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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**”) of 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).

POSSIBLE DISPOSAL

The board of directors of the Company (the “**Board**”) is pleased to announce that, on 31 May 2016, the Company has entered into a non-legally binding memorandum of understanding with Asia-Pacific (China) Investment Management Ltd.* (亞太(中國)投資管理有限公司) (the “**Purchaser**”) in relation to the possible sale by the Company to the Purchaser 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 cash consideration of approximately RMB5,000,000,000 (the “**Possible Disposal**”).

Conditions precedent

The Possible Disposal is subject to the entering into of definitive and legally binding documents, including a Sale and Purchase Agreement (as defined below), and is expected to be subject to the fulfilment of certain conditions precedent, including but not limited to the following:

- (1) the completion of due diligence in relation to the Target to the satisfaction of the Purchaser;
- (2) the completion of valuation in relation to the Target to the satisfaction of the Purchaser;
- (3) the approval of the Possible Disposal and the transactions contemplated thereunder by the independent shareholders of the Company as required and in accordance with the Listing Rules;

- (4) the obtaining of all necessary governmental and regulatory consents and approvals including the consent from the Stock Exchange (if necessary);
- (5) the obtaining of all other necessary consents from relevant third parties in respect of the Possible Disposal and the transactions contemplated thereunder; and
- (6) the entering into of definitive legal documents by the Company and the Purchaser including the definitive and legally binding agreement to be entered into between the Company and the Purchaser in relation to the Possible Disposal (the “**Sale and Purchase Agreement**”).

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, solar plant operation and services 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.

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 including the Sale and Purchase Agreement as described above. 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 Yi
Chairman

Hong Kong, 31 May 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 purpose only*