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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)

INSIDE INFORMATION — POSSIBLE DISPOSAL

This announcement is made by Shunfeng International Clean Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Reference is also made to the announcement of the Company dated 27 September 2018 in relation to, among others, the entering into of a memorandum of understanding by the Company in relation to a possible subscription of shares in the Company (the “**Possible Subscription**”).

POSSIBLE DISPOSAL

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 21 September 2018, the Company has entered into a non-legally binding memorandum of understanding with Asia Pacific Resources Development Investment Limited (亞太資源開發投資有限公司) (the “**Purchaser**”) in relation to the possible sale by the Company to the Purchaser (or a company wholly-owned by Mr. Cheng Kin Ming (a substantial shareholder of the Company)) of 100% of the equity interests in Jiangsu Shunfeng Photovoltaic Technology Company Limited* (江蘇順風光電科技有限公司) (the “**Target**”) at a consideration of approximately RMB4,700,000,000 (the “**Possible Disposal**”). The payment methods of the consideration include but are not limited to the payment by cash or the assumption of the Company’s debts by the Purchaser.

The Possible Disposal is subject to the entering into of definitive and legally binding agreement(s) between the Company and the Purchaser. As at the date of this announcement, no such definitive agreement(s) have been entered into by the Company.

REASONS FOR AND BENEFITS OF THE POSSIBLE DISPOSAL

The Target is a company incorporated in the People's Republic of China (the "PRC") and is a wholly owned subsidiary of the Company, which operates the Group's manufacturing and sales of solar product business. Following the Possible Disposal, the Group plans to focus its business on the development of generation of solar power and operation of solar power plants, allowing the Group to reduce its upstream manufacturing business and focus on and deploy resources for its downstream clean energy business. The Group also plans to focus on developing energy management contract business and proactively exploring other kinds of clean energy sources, with an aim to develop the Group into a global leading supplier which can provide end-to-end low-carbon and energy-saving integrated solutions.

Upon completion of the Possible Disposal, if materialised, the remaining business of the Group will principally include solar power generation and the manufacturing and sales of LED products. The Possible Disposal will streamline the Group's existing business segments and operations, provide investors with greater clarity on the Group's business model, risk and return profile and growth prospects, and sharpen management's strategic focus on the Group's core and integrated solar business.

TAKEOVERS CODE IMPLICATIONS

In addition, as the Possible Disposal, if materialises, is an arrangement between the Company and the Purchaser (a substantial shareholder of the Company), which is not capable of being extended to all shareholders of the Company, the Possible Disposal constitutes a special deal of the Company under Rule 25 of The Code on Takeovers and Mergers and requires the consent of the Executive Director (the "Executive") of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong. Such consent, if granted, will be subject to (i) the opinion of an independent financial adviser to the Company that the terms of the Possible Disposal are fair and reasonable; and (ii) the approval of the Possible Disposal by disinterested shareholders of the Company by way of poll at an extraordinary general meeting of the Company. If the consent of the Executive cannot be obtained, it is envisaged that the Company will not proceed with the Possible Disposal. As it is envisaged that the Possible Subscription is not inter-conditional with the Possible Disposal, the Possible Subscription can continue to proceed in such a case.

If the Possible Disposal is proceeded with, the Company will make announcements in compliance with the Takeovers Code and the Company will undertake all necessary compliance with the Takeovers Code, including but not limited to applying for the consent of the Executive Director as described above.

LISTING RULES IMPLICATIONS

If the Board decides to proceed with the Possible Disposal, the Company is expected to enter into formal definitive and legally binding agreements with the Purchaser. It is expected that the Possible Disposal, if materialised, will constitute a very substantial disposal of the Company under Chapter 14 of the Listing Rules. In addition, it is also expected that the Possible Disposal will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and will be subject to independent shareholders' approval as the Purchaser, which is held as to 100% by Mr. Cheng Kin Ming (a substantial shareholder of the Company), is a connected person of the Company.

If the Possible Disposal is proceeded with, the Company will make further announcements in compliance with the Listing Rules and the Company will undertake all necessary compliance with the Listing Rules, including but not limited to, obtaining independent shareholders' approval.

Shareholders and potential investors should note that the Possible Disposal is subject to certain conditions and the entering into of the definitive and legally binding agreements and may or may not materialise. There is no assurance that the Possible Disposal will proceed. Shareholders and potential investors are advised to exercise caution in dealing in the shares of the Company.

By order of the Board
Shunfeng International Clean Energy Limited
Zhang Fubo
Chairman

Hong Kong, 27 September 2018

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

The directors of the Company jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.

* *for identification purpose only*