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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)

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS
ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE,
RULE 13.09 OF THE LISTING RULES AND THE INSIDE INFORMATION
PROVISIONS UNDER PART XIVA OF THE SECURITIES AND
FUTURES ORDINANCE
MEMORANDUM OF UNDERSTANDING IN RELATION TO A POSSIBLE
SUBSCRIPTION OF SHARES IN THE COMPANY
AND
RESUMPTION OF TRADING**

This announcement is made by Shunfeng International Clean Energy Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.10 of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), Rule 3.7 of The Code on Takeovers and Mergers (the “**Takeovers Code**”), Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS

The board (the “**Board**”) of directors (the “**Directors**”) of the Company has noted an increase in the price and trading volume of the shares of the Company (the “**Shares**”) on 20 September 2018. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that, save as disclosed in this announcement, the Board is not aware of any other information which must be announced to avoid a false market in the Company’s securities or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

THE MEMORANDUM OF UNDERSTANDING

The Board announces that the Company, CNNC Industry Fund Management Corporation* (“**CNNC-IFMC**”) and Cornucopiae Asset Management Limited (“**Cornucopiae**”) have entered into a memorandum of understanding (the “**MOU**”) on 21 September 2018 regarding the possible subscription for ordinary Shares in the capital of the Company (the “**Subscription Shares**”) by CAM SPC – CNNC-IFMC HK Industry Fund SP (the “**Investor**”), a fund jointly managed by CNNC-IFMC and Cornucopiae, or its nominee (the “**Possible Transaction**”). Upon completion of the Possible Transaction, the Investor will have a controlling interest in the Company.

CNNC-IFMC is a private equity fund manager established by China National Nuclear Corporation in China 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.

Cornucopiae is a company incorporated in Hong Kong with limited liability 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.

The Investor is a company incorporated in 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 announcement, the Investor is wholly-owned by Ms. Xiao Yanming (肖豔明女士).

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of CNNC-IFMC, Cornucopiae and the Investor does not hold any Shares or any other securities of the Company as at the date of this announcement, and CNNC-IFMC, Cornucopiae and the Investor 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).

Save for the provisions relating to exclusivity, announcement, confidentiality, governing law and jurisdiction, binding effect and costs and expenses, the terms of the MOU are not legally binding.

Due Diligence on the Group

The Investor is expected to conduct due diligence on the Group and the Possible Transaction is expected to be subject to the Investor being satisfied with the results of such due diligence.

Possible Disposal and Special Deal

The Investor is aware of the possible disposal 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) at the consideration of approximately RMB4,700,000,000 (which may be satisfied by means including without limitation cash or assumption of liabilities by the purchaser), the details of which are set out in the announcement of the Company dated 27 September 2018 (the “**Possible Disposal**”). Completion of the Possible Transaction is not conditional upon the completion of the Possible Disposal. For further information, please refer to the separate announcement of the Company dated 27 September 2018.

As the Possible Disposal, if materialises, is an arrangement between the Company and the purchaser (a substantial shareholder of the Company) (the “**Purchaser**”), 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 Takeovers Code 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 Transaction is not inter-conditional with the Possible Disposal, the Possible Transaction can continue to proceed in such a case.

Definitive Transaction Documents

The parties to the MOU will negotiate in good faith with a view to ensuring that the definitive transaction documents for the Possible Transaction (the “**Definitive Transaction Documents**”) will be entered into as soon as possible and within 90 days of the date of the MOU or such later date as the parties may agree in writing.

Exclusivity

The parties to the MOU agree that, from the date of the MOU up to the earlier of (i) the date falling the 90th day of the date of the MOU; and (ii) the parties agreeing in writing not to pursue the Possible Transaction, (A) the Company and the Investor will not initiate negotiations and/or enter into any agreement, arrangement or understanding with any other person in respect of the sale or issue of Shares by the Company; (B) the Investor shall not initiate negotiations and/or enter into any agreement, arrangement or understanding with any other person in respect of the acquisition of a controlling interest in a company with similar business as the Company; and (C) all parties shall negotiate in good faith with the others exclusively in respect of the Possible Transaction.

Possible General Offer

The Possible Transaction will be subject to, among other things, the execution of the Definitive Transaction Document(s). If the Possible Transaction materialises, it will lead to a change in control of the Company and, unless a waiver pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code (“**Whitewash Waiver**”) has been obtained by the Investor, will give rise to an obligation on the Investor to make a mandatory unconditional general offer for all the Shares other than those already owned or agreed to be acquired by it and parties acting in concert with it under Rule 26.1 of the Takeovers Code and an appropriate offer to the holders of any convertible securities. The Investor intends to apply for a Whitewash Waiver which will be subject to, among other things, approval by independent shareholders of the Company in accordance with the Takeovers Code. If the Investor is unable to obtain a Whitewash Waiver, it may proceed with making a mandatory general offer following completion of the Possible Transaction.

As at the date of this announcement, no definitive agreement has been entered into in respect of the Possible Transaction, and therefore the Possible Transaction may or may not proceed.

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 4,314,151,191 ordinary Shares of HK\$0.01 each are in issue;
- (b) outstanding convertible bonds issued on 28 February 2013 in the principal amount of HK\$286,000,000, which is convertible into 1,339,252,336 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.

Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date of this announcement.

MONTHLY UPDATE

In accordance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Transaction will be made until announcement of firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and the Takeovers Code (as the case may be).

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.

DEALING DISCLOSURE

For the purposes of the Takeovers Code, the offer period commences on the date of this announcement, being 27 September 2018.

The respective associates (as defined in the Takeovers Code) of the Company, CNNC-IFMC and Cornucopiae (including persons who own or control 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code)) are hereby reminded to disclose their dealings in the securities of the Company under Rule 22 of the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“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 \$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.”

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 1:00 p.m. on 20 September 2018 pending the release of this announcement. The Company has applied to the Stock Exchange for resumption of trading in the Shares with effect from 9:00 a.m. on 28 September 2018.

Warning:

Shareholders and potential investors of the Company should be aware that the terms of the Possible Transaction are subject to further negotiations between the Company CNNC-IFMC and Cornucopiae, and the completion of the Possible Transaction is subject to the Definitive Transaction Document(s) being entered into and the satisfaction of such conditions precedent to completion as may be specified therein. The Possible Transaction may or may not proceed.

Shareholders and potential investors of the Company should 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 adviser(s).

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

** In this 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.*

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 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.