
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shunfeng Photovoltaic International Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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This circular is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.

SF-PV

Shunfeng Photovoltaic International Limited

順風光電國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

**(1) PROPOSED PLACING OF NEW SHARES UNDER A SPECIFIC MANDATE
AND**

**(2) CONNECTED TRANSACTION IN RELATION TO THE PLACING
AGREEMENT WITH A CONNECTED PERSON**

Placing Agent



**博大證券有限公司
Partners Capital Securities Limited**

Capitalised terms used on this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A notice convening an extraordinary general meeting of the Company to be held at the conference room of 99 Yanghu Road, Wujin Hi-Tech Industrial Development Zone, Changzhou City, Jiangsu, the People’s Republic of China on 18 June 2014 (Wednesday) at 10:00 a.m. is set out on pages 17–18 of this circular. Whether or not you are able to attend the extraordinary general meeting, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the extraordinary general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the extraordinary general meeting should you so wish.

3 June 2014

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context require otherwise:

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, a Sunday or a public holiday and any day on which a tropical cyclone warning no. 8 or above or a “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which banks are generally open for business in Hong Kong
“Closing Date”	the date falling three Business Days immediately after the date on which all the conditions under the Placing Agreement are satisfied, which is indicatively (subject to change) 26 June 2014 (or such other date as the Company and the Placing Agent may agree in writing)
“Company”	Shunfeng Photovoltaic International 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
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of Company to be convened and held at the conference room of 99 Yanghu Road, Wujin Hi-Tech Industrial Development Zone, Changzhou City, Jiangsu, the PRC on 18 June 2014 (Wednesday) at 10:00 a.m.
“Final Placing Shares”	the final number of Placing Shares to be placed and sold by the Placing Agent under the Placing, which will be determined between the Company and the Placing Agent by the execution of the Price Determination Agreement on the Price Determination Date in accordance with the manner set out in the Placing Agreement

DEFINITIONS

“Governmental Authority”	any government or any governmental agency, judicial entity or authority (including, without limitation, the Stock Exchange, the Securities and Futures Commission, any stock exchange established under statute or regulatory organisation which has authority over the Group)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	30 May 2014, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Lock-up Undertaking”	the lock-up undertaking to be granted by Mr. Cheng to the Placing Agent
“Long Stop Date”	15 July 2014 or such later date as the parties to the Placing Agreement may agree in writing
“Minimum Placing Price”	HK\$10.00 per Placing Share
“Mr. Cheng”	Mr. Cheng Kin Ming, a substantial shareholder of the Company
“Partners Capital” or “Placing Agent”	Partners Capital Securities Limited
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the proposed placing of the Placing Shares, on a best efforts basis, pursuant to the terms and conditions of the Placing Agreement
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 26 May 2014 in relation to the Placing

DEFINITIONS

“Placing Price”	the price per Placing Share (being not less than the Minimum Placing Price), to be determined by the Company and the Placing Agent on the Price Determination Date
“Placing Share(s)”	up to a maximum of 600,000,000 Shares
“PRC”	the People’s Republic of China
“Price Determination Agreement”	the agreement to be entered into between the Company and the Placing Agent in relation to the determination by the Company and the Placing Agent of the Placing Price and the number of the Final Placing Shares under the Placing
“Price Determination Date”	the date of the Price Determination Agreement, which shall be the same date on which the approval of the Specific Mandate by the Shareholders at the EGM is obtained, which is indicatively (subject to change) 18 June 2014 (or any other date as the Company and the Placing Agent may agree in writing)
“Relevant Jurisdiction”	United States of America, the Cayman Islands, the British Virgin Islands, Hong Kong, the PRC, or any jurisdiction relevant to any member of the Group
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Specific Mandate”	a specific mandate to be sought at the EGM for the allotment and issue of up to a maximum of 600,000,000 Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.



Shunfeng Photovoltaic International Limited

順風光電國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

Executive Directors:

Mr. Zhang Yi (*Chairman*)
Mr. Wang Xiangfu (*Chief Executive Officer*)
Mr. Shi Jianmin (*Vice Chairman*)
Mr. Wang Yu

Registered Office:

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Non-executive Directors:

Mr. Lu Bin
Mr. Yue Yang

*Principal place of business
in Hong Kong:*

Portion B, 30/F
Bank of China Tower
1 Garden Road, Central
Hong Kong

Independent Non-executive Directors:

Mr. Tao Wenquan
Mr. Zhao Yuwen
Mr. Siu Wai Keung Francis

3 June 2014

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED PLACING OF NEW SHARES UNDER A SPECIFIC MANDATE
AND
(2) CONNECTED TRANSACTION IN RELATION TO THE PLACING
AGREEMENT WITH A CONNECTED PERSON**

INTRODUCTION

Reference is made to the announcement made by the Company on 26 May 2014 in relation to the Placing.

The Company announced that on 26 May 2014 (after trading hours) the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to procure Placees, on a best efforts basis, to subscribe for up to 600,000,000 Placing Shares at a Placing Price of not less than HK\$10.00 per Placing Share, subject to the entering by the Company and the Placing Agent of the Price Determination Agreement. The Board

LETTER FROM THE BOARD

seeks the approval from the Shareholders for the Specific Mandate to issue the Placing Shares. The Placing Price and the number of the Final Placing Shares are to be determined between the Company and the Placing Agent on the Price Determination Date by the execution of the Price Determination Agreement in the manner set out in the Placing Agreement.

THE PLACING AGREEMENT

Date

26 May 2014 (after the trading hours)

Issuer

The Company

Placing Agent

Partners Capital

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, Partners Capital is an associate of Mr. Cheng and is a connected person of the Company.

For further information in relation to Partners Capital, please see the section headed "Implications under the Listing Rules".

The Company, after consultation with the Placing Agent, may appoint additional placing agents to procure subscribers for the Placing Shares and enter into agreements with such placing agents in respect of the Placing.

The Placing

The Placing Agent has conditionally agreed to procure Placees, on a best efforts basis, to subscribe for the Placing Shares at a Placing Price of not less than HK\$10.00 per Placing Share, subject to the entering by the Company and the Placing Agent of the Price Determination Agreement.

The Placing Agent is obliged to, subject to the entering by the Company and the Placing Agent of the Price Determination Agreement and the terms of the Price Determination Agreement, use its best efforts to procure Placees for the Placing Shares and has no obligation to purchase as principal any of the Placing Shares if all or any part of the Placing Shares are not purchased by the subscribers.

LETTER FROM THE BOARD

Price Determination

Price determination is expected to take place on the same date when the Specific Mandate is approved by the Shareholders at the EGM. At the time of price determination, it is expected that the Placing Price and the number of Final Placing Shares will be determined and agreed between the Company and the Placing Agent with reference to the then market conditions, the demand of the Shares and the prevailing trading price of the Shares.

If the Company and the Placing Agent cannot reach agreement over the Placing Price and the number of Final Placing Shares or do not otherwise enter into the Price Determination Agreement by the Long Stop Date, the Placing will lapse and will not proceed. An announcement of the Placing Price and the number of Final Placing Shares, if determined, will be made by the Company.

Placees

It is expected that the Final Placing Shares will be placed to not less than six Placees, who and whose ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons. It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) of the Company immediately after completion of the Placing. If any of the Placees becomes a new substantial Shareholder of the Company after the completion of the Placing, further announcement will be made by the Company.

Number of Placing Shares

The maximum number of 600,000,000 Placing Shares represents: (i) approximately 28.17% of the existing issued share capital of the Company of 2,130,093,457 Shares as at the Latest Practicable Date; and (ii) approximately 21.98% of the total issued share capital of the Company of 2,730,093,457 Shares as enlarged by the allotment and issue of 600,000,000 Placing Shares (assuming the Placing Shares are placed in full).

Ranking of Placing Shares

The Placing Shares will rank, upon issue, *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Final Placing Shares.

Placing Price

The Placing Price shall be no less than HK\$10.00 per Placing Share. The Minimum Placing Price per Placing Share was determined with reference to (a) the historical and prevailing trading prices of the Shares during the last ten consecutive trading days up to and including the date of the Placing Agreement; and (b) arm's length negotiation between the Company and the Placing Agent.

LETTER FROM THE BOARD

The Minimum Placing Price of HK\$10.00 represents:

1. a discount of approximately 5.48% of the closing price of HK\$10.58 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
2. a discount of approximately 8.93% to the closing price of HK\$10.98 per Share as quoted on the Stock Exchange on 26 May 2014, being the date of the Placing Agreement;
3. a discount of approximately 6.28% to the average closing price of approximately HK\$10.67 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the date of the Placing Agreement; and
4. a discount of approximately 9.42% to the average closing price of approximately HK\$11.04 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the date of the Placing Agreement.

As the Placing Shares are to be issued pursuant to the Specific Mandate to be obtained at the EGM, the period leading to completion is long. In light of the possible changes in the trading price of the Shares during such long period, the Company believes that the finalising of the Placing Price after the Specific Mandate is approved by the Shareholders at the EGM with the Minimum Placing Price fixed will (i) for the protection of the Company and its Shareholders as a whole, ensure that the Shares will not be sold below a floor price (namely, the Minimum Placing Price) of which the Shareholders will be asked to approve as part of the terms of the Specific Mandate, and (ii) provide the Company with flexibility to place the Placing Shares at a higher price taking into account the performance of the trading price of the Shares nearer the Price Determination Date.

The Placing Price shall be determined by the Company and the Placing Agent by the execution of the Price Determination Agreement on the Price Determination Date in the manner as set out in the section headed “Price Determination” above. The Board is of the view that, taking into account: (i) the historical and prevailing trading prices of the Shares; (ii) the possible changes in the trading price of the Shares leading to completion of the Placing; and (iii) the Company will seek to determine the Placing Price based on the then market conditions, the demand of the Shares and the trading price for the Shares nearer the Price Determination Date, the setting of the Minimum Placing Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Company would also draw the attention of the Shareholders to the section headed “Reasons for the Placing, use of proceeds and future capital requirements” in this circular which sets out the amount of proceeds which the Company would generate if the Placing Price was determined at the Minimum Placing Price. With the above, the Company believes that the Shareholders have sufficient information to make an informed decision when exercising their voting rights at the EGM.

LETTER FROM THE BOARD

Placing Commission

In consideration of the services of the Placing Agent in connection with the Placing, the Company shall pay the Placing Agent a placing commission of 1.5% of the amount equal to the Placing Price multiplied by the number of the total Final Placing Shares set out in the Price Determination Agreement. The gross commission to be received by the Placing Agent shall not in any event exceed HK\$90,000,000. The placing commission to be paid to the Placing Agent under the Placing was determined after arm's length negotiations between the Company and the Placing Agent with regard to the market rate, and the Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement, including the placing commission to be paid to the Placing Agent under the Placing and the transactions contemplated thereunder, are on normal commercial basis, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Lock-up Undertaking

The Company undertakes to the Placing Agent that, for a period of 90 days from the Closing Date and except for (a) Shares or securities to be issued pursuant to any employee share option scheme of the Company or pursuant to any existing options, agreements or convertible instruments to which the Company is bound, (b) Shares to be issued under existing outstanding general mandate of the Company as consideration or part consideration for acquisitions of companies, assets or businesses by the Group, (c) convertible instruments to be issued pursuant to any existing agreement to which the Company is bound or the issue of Shares pursuant thereto, or (d) pursuant to the Placing, it will not: (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally) any Shares or interest in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares; or (ii) agree (conditionally or unconditionally, or directly or indirectly or otherwise) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above, without first obtaining the written consent of the Placing Agent, such consent not to be unreasonably withheld.

Mr. Cheng, a substantial shareholder of the Company, will give the Lock-up Undertaking to the Placing Agent pursuant to which Mr. Cheng shall undertake to the Placing Agent that, from the Closing Date and on or prior to the date being 90 days after the Closing Date, he will not, and will procure Faithsmart Limited and Peace Link Services Limited not to (without the prior written consent of the Placing Agent):

- (i) offer, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Share or any interests therein or any securities convertible into or exercisable or exchangeable for any such Shares or interests, or

LETTER FROM THE BOARD

- (ii) enter into any swap or similar agreement that transfers to another, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described above is to be settled by delivery of Shares or such other securities, in cash or otherwise, or
- (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above.

Conditions of the Placing

The obligations of the Placing Agent and the obligations of the Company under the Placing Agreement are conditional upon the fulfilment of each of the following conditions from time to time by 8:00 a.m. (Hong Kong time) on the Long Stop Date:

1. approval of the Specific Mandate by the Shareholders at the EGM having been obtained;
2. the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Final Placing Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Final Placing Shares under the Placing Agreement);
3. the Price Determination Agreement having been duly executed by the Company and the Placing Agent; and
4. the Lock-up Undertaking having been duly executed by Mr. Cheng.

Specific Mandate

The Placing Shares to be issued under the Placing Agreement will be issued pursuant to the Specific Mandate to be obtained at the EGM.

Termination and Force Majeure

If at any time prior to the completion of the Placing on the Closing Date:

1. there develops, occurs or comes into force any of the following:
 - (i) any new law, rule or regulation or any change in existing laws, rules or regulations which has a material adverse effect on the financial or business position or prospect of the Group as a whole or otherwise which would prejudice the success of the Placing; or
 - (ii) any event, development or change (or forming part of a series of event, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) (whether or not permanent) in local, national or international economic, financial, industrial, regulatory, political or military

LETTER FROM THE BOARD

conditions, securities market conditions or currency exchange rates or exchange controls, including without limitation, any outbreak or escalation of hostilities, declaration by the Relevant Jurisdictions of a national emergency or other calamity or crisis, the effect of which is or would be materially adverse to the success of the Placing, or makes it impracticable or inadvisable or inexpedient to proceed therewith; or

- (iii) any Governmental Authority commencing any legal proceedings, investigation or other action of material importance, or announcing an intention to commence proceedings, investigate or take other action, against any member of the Group or any executive Director of the Company which would prejudice the success of the Placing; or
- (iv) the declaration of a banking moratorium by the authorities in the Relevant Jurisdictions, or a material disruption in commercial banking or foreign exchange trading or securities settlement services in any Relevant Jurisdictions or any moratorium, suspension or material restriction on trading in shares or securities generally, or the establishment of minimum prices, on the Stock Exchange due to exceptional financial circumstances or otherwise; or
- (v) any prohibition on the Company for whatever reason from offering, allotting or issuing any of the Final Placing Shares pursuant to the terms of the Placing Agreement, including any Governmental Authority of competent jurisdiction enacting or issuing any law, rule, regulation, judgement, decree or other order which prohibits the Company from consummating any transaction contemplated under the Placing Agreement; or
- (vi) any order or petition for the winding up of any member of the Group or any composition or arrangement being made by any member of the Group with its creditors or any scheme of arrangement being entered into by any member of the Group or any resolution for the winding up of any member of the Group being entered into by any member of the Group or the appointment of a provisional liquidator, receiver or manager over all or part of the material assets or undertaking of any member of the Group or anything analogous occurring in respect of any member of the Group, other than any voluntary winding up of an immaterial subsidiary of the Company; or
- (vii) any suspension of dealings in the Shares for any period whatsoever, other than a voluntary suspension upon the request of the Company; or
- (viii) the chief executive officer or chief financial officer of the Company being charged with an indictable offence or prohibited by operation of law or otherwise disqualified from taking part in the management of the Company; or

LETTER FROM THE BOARD

- (ix) the chairman or chief executive officer or chief financial officer of the Company vacating his office; or
 - (x) the Company withdrawing the Placing after consulting in good faith with the Placing Agent; or
 - (xi) the Company failing to obtain the approval of the Specific Mandate by the Shareholders at the EGM;
2. any material breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Closing Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect or there has been a breach of, or failure to perform, any other material provision of the Placing Agreement on the part of the Company; or
3. any change or any development involving a prospective change in the general affairs, prospects, earnings, business, properties, stockholders' equity or in the financial or trading position of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which is so material and adverse as to make it impractical or inadvisable to proceed with the Placing, then and in any such case, the Placing Agent may, after consultation with the Company, terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8.00 a.m. (Hong Kong time) on the Closing Date.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agent shall have the right (but not obligation) exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Final Placing Shares are not delivered by or on behalf of the Company in accordance with the terms of the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the Latest Practicable Date.

Completion of the Placing

The Placing is expected to be completed on the Closing Date.

The Placing is conditional upon the fulfilment of the conditions and is subject to the termination on the occurrence of, among other things, any event of force majeure as listed above.

LETTER FROM THE BOARD

REASONS FOR THE PLACING, USE OF PROCEEDS AND FUTURE CAPITAL REQUIREMENTS

The Company is an investment holding company. The subsidiaries of the Company are principally engaged in the construction, development and operation of solar power stations and the manufacturing and sales of solar cells, solar modules, solar wafer and other related products.

Assuming all the 600,000,000 Placing Shares are successfully placed at the Minimum Placing Price of HK\$10.00 per Placing Share, the gross proceeds from the Placing will amount to HK\$6,000,000,000. The net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$5,908 million, representing a net issue price of approximately HK\$9.85 per Share.

It is expected that the proceeds from the Placing will be used as follows:

- (i) as to 30% to finance part of the capital expenditure required for the development and construction of the existing solar power projects including distributed solar power applications and utility-scale solar power stations.

As set out in the 2013 annual report of the Company, as at 23 March 2014, the Group had an expected designed capacity of 1,718 MW. The details of which are as follows:

Location	Expected annual designed capacity MW
Xinjiang	160
Gansu	579
Ningxia	180
Hebei	230
Qinghai	100
Inner Mongolia	300
Jiangsu	69
Shandong	<u>100</u>
Total	<u><u>1,718</u></u>

The successful completion of the aforesaid projects is expected to contribute to the Group's solar power generation business, which in turn is expected to transform the Group into one of the leading integrated photovoltaic group. In addition, the Directors are of the view that such new developments will also serve as an indispensable part of the Group's long term development strategy;

LETTER FROM THE BOARD

- (ii) as to 66% to partly pay the current liabilities of the Group, being the amounts payable by the Group under the EPC (engineering, procurement and construction) agreements entered into for the construction of its 35 solar power projects. As at 31 December 2013, the outstanding payables of the Group under the EPC agreements for its 35 existing solar power plants, which are repayable within 12 months from 31 December 2013, amount to HK\$3,971.6 million; and
- (iii) as to 4% for general working capital purposes.

At present, the Company intends to principally use its internal resources, proceeds from the Placing and the previous issues of convertible bonds which are designated for use as working capital, cash generated from the Company's operating activities and bank facilities for its working capital requirements.

Taking into account (i) proceeds from the Placing and the previous issues of the convertible bonds that are designated for use as working capital, (ii) cash generated from the Company's operating activities, and (iii) the Company is in discussion with a number of financial institutions for bank facilities and is optimistic that the Company will be able to obtain the same, the Company believes that it has sufficient working capital to meet present requirements.

Depending on the Company's needs arising from, amongst others, its current or future solar power projects, the Company may explore different methods to finance such capital needs, including bank financing and equity related capital raising. The adoption of any of such methods will be done in compliance with the Listing Rules.

In addition to raising additional funds for the Company, the Directors are of the view that the Placing represents a good opportunity for the Company to broaden its shareholding base and capital base.

IMPLICATIONS UNDER THE LISTING RULES

As at the Latest Practicable Date, Mr. Cheng, a substantial shareholder of the Company, held an aggregate of 632,594,457 Shares, representing approximately 29.70% of the entire issued share capital of the Company. Partners Capital is an associate of Mr. Cheng and is, therefore, a connected person under the Listing Rules. The transaction between the Company and Partners Capital under the Placing Agreement is therefore a connected transaction under Chapter 14A of the Listing Rules.

As it is currently estimated that the relevant percentage ratio in respect of the maximum amount of placing commission to be received by Partners Capital will not in any event exceed 5%, the transaction between the Company and Partners Capital under the Placing Agreement is only subject to the reporting and announcement requirements and is exempted from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

The Directors (including the independent non-executive Directors) consider the terms of the Placing Agreement, including the placing commission to be paid to Partners Capital under the Placing, are on normal commercial terms and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Apart from the fund raising activities mentioned below, the Company has not carried out any fund raising activities during the 12 months immediately preceding the Latest Practicable Date.

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds
28 June 2013	Issue of convertible bonds to Peace Link Services Limited in the principal amount of HK\$930,500,000	Approximately HK\$929.5 million	Development and construction of solar power stations	Used as intended
17 September 2013, 10 October 2013 and 11 October 2013	Placing of 400,000,000 new Shares at the placing price of HK\$2.80 per placing share under a specific mandate	Approximately HK\$1,102.0 million	It is expected that 95% of the proceeds from the placing will be used to finance part of the capital expenditure required for the development and construction of the solar power stations, whilst 5% of the proceeds from the placing will be used for general working capital purposes	Used as intended
29 November 2013	Issue of convertible bonds to Peace Link Services Limited, Zhao Zhengya, Lan Heng, Wang Chuan, Li Yi and Power Triumph Investment Development Limited in the principal amount of HK\$3,580,000,000	Approximately HK\$3,580.0 million	To fund the acquisition of Wuxi Suntech Power Co., Ltd	Used as intended
14 April 2014	Issue of convertible bonds in the principal amount of not more than HK\$2,300,000,000	Approximately HK\$2,265.5 million (assuming the convertible bonds are issued in full)	It is expected that the proceeds will be used to fund the Group's capital expenditure for its existing solar power projects and for general corporate purposes	(not yet completed)

LETTER FROM THE BOARD

EFFECTS ON SHAREHOLDING STRUCTURE

To the best of the Directors' knowledge, information and belief after having made reasonable enquires, the existing shareholding structure of the Company and the effect on the shareholding structure of the Company upon completion of the Placing (assuming the Placing Shares are placed in full) are set out as below:

	As at the Latest Practicable Date		Upon completion of the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Peace Link Services Limited (<i>Note 1</i>)	632,594,457	29.70	632,594,457	23.17
Endless Rocket International Limited (<i>Note 2</i>)	274,248,000	12.87	274,248,000	10.04
Coherent Gallery International Limited (<i>Note 3</i>)	126,161,000	5.92	126,161,000	4.62
Placeses	0	0	600,000,000	21.98
Other public Shareholders	<u>1,097,090,000</u>	<u>51.51</u>	<u>1,097,090,000</u>	<u>40.19</u>
Total	<u>2,130,093,457</u>	<u>100.0</u>	<u>2,730,093,457</u>	<u>100.0</u>

Notes:

1. Peace Link Services Limited is wholly owned by Faithsmart Limited which is in turn wholly owned by Mr. Cheng.
2. Endless Rocket International Limited is wholly owned by Triocean Investments Limited which is owned as to 52% by Mr. Zhang Ying and as to 48% by Mr. Lam Chit Wing.
3. Coherent Gallery International Limited is wholly owned by Mr. Tang Guoqiang, a former non-executive Director.

GENERAL

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and permission to deal in, the Placing Shares.

EGM

A notice convening the EGM is set out on pages 17–18 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

The resolution to be approved at the EGM will be voted by way of poll by the Shareholders. To the best knowledge of the Directors, none of the Shareholders has a material interest in the proposed Specific Mandate as at the Latest Practicable Date. Accordingly, none of the Shareholders will be required to abstain from voting at the EGM in respect of the resolution(s) to be passed. The results of the poll will be published on the Stock Exchange's website at www.hkexnews.hk and the Company's website at www.sf-pv.com as soon as possible after the conclusion of the EGM.

RECOMMENDATION

The Board considers that the grant of the Specific Mandate is in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to be proposed at the EGM or any adjournment thereof.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By order of the Board
Shunfeng Photovoltaic International Limited
Zhang Yi
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING



Shunfeng Photovoltaic International Limited

順風光電國際有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 01165)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Shunfeng Photovoltaic International Limited (the “**Company**”) will be held at the conference room of 99 Yanghu Road, Wujin Hi-Tech Industrial Development Zone, Changzhou City, Jiangsu, the People’s Republic of China on 18 June 2014 (Wednesday) at 10:00 a.m. (the “**EGM**”) for the purpose of considering and, if thought fit, passing with or without amendment the following resolution as ordinary resolution of the Company:

ORDINARY RESOLUTION

“THAT

- (a) the grant of a specific mandate for the board of directors of the Company (“**Directors**”) to issue up to 600,000,000 new shares (the “**Placing Shares**”) at an issue price of not less than HK\$10.00 per share, and conditional upon, among others, the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and permission to deal in, the Placing Shares and the price determination agreement in relation to the determination by the Company and the placing agent of the final placing price and the number of final placing shares having been duly executed by the Company and the placing agent, the issue and allotment of the Placing Shares, pursuant to and subject to terms of the placing agreement dated 26 May 2014 entered into between the Company as issuer and Partners Capital Securities Limited as placing agent, be and are hereby approved; and
- (b) any one or more of the Directors be and is/are hereby authorised to do all such acts and things and execute all such documents which he/she/they consider necessary, desirable or expedient for the purpose of, or in connection with, the issue and allotment of the Placing Shares.”

By order of the Board
Shunfeng Photovoltaic International Limited
Zhang Yi
Chairman

Hong Kong, 3 June 2014

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (1) Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
- (2) In order to be valid, a form of proxy and the power of attorney (if any) or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be deposited with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof.
- (3) In order to qualify for the right to attend and vote at the EGM, all transfers, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 17 June 2014 for registration.
- (4) Delivery of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the EGM convened and in such event, the form of proxy shall be deemed to be revoked.
- (5) In the case of joint registered holders of any share, any one of such joint registered holders may vote at the EGM, either in person or by proxy, in respect of such share as if he/she were solely entitled thereto, but if more than one of such joint registered holders be present at the EGM, the vote of the senior who tenders a vote either personally or by proxy shall be accepted to the exclusion of the votes of the other joint registered holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

As at the date of this notice, the executive Directors are Mr. Zhang Yi, Mr. Wang Xiangfu, Mr. Shi Jianmin and Mr. Wang Yu; the non-executive Directors are Mr. Lu Bin and Mr. Yue Yang; and the independent non-executive Directors are Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Siu Wai Keung Francis.