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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)

ANNOUNCEMENT

FURTHER DEVELOPMENT IN RELATION TO VERY SUBSTANTIAL ACQUISITION OF EQUITY INTERESTS IN WUXI SUNTECH — APPROVAL OF THE RESTRUCTURING PLAN BY THE WUXI INTERMEDIATE PEOPLE’S COURT

The Company is pleased to announce that the Restructuring Plan has been approved by the Wuxi Intermediate People’s Court on 15 November 2013.

As completion of the Acquisition is subject to the fulfilment of the conditions set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

BACKGROUND

Reference is made to the announcement of Shunfeng Photovoltaic International Limited (the “**Company**”) dated 1 November 2013 (the “**VSA Announcement**”), 12 November 2013 (the “**12 November Announcement**”) and 14 November 2013 in relation to the proposed acquisition of 100% equity interests of Wuxi Suntech (the “**Acquisition**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in the VSA Announcement.

The Company is pleased to announce that the Restructuring Plan has been approved by the Wuxi Intermediate People’s Court on 15 November 2013 (the “**Approval Date**”).

THE RESTRUCTURING PLAN

The key terms of the Restructuring Plan are set out below:

(A) Payment plan

Pursuant to the Enterprise Bankruptcy Law of the PRC and the Restructuring Plan, the liabilities owed by Wuxi Suntech are to be repaid as follows:

- (i) debts owed by Wuxi Suntech to its employees will be repaid in full;
- (ii) tax owned by Wuxi Suntech to the local tax authority in Wuxi will be repaid in full;
- (iii) debts owed by Wuxi Suntech to the secured creditors will be repaid based on the value of the collateral secured. Such secured creditors will receive an amount up to the value of the collateral as set out in the relevant valuation report prepared by the Administrator. The amount of debts exceeding the value of the collateral as valued will be treated as ordinary and unsecured debts and repaid in accordance with the manner set out in paragraph (iv) below. If the value of the collateral as valued is higher than the amount of debts, the relevant secured creditor will receive full repayment of the debts;
- (iv) debts owed by Wuxi Suntech to the ordinary and unsecured creditors will be repaid in the following manner:
 - (a) for debts below the amount of RMB100,000, such debts will be repaid in full; and
 - (b) for debts exceeding the amount of RMB100,000, if the creditor opts for cash option (the “**Cash Option**”), such creditor will be entitled to an amount calculated based on a recovery ratio of 31.55%, or if the creditor opts for cash and receivables option (the “**Cash/Receivables Option**”), such creditor will be entitled to, effectively, an aggregate recovery ratio of 31.79%, comprising a cash repayment in the ratio of 30.85% and the entitlement of RMB0.94 of trade receivables for every RMB100 of debts;
- (v) costs, charges and expenses incurred by the Administrator in relation to the administration of Wuxi Suntech will be repaid in full; and
- (vi) liabilities incurred by Wuxi Suntech for reasons including the fulfilment of existing continuing contractual obligations and the continuation of operations during the reorganisation period will be repaid in full.

(B) Timing for distribution

For each of the creditors referred to above, other than the ordinary and unsecured creditors who opt for the Cash/Receivables Option, the debts owed by Wuxi Suntech as set out in the Restructuring Plan will be repaid to the relevant creditors in cash within 40 days after the Approval Date.

For ordinary and unsecured creditors who opt for the Cash/Receivables Option, the cash portion will be repaid by Wuxi Suntech to the relevant creditors within 40 days after the Approval Date and the trade receivables portion will be assigned by Wuxi Suntech to the relevant creditors within three months after the Approval Date.

For debts arising from guarantees granted by Wuxi Suntech, such debts will be repaid by Wuxi Suntech in accordance with the ratio under the Cash Option. If such liabilities have crystallised and have or will be due within 40 days after the Approval Date, they will be paid within 40 days after the Approval Date. If such liabilities have not crystallised and due and payable within 40 days after the Approval Date, such amounts will be reserved and repaid within one month upon receipt of the notice by Wuxi Suntech from the relevant creditors.

For debts which have been reported to the Administrator but have not been confirmed by the Wuxi Intermediate People's Court, or debts which are protected by the Enterprise Bankruptcy Law of the PRC but have not otherwise been reported to the Administrator, such debts will be repaid by Wuxi Suntech in accordance with the ratio under the Cash Option.

(C) Transfer of all the equity interests of Wuxi Suntech

All of the equity interests of Wuxi Suntech shall be transferred to Jiangsu Shunfeng or parties designated by Jiangsu Shunfeng at nil consideration.

(D) Implementation of the Restructuring Plan

The Restructuring Plan is binding upon the creditors of Wuxi Suntech, the existing equity interests holder of Wuxi Suntech, Wuxi Suntech, the Administrator and Jiangsu Shunfeng. The Restructuring Plan is to be implemented by Wuxi Suntech under the supervision of the Administrator.

Once the debts are repaid by Wuxi Suntech in accordance with the Restructuring Plan, Wuxi Suntech and the Administrator could apply to the Wuxi Intermediate People's Court for the order that the Restructuring Plan has been completed.

(E) Effects upon completion of the Restructuring Plan

Upon receipt of the order from the Wuxi Intermediate People's Court that the Restructuring Plan is complete, Wuxi Suntech will no longer be obliged to pay the debts which have been repaid or extinguished in accordance with the Restructuring Plan.

(F) Operation of Wuxi Suntech after completion of the Wuxi Suntech Reorganisation

Jiangsu Shunfeng has agreed to, within two years after the Approval Date, based on the business development of Wuxi Suntech, provide not less than RMB3,000,000,000 to Wuxi Suntech for the upgrading of the fixed assets and working capital.

PAYMENT OF THE CONSIDERATION

As set out in the VSA Announcement, the aggregate Consideration for the Acquisition is RMB3,000,000,000.

Pursuant to further negotiations between Jiangsu Shunfeng and the Administrator and at the request of the Administrator, the balance of the Consideration, being RMB2,500,000,000, is required to be paid within one month after the Approval Date to facilitate payments to the creditors.

As set out in the 12 November Announcement, to facilitate the above request of the Administrator, Mr. Cheng has agreed to, in his sole and personal capacity, transfer the balance of the Consideration to the Administrator within one month after the Approval Date (the “**Arrangement**”). As the Acquisition is still subject to the Conditions, including but not limited to, the obtaining of the approval of the Shareholders in respect of the Agreement and the transactions contemplated thereunder. If any of the Conditions is not fulfilled and the Company does not proceed with the Acquisition, the Company will not be responsible for the RMB2,500,000,000 paid by Mr. Cheng. If the Conditions are satisfied and the Company proceeds with the Acquisition, the Company will be responsible for such balance of the Consideration.

As Mr. Cheng is a substantial shareholder of the Company as at the date of this announcement, Mr. Cheng is a connected person of the Company. The Arrangement constitutes a financial assistance to be provided by a connected person to the Company under Chapter 14A of the Listing Rules. Since the Arrangement will be for the benefit of the Company on normal commercial terms where no security over the assets of the Company is to be granted, such Arrangement will be exempt from the reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.65(4) of the Listing Rules.

Further, in respect of the liabilities of Wuxi Suntech prior to 20 March 2013 which exceed the amount of the Consideration, Jiangsu Shunfeng has undertaken to be responsible for amount up to RMB10,000,000. The liabilities exceeding the amount of RMB10,000,000 shall be borne by the restructured Wuxi Suntech. However, the Wuxi Municipal People's Government or the New District Committee has undertaken to fully reimburse Wuxi Suntech in respect of the losses arising therefrom.

As disclosed in the VSA Announcement, details of (i) the Agreement and the transactions contemplated thereunder; (ii) the Restructuring Plan; (iii) financial and other information of the Group and Wuxi Suntech; (iv) pro forma financial information on the enlarged Group upon Completion; and (v) the notice of the EGM, will be included in the circular, which is expected to be despatched to the Shareholders on or before 20 February 2014.

As completion of the Acquisition is subject to the fulfilment of the conditions set out in the Agreement, the Acquisition may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

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

Hong Kong, 17 November 2013

As at the date of this announcement, 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.