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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)

TERMINATION OF DISCLOSEABLE TRANSACTION

Reference is made to the announcement issued by Shunfeng International Clean Energy Limited (the “**Company**”) dated 17 December 2015 (the “**Announcement**”) in relation to the entering into of the Sale and Purchase Framework Agreement dated 16 December 2015 by the Seller and Shanghai Shunneng, both being an indirectly wholly-owned subsidiary of the Company, the Purchaser and the Target Company in relation to the Proposed Disposal.

Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement and unless otherwise stated herein. This announcement is made pursuant to Rule 14.36 of the Listing Rules.

Pursuant to the Sale and Purchase Framework Agreement, completion of the Proposed Disposal and payment of Consideration is conditional upon the fulfilment of the conditions precedent contained thereto. As of 20 June 2016, certain conditions precedent have not been fulfilled and it is expected that such conditions precedent will not be fulfilled on or before 30 June 2016. After careful consideration of all the circumstances surrounding the Proposed Disposal and rights under the Sale and Purchase Framework Agreement, the Company, the Seller, Shanghai Shunneng, the Purchaser and the Target Company, among others, have into a termination agreement on 21 June 2016 (the “**Termination Agreement**”) to terminate the Agreements with immediate effect.

Pursuant to the terms of payment under the Sale and Purchase Framework Agreement, the Purchaser paid and the Seller received the first instalment of the Consideration in the amount of RMB650,000,000 (the “**Paid Amount**”) on 21 December 2015, as the transfer of the equity interest of the Target Subsidiaries held by the Seller and Shanghai Shunneng to the Target Company and the transfer of the equity interest of the Target Company to the Purchaser were completed. Upon the Termination Agreement becoming effective, the Purchaser’s obligations under the Sale and Purchase Framework Agreement for the payment of RMB499,600,000 and RMB50,000,000 as second and third instalment of the Consideration respectively, shall be discharged with immediate effect.

Pursuant to the Termination Agreement, the Seller shall return to the Purchaser the Paid Amount within one year after the Termination Agreement becoming effective, together with a sum of money for the period from 21 December 2015 until the date on which RMB650,000,000 is returned in full, which shall be calculated using the following formula:

$$A = (B \times 9\%) / 360$$

where “A” represents a daily fee payable by the Seller on such date (“**Daily Fee**”) and “B” represents the remaining amount out of the Paid Amount which has not yet been returned to the Purchaser on such date.

The Paid Amount and the total sum of Daily Fee shall be returned in cash by the Seller to the Purchaser in the following manner:

- (1) RMB370,000,000 shall be returned within ten days after execution of the Termination Agreement, together with the accumulated Daily Fee accrued as at the date of the said payment; and
- (2) RMB280,000,000 shall be returned within one year after the execution of the Termination Agreement, together with the accumulated Daily Fee accrued as at the date of the said payment.

Any receivables (including national tariff subsidies, if any) actually received by the nine Target Subsidiaries shall be applied towards the payment of the Paid Amount together with the accumulated Daily Fee accrued until the date on which the Paid Amount is returned in full.

The Purchaser shall transfer 100% of the equity interest of the Target Company (being the holding company of the Target Subsidiaries) back to the Seller upon full payment by the Seller of the Paid Amount together with any Daily Fee accrued.

The Board considers that the termination of the Sale and Purchase Framework Agreement will not have any material adverse impact on the financial position, operation, business and prospects of the Group and the interests of its shareholders of the Company as a whole. Through continuing strategic cooperation and business integration, the Company has committed and will continue to commit itself to become the leading global integrated clean energy solution provider.

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

Hong Kong, 21 June 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.