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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)

**DISCLOSEABLE TRANSACTION
PROVISION OF COUNTER-GUARANTEE**

PROVISION OF COUNTER-GUARANTEE

On 10 September 2018 (after trading hours), at the request of the Principal Guarantor, Jiangsu Shunfeng, a wholly-owned subsidiary of the Company, entered into the Counter-Guarantee and Pledge Contract, pursuant to which Jiangsu Shunfeng agreed to provide the Counter-Guarantee in respect of the obligations of the Principal Guarantor under the Principal Guarantee Contract in favour of the Principal Guarantor.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the transactions contemplated under the Counter-Guarantee and Pledge Contract is more than 5% but less than 25% and all other applicable percentage ratios are less than 25%, the transactions contemplated under the Counter-Guarantee and Pledge Contract constitute a discloseable transaction of the Company, and are therefore subject to the requirements of reporting and announcement, but are exempted from the requirement of shareholders' approval, pursuant to Chapter 14 of the Listing Rules.

INTRODUCTION

On 31 August 2018, the Principal Guarantor and the Lender entered into the Principal Guarantee Contract, pursuant to which the Principal Guarantor agreed to provide a guarantee of up to RMB80,000,000 in respect of the due repayment of the debts owed by Jiangsu Shunfeng to the Lender pursuant to any credit agreement(s) entered into or to be entered into between Jiangsu Shunfeng and the Lender between 31 August 2018 and 30 August 2020.

On 4 September 2018, Jiangsu Shunfeng, a wholly-owned subsidiary of the Company, entered into the Loan Agreement with the Lender, pursuant to which the Lender agreed to provide a loan facility in the principal amount of up to RMB75,000,000 (equivalent to approximately HK\$86,088,154) to Jiangsu Shunfeng. The loan facility under the Loan Agreement bears an interest rate of 4.785% per annum and is for a term of 6 months, which is payable on the 21st day of each month on a monthly basis. The obligations of Jiangsu Shunfeng under the Loan Agreement are guaranteed by the Principal Guarantee Contract.

On 10 September 2018 (after trading hours), at the request of the Principal Guarantor, Jiangsu Shunfeng entered into the Counter-Guarantee and Pledge Contract, pursuant to which Jiangsu Shunfeng agreed to provide the Counter-Guarantee in respect of Counter-Guaranteed Obligations (as defined below), including the obligations of the Principal Guarantor under the Principal Guarantee Contract, in favour of the Principal Guarantor.

THE COUNTER-GUARANTEE AND PLEDGE CONTRACT

The principal terms of the Counter-Guarantee and Pledge Contract are summarised as follows:

Date: 10 September 2018

Parties: (a) Jiangsu Shunfeng, as the counter-guarantor; and
(b) The Principal Guarantor, as the counter-guarantee.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Principal Guarantor and its respective ultimate beneficial owner(s) are third parties independent of, and not connected with the Company and its connected persons as at the date of this announcement.

Counter-Guaranteed
Obligations :

The Counter-Guarantor shall provide the Counter-Guarantee to the Principal Guarantor in an amount of up to RMB175,110,000 (equivalent to HK\$200,998,623) in respect of the outstanding principal amount of any loans owed by Jiangsu Shunfeng to the Lender, together with any interests (including compounded interests and default interests) accrued thereto, penalties, liquidated damages and all other relevant costs and expenses incurred for the realisation of the Lender's and the Principal Guarantor's rights during the term of the Counter-Guarantee and Pledge Contract, including the obligations of the Principal Guarantor under the Principal Guarantee Contract (the "**Counter-Guaranteed Obligations**").

The amount of the Counter-Guarantee of up to RMB175,110,000 (equivalent to HK\$200,998,623) is determined with reference to (i) the maximum principal amount of the loan facility and interests payable under the Loan Agreement and (ii) any further loan facilities to be obtained by the Group to satisfy the working capital needs of the Group's operations.

Term: From the commencement date of the Principal Guarantee Contract to the earlier of:

- (a) the 2nd anniversary after the date on which the Principal Guarantor is required to perform its guarantee obligations pursuant to the Principal Guarantee Contract; and
- (b) the date on which all outstanding amount payable by Jiangsu Shunfeng pursuant to the Loan Agreement has been repaid.

Security: As part of the Counter-Guarantee, Jiangsu Shunfeng pledged a property located in Changzhou of the PRC with a gross floor area of 67,591.87 m² together with its land use right with a gross site area of 99,611.2 m² in favour of the Principal Guarantor as security for its obligations and liabilities pursuant to the Counter-Guarantee and Pledge Contract.

REASONS FOR AND BENEFITS OF THE COUNTER-GUARANTEE

The Lender requested the provision of the guarantee under the Principal Guarantee Contract by the Principal Guarantor, and the Counter-Guarantee provides a back-to-back guarantee in respect of the Principal Guarantor's guarantee obligations under the Principal Guarantee Contract. Furthermore, it is anticipated that the Group may need to obtain further financing in the PRC to satisfy the working capital needs of its operations, and it is common in the PRC for lenders to require borrowers to put in place similar principal guarantee and counter-guarantee arrangements. The Counter-Guarantee Contract also serves to provide guarantee coverage for such anticipated future financing arrangements of the Group. Hence, the objective behind the transactions contemplated under the Principal Guarantee Contract and the Counter-Guarantee Contract is to facilitate the present loan application of Jiangsu Shunfeng and future loan applications of the Group in the PRC, which would provide capital necessary for the operation of the Group.

The Directors consider that the terms of the Counter-Guarantee Contract are on normal commercial terms, are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PRINCIPAL GUARANTOR

The Principal Guarantor is a company incorporated in the PRC, and is principally engaged in asset management and investment project development.

INFORMATION ON JIANGSU SHUNFENG

Jiangsu Shunfeng is a wholly-owned subsidiary of the Company, and is principally engaged in manufacturing and sales of solar cells and related products.

INFORMATION ON THE COMPANY

The Company has evolved from engaging purely in solar power business into a diversified leading integrated provider of clean energies and low-carbon and energy-saving solutions with global influences. The Company is continuing to proactively explore various kinds of clean energy resources with an aim to lay a solid foundation for its development into a global leading supplier which provides low-carbon and energy-saving integrated solutions.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in relation to the transactions contemplated under the Counter-Guarantee and Pledge Contract is more than 5% but less than 25% and all other applicable percentage ratios are less than 25%, the transactions contemplated under the Counter-Guarantee and Pledge Contract constitute a discloseable transaction of the Company, and are therefore subject to the requirements of reporting and announcement, but are exempted from the requirement of shareholders' approval, pursuant to Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

“Board”	the board of Directors
“Company”	Shunfeng International Clean Energy Limited (順風國際清潔能源有限公司), 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
“Counter-Guarantee”	the provision of the counter-guarantee by Jiangsu Shunfeng in favour of the Principal Guarantor pursuant to the terms of the Counter-Guarantee and Pledge Contract

“Counter-Guarantee and Pledge Contract”	the counter-guarantee and pledge contract dated 10 September 2018 entered into between Jiangsu Shunfeng and the Principal Guarantor in respect of counter-guarantee provided in favour of the Principal Guarantor
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Shunfeng”	江蘇順風光電科技有限公司 (Jiangsu Shunfeng Photovoltaic Technology Co., Ltd*), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company
“Lender”	Industrial and Commercial Bank of China Limited Changzhou Branch (中國工商銀行股份有限公司常州分行)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan Agreement”	the loan agreement dated 4 September 2018 entered into between the Lender as lender and Jiangsu Shunfeng as borrower in relation to a 6-month loan facility in the principal amount of up to RMB75,000,000
“PRC”	the People’s Republic of China
“Principal Guarantee Contract”	the principal guarantee contract dated 31 August 2018 entered into between the Principal Guarantor and the Lender in respect of the credit agreement(s) entered into or to be entered into between Jiangsu Shunfeng and the Lender
“Principal Guarantor”	江蘇武進高新投資控股有限公司 (Jiangsu Wujin Gaixin Investment Company Limited*), a company established in the PRC with limited liability

“RMB”

Renminbi, the lawful currency of the PRC

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

** In this announcement, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

By order of the Board

Shunfeng International Clean Energy Limited

Zhang Fubo

Chairman

Hong Kong, 10 September 2018

As at the date of this announcement, the executive Directors are Mr. Zhang Fubo, Mr. Wang Yu, 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.