

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)

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

References are made to the Company's announcements dated 4 July 2022, 25 November 2022 and 29 December 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.

SECOND SUPPLEMENTAL SALE AND PURCHASE AGREEMENT

On 13 June 2023 (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 (collectively the "**Parties**") entered into a second supplemental sale and purchase agreement (the "**Second Supplemental Sale and Purchase Agreement**"), pursuant to which the Parties agreed, among other things:

- (1) to extend the long stop date of the Sale and Purchase Agreement for effecting the Completion from no later than 31 January 2023 to no later than 21 June 2023 (or such later date as may be agreed by the Parties thereto in writing);

- (2) within a reasonable period of time after the Completion, the Purchaser can appoint a qualified accountant to audit Xinjiang Pu Xin Cheng Da for the period (i) from 30 September 2020 to 31 December 2021 and (ii) from 30 September 2020 to the date of Completion, to ascertain all of its profit and loss during the said periods, and the Vendor, the Company, Jiangxi Shunfeng, and Shunfeng Photovoltaic Investments shall make up for the difference for the Purchaser, if any; and
- (3) the Purchaser can appoint a qualified valuer to conduct a valuation on the value of the shareholder's equity of Xinjiang Pu Xin Cheng Da, and the Vendor, the Company, Jiangxi Shunfeng, and Shunfeng Photovoltaic Investments shall make up for any loss to the Purchaser as a result of any difference in the value of the shareholder's equity of Xinjiang Pu Xin Cheng Da between 31 December 2021 and the date of Completion.

The Second Supplemental Sale and Purchase Agreement also sets out the updates to the status of the Internal Reorganisation and the Parties further agreed that the obligations in respect of taxes arising from the Internal Reorganisation shall be borne by the Vendor, Jiangxi Shunfeng, Shunfeng Photovoltaic Investments and the Company.

REASONS FOR AND BENEFITS OF THE SECOND 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. In addition, due to the freezing of assets of certain subsidiaries of the Company, including that of Xinjiang Pu Xin Cheng Da as a result of applications by certain creditors of the Company, the progress for completing the Sale and Purchase Agreement was affected and the Sale and Purchase Agreement was not able to be completed in accordance with the agreed timeline. The equity interests of Xinjiang Pu Xin Cheng Da has since been released from the freezing orders. The entry into of the Second 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 set out detailed steps plan with more clarity in satisfying the conditions under the Sale and Purchase Agreement and the rights and obligations of the Parties.

The Board considers the arrangement under the Second 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 in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the arrangement under the Second 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, 13 June 2023

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.