of the outstanding Convertible Bonds held by them and the number of Shares to be issued upon exercise of the Convertible Bonds held by them; and (ii) will not, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of the issued Shares and/or Convertible Bonds held by any of them before 30 December 2019.

Mr. Cheng Kin Ming has also irrevocably undertaken to the Subscriber that in the event that the Possible Offers are made, he will not accept, and will procure that companies controlled by him, including Peace Link, Asia Pacific Resources and Faithsmart will not accept, the Possible Offers to be made by the Subscriber with respect to the issued Shares and Convertible Bonds held by them directly or indirectly, and that, from the date of the Subscription Agreement until the closing date of the Possible Offers, it will not, and will procure companies controlled by him, including Peace Link, Asia Pacific Resources and Faithsmart will not, whether directly or indirectly, sell, transfer, encumber or otherwise dispose of the issued Shares and/or Convertible Bonds held by any of them or convert any part of or the whole of such Convertible Bonds into Shares without prior written consent of the Subscriber. As such, the Possible Offers will not be extended to Mr. Cheng Kin Ming, Peace Link, Asia Pacific Resources and Faithsmart.

As Mr. Cheng Kin Ming and the companies controlled by him do not hold any of the 2014 June Convertible Bonds, the abovementioned undertakings by Mr. Cheng Kin Ming are not applicable to the 2014 June Convertible Bonds as far as Mr. Cheng Kin Ming is concerned.

### **TAKEOVERS CODE IMPLICATIONS**

#### **Application for the Whitewash Waiver**

As at the date of this joint announcement, the Subscriber and parties acting in concert with it do not have any control or direction over any Shares, options, derivatives, warrants or securities which are

convertible into or exchangeable for securities of the Company or any other interests in the issued share capital or voting rights of the Company. Immediately upon Completion, assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares, the Subscriber (together with parties acting in concert with it) will be interested in 7,591,153,464 Shares, representing approximately 152.36% of the issued share capital of the Company as at the date of this joint announcement and approximately 60.37% of the issued share capital of the Company as enlarged by the allotment and issuance of the Subscription Shares.

Under Rule 26.1 and Rule 13 of the Takeovers Code, upon the allotment and issuance of the Subscription Shares at Completion, the Subscriber would be obliged to make a mandatory general offer to the Shareholders for all the issued Shares and other securities of the Company and all the Convertible Bonds not already owned or agreed to be acquired by the Subscriber and parties acting in concert with it, unless the Whitewash Waiver is granted by the Executive and the approval by 75% of the Independent Shareholders is obtained in accordance with the Takeovers Code.

The Subscriber has applied to the Executive for the Whitewash Waiver pursuant to Note 1 on dispensations from Rule 26 and Rule 13 of the Takeovers Code, which, if granted, will be subject to the approval by 75% of the Independent Shareholders taken by way of poll at the EGM.

**The Whitewash Waiver may or may not be granted by the Executive and if granted, will be subject to approval by 75% of Independent Shareholders at the EGM. The grant of the Whitewash Waiver by the Executive and the approval of the Whitewash Waiver by 75% of the Independent Shareholders are conditions precedent to the Completion. If the Whitewash Waiver is not granted by the Executive or not approved by 75% of the Independent Shareholders, the Subscriber and the Company may collectively elect to waive this condition and proceed with the Subscription in the absence of the Whitewash Waiver. Accordingly, if the Subscriber and the Company elect to proceed with the Subscription in the absence of the Whitewash Waiver, the Subscriber will be obliged to make the Possible Offers. Relevant announcement(s) will be made by the Company and the Subscriber in compliance with the Listing Rules and the Takeovers Code as and when appropriate.**

### **The Disposal and special deal**

The Subscriber is aware of the Disposal at the consideration of approximately RMB4,700 million, the details of which will be set out in the announcement to be made by the Company in relation to the Disposal. Completion of the Subscription is not conditional upon the completion of the Disposal.

As the Disposal, if materialises, is an arrangement between the Company and the Purchaser, which is not capable of being extended to all shareholders of the Company, the Disposal constitutes a special deal of the Company under Rule 25 of the Takeovers Code and requires the consent of the Executive. Such consent, if granted, will be subject to (i) the opinion of an independent financial adviser to the Company that the terms of the Disposal are fair and reasonable; and (ii) the approval of the Disposal by disinterested shareholders of the Company by way of poll at an EGM of the Company. If the consent of the Executive cannot be obtained, it is envisaged that the Company will not proceed with the Disposal.

As it is envisaged that the Subscription is not interconditional with the Disposal, the Subscription can continue to proceed in such a case. The Company will apply for the consent of the Executive as described above.

## **DEALING AND INTEREST OF THE SUBSCRIBER AND PARTIES ACTING IN CONCERT WITH IT IN THE SECURITIES OF THE COMPANY**

As at the date of this joint announcement, save for the Subscription:

- (i) save that the shareholding interests set out in the section headed “*SHAREHOLDING STRUCTURE OF THE COMPANY*” of this joint announcement, the Subscriber and parties acting in concert with it do not hold, control or have direction over any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (ii) the Subscriber and parties acting in concert with it have not borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (iii) there is no arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or the Subscriber, which might be material to the transactions contemplated under the Subscription Agreement or the Whitewash Waiver, with any other persons; and
- (iv) there is no agreement or arrangement to which the Subscriber or any party acting in concert with it is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under the Subscription Agreement or the Whitewash Waiver.

Except for the entering into of the Subscription Agreement, none of the Subscriber and parties acting in concert with it, has dealt in the Shares, outstanding options, derivatives, warrants or other securities convertible or exchangeable into Shares, during the six months prior to the date of the Memorandum Announcement.

Apart from the (i) Subscription Agreement to which the Guarantor is a party; (ii) the Disposal; and (iii) the irrevocable undertaking by Mr. Cheng Kin Ming as described under the section headed “*Irrevocable Undertaking*” in this joint announcement, there are no other understanding, arrangement or agreement between Mr. Cheng Kin Ming and parties acting in concert with him on the one hand and (a) the Subscriber and parties acting in concert with it; or (b) the Company and its subsidiaries and associated companies on the other hand.

There is no arrangement, understanding or agreement between any Shareholders (apart from Mr. Cheng Kin Ming) on the one hand and (a) the Subscriber and parties acting in concert with it; or (b) the Company and its subsidiaries and associated companies on the other hand.

Other than the entering into of the MOU and the Subscription Agreement, neither the Subscriber nor any party acting in concert with it has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company during the six months prior to the date of the Memorandum Announcement and the period up to and including the date of this joint announcement, and none of them is interested in any issued Shares or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company as at the date of this joint announcement.

## PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As at the date of this joint announcement, the authorised share capital of the Company is HK\$100,000,000 divided into 10,000,000,000 Shares, of which 4,982,375,490 Shares have been allotted and issued as fully paid or credited as fully paid. As at the date of this joint announcement, other than the said 4,982,375,490 Shares and 1,866,012,528 shares which may be issued by the Company upon full conversion of the Convertible Bonds, the Company does not have any other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in issue.

In order for the Company to undertake future issuances of Shares, the Board proposes to increase the authorised share capital of the Company to HK\$200,000,000 divided into 20,000,000,000 Shares by the creation of an additional 10,000,000,000 Shares (i.e. the Authorised Share Capital Increase). The proposed Authorised Share Capital Increase is subject to the approval of the Shareholders at the EGM.

Immediately after the Authorised Share Capital Increase, the authorised share capital of the Company will be HK\$200,000,000 divided into 20,000,000,000 Shares.

An ordinary resolution, to be voted by way of a poll, to approve the proposed Authorised Share Capital Increase will be proposed at the EGM. Further information about the Authorised Share Capital Increase will be included in the Circular to be issued and despatched by the Company in relation to the Subscription together with the notice of the EGM.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) upon Completion (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares).

Shareholders	As at the date of this joint announcement		Upon Completion (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
The Subscriber and parties acting in concert with it	–	–	7,591,153,464	60.37
Peace Link Services Limited (Note 1)	1,414,886,101	28.40	1,414,886,101	11.25
Asia Pacific Resources Development Investment Limited (Note 2)	75,557,191	1.52	75,557,191	0.60
Mr. Cheng Kin Ming (Note 3)	3,452,000	0.07	3,452,000	0.03

Shareholders	As at the date of this joint announcement		Upon Completion (assuming there is no change in the issued share capital of the Company other than the issue of the Subscription Shares)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Wang Yu ( <i>Note 4</i> )	18,691,588	0.38	18,691,588	0.15
Public	3,469,788,610	69.64	3,469,788,610	27.60
Total	<u>4,982,375,490</u>	<u>100.00</u>	<u>12,573,528,954</u>	<u>100.00</u>

Notes:

- Peace Link Services Limited is wholly owned by Faithsmart Limited which is in turn wholly owned by Mr. Cheng Kin Ming. As at the date of this joint announcement, Peace Link Services Limited holds 1,414,886,101 Shares in its personal capacity.
- Asia Pacific Resources Development Investment Limited is the beneficial owner of 100% issued shares of Peace Link Services Limited. As at the date of this joint announcement, Asia Pacific Resources Development Investment Limited holds 75,557,191 Shares in its personal capacity.
- Mr. Cheng Kin Ming is the beneficial owner of 100% issued shares of Faithsmart Limited. In turn, Faithsmart Limited is the beneficial owner of 100% issued shares of Asia Pacific Resources Development Investment Limited, and in turn, Asia Pacific Resources Development Investment Limited is the beneficial owner of 100% issued shares of Peace Link Services Limited. As at the date of this joint announcement, Mr, Cheng Kin Ming holds 3,452,000 Shares in his personal capacity.
- Mr. Wang Yu is an executive Director. As at the date of this joint announcement, Mr. Wang Yu holds 18,691,588 Shares in his personal capacity.

## INFORMATION ON THE GROUP

The Group has evolved from engaging purely in solar power business into a diversified leading integrated provider of clean energies and low-carbon and energy-saving solutions with international influences. The Group will continue to proactively explore various kinds of clean energy resources with an aim to lay a solid foundation for its development into a global leading supplier which can provide low-carbon and energy-saving integrated solutions.

## INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the Cayman Islands and is jointly managed by CNNC-IFMC and Cornucopiae in their capacity as investment manager. It is principally engaged in investment holding. As at the date of this joint announcement, the Subscriber is wholly-owned by Ms. Xiao Yanming (肖豔明女士).

CNNC-IFMC is a private equity fund manager established by CNNC on 4 July 2011 and is registered with the Asset Management Association of China. CNNC-IFMC is principally engaged in fund management in the PRC in the clean energy industry and also has a large number of clean energy manufacturing technologies and upstream and downstream customer resources.

Cornucopiae is a company incorporated in Hong Kong with limited liability on 27 February 2008 and is a licensed corporation registered under the Securities and Futures Ordinance. It is principally engaged in the business of dealing in securities, provision of investment advisory services to clients and managing investment portfolios for professional/institutional investors mainly in Greater China and Hong Kong. It is licensed to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Subscriber, CNNC-IFMC and Cornucopiae and does not hold any Shares or any other securities of the Company as at the date of this joint announcement, and the Subscriber, CNNC-IFMC and Cornucopiae and its respective beneficial owner(s) are third parties independent to, and not connected with the Company and its connected persons (as defined under the Listing Rules).

## **FUTURE INTENTIONS OF THE SUBSCRIBER REGARDING THE GROUP**

Following the Completion, it is the intention of the Subscriber that the Group will remain to focus its current business and develop the Group into a global leading clean energy provider. Specifically, the Subscriber intends to focus on (i) in the solar power businesses including the development and management of solar power plants and manufacturing related equipment; (ii) LED manufacturing and sales business; and (iii) exploring other kinds of clean energy businesses such as nuclear energy.

The Subscriber intends to carry out possible asset injection in the future, but no concrete plan had been concluded. The Subscriber also intends to conduct a detailed review of the operations and business activities of the Group and formulate business strategies for the Group's long term development and will explore other business opportunities for the Group, including the feasibility of diversifying the income stream of the Group by exploring business opportunities in different business areas, which may or may not include any assets and/or business acquisitions or disposals, fund raising, restructuring of the business and/or business diversification, as appropriate to enhance the growth of the Group. Subject to further investigation into the business opportunities in the related areas, the Subscriber will present suitable propositions to the Company in due course. Any such transactions will only be made in compliance with the Listing Rules.

Also, the Subscriber has not entered into any agreement, arrangements, understandings, intention or negotiations in relation to the continued employment of the employees, disposal and/or re-deployment of the assets (including fixed assets) of the Group. The Board is of the view that the Subscriber's intention in respect of the Company is in the best interest of the Company and the Shareholders as a whole due to the following reasons.

The Group's business and profitability has been affected by the uncertainty of the global and PRC economy and overall industry downturn, in particular, the Group has recorded a net loss for the two consecutive financial years since 2016 and the latest interim period ended 30 June 2018. The Group would need further financial support to maintain its market competitiveness.

The Group's short-term debt repayment pressure is high, material outstanding debt balance are about to expire by 2019. Through the negotiation with creditors, the management of the Company understands that changes in the Group's operations or shareholding structure would be one of the factors in extending, renewing or restructuring the loans.

In view of the above difficulties and the fact that the Group's principal business involves advance technology and is difficult to operate, the number of potential investor suitable for the Company is limited. Though obtaining other financing would be one of the measures to mitigate the current situation facing the Company, it would incur additional finance costs and not be in the best interest of the Company and its Shareholders. The Subscription introduces new investor with strong industry and financial backgrounds, which is beneficial to the Company in resolving its current situation.

If the Subscription is completed, the Directors believe that CNNC-IFMC, as one of the managers of the Subscriber, can provide a network that would not only contribute to overcoming the Company's current operational difficulties, but also improve its market competitiveness. CNNC-IFMC has a large number of clean energy manufacturing technologies and upstream and downstream customer resources, which can support the Company's development. With strong management experience in clean energy such as hydropower, CNNC-IFMC will also have a beneficial impact on the Company's asset restructuring, management optimization and market expansion.

As at the date of this announcement, the Subscriber intends to nominate, among others, Mr. Zheng Anbo (鄭安博先生), a current director of CNNC-IFMC with extensive management experience in clean energy, as Director and chairman of the Board (and other as Directors which are yet to be confirmed), at the earliest time allowed under the Takeovers Code. This indicates strong commitment of CNNC-IFMC as a co-manager of the Subscriber to the Company's development.

Although Mr. Zhang Fubo, Mr. Lu Bin, Mr. Chen Shi and other independent non-executive Directors as to be determined by the Subscriber would resign as Directors in accordance with the Subscription Agreement, these Directors also have management experience in clean energy and rely on the expertise of its employees in specific areas of clean energy such as solar power businesses, as such their resignations would not significantly affect the operation of the Company's solar power businesses.

### **Proposed change of Board composition**

The Board is currently made up of seven Directors, comprising four executive Directors, being Mr. Zhang Fubo, Mr. Wang Yu, Mr. Lu Bin and Mr. Chen Shi, and three independent non-executive Directors, being Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson.

Pursuant to the terms of the Subscription Agreement, the Company shall cause Mr. Zhang Fubo, Mr. Lu Bin, Mr. Chen Shi and the independent non-executive Directors determined by the Subscriber to give notice to resign as Directors with effect from the Completion Date. The Subscriber intends to nominate new Directors to the Board at the earliest time as allowed under the Takeovers Code.

Any changes to the Board composition and new appointment of Directors will be made in compliance with the Takeovers Code and the Listing Rules.



## **USE OF PROCEEDS AND REASONS FOR AND BENEFITS OF THE SUBSCRIPTION**

The gross proceeds from the Subscription would amount to approximately HK\$1.624 billion. The Company intends to apply all of the gross proceeds from the Subscription to satisfy the Company's debt repayment obligations and related financing expenses other than debts owed by the Group to the Shareholders, as any repayment of debts owned by the Group to the Shareholders would constitute a special deal under Rule 25 of the Takeovers Code which requires the consent of the Executive.

The Directors (excluding the independent non-executive Directors who will provide their view in the Circular after considering the advice from the Independent Financial Adviser) consider the terms of the Subscription Agreement and the transactions contemplated thereunder to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY**

The Subscriber intends for the Company to maintain the listing status of the Shares on the Main Board of the Stock Exchange after the Completion.

According to the Listing Rules, if, at the Completion, less than the minimum prescribed percentage applicable to the Company, being 25% of the Shares, are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or
- (b) there are insufficient Shares in public hands to maintain an orderly market,

then the Stock Exchange may exercise its discretion to suspend dealings in the Shares.

The new Directors who will be nominated by the Subscriber and to be appointed as Directors and the then director(s) of the Company will undertake to the Stock Exchange to take appropriate steps to restore the minimum public float as required under the Listing Rules as soon as possible following the Completion to ensure that sufficient public float exists for the Shares.

## **NO FUND RAISING EXERCISE FOR THE PAST 12 MONTHS**

Save for the Subscription, the Company did not undertake any equity fund raising exercise in the past 12 months immediately prior to the date of this joint announcement.

## **GENERAL**

### **EGM**

The EGM will be convened and held for the purposes of considering and if thought fit, approving the Subscription, the granting of the Specific Mandate, the Authorised Share Capital Increase and the Whitewash Waiver. The voting in relation to the Subscription and the Whitewash Waiver at the EGM will be conducted by way of a poll.

The Circular containing, among other things, (i) details of the Subscription, the granting of the Specific Mandate, the Authorised Share Capital Increase and the Whitewash Waiver; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscription and the Whitewash Waiver; and (iv) a notice convening the EGM, is expected to be despatched within 21 days of the date of this joint announcement.

### **Independent Board Committee and Independent Financial Adviser**

An Independent Board Committee which comprises all the independent non-executive Directors, namely, Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson has been established to advise the Independent Shareholders in respect of the Subscription and the Whitewash Waiver. None of the members of the Independent Board Committee has any direct or indirect interest in the Subscription and the Whitewash Waiver.

An Independent Financial Adviser has been appointed, as approved by the Independent Board Committee, to advise the Independent Board Committee in respect of the Subscription and the Whitewash Waiver.

### **SECURITIES OF THE COMPANY**

As at the date of this announcement, details of all classes of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company are as follows:

- (a) a total of 4,982,375,490 Shares are in issue;
- (b) outstanding convertible bonds issued on 28 February 2013 in the principal amount of HK\$143,600,000, which is convertible into 671,028,037 Shares upon full conversion at the conversion price of HK\$0.214 per Share;
- (c) outstanding convertible bonds issued on 19 August 2013 in the principal amount of HK\$468,500,000, which is convertible into 508,134,491 Shares upon full conversion at the conversion price of HK\$0.922 per Share;
- (d) outstanding convertible bonds issued on 16 April 2014 in the principal amount of HK\$2,148,000,000, which is convertible into 600,000,000 Shares upon full conversion at the conversion price of HK\$3.58 per Share; and
- (e) outstanding convertible bonds issued on 16 June 2014 in the principal amount of HK\$868,500,000, which is convertible into 86,850,000 Shares upon full conversion at the conversion price of HK\$10 per Share.

## DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, the associates of the Company and the Subscriber (as defined under the Takeovers Code, including persons holding 5% or more of a class of relevant securities issued by the Company or the Subscriber) are hereby reminded to disclose their dealings in any securities of the Company pursuant to Rule 22 of the Takeovers Code. In accordance with Rule 3.8 of the Takeovers Code, the full text of Note 11 to Rule 22 of the Takeovers Code is reproduced below:

### ***“Responsibilities of stock brokers, banks and other intermediaries***

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## SUSPENSION OF TRADING IN THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 11 December 2018. Trading in the Shares on the Stock Exchange will continue to be suspended pending the release of an announcement in relation to the Disposal.

## WARNING

**The Subscription is subject to the fulfillment or waiver (as the case may be) of a number of Conditions set out under the section headed “Conditions of the Subscription” in this joint announcement, including approval by the Shareholders at the EGM for the Subscription. As such, the Subscription may or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.**

## DEFINITIONS

“2013 February Convertible Bonds”	unsecured convertible bonds in aggregate principal amount of HK\$449,400,000 due on 27 February 2033 issued by the Company on 28 February 2013 pursuant to the terms and conditions of the subscription agreement dated 31 December 2012 and convertible into Shares at the conversion price of HK\$0.214 per Share
“2013 August Convertible Bonds”	unsecured convertible bonds in aggregate principal amount of HK\$930,500,000 due on 18 August 2023 issued by the Company on 19 August 2013 pursuant to the terms and conditions of the subscription agreement dated 28 June 2013 and convertible into Shares at the conversion price of HK\$0.922 per Share
“2014 April Convertible Bonds”	unsecured convertible bonds in aggregate principal amount of HK\$3,580,000,000 due on 15 April 2024 issued by the Company on 16 April 2014 pursuant to the terms and conditions of the subscription agreement dated 29 November 2013 and convertible into Shares at the conversion price of HK\$3.58 per Share
“2014 June Convertible Bonds”	unsecured convertible bonds in aggregate principal amount of up to HK\$2,137,230,000 due on 15 June 2019 issued by the Company on 16 June 2014 pursuant to the terms and conditions of the placing agreement dated 14 April 2014 and convertible into Shares at the conversion price of HK\$10 per Share
“acting in concert”	has the meaning given to it under the Takeovers Code
“Authorised Share Capital Increase”	the proposed increase in the authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 Shares to HK\$200,000,000 divided into 20,000,000,000 Shares
“Asia Pacific Resources”	Asia Pacific Resources Development Investment Limited, a company incorporated in the British Virgin Islands and is indirectly wholly-owned by Mr. Cheng Kin Ming
“Board”	the board of directors of the Company
“Business Day(s)”	a day (other than a Saturday or Sunday or public holiday in Hong Kong and any day on which a tropical cyclone warning no. 8 or above or a “black” rain warning signal is hoisted in Hong Kong) on which commercial banks are open for business in Hong Kong and in the PRC

“CAM SPC”	an exempted company incorporated with limited liability, registered as a segregated portfolio company under the laws of the Cayman Islands
“Circular”	the circular to be issued by the Company in relation to (among other things) the Subscription, the Authorised Share Capital Increase and the Whitewash Waiver
“Company”	Shunfeng International Clean Energy Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the Subscription pursuant to the terms of the Subscription Agreement
“Completion Date”	three Business Days after all the Conditions are fulfilled or waived or such later date which may be agreed by the parties to the Subscription Agreement
“Cornucopiae”	Cornucopiae Asset Management Limited, a company incorporated in Hong Kong with limited liability and is a licensed corporation registered under SFO
“Condition(s)”	the condition(s) precedent set out under the section headed “ <i>Conditions of the Subscription</i> ” in this joint announcement
“connected person(s)”	has the meaning ascribed to this term under the Listing Rules
“Convertible Bonds”	the 2013 February Convertible Bonds, the 2013 August Convertible Bonds, the 2014 April Convertible Bonds and the 2014 June Convertible Bonds
“CNNC”	The China National Nuclear Corporation
“CNNC-IFMC”	CNNC Industry Fund Management Corporation*, a private equity fund manager established by CNNC in China on 4 July 2011 and is registered with the Asset Management Association of China
“Directors”	members of the board of directors of the Company
“Disclosure Letter”	the Disclosure Letter signed by the Company on the Completion Date

“Disposal”	the sale by Shunfeng Photovoltaic Holdings Limited to Asia Pacific Resources of 100% of the equity interests in the Guarantor pursuant to the Disposal Agreement
“Disposal Agreement”	the disposal agreement dated 10 December 2018 and entered into between Shunfeng Photovoltaic Holdings Limited and Asia Pacific Resources in relation to the Disposal
“EGM”	the extraordinary general meeting of the Company to be held to approve the Subscription, the Specific Mandate, the Authorised Share Capital Increase and the Whitewash Waiver
“Encumbrance”	any mortgage, lien, charge, pledge, assignment by way of security, security interest, title retention, preferential right or trust arrangement, claim, covenant, profit a prendre, easement or other security arrangement or any other arrangement having the same effect
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission or any delegate of the Executive Director
“Faithsmart”	Faithsmart Limited, a company incorporated in the British Virgin Islands and is indirectly wholly-owned by Mr. Cheng Kin Ming
“Group”	the Company and each of its Subsidiaries from time to time
“Guarantor”	Jiangsu Shunfeng Photovoltaic Technology Company Limited* (江蘇順風光電科技有限公司), a company established in the PRC with limited liability and upon completion of the Disposal, an indirect wholly owned subsidiary of Mr. Cheng Kin Ming
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent board committee, comprising all the independent non-executive Directors, namely Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson to advise the Independent Shareholders in respect of the Subscription and the Whitewash Waiver

“Independent Financial Adviser”	Platinum Securities Company Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed by the Independent Board Committee to advise the Independent Board Committee in respect of the Subscription and the Whitewash Waiver
“Independent Shareholders”	Shareholders other than (i) the Subscriber, (ii) Mr. Cheng Kin Ming, Peace Link, Asia Pacific Resources, Faithsmart, (iii) Wang Yu and (iv) parties acting in concert with any of them and (v) those who are interested or involved in the Subscription Agreement and the transactions contemplated thereunder
“Last Trading Day”	10 December 2018, being the last trading day for the Shares before the date of this joint announcement
“Listing Committee”	has the meaning given to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	a memorandum of understanding dated 21 September 2018 between the Company, CNNC-IFMC and Cornucopiae in relation to, among other things, the Subscription
“Peace Link”	Peace Link Service Limited, a company incorporated in the British Virgin Islands and is indirectly wholly-owned by Mr. Cheng Kin Ming
“Possible Offers”	the mandatory general offers that may be made by the Subscriber to all the issued shares and convertible securities (including the Convertible Bonds) of the Company (which are not owned or agreed to be acquired by the Subscriber) under Rule 26 and Rule 13 of the Takeovers Code in the event that it elects to proceed with the Completion in the absence of the Whitewash Waiver
“PRC”	the People’s Republic of China, and for the purpose of this joint announcement only excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan
“Pro Forma Financial Statements”	consolidated accounts of the Remaining Group as at one month prior to the Completion Date prepared by Deloitte Touche Tohmatsu

“Remaining Group”	the Company and its subsidiaries, except the Guarantor and its subsidiaries, after the completion of the Disposal
“Reviewed Accounts”	consolidated accounts of the Remaining Group as at 30 October 2018 reviewed by Deloitte Touche Tohmatsu
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	shares of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	the specific mandate, subject to Shareholders’ approval, to be granted to the Directors to issue the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	CAM SPC – CNNC-IFMC HK Industry Fund SP, a fund incorporated in the Cayman Islands and is jointly managed by CNNC-IFMC and Cornucopiae in their capacity as investment manager
“Subscription”	the subscription of the Subscription Shares by the Subscriber subject to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 14 December 2018 and entered into between the Company, the Subscriber and the Guarantor (as amended and supplemented pursuant to the terms therein from time to time), including the supplemental subscription agreement dated 8 January 2019 and entered into between the Company, the Subscriber and the Guarantor
“Subscription Price”	the price of HK\$0.214 for the subscription of each Subscription Share
“Subscription Shares”	subject to the fulfilment of the Conditions and the terms of the Subscription Agreement, 7,591,153,464 Shares to be subscribed by the Subscriber upon Completion
“Substantial Impairment”	total asset value of the Remaining Group in the Pro Forma Financial Statements being decreased by HK\$10,000,000 or more compared to that as shown in the Reviewed Accounts



“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs (as amended and supplemented from time to time)
“Whitewash Waiver”	the whitewash waiver pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code in respect of any obligation of the Subscriber to make a mandatory general offer to the Shareholders in respect of all the issued Shares and other securities of the Company and all the Convertible Bonds not already owned (or agreed to be acquired) or subscribed by the Subscriber and any parties acting in concert with it as a result of the Subscription

By order of the Board

**CAM SPC**

*acting for and on behalf of*

**CAM SPC – CNNC-IFMC HK Industry Fund SP      Shunfeng International Clean Energy Limited**

**Xiao Yanming**

*Director*

By order of the Board

**Zhang Fubo**

*Chairman*

Hong Kong, 9 January 2019

*As at the date of this joint announcement, the executive Directors of the Company are Mr. Zhang Fubo, Mr. Wang Yu, Mr. Lu Bin and Mr. Chen Shi; and the independent non-executive Directors of the Company are Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Subscriber and the parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Subscriber) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

*As at the date of this joint announcement, the directors of CAM SPC are Ms. Xiao Yanming, Mr. Wong Hoi Lun and Ms. Hu Victoria Catherine; the directors of CNNC-IFMC are Mr. Zhuo Yuyun, Mr. Cao Yi, Mr. Qiu Xiayu, Mr. Zheng Anbo and Mr. Liu Yinliang; and the sole director of Cornucopiae is Ms. Xiao Yanming.*

*The directors of CAM SPC, CNNC-IFMC and Cornucopiae jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than that relating to the Company and the parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors of the Company) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.*

\* *In this joint announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*