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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)

DISCLOSEABLE TRANSACTIONS DISPOSAL OF EQUITY INTERESTS

DISCLOSEABLE TRANSACTIONS

The Board is pleased to announce that on 30 December 2016 (after trading hours), Jiangxi Shunfeng (a wholly-owned subsidiary of the Company), the Purchaser and the Obligor entered into (i) the Wuwei Hareon Agreement in relation to the proposed disposal of Wuwei Hareon, pursuant to which Jiangxi Shunfeng (as seller) agreed to sell and the Purchaser agreed to purchase 95% equity interest in Wuwei Hareon at a consideration of RMB96,290,900; (ii) the Suining Hareon Agreement in relation to the proposed disposal of Suining Hareon, pursuant to which Jiangxi Shunfeng (as seller) agreed to sell and the Purchaser agreed to purchase 99.9% equity interest in Suining Hareon at a consideration of RMB17,196,000; and (iii) the Keping Hareon Agreement in relation to the proposed disposal of Keping Hareon, pursuant to which Jiangxi Shunfeng (as seller) agreed to sell and the Purchaser agreed to purchase 99.9% equity interest in Keping Hareon at a consideration of RMB89,663,100.

IMPLICATIONS UNDER THE LISTING RULES

As all of the Equity Transfer Agreements were made within a 12-month period and were entered into by a wholly-owned subsidiary of the Company with the same parties, the Equity Transfer Agreements would be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As more than one of applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Equity Transfer Agreements exceed 5% but are below 25%, the Equity Transfer Agreements, in aggregate, constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

As each of the disposals of the equity interests in Wuwei Hareon, Suining Hareon and Keping Hareon is subject to the fulfilment of certain conditions precedent and may or may not proceed, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE EQUITY TRANSFER AGREEMENTS

The Board is pleased to announce that on 30 December 2016 (after trading hours), Jiangxi Shunfeng (a wholly-owned subsidiary of the Company), the Purchaser and the Obligor entered into (i) the Wuwei Hareon Agreement in relation to the proposed disposal of Wuwei Hareon, pursuant to which Jiangxi Shunfeng (as seller) agreed to sell and the Purchaser agreed to purchase 95% equity interest in Wuwei Hareon at a consideration of RMB96,290,900; (ii) the Suining Hareon Agreement in relation to the proposed disposal of Suining Hareon, pursuant to which Jiangxi Shunfeng (as seller) agreed to sell and the Purchaser agreed to purchase 99.9% equity interest in Suining Hareon at a consideration of RMB17,196,000; and (iii) the Keping Hareon Agreement in relation to the proposed disposal of Keping Hareon, pursuant to which Jiangxi Shunfeng (as seller) agreed to sell and the Purchaser agreed to purchase 99.9% equity interest in Keping Hareon at a consideration of RMB89,663,100.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Purchaser, the Obligor and their ultimate beneficial owners are third parties independent of, and not connected with the Company and its connected persons as at the date of this announcement.

THE WUWEI HAREON AGREEMENT

The principal terms of the Wuwei Hareon Agreement are as follows:

- Date : 30 December 2016
- Parties : (i) Jiangxi Shunfeng, as seller
(ii) the Purchaser
(iii) the Obligor
- Assets to be disposed of : 95% equity interest in Wuwei Hareon. Upon completion of the disposal of the equity interest in Wuwei Hareon, Wuwei Hareon will cease to be a subsidiary of the Company.
- Consideration and term of payment : The consideration is RMB96,290,900, which shall be payable in cash by the Purchaser to Jiangxi Shunfeng within ten (10) Business Days after the execution of the Wuwei Hareon Agreement via electronic transfer to a bank account designated by Jiangxi Shunfeng or by other means as agreed between Jiangxi Shunfeng and the Purchaser.
- Basis of the Consideration : The consideration of the Wuwei Hareon Agreement was determined after arm's length negotiations between the parties to the Wuwei Hareon Agreement taking into account, among other things, the current assets and liabilities of Wuwei Hareon as at 30 September 2016.
- Conditions Precedent : Completion of the disposal of the 95% equity interest in Wuwei Hareon is conditional upon, among other things, the following conditions having been fulfilled (or, if applicable, waived):
- (a) the consideration having been paid by the Purchaser in accordance with requirements set out in the paragraph headed "Consideration and term of payment" above;

- (b) a loan in the amount of RMB200,182,100 (subject to adjustment based on the financial statements of Wuwei Hareon provided by Jiangxi Shunfeng and agreed by the Purchaser) having been advanced by the Purchaser to Wuwei Hareon within twenty (20) Business Days after the execution of the Wuwei Hareon Agreement (which shall be used by Wuwei Hareon to repay the outstanding debts owed by Wuwei Hareon to Jiangxi Shunfeng and its affiliates);
- (c) all necessary approvals having been obtained by the relevant parties to the Wuwei Hareon Agreement in relation to the transactions contemplated under the Wuwei Hareon Agreement; and
- (d) the parties having arranged the relevant registrations and filings with the local administration of industry and commerce in respect of the transfer of the equity interest in Wuwei Hareon within ten (10) Business Days upon payment of consideration, advancement of the loan mentioned in (b) above and obtaining of the necessary approvals mentioned in (c) above.

Completion : Completion of the disposal of Wuwei Hareon will take place upon all necessary registrations and filings in respect of the disposal of equity interest in Wuwei Hareon having been completed at the local administration for industry and commerce. Wuwei Hareon will cease to be a subsidiary of the Company and the Company will cease to hold any interest in Wuwei Hareon.

THE SUINING HAREON AGREEMENT

The principal terms of the Suining Hareon Agreement are as follows:

Date : 30 December 2016

Parties : (i) Jiangxi Shunfeng, as seller

(ii) the Purchaser

(iii) the Obligor

- Assets to be disposed of : 99.9% equity interest in Suining Hareon. Upon completion of the disposal of the equity interest in Suining Hareon, Suining Hareon will cease to be a subsidiary of the Company.
- Consideration and term of payment : The consideration is RMB17,196,000, which shall be payable in cash by the Purchaser to Jiangxi Shunfeng within ten (10) Business Days after the execution of the Suining Hareon Agreement via electronic transfer to a bank account designated by Jiangxi Shunfeng or by other means as agreed between Jinagxi Shunfeng and the Purchaser.
- Basis of the Consideration : The consideration of the Suining Hareon Agreement was determined after arm's length negotiations between the parties to the Suining Hareon Agreement taking into account, among other things, the current assets and liabilities of Suining Hareon as at 30 September 2016.
- Conditions Precedent : Completion of the disposal of the 99.9% equity interest in Suining Hareon is conditional upon, among other things, the following conditions having been fulfilled (or, if applicable, waived):
- (a) the consideration having been paid by the Purchaser in accordance with requirements set out in the paragraph headed "Consideration and term of payment" above;
 - (b) a loan in the amount of RMB23,604,000 (subject to adjustment based on the financial statements of Suining Hareon provided by Jiangxi Shunfeng and agreed by the Purchaser) having been advanced by the Purchaser to Suining Hareon within twenty (20) Business Days after the execution of the Suining Hareon Agreement (which shall be used by Suining Hareon to repay the outstanding debts owed by Suining Hareon to Jiangxi Shunfeng and its affiliates);

- (c) all necessary approvals having been obtained by the relevant parties to the Suining Hareon Agreement in relation to the transactions contemplated under the Suining Hareon Agreement; and
- (d) the parties having arranged the relevant registrations and filings with the local administration of industry and commerce in respect of the transfer of the equity interest in Suining Hareon within ten (10) Business Days upon payment of consideration, advancement of the loan mentioned in (b) above and obtaining of the necessary approvals mentioned in (c) above.

Completion : Completion of the disposal of the equity interest in Suining Hareon will take place upon all necessary registrations and filings in respect of the disposal of Suining Hareon having been completed at the local administration for industry and commerce. Suining Hareon will cease to be a subsidiary of the Company and the Company will cease to hold any interest in Suining Hareon.

THE KEPING HAREON AGREEMENT

The principal terms of the Keping Hareon Agreement are as follows:

Date : 30 December 2016

Parties : (i) Jiangxi Shunfeng, as seller
(ii) the Purchaser
(iii) the Obligor

Assets to be disposed of : 99.9% equity interest in Keping Hareon. Upon completion of the disposal of the equity interest in Keping Hareon, Keping Hareon will cease to be a subsidiary of the Company.

- Consideration and term of payment : The consideration is RMB89,663,100, which shall be payable by the Purchaser to Jiangxi Shunfeng within ten (10) Business Days after the execution of the Keping Hareon Agreement via electronic transfer to a bank account designated by Jiangxi Shunfeng or by other means as agreed by Jiangxi Shunfeng and the Purchaser.
- Basis of the Consideration : The consideration of the Keping Hareon Agreement was determined after arm's length negotiations between the parties to the Keping Hareon Agreement taking into account, among other things, the current assets and liabilities of Keping Hareon as at 30 September 2016.
- Conditions Precedent : Completion of the disposal of the 99.9% equity interest in Keping Hareon is conditional upon, among others, the following conditions having been fulfilled (or, if applicable, waived):
- (a) the consideration having been paid by the Purchaser in accordance with requirements set out in the paragraph headed "Consideration and term of payment" above;
 - (b) a loan in the amount of RMB169,473,100 (subject to adjustment based on the financial statements of Keping Hareon provided by Jiangxi Shunfeng and agreed by the Purchaser) having been advanced by the Purchaser to Keping Hareon within twenty (20) Business Days after the execution of the Keping Hareon Agreement (which shall be used by Keping Hareon to repay the outstanding debts owed by Keping Hareon to Jiangxi Shunfeng and its affiliates);
 - (c) all necessary approvals having been obtained by the relevant parties to the Keping Hareon Agreement in relation to the transactions contemplated under the Keping Hareon Agreement; and

- (d) the parties having arranged the relevant registrations and filings with the local administration of industry and commerce in respect of the transfer of the equity interests in Keping Hareon within ten (10) Business Days upon payment of consideration, advancement of the loan mentioned in (b) above and obtaining of the necessary approvals mentioned in (c) above.

Completion : Completion of the disposal of the equity interest in Keping Hareon will take place upon all necessary registrations and filings in respect of the disposal of Keping Hareon having been completed at the local administration for industry and commerce. Keping Hareon will cease to be a subsidiary of the Company.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS

The Board believed that the Equity Transfer Agreements conform to the prescribed operating strategies of the Group as a whole and will bring the following benefits:

As a leading developer of solar power plants around the globe and the largest independent private largescale ground-mounted solar power service provider in PRC, the Company has developed solar power plants and completed on-grid connection with capacity of 1.5GW in the PRC. In its early stage of development, the Company makes it an operating strategy that solar power plants would grow as a category of products generating fixed incomes and would continue with further development. With the market position secured in the past few years and the experience and expertise in the development, operation and maintenance of solar power plants, the Company now puts more emphasis on overall efficiency and the revenues generated from the operation and maintenance of solar power plants. The Company therefore disposes in an appropriate manner some part of its power plant assets to selected investors, while continuing with its business of developing and constructing solar power plants. Such a move provides more cash income to the Company and enables the Company to provide the new operators of the solar power plants with professional operation and maintenance services on an ongoing basis, helping it to realize the strategic transition of owning less assets and putting more emphasis on providing services.

The Directors consider that the each of the disposals of the equity interests in Wuwei Hareon, Suining Hareon and Keping Hareon (including the terms of the Equity Transfer Agreements) is fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION OF THE GROUP

The Company

The Company strives to become the world's largest provider of comprehensive low-carbon and energy-saving solutions. Via strategic acquisition, consolidation and restructuring, the Group owns numerous renowned product and technology brand names. The Group makes constant efforts to improve energy production quality, and endeavours to advance the widespread utilization of clean energies through energy management and storage. The Group aims to offer a whole set of clean energy solution to public and commercial institutions, such as commercial facilities, data centres, hotels, large public facilities, industrial enterprises, office buildings, schools, hospitals, gymnasiums and households, saving energy consumption by 50% to 70% and helping customers reduce carbon emission and cut down costs related to energy consumption.

Jiangxi Shunfeng

Jiangxi Shunfeng is a company established in the PRC and is a wholly-owned subsidiary of the Company. Jiangxi Shunfeng is principally engaged in investments holding.

INFORMATION OF THE PURCHASER AND THE OBLIGOR

The Purchaser

The Purchaser is a limited partnership established in the PRC principally engaged in the business of investment and asset managements.

The Obligor

The Obligor is a company established in the PRC and is a large-scale enterprise which is principally engaged in manufacturing of solar modules and solar cells. It also focuses on the development, investment and construction of solar power generation projects in domestic and overseas.

INFORMATION OF WUWEI HAREON, SUINING HAREON AND KEPING HAREON

Wuwei Hareon

Wuwei Hareon is a company established in the PRC and is owned by Jiangxi Shunfeng as to 95% of its equity interest. Wuwei Hareon owns and operates the Wuwei Hareon Project, which are located in Wuwei City, Gansu Province, the PRC.

Based on the audited financial information provided by Wuwei Hareon, the net and total assets of Wuwei Hareon as at 31 December 2015 are approximately RMB1,000,000 and approximately RMB1,355,064,432.42, respectively.

As the Wuwei Hareon Project was not in operation as at 31 December 2015, no net profit was recorded for each of the two financial years ended 31 December 2014 and 2015.

Suining Hareon

Suining Hareon is a company established in the PRC and is owned by Jiangxi Shunfeng as to 99.9% of its equity interest. Suining Hareon owns and operates the Suining Hareon Project, which are located in Suining County, Xuzhou City, Jiangsu Province, the PRC.

Based on the audited financial information provided by Suining Hareon, the net and total assets of Suining Hareon as at 31 December 2015 are approximately RMB1,000,000 and approximately RMB110,218,184.57, respectively.

As the Suining Hareon Project was not in operation as at 31 December 2015, no net profit was recorded for each of the two financial years ended 31 December 2014 and 2015.

Keping Hareon

Keping Hareon is a company established in the PRC and is wholly owned by Jiangxi Shunfeng. Keping Hareon owns and operates the Keping Hareon Project, which are located in Keping County, Xinjiang Uygur Autonomous Region, the PRC.

Based on the audited financial information provided by Keping Hareon, the net and total assets of Keping Hareon as at 31 December 2015 are approximately RMB50,000,000 and approximately RMB307,006,310.15, respectively.

As the Keping Hareon Project was not in operation as at 31 December 2015, no net profit was recorded for each of the two financial years ended 31 December 2014 and 2015.

FINANCIAL EFFECT OF THE EQUITY TRANSFER AGREEMENTS

Each of Wuwei Hareon, Suining Hareon and Keping Hareon will no longer be subsidiaries of the Company upon completion of their respective disposals. The actual financial effects from the Equity Transfer Agreements will be computed based on the financial information of each of Wuwei Hareon, Suining Hareon and Keping Hareon on the date of completion of their respective disposals.

It is estimated that there is an estimated gain after tax of approximately HK\$30,591,951.59 arising from the Wuwei Hareon Agreement based on the consideration, the net assets value attributable to owners of the Company of approximately HK\$1,060,200 as at 30 September 2016 and the capitalisation of interest expenses at the consolidated level of the Group absorbed by Wuwei Hareon of approximately HK\$75,473,746.38 as at 30 September 2016, net of estimated taxes and transaction costs of approximately HK\$334,800 for the disposal of the equity interest in Wuwei Hareon.

It is estimated that there is an estimated gain after tax of approximately HK\$7,705,443.20 arising from the Suining Hareon Agreement based on the consideration, the net assets value attributable to owners of the Company of approximately HK\$1,060,200 as at 30 September 2016 and the capitalisation of interest expenses at the consolidated level of the Group absorbed by Suining Hareon of approximately HK\$10,090,297.26 as at 30 September 2016, net of estimated taxes and transaction costs of approximately HK\$334,800 for the disposal of the equity interest in Suining Hareon.

It is estimated that there is an estimated gain after tax of approximately HK\$10,344,384.79 arising from the Keping Hareon Agreement based on the consideration, the net assets value attributable to owners of the Company of approximately HK\$55,744,200 as at 30 September 2016 and the capitalisation of interest expenses at the consolidated level of the Group absorbed by Keping Hareon of approximately HK\$33,640,661.59 as at 30 September 2016, net of estimated taxes and transaction costs of approximately HK\$334,800 for the disposal of the equity interest in Keping Hareon.

For the purpose of the above indicative calculation only, amounts stated in Renminbi has been converted into Hong Kong dollar amounts at RMB1=HK\$1.116, being the exchange rate prevailing on 30 December 2016. No representation is made that RMB amounts have been, could have been or could be converted to HK\$, or vice versa, at the applied or at any other rates or at all. The actual gain or loss that the Company can realise will depend on the actual net assets value attributable to owners of the Company on the date of completion of each proposed disposal of Wuwei Hareon, Suining Hareon and Keping Hareon. It is expected that the disposal of each of Wuwei Hareon, Suining Hareon and Keping Hareon will increase the equity attributable to owners of the Company due to the aforesaid estimated gain from the disposals and improve the net debt to equity attributable to owners of the Company.

The Company intends to use the proceeds received from the Equity Transfer Agreements for general working capital and construction and development of other photovoltaic projects.

IMPLICATIONS UNDER THE LISTING RULES

As all of the Equity Transfer Agreements were made within a 12-month period and were entered into by a wholly-owned subsidiary of the Company with the same parties, namely the Purchaser and the Obligor, the Equity Transfer Agreements would be aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As more than one of applicable percentage ratios as defined under Rule 14.07 of the Listing Rules in respect of the Equity Transfer Agreements exceed 5% but are below 25%, the Equity Transfer Agreements, in aggregate, constitutes a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from shareholders' approval requirement pursuant to Chapter 14 of the Listing Rules.

As each of the disposals of the equity interests in Wuwei Hareon, Suining Hareon and Keping Hareon is subject to the fulfilment of certain conditions precedent and may or may not proceed, shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Board”	the board of Directors
“Business Day”	a day (excluding a Saturday or Sunday) on which banks in the PRC are generally open for business
“Company”	Shunfeng International Clean Energy Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange
“Directors”	the directors of the Company
“Equity Transfer Agreements”	the Keping Hareon Agreement, the Suining Hareon Agreement and the Wuwei Hareon Agreement

“Group”	the Company and its subsidiaries
“GW”	gigawatts
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Jiangxi Shunfeng”	江西順風光電投資有限公司 (Jiangxi Shunfeng Photovoltaic Investment Co., Ltd.*), a limited liability company established in the PRC and a subsidiary of the Company
“Keping Hareon”	柯坪海潤光伏發電有限公司 (Keping Hareon Solar Power Co., Ltd.*), a limited liability company established in the PRC and a wholly-owned subsidiary of Jiangxi Shunfeng
“Keping Hareon Agreement”	the agreement dated 30 December 2016 entered into between Jiangxi Shunfeng, the Purchaser and the Obligor in relation to the disposal of 99.9% equity interests in Keping Hareon by Jiangxi Shunfeng to the Purchaser
“Keping Hareon Project”	Keping Hareon Photovoltaic Energy Project with a designed capacity of 20MW
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MW”	megawatts
“Obligor”	海潤光伏科技股份有限公司 (Hareon Solar Technology Co., Ltd.*), a joint stock company incorporated in the PRC with limited liability
“PRC”	the People’s Republic of China

“Purchaser”	華盛陸號（深圳）投資中心（有限合夥）(Huasheng Luhao (Shenzhen) Investment Center (Limited Partnership)*), a company established in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suining Hareon”	睢甯海潤太平山光伏發電有限公司 (Suining Hareon Taiping Mountain Photovoltaic Power Generation Co., Ltd.*), a company established in the PRC and a non wholly-owned subsidiary of Jiangxi Shunfeng
“Suining Hareon Agreement”	the agreement dated 30 December 2016 entered into between Jiangxi Shunfeng, the Purchaser and the Obligor in relation to the disposal of 99.9% equity interests in Suining Hareon by Jiangxi Shunfeng to the Purchaser
“Suining Hareon Project”	Suining Hareon Photovoltaic Energy Project with an designed capacity of 19MW
“Wuwei Hareon”	武威海潤奧特斯維光伏發電有限責任公司 (Wuwei Hareon Aote Siwei Photovoltaic Power Generation Co., Ltd.*), a company established in the PRC and a non wholly-owned subsidiary of Jiangxi Shunfeng
“Wuwei Hareon Agreement”	the agreement dated 30 December 2016 entered into between Jiangxi Shunfeng, the Purchaser and the Obligor in relation to the disposal of 95% equity interests in Wuwei Hareon by Jiangxi Shunfeng to the Purchaser

“Wuwei Hareon Project”

Wuwei Hareon Photovoltaic Energy Project with an
designed capacity of 100MW

“%”

per cent

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

Hong Kong, 30 December 2016

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

* *For identification purposes*