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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)

**(A) PROFIT FORECAST IN RELATION TO
DISCLOSEABLE AND CONNECTED TRANSACTION FOR
ACQUISITION OF 59% EQUITY INTEREST OF LATTICE POWER CORPORATION
(B) DELAY IN DESPATCH OF CIRCULAR**

Reference is made to the announcement of Shunfeng International Clean Energy Limited (the “**Company**”) dated 20 May 2015 in relation to, among others, the acquisition of 59% equity interest of Lattice Power (the “**Announcement**”). Unless the context otherwise requires, terms used in this announcement shall have the same meanings as defined in the Announcement.

DELAY IN DESPATCH OF CIRCULAR

As stated in the Announcement, a circular (the “**Circular**”) containing, among other things, further information on (i) the Transaction, (ii) the recommendations from the Independent Board Committee, (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the Specific Mandate, together with the notice of the EGM, is expected to be despatched to the Shareholders on or before 11 June 2015.

As additional time is required to finalise the content of the Circular, it is expected that despatch of the Circular will be delayed to a date on or before 25 June 2015.

PROFIT FORECAST

Grant Sherman Appraisal Limited (the “**Independent Valuer**”), an Independent Third Party valuer, has been commissioned by the Company to conduct a valuation of the fair market value of a 59% equity interest in Lattice Power, which forms the basis for determining the consideration for the Acquisition. The Independent Valuer has applied the discounted cash flow method to determine the fair market value of a 59% equity interest in Lattice Power as HK\$2,400,000,000 as at 31 March 2015.

Accordingly, the valuation report prepared by the Independent Valuer (the “**Valuation Report**”) constitutes a profit forecast under Rule 14.61 of the Listing Rules. This announcement is therefore subject to the requirements under Rules 14.60A and 14.62 of the Listing Rules in relation to profit forecast.

Assumptions of Valuation

As required under Rule 14.62(1) of the Listing Rules, details of the principal assumptions upon which the Valuation Report was based are set out below:

- (a) there will be no major changes in the existing political, legal, fiscal and economic conditions in which Lattice Power and its subsidiaries, variable interest entities and their respective subsidiaries (the “**LP Group**”) carry on their business;
- (b) there will be no major changes in the current taxation law in the countries where the LP Group operates, that the rates of tax payable will remain unchanged and that all applicable laws and regulations will be complied with;
- (c) there will be no material changes in the industries in which the LP Group involves that would materially affect the revenues, profits, cash flows attributable to the business;
- (d) exchange rates and interest rates will not differ materially from those presently prevailing;
- (e) the availability of finance will not be a constraint on the forecasted growth of operations of the LP Group;
- (f) the LP Group’s history, operations and prospects of the business, its historical financial information, its financial projection and the underlying assumptions have been prepared on a reasonable basis, reflecting estimates which have been arrived at after due and careful consideration by the management of the LP Group;
- (g) the LP Group will successfully maintain its competitiveness and market share through optimizing the utilization of its resources and expanding its marketing network;
- (h) the LP Group can keep abreast of the latest development of the industry such that its competitiveness and profitability can be sustained;
- (i) the LP Group will utilize and maintain its current operational, administrative and technical facilities to expand and increase its sales;
- (j) the LP Group will be able to secure funds to repay the debts when they fall due;
- (k) the LP Group will retain and have competent management, key personnel, and technical staff to support its ongoing operations;

- (l) industry trends and market conditions for related industries will not deviate materially from economic forecasts;
- (m) all outstanding preferred shares of Lattice Power have been duly converted to common shares in accordance with the memorandum of association and the articles of association of Lattice Power on or before 31 March 2015;
- (n) Lattice Power holds the entire equity interest in Jiangxi Changda as at 31 March 2015; and
- (o) the exchange rates of US\$1 = RMB6.1442 and US\$1 = HK\$7.7523 are assumed to be the closing prices as at 31 March 2015.

Confirmations

Deloitte Touche Tohmatsu (“**Deloitte**”), acting as the Company’s auditor, has examined the calculations of the discounted future estimated cash flows in which the Valuation Report was based.

Deloitte has reported to the Directors the arithmetical accuracy of the calculations of and whether the discounted future estimated cash flows in connection with the valuation of a 59% equity interest in Lattice Power prepared by the Independent Valuer as set out in the Valuation Report, so far as the calculations are concerned, have been properly compiled with the assumptions described above. Because the Valuation Report is based on discounted future estimated cash flows, no accounting policies of the Company were adopted. The Directors are solely responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the Directors. The assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the valuation and the variation may be material. Accordingly, the work performed by Deloitte did not include reviewing, considering or conducting any work on the reasonableness and the validity of the assumptions described above and also did not constitute any valuation of Lattice Power.

TC Capital Asia Limited (“**TC Capital**”), acting as the Company’s financial adviser, has confirmed that it is satisfied that valuation of the 59% equity interest in Lattice Power has been made by the Directors after due and careful enquiry.

A letter from Deloitte dated 10 June 2015 in compliance with Rule 14.62(2) of the Listing Rules and a letter from TC Capital dated 10 June 2015 in compliance with Rule 14.62(3) of the Listing Rules have been submitted to the Stock Exchange, the texts of which are included in Appendix I and Appendix II to this announcement, respectively.

Experts and Consents

The qualifications of the experts who have given their statements in this announcement are as follows:

Name	Qualification
Grant Sherman Appraisal Limited	Independent professional valuer
Deloitte	Certified Public Accountants
TC Capital	A corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Independent Valuer, Deloitte and TC Capital is a third party independent of the Group and is not a connected person of the Group. As at the date of this announcement, neither the Independent Valuer, Deloitte nor TC Capital has any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

Each of the Independent Valuer, Deloitte and TC Capital has given and has not withdrawn its written consent to the issue of this announcement with inclusion of its letter and/or all references to its name (including its qualification) in the form and context in which they are included.

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

Hong Kong, 10 June 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; the non-executive Director is Mr. Yue Yang; and the independent non-executive Directors are Mr. Tao Wenquan, Mr. Zhao Yuwen, Mr. Siu Wai Keung Francis and Mr. Kwong Wai Sun Wilson.

APPENDIX I — LETTER FROM DELOITTE

10 June 2015

The Directors
Shunfeng International Clean Energy Limited
Portion A, 10/F
World Wide House
No 19 Des Voeux Road Central
Hong Kong

ACCOUNTANTS' REPORT ON CALCULATIONS OF DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF 59% EQUITY INTEREST IN LATTICE POWER CORPORATION

TO THE DIRECTORS OF SHUNFENG INTERNATIONAL CLEAN ENERGY LIMITED (THE "COMPANY")

We have examined the calculations of the discounted future estimated cash flows on which the valuation prepared by Grant Sherman Appraisal Limited dated 20 May 2015, in respect of the valuation of a 59% equity interest in Lattice Power Corporation (the "**Target Company**"), as at 31 March 2015 (the "**Valuation**") is based. The Target Company is a company incorporated in Cayman Islands and is principally engaged in research and production of light-emitting diode ("**LED**") chips that apply to general lighting, display, liquid crystal display ("**LCD**") backlight and industrial fields. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and will be included in an announcement dated 10 June 2015 to be issued by the Company in connection with the acquisition of a 59% equity interest in the Target Company (the "**Announcement**").

Directors' responsibility for the discounted future estimated cash flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows in accordance with the bases and assumptions determined by the directors and set out in the section headed "Assumptions of Valuation" of the Announcement (the "**Assumptions**"). This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future estimated cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Reporting accountants' responsibility

It is our responsibility to form an opinion on the arithmetical accuracy of the calculations of the discounted future estimated cash flows on which the Valuation is based and to report solely to you, as a body, as required by Rule 14.62(2) of the Listing Rules, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Our engagement was conducted in accordance with Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the Hong Kong Institute of Certified Public Accountants. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain reasonable assurance on whether the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled in accordance with the Assumptions. Our work does not constitute any valuation of Lattice Power Corporation.

Because the Valuation relates to discounted future estimated cash flows, no accounting policies of the Company have been adopted in its preparation. The Assumptions include hypothetical assumptions about future events and management actions which cannot be confirmed and verified in the same way as past results and these may or may not occur. Even if the events and actions anticipated do occur, actual results are still likely to be different from the Valuation and the variation may be material. Accordingly, we have not reviewed, considered or conducted any work on the reasonableness and the validity of the Assumptions and do not express any opinion whatsoever thereon.

Opinion

Based on the foregoing, in our opinion, the discounted future estimated cash flows, so far as the calculations are concerned, have been properly compiled, in all material respects, in accordance with the Assumptions.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

APPENDIX II — LETTER FROM TC CAPITAL

The Board of Directors

Shunfeng International Clean Energy Limited
Portion A, 10/F
World Wide House
No 19 Des Voeux Road Central
Hong Kong

10 June 2015

Dear Sirs,

We refer to the valuation report dated 20 May 2015 prepared by Grant Sherman Appraisals Limited (the “**Independent Valuer**”) in relation to the fair market value of 59% equity interest in the business enterprise of Lattice Power Corporation (the “**Valuation**”) as at 31 March 2015.

The principal assumptions upon which the Valuation is based are included in the announcement of Shunfeng International Clean Energy Limited (the “**Company**”) dated 10 June 2015 (the “**Announcement**”), of which this letter forms part. Capitalised terms used herein shall have the same meanings as those defined in the Announcement unless the context requires otherwise.

We note that the Valuation has been developed based on discounted cash flow analysis which is regarded as profit forecast (the “**Profit Forecast**”) under Rule 14.61 of the Listing Rules.

We have discussed with the management of the Company and the Independent Valuer regarding the bases and assumptions of the Profit Forecast to arrive at the Valuation and have reviewed the letter dated 10 June 2015 issued by Deloitte Touche Tohmatsu, the auditors of the Company, as set out in Appendix I to the Announcement in regard to their work performed on the Profit Forecast.

On the basis of the foregoing, we are of the opinion that the Profit Forecast underlying the Valuation, for which the directors of the Company are solely responsible, has been made after due and careful enquiry.

Yours faithfully,
For and on behalf of
TC Capital Asia Limited
Edward Wu
Managing Director