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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)

ANNOUNCEMENT DISCLOSEABLE TRANSACTION

THE MERGER AND ACQUISITION

The Board is pleased to announce that on 12 August 2015 (after trading hours), the Company, BVI Sub, Merger Sub, both being indirect and wholly-owned subsidiaries of the Company, and Suniva entered into the Agreement, pursuant to which, the parties conditionally agreed that Merger Sub will merge with Suniva at the consideration of US\$57,760,000, with Suniva surviving the Merger. Upon completion of the Merger and Acquisition, the Group will be interested in 63.13% of the issued share capital of Suniva and Suniva will become a non wholly-owned subsidiary of the Company. The Consideration shall be satisfied by (i) the Cash Contribution of US\$12,000,000 and (ii) the remaining portion to be settled by the allotment and issuance of the Consideration Shares, failing which the Company shall pay such remaining portion of the Consideration by cash.

The Consideration Shares comprise a maximum of 123,138,889 new Shares, which represent approximately up to 3.22% of the existing issued share capital of the Company and approximately up to 3.12% of the issued share capital of the Company as enlarged by the issue and allotment of the maximum number of Consideration Shares, assuming there is no change in the issued share capital of the Company other than the issue and allotment of the Consideration Shares.

The Consideration Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 616,440,020 Shares. Up to the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Consideration Shares is not subject to any further approval by the Shareholders.

PUT OPTION

Pursuant to the term sheet annexed to the Agreement, subject to the compliance of the relevant rules and regulations (including the Listing Rules) by the Company, the Company has granted the Put Option to the Participating Stockholders where the Participating Stockholders shall have a right, exercisable at their discretion, to sell all (but not part of) the PS Shares to the Company beginning on the fourth anniversary upon Completion. The consideration for the acquisition of the PS Shares payable by the Company shall be the fair market value of the PS Shares as determined by an independent valuer at the time when the notice to exercise the Put Option is delivered, provided that the aggregate consideration shall not exceed US\$210,000,000. The consideration may be satisfied by the payment of cash, or by the Company allotting and issuing new Shares, subject to the obtaining of the Shareholders' approval for the Specific Mandate at the time when the Participating Stockholders choose to exercise the Put Option.

LISTING RULES IMPLICATIONS

As the percentage ratios pursuant to the Listing Rules applicable to the Transaction calculated on an aggregate basis exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

In respect of the Put Option, if the Company chooses to settle the consideration of the Put Option by allotting and issuing new Shares using the Specific Mandate, the Company shall comply with the relevant Listing Rule requirements including publishing a circular which shall set out the details of the Put Option and the settlement mechanism, and seeking Shareholders' approval in relation to the Specific Mandate.

Shareholders and potential investors should note that the Transaction is subject to satisfaction (or, if applicable, waiver) of certain conditions. There is no assurance that the Agreement and the transactions contemplated thereunder will proceed. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board considered the following benefits of acquiring Suniva as a non wholly-owned subsidiary of the Company:

Suniva is the leading American manufacturer of high-efficiency, cost-competitive photovoltaics solar cells and modules. Suniva has built in a cutting-edge technology in high conversion efficiency cells manufacturing and a solid track record to deliver high-power solar cells and modules while reducing the cost of the photovoltaics value chain. Suniva makes record-setting of more than 20% conversion efficiency full-sized cells in the labs, with a daily average of more than 19% conversion efficiency on their production lines — manufacturing the world's highest commercially-available cell efficiencies

using low manufacturing costs. Through the Merger and Acquisition, it could further strengthen the Company's global position in high efficiency cells manufacturing at affordable costs, and more importantly enable the Company to reap the huge potentials of the solar market in the United States. In light of the above, the Directors (including the independent non-executive Directors) consider that the terms of the Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Parties and Date

Date: 12 August 2015 (after trading hours)

Parties:

1. the Company
2. BVI Sub
3. Merger Sub
4. Suniva

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Suniva and its ultimate beneficial owners (including the Participating Stockholders) are third parties independent of, and not connected with, the Company and its connected persons as at the date of this announcement.

Interests to be acquired

Pursuant to the Agreement, the parties conditionally agreed that Merger Sub will merge with Suniva, with Suniva surviving the Merger. The Group will be interested in 63.13% of the entire issued share capital of Suniva upon completion of the Merger and Acquisition.

Consideration

The Consideration is US\$57,760,000, which is to be settled as follows:

- (a) the Company shall make the Cash Contribution of US\$12,000,000 upon Completion;
- (b) for the remaining portion of the Consideration, the Company shall allot and issue 70,928,000 new Shares at the Issue Price to the Participating Stockholders (or their nominees); and

- (c) if the 60-day weighted-average closing price per Share as quoted on the Stock Exchange calculated beginning on the date of Completion (excluding any day on which trading of the Shares on the Stock Exchange is suspended) (“**Average Price**”) is less than HK\$5.00 per Share, then the total number of Consideration Shares shall be increased to the product of (i) 70,928,000 multiplied by (ii) a fraction, the numerator of which is HK\$5.00 and the denominator of which is the Average Price, subject to a minimum price of HK\$2.88 (“**Adjustment Mechanism**”).

The issue of the Consideration Shares is conditional upon the obtaining of the listing approval from the Stock Exchange and the Consideration Shares are to be issued on the second Business Day upon the obtaining of the listing approval from the Stock Exchange. If the Company fails to obtain the listing approval from the Stock Exchange for the Consideration Shares, the Company will settle the remaining portion of the Consideration with cash.

Basis of determination of the Consideration

In determining the Consideration, the Company took into account the valuation of Suniva prepared by an independent valuer and the audited consolidated financial statements of Suniva as of 31 December 2014.

Conditions precedent

Completion of the Merger and Acquisition is conditional upon the following conditions having been fulfilled (or, if applicable, waived):

- (a) there having no effective injunction, writ or preliminary restraining order or any order of any nature issued by any governmental entity of competent jurisdiction to the effect that the transactions contemplated therein may not be consummated as provided in the Agreement;
- (b) the current listing of the Shares not having been withdrawn and the Shares continuing to be traded on the Stock Exchange;
- (c) the representations, warranties or undertakings given by the parties to the Agreement remaining true, accurate and complete in all material aspects at all relevant times;
- (d) Suniva having performed in all material respects its obligations under the Agreement required to be performed by it;
- (e) an authorized officer of Suniva having executed and delivered to the Company a certificate as to Suniva’s compliance with the conditions set out in the Agreement;
- (f) there having no Material Adverse Effect on the part of Suniva; and
- (g) all necessary consents, waivers, approvals, orders, authorizations, registrations, declarations and filings from the relevant parties and authorities and other parties as set out in the Agreement having been obtained.

Put Option

Pursuant to the term sheet annexed to the Agreement, subject to the compliance of the relevant rules and regulations (including the Listing Rules) by the Company, the Company has granted the Put Option to the Participating Stockholders where the Participating Stockholders shall have a right, exercisable at their discretion, to sell all (but not part of) the PS Shares to the Company beginning on the fourth anniversary upon Completion. The consideration for the acquisition of the PS Shares payable by the Company shall be the fair market value of the PS Shares as determined by an independent valuer at the time when the notice to exercise the Put Option is delivered, provided that the aggregate consideration shall not exceed US\$210,000,000. The consideration may be satisfied by the payment of cash, or by the Company allotting and issuing new Shares, subject to the obtaining of the Shareholders' approval for the Specific Mandate at the time when the Participating Stockholders choose to exercise the Put Option.

Call Option

Pursuant to the term sheet annexed to the Agreement, the Company shall have a call option exercisable at the Company's discretion to purchase all (but not part of) the PS Shares from the Participating Stockholders beginning on the fourth anniversary upon Completion. The consideration for the acquisition of the PS Shares payable by the Company will be the higher of (i) the fair market value of the PS Shares as determined by an independent valuer at the time when the notice to exercise the call option is delivered, or (ii) US\$71.50. The consideration may be satisfied by payment of cash or by the Company allotting and issuing the new Shares, subject to the obtaining of the Shareholders' approval for the Specific Mandate at the time when the call option is exercised.

Completion

Completion will take place no later than three Business Days following satisfaction or waiver of the conditions set out in the Agreement, or at such other place or at such other time as the parties may agree in writing.

Upon Completion, the Group will acquire 63.13% of the issued share capital of Suniva and Suniva will become a non wholly-owned subsidiary of the Company.

THE CONSIDERATION SHARES

The Consideration Shares to be issued to the Participating Stockholders for the Merger and Acquisition comprise an initial number of 70,928,000 new Shares and an additional number of 52,210,889 new Shares to be issued if such number is adjusted in accordance with the Adjustment Mechanism set out above.

As at the date of this announcement, the Company has 3,823,964,846 Shares in issue. Assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares since the date of this announcement, the maximum number of Consideration Shares represent (i)

approximately 3.22% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 3.12% of the issued share capital of the Company as enlarged by the issue and allotment of the maximum number of Consideration Shares.

The Consideration Shares will be allotted and issued under the General Mandate. Under the General Mandate, the Directors are allowed to allot and issue up to 616,440,020 Shares. Up to the date of this announcement, no Share has been allotted and issued pursuant to the General Mandate. Accordingly, the issue of the Consideration Shares is not subject to any further approval by the Shareholders.

The Consideration Shares shall be issued as fully paid and shall rank *pari passu* in all respects with the ordinary Shares then in issue. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

Subject to certain exemptions, the Participating Stockholders agree to a 90-day lock-up undertaking in respect of the Consideration Shares.

The Issue Price represents:

- (i) a premium of approximately 140.38% over the closing price of HK\$2.08 per Share as quoted on the Stock Exchange on the date of the Agreement;
- (ii) a premium of approximately 123.21% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$2.24 per Share;
- (iii) a premium of approximately 101.61% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day of approximately HK\$2.48 per Share; and
- (iv) a premium of approximately 146.31% to the net asset value per Share of approximately HK\$2.03 (based on the latest audited net assets of the Group as of 31 December 2014 published on the Stock Exchange's website and the number of issued Shares as at the date of this announcement).

INFORMATION OF THE GROUP

The Company has committed itself to become the world leading provider for overall clean energy solutions. Through strategic acquisition and integration, the Company currently owns various product technologies of many famous brands in the industry, leading to the overall solutions for clean energies. At present, the product technologies owned by the Company are capable of realizing the on-going optimization for the generation of energies, such as solar energy, seawater power generation and geothermal heat pump. The Company is capable of providing integrated solutions, coupled with energy management and storage, for the users of large-scale government public facilities, the commercial users including large-scale gymnasiums, commercial facilities, offices, schools and hospitals and the household users. Such solutions are able to save up to overall 50%–70% energy effectively on the basis of realizing green environmental protection.

BVI Sub is a company incorporated in the British Virgin Islands and an indirect and wholly-owned subsidiary of the Company.

Merger Sub is a company incorporated in the state of Delaware and a direct and wholly-owned subsidiary of the BVI Sub.

INFORMATION OF SUNIVA

Suniva is a company incorporated in the state of Delaware. Suniva is the leading American manufacturer of high-efficiency, cost-competitive photovoltaics solar cells and modules. Suniva is known worldwide for its high-quality solar products, patented low-cost manufacturing technology and long-term reliable performance. Its ground-breaking manufacturing process ensures the combination of high power and exceptional value in every product made, while the research milestones continue to set the standard in the global photovoltaics marketplace.

Since its inception in 2007, Suniva has led the industry in high-performance affordable cells. Suniva makes record-setting of more than 20% conversion efficiency full-sized cells in the labs, with a daily average of more than 19% conversion efficiency on their production lines — manufacturing the world's highest commercially-available cell efficiencies using low manufacturing costs. Suniva is committed to further promotion of the practical adoption of photovoltaics solar energy worldwide.

Based on the audited accounts of Suniva based on the US GAAP, the audited net loss (before taxation) and net loss (after taxation) of Suniva for each of the financial years ended 31 December 2013 and 2014 are as follows:

	For the year ended 31 December 2014 (audited) US\$	For the year ended 31 December 2013 (audited) US\$
Net loss before taxation	(15,518,403)	(44,393,511)
Net loss after taxation	(15,518,433)	(44,393,811)

The audited total asset value of Suniva as at 31 December 2014 was approximately US\$74,582,145.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Transaction exceed 5% but all the applicable percentages ratios are less than 25%, the Transaction constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

In respect of the Put Option, if the Company chooses to settle the consideration of the Put Option by allotting and issuing new Shares using the Specific Mandate, the Company shall comply with the relevant Listing Rule requirements including publishing a circular which shall set out the details of the Put Option and the settlement mechanism, and seeking Shareholders' approval in relation to the Specific Mandate.

Shareholders and potential investors should note that the Transaction is subject to satisfaction (or, if applicable, waiver) of certain conditions. There is no assurance that the Agreement and the transactions contemplated thereunder will proceed. Shareholders and potential investors are advised to exercise caution in dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Acquisition”	the acquisition of 63.13% of the issued share capital of Suniva by the Group pursuant to the terms of the Agreement
“Agreement”	the conditional agreement and plan of merger dated 12 August 2015 entered into among the Company, BVI Sub, Merger Sub and Suniva in relation to the Transaction
“Board”	the board of Directors of the Company
“Business Day”	any day (excluding a Saturday) on which banks in Hong Kong are generally open for business
“BVI Sub”	Success Win Global Investments Limited, a company incorporated in the British Virgin Islands and an indirect and wholly-owned subsidiary of the Company
“Cash Contribution”	the payment of US\$12,000,000 by the Company to Suniva by way of capital injection
“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
“Completion”	completion of the Merger and Acquisition
“Consideration Shares”	a maximum of 123,138,889 new Shares to be allotted and issued by the Company to the Participating Stockholders pursuant to the Agreement
“Consideration”	the total consideration of US\$57,760,000 to be satisfied by the Company for the Merger and Acquisition pursuant to the Agreement

“Directors”	the directors of the Company
“General Mandate”	the general mandate to allot, issue and deal with the Shares granted to the Directors pursuant to the resolutions passed at the annual general meeting of the Company on 26 June 2015
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Price”	HK\$5.00, the initial issue price per Consideration Share
“Last Trading Day”	11 August 2015, being the last trading day immediately before the entering into of the Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Material Adverse Effect”	means any change, development or occurrence that, individually or in the aggregate, is or would reasonably be expected to be materially adverse to the business, assets, liabilities, financial condition or results of operations of Suniva and its subsidiaries, taken as a whole
“Merger”	the merger between Merger Sub and Suniva in accordance with the Delaware General Corporation Law and the terms of the Agreement where Suniva will be surviving entity
“Merger Sub”	Sunflower Merger Sub, Inc., a company incorporated in the state of Delaware, a direct and wholly-owned subsidiary of BVI Sub
“Participating Stockholders”	the stockholders of Suniva who are entitled to receive the Consideration Shares pursuant to the terms of the Agreement
“Put Option”	the option granted by the Company of the Participating Stockholders to sell all (but not part of) the PS Shares to the Company
“PS Shares”	the shares in Suniva held by the Participating Stockholders being 36.87% of the issued share capital of Suniva
“Shareholder(s)”	holder(s) of Shares of the Company
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company

“Specific Mandate”	a specific mandate to be considered, and, if thought fit, granted by the Shareholders to the Board to issue new Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suniva”	Suniva Inc., a company incorporated in the state of Delaware
“Transaction”	the transactions contemplated under the Agreement, including the Merger, the Acquisition and the Put Option
“US GAAP”	the generally accepted accounting principles in the United States
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

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

Hong Kong, 12 August 2015

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