

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)**

## **SUPPLEMENTAL SALE AND PURCHASE AGREEMENT IN RELATION TO THE VERY SUBSTANTIAL DISPOSAL**

### **SUPPLEMENTAL SALE AND PURCHASE AGREEMENT**

On 29 December 2022 (after trading hours), the Purchaser, the Vendor, Xinjiang Pu Xin Cheng Da, Jiangxi Shunfeng, Shunfeng Photovoltaic Investments, the Company, the Hong Kong Holding Company and the Target entered into the Supplemental Sale and Purchase Agreement to extend the long stop date of the Sale and Purchase Agreement and to supplement on the steps for the Internal Reorganisation.

### **LISTING RULES IMPLICATIONS**

As the arrangement under the Supplemental Sale and Purchase Agreement does not constitute material change to the terms of the Sale and Purchase Agreement, the Company is not required to re-comply with the relevant requirements of a very substantial disposal pursuant to Chapter 14 of the Listing Rules which are applicable to the Sale and Purchase Agreement.

References are made to the Company's announcements dated 4 July 2022 and 25 November 2022, and the Company's circular (the "**Circular**") dated 26 October 2022, in relation to the Sale and Purchase Agreement entered into among the Purchaser, the Vendor, Xinjiang Pu Xin Cheng Da, Jiangxi Shunfeng, Shunfeng Photovoltaic Investments and the Company on 29 June 2022. Pursuant to the Sale and Purchase Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the Target Equity Interest, representing 100% of the equity interests in the Target, at an aggregate Consideration of approximately RMB664.3 million, which is equivalent to approximately HK\$777.5 million. Capitalised terms used herein shall have the same meanings as those defined in the Circular unless the context requires otherwise.

## **SUPPLEMENTAL SALE AND PURCHASE AGREEMENT**

On 29 December 2022 (after trading hours), the Purchaser, the Vendor, Xinjiang Pu Xin Cheng Da, Jiangxi Shunfeng, Shunfeng Photovoltaic Investments, the Company, the Hong Kong Holding Company and the Target entered into a supplemental sale and purchase agreement (the “**Supplemental Sale and Purchase Agreement**”), pursuant to which the parties agreed to extend the long stop date of the Sale and Purchase Agreement for effecting the Completion from no later than 31 December 2022 to no later than 31 January 2023 (or such later date as may be agreed by the parties thereto in writing).

With respect to the Internal Reorganisation, under the Sale and Purchase Agreement, (i) the Vendor would incorporate the Target as a wholly owned subsidiary in the British Virgin Islands and procure that the Target shall establish the Hong Kong Holding Company as a wholly owned subsidiary in Hong Kong before the Transfer Date; and (ii) the Vendor would procure Jiangxi Shunfeng to transfer 100% equity interest in Xinjiang Pu Xin Cheng Da to the Hong Kong Holding Company before the Transfer Date. As at the date of this announcement, the Vendor has incorporated the Target as a wholly owned subsidiary in the British Virgin Islands and the Target has established the Hong Kong Holding Company as a subsidiary in Hong Kong. Pursuant to the Supplemental Sale and Purchase Agreement, the parties further agreed that, among other things, the shareholder’s loan provided by Jiangxi Shunfeng to Xinjiang Pu Xin Cheng Da will be converted to share capital of Xinjiang Pu Xin Cheng Da as permitted under the applicable laws and as part of the Internal Reorganisation, in order to satisfy the condition under the Sale and Purchase Agreement (i.e. condition (i) as disclosed in the Circular).

## **REASONS FOR AND BENEFITS OF THE SUPPLEMENTAL SALE AND PURCHASE AGREEMENT**

As disclosed in the Circular, the development of the business of the Group, in particular, the construction of the solar power plants in the PRC, is extremely capital intensive. One important factor that has hindered the Group’s financial performance has been the high level of finance costs (i.e. interest expenses) associated with its high debt level. In light of the recurring financing needs of the Company (including the need to settle financial expenses), the Company began to seek additional capital and contemplate possible disposals in its continued efforts to reduce the overall debt-to-equity level, including the Disposal. The entry into of the Supplemental Sale and Purchase Agreement enables the parties to have sufficient time to satisfy or fulfil the conditions under the Sale and Purchase Agreement, and to have more detailed steps plan with more clarity in implementing the Internal Reorganisation and satisfying the conditions under the Sale and Purchase Agreement.

The Board considers the arrangement under the Supplemental Sale and Purchase Agreement will not have any material adverse impact on the financial position of the Group, and the terms therein are fair and reasonable, on normal commercial terms, and the in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the arrangement under the Supplemental Sale and Purchase Agreement does not constitute material change to the terms of the Sale and Purchase Agreement, the Company is not required to re-comply with the relevant requirements of a very substantial disposal pursuant to Chapter 14 of the Listing Rules which are applicable to the Sale and Purchase Agreement.

By order of the Board  
**Shunfeng International Clean Energy Limited**  
**Wang Yu**  
*Chairman*

Hong Kong, 29 December 2022

*As at the date of this announcement, the executive Directors are Mr. Wang Yu, Mr. Zhang Fubo, Mr. Lu Bin and Mr. Chen Shi; and the independent non-executive Directors are Mr. Tao Wenquan, Mr. Zhao Yuwen and Mr. Kwong Wai Sun Wilson.*