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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)

**(A) DISCLOSEABLE AND CONNECTED TRANSACTION
ACQUISITION OF 59% EQUITY INTERESTS OF LATTICE POWER CORPORATION
(B) ISSUE OF CONSIDERATION SHARES UNDER SPECIFIC MANDATE**

THE ACQUISITION

The Board is pleased to announce that the Company has agreed to make the Acquisition, namely the purchase of 59% of the issued share capital of Lattice Power. As part of the Acquisition, the Company has entered into the Share Purchase Agreement and the ESOP Purchase Agreement on 20 May 2015. The Consideration for the Acquisition is approximately HK\$2,039,998,496, which shall be satisfied in full by the Company allotting and issuing the Consideration Shares to the Sellers at HK\$5.20 per Sale Share.

The Consideration Shares comprise 392,307,403 new Shares, which represent approximately 12.73% of the existing issued share capital of the Company and approximately 11.29% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares.

WARRANT SUBSCRIPTION

Prior to the Acquisition, Lattice Power has issued certain Existing Warrants convertible into Lattice Power Shares, the details of which are set out below. As part of the Transaction, the Company has entered into the Series E Warrant Subscription Agreement on 20 May 2015 pursuant to which Lattice Power agreed to issue, and the Company agreed to subscribe for the Series E Warrants convertible into 84,149,220 Lattice Power Shares at a nominal consideration of US\$0.001. Certain Shareholder Sellers have also each entered into the Series E Warrant Subscription Agreement with Lattice Power to subscribe for Series E Warrants convertible into an aggregate of 21,980,142 Lattice Power Shares.

CALL OPTION

Further, in consideration of the entering into of the Share Purchase Agreement and in order to induce the Company to enter into and perform the obligations under the Share Purchase Agreement, each of the Existing Warrantholders (who are also Sellers) have entered into a Call Option Agreement on 20 May 2015, pursuant to which such Seller granted a call option in favour of the Company over the Lattice Power Shares to be issued upon conversion of the Existing Warrants.

Upon completion of the Transaction, Lattice Power will become a non wholly-owned subsidiary of the Company.

LISTING RULES IMPLICATIONS

As the percentage ratios pursuant to the Listing Rules applicable to the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

The exercise of the Series E Warrants and the Call Option is at the discretion of the Company. Under Rule 14.75 of the Listing Rules, only the premium for the issue of the the Series E Warrants and the grant of the Call Option shall be taken into consideration for the purpose of determining the applicable percentage ratios under Chapter 14 of the Listing Rules. The Company will comply with applicable requirements under the Listing Rules upon exercise of the Series E Warrants and/or the Call Option.

AP Resources, one of the Shareholder Sellers, is indirectly wholly owned by Mr. Cheng Kin Ming, a substantial shareholder of the Company holding approximately 20.82% of the total issued share capital of the Company. Thus, AP Resources is a connected person of the Company and the Transaction also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to, among other conditions, the approval by the Independent Shareholders at the EGM by poll in accordance with the requirements of the Listing Rules.

Save as to AP Resources, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Shareholder Sellers, Mr. Wang Min, the ESOP Sellers, the Series E Warrantholders, Lattice Power, and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

As Mr. Cheng Kin Ming, a substantial shareholder of the Company, is interested in the Transaction, Mr. Cheng Kin Ming and his associates (including Mr. Lu Bin, a Director, who is the brother-in-law of Mr. Cheng Kin Ming) will abstain from voting at the EGM in respect of the resolution to approve the Transaction and the Specific Mandate.

The Independent Board Committee comprising all the independent non-executive Directors will be established by the Company to advise the Independent Shareholders on the Transaction. The Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transaction.

GENERAL

An EGM will be convened for the Shareholders to consider, and, if thought fit to approve the Transaction and the issue of the Consideration Shares under the Specific Mandate. A circular containing, among other things, further information on (i) the Transaction, (ii) the recommendations from the Independent Board Committee, (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the Specific Mandate together with the notice of the EGM, is expected to be despatched to the Shareholders on or before 11 June 2015.

The valuation by the qualified Independent Third Party valuer constitutes a profit forecast under Rule 14.61 of the Listing Rules. The Company will make a further announcement in accordance with the requirements under Rule 14.60A of the Listing Rules, which sets out, among other things, the principal assumptions, including commercial assumptions, upon which the valuation is based; a letter from the financial adviser of the Company confirming that they are satisfied that the valuation has been made by the Directors after due and careful enquiry; and the letter from the Company's reporting accountant confirming the results of its review of the calculations for the valuation, amongst others, as required by the Listing Rules.

The completion of the Acquisition, the Series E Warrant Subscription and the grant of the Call Option are subject to satisfaction (or, if applicable, waiver) of certain conditions. There is no assurance that the Acquisition, the Series E Warrant Subscription and/or the grant of the Call Option will proceed. Investors are advised to exercise caution in dealing in the Shares.

INFORMATION OF THE COMPANY

The Company has committed itself to become the world leading provider for overall clean energy solutions. Through strategic acquisition and integration, the Company currently owns various product technologies of many famous brands in the industry, leading to the overall solutions for clean energies. At present, the product technologies owned by the Company are capable of realizing the on-going optimization for the generation of energies, such as solar and wind energy, seawater power generation and geothermal heat pump. The Company is capable of providing integrated solutions, coupled with energy management and storage, for the users of large-scale government public facilities, the commercial users including large-scale gymnasiums, commercial facilities, offices, schools and hospitals and the household users. Such solutions are able to save up to overall 50%–70% energy effectively on the basis of realizing green environmental protection.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Board considered the following benefits of acquiring Lattice Power as a non wholly-owned subsidiary of the Company:

1. LED lighting is an important link in the solutions for low-carbon cities, low-carbon communities, and low-carbon families, which is in compliance with the development strategies of the Company as a provider for comprehensive low-carbon and energy-saving solutions.
2. Lattice Power owns the disruptive 6-inch and 8-inch GaN-on-Silicon LED technology, with over 200 global patents awarded. Its vertical integration of the LED industrial chain and successful commercial mass production have resulted in the supply of low-cost LED lighting products featuring high performance for the purpose of general lighting, smart phone and automobile lighting.
3. As a persistent, reliable, energy-saving lighting technology featuring high performance, LED lighting has vast and bright market prospects. LED lighting, which saves 50%-80% energy in comparison to the ordinary lighting, will definitely replace the traditional lighting in every aspect. The revolutionary GaN-on-Silicon LED technology of Lattice Power leads to the drastic reduction in production cost when compared to the traditional GaN-on-Sapphire LED, which will result in the tremendous contribution to the profit of the Company. By virtue of the prominent core technology of Lattice Power, the Company will proceed with the timely integration of the industrial chain on global basis in order to secure greater benefits.

Lattice Power has issued Certain Existing Warrants prior to the Acquisition. To avoid any dilution effect resulted from the conversion of such Existing Warrants affecting the Company's control over Lattice Power, the Company has agreed to subscribe to the Series E Warrants and obtained the Call Option as part and parcel of the Transaction.

Based on the above, the Board considers that the terms of the Acquisition, the Series E Warrant Subscription and the Call Option are in the ordinary and usual course of business of the Company, on normal commercial terms, is fair and reasonable and in the interests of the Shareholders as a whole.

INTRODUCTION

The Board is pleased to announce that the Company has agreed to make the Acquisition, namely the purchase of 59% of the issued share capital of Lattice Power. As part of the Acquisition, the Company has entered into the Share Purchase Agreement and the ESOP Purchase Agreement. The Consideration for the Acquisition is approximately HK\$2,039,998,496, which shall be satisfied in full by the Company allotting and issuing the Consideration Shares to the Sellers at HK\$5.20 per Sale Share.

The Consideration Shares comprise 392,307,403 new Shares, which represent approximately 12.73% of the existing issued share capital of the Company and approximately 11.29% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares.

Prior to the Acquisition, Lattice Power has issued certain Existing Warrants convertible into Lattice Power Shares, the details of which are set out below. As part of the Transaction, the Company has entered into the Series E Warrant Subscription Agreement pursuant to which Lattice Power agreed to issue, and the Company agreed to subscribe for the Series E Warrants convertible into 84,149,220 Lattice Power Shares at a nominal consideration of US\$0.001. Certain Shareholder Sellers have also each entered into the Series E Warrant Subscription Agreement with Lattice Power to subscribe for Series E Warrants convertible into an aggregate of 21,980,142 Lattice Power Shares.

Further, in consideration of the entering into of the Share Purchase Agreement and in order to induce the Company to enter into and perform the obligations under the Share Purchase Agreement, each of the Existing Warrantholders (who are also Sellers) have entered into a Call Option Agreement pursuant to which such Seller granted a call option in favour of the Company over the Lattice Power Shares to be issued upon conversion of the Existing Warrants.

Completion of each of the Agreements is conditional upon the satisfaction of the conditions precedents of the respective agreements as set out below. Upon completion of the Transaction, Lattice Power will become a non wholly-owned subsidiary of the Company.

THE ACQUISITION

The Acquisition of 59% of the issued share capital of Lattice Power comprises: (A) the acquisition of 34,806,570 Lattice Power Shares from the Shareholder Sellers pursuant to the Share Purchase Agreement, and (B) the acquisition of 14,280,000 Lattice Power Shares from the ESOP Sellers pursuant to the ESOP Purchase Agreement.

(A) The Share Purchase Agreement

A summary of the principal terms of the Share Purchase Agreement is set out as follows:

Date

20 May 2015

Parties

Vendors: The Shareholder Sellers

Purchaser: The Company

Warrantor: Mr. Wang Min, GSR Ventures I, L.P., GSR Principals Fund I, L.P., GSR Ventures III, L.P., Banean Holdings Ltd., GSR Opportunities IV, L.P., GSR Principals Fund IV, L.P., AP Resources and Mr. Tang Guoqiang.

AP Resources, one of the Shareholder Sellers, is indirectly wholly owned by Mr. Cheng Kin Ming, a substantial shareholder of the Company holding approximately 20.82% of the total issued share capital of the Company, and thus is a connected person of the Company. The total original purchase cost of the 18,537,100 Lattice Power Shares held by AP Resources is US\$40,843,650 (excluding any agent fees incurred).

Save to AP Resources, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Mr. Wang Min, the Shareholder Sellers and their ultimate beneficial owners is an Independent Third Party.

Equity interests to be acquired

Pursuant to the Share Purchase Agreement, the Shareholder Sellers have conditionally agreed to sell, and the Company has conditionally agreed to acquire 34,806,570 Lattice Power Shares, being 42% of the entire equity interests in Lattice Power in issue as at Completion without taking into account the Warrant Conversion Shares.

Consideration

The aggregate consideration pursuant to the Share Purchase Agreement is HK\$1,446,533,125, to be settled in full by 278,179,447 Consideration Shares to be issued to the Shareholder Sellers.

Conditions Precedent

The obligation of the Company to purchase the SPA Sale Shares is subject to the fulfillment of the following conditions, prior to or concurrently with Completion, unless waived by the Company before the Longstop Date (except condition 11 below which cannot be waived):

- (1) *Due Diligence.* Completion of satisfactory due diligence on Lattice Power;
- (2) *Representations and Warranties.* The representations, warranties and covenants made pursuant to the Share Purchase Agreement remain true, accurate and not misleading immediately prior to Completion;
- (3) *Covenants; Performance; No Breaches.* All of the agreements and covenants of the Shareholder Sellers required to be performed prior to Completion have been duly performed in all material respects and no breach under any Transaction Documents has occurred and is continuing;
- (4) *Authorisations.* Each of the Shareholder Sellers has obtained and provided to the Company copies of all authorisations required for it to perform its obligations under the Share Purchase Agreement, and all such authorisations are in full force and effect;
- (5) *No Material Adverse Effect.* Nothing has occurred which has or may reasonably be expected to have a Material Adverse Effect since the earlier of either the date of the Share Purchase Agreement or the date of the last audited financial statement provided to the Company;
- (6) *Sellers' Certifications.* The Company has received certifications by a director or chief executive of each of the Shareholder Sellers with respect to the conditions precedent and expressed to be effective as of the date of Completion;
- (7) *Transaction Documents Counterparts.* The Company has received a counterpart of each of the duly executed Transaction Documents which remain fully effective and unconditional;
- (8) *Charter Documents.* Lattice Power has adopted the New Charter;
- (9) *Prior Agreements.* Certain prior existing investment rights agreements have been terminated or will be terminated effective immediately prior to Completion;
- (10) *Agreed Form.* Each of the Transaction Documents is in the agreed form to the satisfaction of the Company;

- (11) *Approvals.* The Company having obtained all necessary authorizations, approvals or consents required under its constitutive documents and applicable laws to purchase the SPA Sale Shares and allot and issue the corresponding Consideration Shares, including but not limited to:
- a. the passing at an extraordinary general meeting by the independent shareholders of the Company of resolutions approving the Share Purchase Agreement and the transactions contemplated thereunder and the granting of a specific mandate to the directors of the Share Purchase Agreement to allot and issue the relevant Consideration Shares;
 - b. all requirements under the Listing Rules for the approval of the Share Purchase Agreement and the transaction contemplated therein have been fulfilled, including but not limited to issuing of the Independent Financial Adviser opinion; and
 - c. the Stock Exchange having given its approval for the listing and trading of the relevant Consideration Shares and such approval not having been subsequently revoked, withdrawn or cancelled;
- (12) *Merger Control Filings.* All merger control filings and notifications in respect of the Share Purchase, the ESOP Purchase and the Series E Warrant Subscription having been made to the competent merger control authority in each relevant jurisdiction and all approvals, consents or clearances for the Completion having been obtained without further in-depth proceedings being initiated;
- (13) *No issue.* No shares or securities convertible into shares having been issued by Lattice Power or its subsidiaries since the date of the Share Purchase Agreement other than as contemplated in the Transaction Documents, and no further options under the ESOP shall be granted after the date of the Share Purchase Agreement;
- (14) *No injunction.* No injunction, interim or otherwise, having been granted which would prohibit the Sellers from entering into and performing its obligations under the Share Purchase Agreement;
- (15) *Litigation.* There being no litigation pending against any of the Sellers or Lattice Power that, if decided adversely, would inhibit or otherwise delay the consummation of the transactions contemplated in the Transaction Documents;
- (16) *No Default.* None of Lattice Power or any other member of the group is in breach of or in default under the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loans agreement or other agreement, obligation, condition, covenant or instrument to which it is a party or to which their respective assets are bound at completion;
- (17) *No Restrictions or Prohibitions.* No order, judgment, restrictions or decisions having been made, promulgated or adopted by judicial or governmental authority or regulatory authority to restrict or prohibit the transactions contemplated under the Share Purchase Agreement;

- (18) *Management rights letter.* Lattice Power has delivered to the Company a management rights letter duly signed on behalf of Lattice Power in a form satisfactory to the Company;
- (19) *Exercise of options under ESOP.* 51% of all options granted and subsisting under the ESOP having been duly exercised;
- (20) *ESOP Purchase Agreement.* The ESOP Purchase Agreement having been agreed and signed by the parties thereto and all conditions therein having been fulfilled or duly waived;
- (21) *Termination of the ESOP.* The ESOP having been cancelled and terminated without any compensation to the participants thereof;
- (22) *The Series E Warrant Subscription Agreement.* The Series E Warrant Subscription Agreement having been agreed and signed by the parties thereto and all conditions therein having been fulfilled or duly waived;
- (23) *Conversion of Preferred Shares to Common Shares.* All outstanding preferred shares of Lattice Power having been converted to common shares in accordance with the Charter;
- (24) *Existing Warrants being surrendered and re-issued.* All Existing Warrants having been surrendered by the Sellers and Lattice Power has re-issued such Existing Warrants in new form;
- (25) *Removal of variable interest entities and trust arrangement.* The removal of certain variable interest entities and trust arrangement in certain subsidiaries of Lattice Power having been completed and Lattice Power becoming holder of the entire legal interest in such subsidiaries;
- (26) *Acquisition of interest in Jiangxi Changda.* The acquisition by any group company of Lattice Power of the minority interest in Jiangxi Changda having completed and Lattice Power becoming holder of the entire equity interest in Jiangxi Changda subsequent to the trust arrangement above;
- (27) *Registered capital of subsidiary.* All outstanding amount in the registered capital of a PRC subsidiary of Lattice Power having been paid up; and
- (28) *Litigation.* Litigations involving a subsidiary of a PRC subsidiary of Lattice Power having been fully settled and discharged.

Termination

If one or more of the condition precedents remains unsatisfied on the Longstop Date and has not been waived on or before that date, or becomes impossible to satisfy on or before the Longstop Date and has not been waived within five Business Days, the Company may give notice to terminate the Share Purchase Agreement.

The Company may cancel the purchase of the SPA Sale Shares if: (i) anything has occurred which has or may reasonably be expected to have a material adverse effect or there exists any situation which indicates that performance under the Transaction Documents cannot be expected, or (ii) there has been any breach or violation of any provision of, or any representation, warranty or covenant by the Shareholder Sellers or the Company.

Upon any such cancellation, each party's further rights and obligations shall terminate immediately.

Other Key Terms

- (1) *Merger Control.* In the event that the transactions contemplated by the Share Purchase Agreement trigger in-depth proceedings, each of the parties undertakes to use its reasonable endeavours to persuade such merger control authorities to permit the Acquisition;
- (2) *PRC Taxation.* Each of the Shareholder Sellers undertakes that it will comply with, and will make all reportings and declarations in a timely manner in relation to its PRC Tax liability, and will indemnify the Company and each group company of Lattice Power from any and all PRC taxation incurred or suffered as a direct or indirect result of the sale of the SPA Sale Shares; and
- (3) *Indemnity.* Each of the Shareholder Sellers agrees to indemnify the Company and its affiliates, shareholders, employees, officers, directors and agents from any loss relating to or arising out of any breach of representations, warranties or covenants up to the aggregate amount paid by the Company for the Acquisition.

Completion of the Acquisition

The date of Completion shall be the fourteenth (14th) day after all the conditions set forth in the conditions precedent above are satisfied or waived, or such other date as the Shareholder Sellers and the Company may agree in writing.

(B) ESOP Purchase Agreement

A summary of the principal terms of the ESOP Purchase Agreement is set out as follows:

Date

20 May 2015

Parties

Vendors: The ESOP Sellers

Purchaser: The Company

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the ESOP Sellers is an Independent Third Party.

Equity Interests to be Acquired

Pursuant to the ESOP Purchase Agreement, the ESOP Sellers will convert 51% of the outstanding options granted to the ESOP Sellers to common shares of Lattice Power. The Company will then acquire such ESOP Sale Shares, which would amount to an aggregate of 14,280,000 common shares of Lattice Power. The ESOP will be terminated prior to completion but the remaining 49% of the outstanding options will continue to be valid after the Completion.

Consideration

The aggregate consideration pursuant to the ESOP Purchase Agreement is HK\$593,465,371, to be settled by 114,127,956 Consideration Shares to be issued to the ESOP Sellers.

Conditions Precedent

The obligation of the Company to purchase the ESOP Sale Shares is subject to the fulfillment of the following conditions prior to or concurrently with the ESOP Completion unless waived by the Company (except condition 7 below which cannot be waived):

- (1) *Due Diligence.* completion of satisfactory due diligence on Lattice Power;
- (2) *Representations and Warranties.* The representations, warranties and covenants made pursuant to the ESOP Purchase Agreement remain true, accurate and not misleading immediately prior to completion;
- (3) *Covenants; Performance; No Breaches.* All of the agreements and covenants of the ESOP Sellers required to be performed prior to Completion have been duly performed in all material respects and no breach under any Transaction Documents has occurred and is continuing;
- (4) *Authorisations.* Each of the ESOP Sellers has obtained and provided to the Company copies of all authorisations required for it to perform its obligations under the ESOP Purchase Agreement, and all such authorisations are in full force and effect;
- (5) *No Material Adverse Effect.* Nothing has occurred which has or may reasonably be expected to have a Material Adverse Effect since the earlier of either the date of the ESOP Purchase Agreement or the date of the last audited financial statement provided to the Company;
- (6) *Transaction Documents Counterparts.* The Company has received a counterpart of each of the duly executed Transaction Documents which remain fully effective and unconditional;

- (7) *Approvals.* The Company having obtained all necessary authorizations, approvals or consents required under its constitutive documents and applicable laws to purchase the ESOP Sale Shares and allot and issue the corresponding Consideration Shares, including but not limited to:
- a. the passing at an extraordinary general meeting by the independent shareholders of the Company of resolutions approving the ESOP Purchase Agreement and the transactions contemplated thereunder and the granting of a specific mandate to the directors of the ESOP Purchase Agreement to allot and issue the relevant Consideration Shares;
 - b. all requirements under the Listing Rules for the approval of the ESOP Purchase Agreement and the transaction contemplated herein have been fulfilled, including but not limited to issuing of the Independent Financial Adviser opinion; and
 - c. the Stock Exchange having given its approval for the listing and trading of the relevant Consideration Shares and such approval not having been subsequently revoked, withdrawn or cancelled;
- (8) *Merger Control Filings.* All merger control filings and notifications in respect of the Share Purchase, the ESOP Purchase and the Series E Warrant Subscription having been made to the competent merger control authority in each relevant jurisdiction and all approvals, consents or clearances for the ESOP Completion having been obtained without further in-depth proceedings being initiated;
- (9) *No issue.* No shares or securities convertible into shares having been issued by Lattice Power or its subsidiaries since the date of the ESOP Purchase Agreement other than as contemplated in the Transaction Documents, and no further options under the ESOP shall be granted after the date of ESOP Purchase Agreement;
- (10) *No injunction.* No injunction, interim or otherwise, having been granted which would prohibit the Sellers from entering into and performing its obligations under the ESOP Purchase Agreement;
- (11) *Litigation.* There being no litigation pending against any of the Sellers or Lattice Power that, if decided adversely, would inhibit or otherwise delay the consummation of the transactions contemplated in the Transaction Documents;
- (12) *No Restrictions or Prohibitions.* No order, judgment, restrictions or decisions having been made, promulgated or adopted by judicial or governmental authority or regulatory authority to restrict or prohibit the transactions contemplated under the ESOP Purchase Agreement;
- (13) *Exercise of Options under ESOP.* 51% of all Options granted and subsisting under the ESOP having been duly exercised;

(14) *Termination of the ESOP.* The ESOP having been cancelled and terminated without any compensation to the participants thereof; and

(15) *Share Purchase Agreement.* The Share Purchase Agreement having been agreed and signed by the parties thereto and all conditions therein having been fulfilled or duly waived.

Termination

If one or more of the condition precedents remains unsatisfied on the completion of the Share Purchase Agreement and has not been waived on or before that date, the Company may give notice to terminate the ESOP Purchase Agreement.

The Company may cancel the ESOP Purchase if: (i) anything has occurred which has or may reasonably be expected to have a material adverse effect or there exists any situation which indicates that performance under the Transaction Documents cannot be expected, or (ii) there has been any breach or violation of any provision of, or any representation, warranty or covenant by the ESOP Sellers or the Company.

Upon any such cancellation, each party's further rights and obligations shall terminate immediately.

THE CONSIDERATION SHARES

The Consideration Shares to be issued to the Sellers in consideration of the Acquisition comprises 392,307,403 new Shares.

As at the date of this announcement, the Company has 3,082,200,101 Shares in issue. Assuming that there is no change in the issued share capital of the Company other than the issue of the Consideration Shares since the date of this announcement, the Consideration Shares represent (i) approximately 12.73% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 11.29% of the issued share capital of the Company as enlarged by the issue and allotment of the Consideration Shares.

The Consideration Shares shall be issued as fully paid and shall rank *pari passu* in all respects with the ordinary Shares then in issue. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares.

The Consideration Shares are to be issued by the Company under the Specific Mandate to be sought for approval from the Independent Shareholders at the EGM under the Listing Rules.

The Issue Price represents:

- (i) A premium of approximately 4.42% over the closing price of HK\$4.98 per Share as quoted on the Stock Exchange on the date of the Acquisition;

- (ii) a premium of approximately 2.56% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day of approximately HK\$5.07 per Share;
- (iii) a premium of approximately 2.36% to the average of the closing prices of Shares as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day of approximately HK\$5.08 per Share; and
- (iv) a premium of approximately 106.25% to the net asset value per Share of approximately HK\$2.52 (based on the latest audited net assets of the Group as of 31 December 2014 published on the Stock Exchange's website and the number of issued Shares as at the date of this announcement).

The aggregate nominal value of the Consideration Shares is approximately HK\$3,923,074.

Basis of determination of the Consideration

The consideration for the Acquisition was determined after arm's length negotiations between the Company and the Shareholders Sellers on normal commercial terms, with reference to the valuation of the fair value of 59% equity interest in Lattice Power of HK\$2,400,000,000 as at 31 March 2015 by Grant Sherman Appraisal Limited, a qualified Independent Third Party valuer, based on the discounted cash flow method.

The valuation by the qualified Independent Third Party valuer constitutes a profit forecast under Rule 14.61 of the Listing Rules. The Company will make a further announcement in accordance with the requirements under Rule 14.60A of the Listing Rules, which sets out, among other things, the principal assumptions, including commercial assumptions, upon which the valuation is based; a letter from the financial adviser of the Company confirming that they are satisfied that the valuation has been made by the Directors after due and careful enquiry; and the letter from the Company's reporting accountant confirming the results of its review of the calculations for the valuation, amongst others, as required by the Listing Rules.

WARRANT SUBSCRIPTION

As part of their historical investments in Lattice Power prior to the Acquisition, some of the Shareholders' Sellers have subscribed for the Existing Warrants convertible into preferred shares of Lattice Power. The Existing Warrants will continue to be valid after completion of the Acquisition.

To ensure that the Company can maintain a majority shareholding in Lattice Power upon full conversion of all outstanding options and Existing Warrants of Lattice Power, the Company entered into the Series E Warrant Subscription Agreement pursuant to which Lattice Power agreed to issue, and the Company agreed to subscribe for the Series E Warrants convertible into 84,149,220 Lattice Power Shares at a nominal consideration of US\$0.001 exercisable at the discretion of the Company. Certain Shareholder Sellers have also each entered into the Series E Warrant Subscription Agreement with Lattice Power to subscribe for Series E Warrants convertible into an aggregate of 21,980,142 Lattice Power Shares.

Series E Warrant Subscription Agreement

A summary of the principal terms of the Series E Warrant Subscription Agreement is set out as follows:

Date

20 May 2015

Parties

Issuer: Lattice Power

Subscriber: The Company and other subscribers (who are also Shareholder Sellers)

Warrantors: Mr. Wang Min, Chief Executive Officer of Lattice Power and Lattice Power

Series E Warrant Subscription

Lattice Power shall issue to the Company a Series E Warrant for the subscription of up to 84,149,220 Lattice Power Shares for a total nominal value of US\$0.001. The Subscription price of US\$0.001 will be paid in cash. The other subscriber will subscribe for Series E Warrant convertible into an aggregate of 21,980,142 Lattice Power Shares, and each of them will pay the subscription price of US\$0.001.

Terms and Conditions of the Series E Warrants

Exercise Price — The Subscription price for the Subscription Shares shall be the Sale Share Price per Share, subject to adjustment in the event of changes in the series of equity securities of Lattice Power comprising the Subscription Shares by reason of share dividends, splits, recapitalisations, reclassifications, combinations or exchanges of shares, separations, reorganisations, liquidations.

Exercise Period — the Series E Warrants shall be exercisable, in whole or in part, during the term commencing on the date of the Warrant and ending at 5:00 p.m. (Hong Kong time) on 19 May 2020 being the fifth (5th) anniversary of the date of the issue of the Series E Warrant.

Conditions Precedent

The obligation of the Company to make the Series E Warrant Subscription is subject to the fulfillment of the following conditions. prior to or concurrently with the Series E Warrant Subscription, unless waived by the Company (except condition 8 below which cannot be waived). Further, the Company shall not be required to complete the Series E Warrant Subscription unless all the other subscribers complete the Series E Warrant Subscription.

- (1) *Representations and Warranties.* The representations, warranties and covenants made pursuant to the Series E Warrant Subscription Agreement remain true, accurate and not misleading immediately prior to completion;
- (2) *Covenants; Performance; No Breaches.* All of the agreements and covenants of Lattice Power required to be performed prior to Completion have been duly performed in all material respects and no breach under any Transaction Documents has occurred and is continuing;
- (3) *Authorisations.* Lattice Power has obtained and provided to the Company copies of all authorisations required for it to perform its obligations under the Series E Warrant Subscription Agreement, and all such authorisations are in full force and effect;
- (4) *No Material Adverse Effect.* Nothing has occurred which has or may reasonably be expected to have a Material Adverse Effect since the earlier of either the date of the Series E Warrant Subscription Agreement or the date of the last audited financial statement provided to the Company;
- (5) *Company Certifications.* The Company has received certifications by Lattice Power with respect to the conditions precedent and expressed to be effective as of the date of the subscription;
- (6) *Transaction Documents Counterparts.* The Company has received a counterpart of each of the duly executed Transaction Documents which remain fully effective and unconditional;
- (7) *Non-Competition.* Mr. Wang Min and all current employees of and consultants to of the group companies of Lattice Power have entered into the Company's standard form proprietary information and inventions agreements, and non-competition and non-solicitation agreement in form and substance reasonably acceptable to the Company;
- (8) *Approvals.* The Company having obtained all necessary authorizations, approvals or consents required under its constitutive documents and applicable laws to subscribe for the Series E Warrant;
- (9) *Merger Control Filings.* All merger control filings and notifications in respect of the Share Purchase, the ESOP Purchase and the Series E Warrant Subscription having been made to the competent merger control authority in each relevant jurisdiction and all approvals, consents or clearances for the completion having been obtained without further in-depth proceedings being initiated;
- (10) *No issue.* No shares or securities convertible into shares having been issued by Lattice Power or its subsidiaries since the date of the Series E Warrant Subscription Agreement other than as contemplated in the Transaction Documents, and no further options under the ESOP shall be granted after the date of the Series E Warrant Subscription Agreement;

- (11) *No injunction.* No injunction, interim or otherwise, having been granted which would prohibit the Sellers from entering into and performing its obligations under the Series E Warrant Subscription Agreement;
- (12) *Litigation.* There being no litigation pending against any of the Sellers or Lattice Power that, if decided adversely, would inhibit or otherwise delay the consummation of the transactions contemplated in the Transaction Documents;
- (13) *Share Purchase Agreement.* The Share Purchase Agreement having been agreed and signed by the parties thereto and all conditions under having been fulfilled or duly waived.

Termination

If one or more of the condition precedents remains unsatisfied on the completion of the Share Purchase Agreement and has not been waived on or before that date, the Company may give notice to terminate the Series E Warrant Subscription Agreement.

The Company may cancel the Series E Warrant Subscription if: (i) anything has occurred which has or may reasonably be expected to have a material adverse effect or there exists any situation which indicates that performance under the Transaction Documents cannot be expected, or (ii) there has been any breach or violation of any provision of, or any representation, warranty or covenant by the Series E Warrantor, the Company or Lattice Jiangxi.

Upon any such cancellation, each party's further rights and obligations shall terminate immediately.

Other Key Terms

Merger Control. In the event that the transactions contemplated by Series E Warrant Subscription Agreement trigger in-depth proceedings, each of the parties undertakes to use its reasonable endeavours to persuade such merger control authorities to permit the Series E Warrant Subscription.

Completion of the Series E Warrant Subscription

The Series E Warrant Subscription shall take place on the date of completion of the Share Purchase Agreement, subject to all the conditions set forth above being satisfied or waived by the Company.

The Company will further comply with applicable Listing Rules requirement upon exercise of the Series E Warrants.

CALL OPTION

In consideration of the entering into of the Share Purchase Agreement and in order to induce the Company to enter into and perform the obligations under the Share Purchase Agreement, each of the Shareholders Sellers have also entered into a Call Option Agreement on 20 May 2015, pursuant to which such Shareholder Seller granted a call option in favour of the Company over the Lattice Power Shares to be issued upon conversion of the Existing Warrants, and provided an undertaking to restrict the timing to exercise the Existing Warrants.

The Call Option Agreements

A summary of the principal terms of the Call Option Agreements is set out as follows:

Date

20 May 2015

Parties

Grantors: Each of the Existing Warranholders (who are also Shareholder Sellers) pursuant to the Acquisition

Grantee: The Company

Call Option

The Company shall have the option, at its sole discretion, to acquire all or any part of the Warrant Conversion Shares to be issued upon conversion of the Existing Warrants from each of the Existing Warranholders on a date within the Call Option Period designated at a per share price equal to the Sale Share Price.

Call Option Period

The Existing Warranholders each as a grantor shall, upon conversion of any of the Existing Warrants into Warrant Conversion Shares, serve a written notice to the Company notifying of such conversion, (“Grantor Notice”). The Call Option Period shall be any time during the twenty-one (21) days from the receipt of the Grantor Notice by the Company. The date of exercise of the Call Option is the date on which the Company serves the call notice on the Grantor.

Completion

The completion of the Call Option shall take place on a date designated by the Company which shall be no less than three Business Days and no later than 2 months after the date on which the Company serves the call notice, or in the case shareholders’ approval of the Company is required for the exercise of the Call Option, completion shall take place within five Business Days after such shareholders’ approval is obtained.

Consideration

No additional consideration is payable by the Company for the acquisition of the Call Option.

The exercise price of the Call Option shall equal to the Sale Share Price per each Lattice Power Share. In the event the Call Option is exercised in full (the exercise of which is at the discretion of the Optionholder), the aggregate consideration payable by the Company upon exercise of the Call Option will be HK\$2,446,553,075 which shall be paid in cash.

The Company will further comply with applicable Listing Rules requirement upon exercise of the Call Option.

EFFECT OF THE ISSUE OF THE CONSIDERATION SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For reference and illustrative purposes only, the table below sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) upon the allotment and issue of the Consideration Shares (assuming Completion having occurred, the Specific Mandate having been approved at the EGM, the Listing Approval having been obtained and the number of Shares owned by each of the Shareholders below between the date of this announcement and the date of issue of the Consideration Shares remaining unchanged):

Shareholders	As at the date of this announcement		Immediately after the issue and allotment of the Consideration Shares	
	Number of Shares	%	Number of Shares	%
Cheng Kin Ming (<i>Note 1</i>)	641,653,933	20.82	717,211,124	20.64
Faithsmart Limited (<i>Note 2</i>)	638,201,933	20.71	713,759,124	20.54
AP Resources (<i>Note 3</i>)	638,201,933	20.71	713,759,124	20.54
Peace Link Services Limited	638,201,933	20.71	713,759,124	20.54
Tang Guoqiang (<i>Note 4</i>)	268,223,960	8.70	287,118,898	8.26
Zhang Yi (<i>Note 5</i>)	512,000	0.02	512,000	0.01
Other public shareholders	<u>2,171,810,208</u>	<u>70.46</u>	<u>2,469,665,482</u>	<u>71.09</u>
Total	<u><u>3,082,200,101</u></u>	<u><u>100.00</u></u>	<u><u>3,474,507,504</u></u>	<u><u>100.00</u></u>

Notes

- Mr. Cheng Kin Ming is the beneficial owner of 100% shareholding in Faithsmart Limited which in turn is the beneficial owner of 100% shareholding in AP Resources, which in turn is the beneficial owner of 100% shareholding in Peace Link Services Limited and, therefore, Mr. Cheng Kin Ming is deemed to be interested in the 638,201,933 Shares owned by Peace Link Services Limited for the purposes of the SFO. Mr. Cheng Kin Ming is also the beneficial owner of 3,452,000 Shares.
- Faithsmart Limited is the beneficial owner of 100% shareholding in AP Resources which in turn is the beneficial owner of 100% shareholding in Peace Link Services Limited and, therefore, Faithsmart Limited as deemed to be interested in the Shares owned by Peace Link Services Limited for the purposes of the SFO.

3. AP Resources is the beneficial owner of 100% shareholding in Peace Link Services Limited and, therefore, AP Resources is deemed to be interested in the shares owned by Peace Link Services Limited for the purposes of the SFO. AP Resources, who is one of the Sellers, will receive 75,557,191 Consideration Shares pursuant to the Acquisition.
4. Mr. Tang Guoqiang is the beneficial owner of 100% shareholding in Coherent Gallery International Limited and therefore, Mr. Tang Guoqiang is deemed to be interested in 268,223,960 Shares held by Coherent Gallery International Limited for the purposes of the SFO, Mr. Tang Guoqiang is one of the Sellers who will receive 18,894,938 Consideration Shares pursuant to the Acquisition.
5. Mr. Zhang Yi is a Director of the Company. He is also the beneficial owner of 512,000 Shares of the Company.

FUNDRAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

The table below sets out the summary of fundraising activity of the Company during the past 12 months immediately preceding the date of this announcement:

Date of announcement	Description	Net proceeds	Intended use of proceeds	Actual use of proceeds
28 October 2014	Issue of Convertible Bonds in the principal amount of not more than HK\$2,800,000,000	Approximately HK\$1,708.0 million	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	Used as intended

Saved as disclosed in table above, the Company has not conducted any other fundraising activities in the past 12 months preceding the date of this announcement.

INFORMATION OF LATTICE POWER

Lattice Power is a company incorporated in the Cayman Islands, principally engaged in the development, manufacturing, marketing and sales of LED chips and LED packages for use in general indoor and outdoor lighting, specialty lighting, LCD backlighting and related industries. As a technology leader in GaN-on-Silicon LED technology, Lattice Power is the first company in the world to start the mass production of GaN-on-Silicon high power thin film vertical LED chips with industry-leading performance. Lattice Power also owns significant patents and IP on the GaN-on-Silicon LED technology and is developing production on even larger wafer sizes (150–200 mm diameter) and integrated wafer-level packaging for driving down costs and increasing lumens/dollar.

The financial information extracted from the audited consolidated financial statements of Lattice Power and its subsidiaries for the two financial years ended 31 December 2013 and 31 December 2014 is as follows:

	Year ended 31 December 2014 US\$'000 (audited)	Year ended 31 December 2013 US\$'000 (audited)
Revenue	59,361	34,868
Net (loss) before tax	(27,995)	(13,686)
Net (loss) after tax	(29,359)	(12,691)
Net assets	96,957	72,659

INFORMATION ON THE COUNTERPARTIES

AP Resources is principally engaged in the business of investment.

Crescent Point is an emerging markets investment firm focused on the Asia-Pacific region. Crescent Point focuses on building long-term, mutually beneficial relationships with its investee companies. By leveraging its relationship network, track record, execution expertise and a disciplined investment process, Crescent Point is able to capitalise on highly attractive market investment opportunities.

G-O Scale Capital Management Co., LLC is a growth stage fund, sponsored by GSR Ventures and Oak Investment Partners, under the GSR Capital families of funds, with offices in Beijing, Hong Kong and Silicon Valley. The fund's team brings together years of cross border operating experience and successful co-investment history in mature and cutting edge technologies. The fund's goal is to scale up its investments in China for global markets.

GSR is a venture capital fund that invests primarily in early- and growth-stage technology companies with substantial operations in China. It focuses its investments in digital media, software, energy and technology. Some of its notable investments include Qunar (NASDAQ: QUNR), Shanghai Great Wisdom (SS: 601519), Lightinthebox (NYSE: LITB), NQ Mobile (NYSE: NQ), Boston Power, DiDi Taxi, FunPlus, and Lattice Power. The firm has more than US\$1 billion in capital under management and has offices in Beijing, Hong Kong and Silicon Valley.

Mayfield is a global, early-stage venture capital firm with over US\$3 billion under management. During its 45-year history, the firm has invested in more than 500 companies, of which 113 have gone public and over 150 have merged or been acquired. The firm is currently deploying Mayfield XIV, a

US\$365 million U.S. fund, and Mayfield India II, a US\$108 million dedicated India fund, and partners with GSR Ventures to invest in China. Mayfield invests in the mobile, cloud/SaaS, social, and big data areas. Recent successes include Qunar (NASDAQ: QUNR), Marketo (NASDAQ: MKTO), SolarCity (NASDAQ: SCTY), Zenprise (acquired by Citrix), Pulse (acquired by LinkedIn), StorSimple (acquired by Microsoft), QuickOffice (acquired by Google), RedBeacon (acquired by Home Depot), and WiChorus (acquired by Tellabs).

Andrew Yeo Khee Kuat, Tang Guoqiang, So Chi On, James H Boettcher, Jia-Fann Chen, Chei-Chan Kau, Edward B Roberts, Wesley Wong, Guang Hua Zhou, Wang Min and Deqing Liu are individual shareholders of Lattice Power.

Temasek is an investment company based in Singapore. Temasek's portfolio covers a broad spectrum of sectors: financial services; transportation, logistics and industrials; telecommunications, media & technology; life sciences, consumer & real estate; energy & resources. Its investment themes reflect Temasek's perspectives on the long term trends: Transforming Economies; Growing Middle Income Populations; Deepening Comparative Advantages; and Emerging Champions.

The Li/Liu Family Trust, Daystar Holdings LLC, SEFAM Inc., Silverpointe Investments Ltd, Yuntian Investment Company Limited, Signeo Limited and Great Hunter International are mainly engaged in strategic investments.

The ESOP Sellers are employees of Lattice Power.

SHAREHOLDING STRUCTURE OF LATTICE POWER AFTER THE ACQUISITION

Name of Shareholders	As at the date of the announcement				Immediately after the issue of the acquisition				
	Number of Lattice Power shares	Number of Existing Warrants	Lattice Power shares and Warrants	%	Number of Lattice Power shares	Number of Warrants	Lattice Power shares and Warrants	%	
The Company	—	—	—	—	49,086,570	84,149,220	133,235,790	53.83	
AP Resources	18,537,100	21,741,281	40,278,381	28.49	9,083,179	31,466,087 ¹	40,549,266	16.38	
Tang Guoqiang	4,635,659	5,188,150	9,823,809	6.95	2,271,473	7,473,864 ²	9,745,337	3.94	
Others (including 51% ESOP assuming the options have been exercised)	<u>59,355,419</u>	<u>31,939,678</u>	<u>91,295,097</u>	<u>64.56</u>	<u>22,086,956</u>	<u>41,909,300</u>	<u>63,996,256</u>	<u>25.85</u>	
Total	<u>82,528,178</u>	<u>58,869,109</u>	<u>141,397,287</u>	<u>100.00</u>	<u>82,528,178</u>	<u>164,998,471</u>	<u>247,526,649</u>	<u>100.00</u>	

1. AP Resources subscribed 9,724,806 Series E Warrants under the Series E Warrants Subscription.
2. Mr. Tang Guoqiang subscribed 2,285,714 Series E Warrants under the Series E Warrants Subscription.

LISTING RULES IMPLICATIONS

As the percentage ratios pursuant to the Listing Rules applicable to the Transaction exceed 5% but are less than 25%, the Transaction constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The exercise of the Series E Warrants and the Call Option is at the discretion of the Company. Under Rule 14.75 of the Listing Rules, only the premium for the issue of the the Series E Warrants and the grant of the Call Option shall be taken into consideration for the purpose of determining the applicable percentage ratios under the Chapter 14 of the Listing Rules. The Company will comply with applicable requirements under the Listing Rules upon exercise of the Series E Warrants and/or the Call Option.

AP Resources, one of the Shareholder Sellers, is indirectly wholly owned by Mr. Cheng Kin Ming, a substantial shareholder of the Company holding approximately 20.82% of the total issued share capital of the Company. Thus, AP Resources is a connected person of the Company and the Transaction also constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to, among other conditions, the approval by the Independent Shareholders at the EGM by poll in accordance with the requirements of the Listing Rules. Save as to AP Resources, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Shareholder Sellers, Mr. Wang Min, the ESOP Sellers, the Series E Warrant holders, Lattice Power, and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

As Mr. Cheng Kin Ming, a substantial shareholder of the Company, is interested in the Transaction, Mr. Cheng Kin Ming and his associates (including Mr. Lu Bin, a Director, who is the brother-in-law of Mr. Cheng Kin Ming) will abstain from voting at the EGM in respect of the resolution to approve the Transaction and the Specific Mandate.

The Independent Board Committee comprising all the independent non-executive Directors will be established by the Company to advise the Independent Shareholders on the Transaction. The Company will appoint an Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Transaction.

GENERAL

An EGM will be convened for the Shareholders to consider, and, if thought fit to approve the Transaction and the issue of the Consideration Shares under the Specific Mandate. A circular containing, among other things, further information on (i) the Transaction, (ii) the recommendations from the Independent Board Committee, (iii) the advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) the Specific Mandate together with the notice of the EGM, is expected to be despatched to the Shareholders on or before 11 June 2015.

The completion of the Acquisition, the Series E Warrant Subscription and the grant of the Call Option are subject to satisfaction (or, if applicable, waiver) of certain conditions. There is no assurance that the Acquisition, the Series E Warrant Subscription and/or the grant of the Call Option will proceed. Investors are advised to exercise caution in dealing in the Shares.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Acquisition”	the acquisition of 59% equity interests in Lattice Power by the Company pursuant to the Share Purchase Agreement and the ESOP Purchase Agreement, the Series E Warrant Subscription Agreement and the Call Option Agreement
“Agreements”	the Share Purchase Agreement, the ESOP Purchase Agreement, the Series E Warrant Subscription Agreement and the Call Option Agreement
“AP Resources”	Asia Pacific Resources Development Investment Limited, a limited company incorporated in British Virgin Islands. Mr. Cheng Kin Ming is the beneficial owner of 100% shareholding in AP Resources
“Board”	the board of Directors of the Company
“Business Day”	any day (excluding a Saturday) on which banks in Hong Kong are generally open for business
“Call Option Agreement”	the agreement dated 20 May 2015 between the Company and the Grantor in relation to the sale and purchase of certain number of shares of Lattice Power from the Grantor
“Call Option Period”	any time during the twenty-one (21) days from the receipt of the Grantor notice by Lattice Power
“Call Option”	the option of the Company to acquire all or any part of the Warrant Conversion Shares
“Charter”	the memorandum of association and the articles of association of Lattice Power in effect from time to time (which, as at the date of the Share Purchase Agreement, is the third amended and restated memorandum of association and the third amended and restated articles of association of Lattice Power)

“Company”	Shunfeng International Clean Energy 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
“Completion”	completion of the sale and purchase of the Sale Shares
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Consideration Shares”	392,307,403 new Shares to be allotted and issued by the Company under the Share Purchase Agreement and the ESOP Purchase Agreement
“Consideration”	the total consideration of approximately HK\$2,039,998,496 payable by the Company to Sellers for the Acquisition pursuant to the Share Purchase Agreement and the ESOP Purchase Agreement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider and approve the matters relating to the Acquisition, and the grant of specific mandate (and the transactions contemplated thereunder)
“ESOP Completion”	completion of the sale and purchase of the ESOP Sale Shares
“ESOP Purchase Agreement”	The conditional agreement dated 20 May 2015 entered into between the Company and Lattice Power’s employees, who hold Options in Lattice Power
“ESOP Purchase”	the acquisition in aggregate of 14,280,000 shares from the Optionholders pursuant to the ESOP Purchase Agreement
“ESOP Sale Shares”	14,280,000 Lattice Power Shares to be sold by the Optionholders to the Company pursuant to the ESOP Purchase Agreement
“ESOP Sellers”	employees of Lattice Power holding Options in Lattice Power
“ESOP”	the 2006 Global Share Plan adopted by Lattice Power
“Existing Warrantholders”	holders of the Existing Warrants
“Existing Warrants”	the Series A Warrants, Series B Warrants, Series C Warrants and Series D Warrants of Lattice Power
“Grantor Warrants”	The Existing Warrants in Lattice Power held by the Grantor

“Grantors”	The Existing Warrantholders, who are also Sellers under the Acquisition
“Group”	the Company and its subsidiaries
“GSR”	GSR Opportunities IV, L.P., GSR Principals Fund I, L.P., GSR Principals Fund IV, L.P., GSR Ventures I, L.P., GSR Ventures III, L.P. and Banean Holdings Ltd
“HK\$”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board established for the purpose of considering the Transaction, comprising all the independent non-executive Directors who are independent of the Transaction
“Independent Financial Adviser”	Fortune Financial Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, which has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Transaction
“Independent Shareholders”	the Shareholders who are not connected to the Group and its associates and not required to abstain from voting at the EGM to approve the Transaction (and the transactions contemplated thereunder) and the Specific Mandate
“Independent Third Party”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associate
“Issue Price”	the issue price of the Consideration Share of HK\$5.20 each
“Jiangxi Changda”	Jiangxi Changda Photoelectronics Science and Technology Co., Ltd. (江西省昌大光電有限公司), a PRC company and a subsidiary of Lattice Jiangxi
“Last Trading Day”	20 May 2015, being the last trading day immediately before the entering into of the Share Purchase Agreement and ESOP Purchase Agreement

“Lattice Jiangxi”	Lattice Power (Jiangxi) Corporation (晶能光電(江西)有限公司), a wholly foreign-owned company established in Nanchang, Jiangxi Province, the PRC, under the laws of the PRC
“Lattice Power”	Lattice Power Corporation, a company incorporated in the Cayman Islands
“Lattice Power Shares”	the common shares of US\$0.001 par value each in the share capital of Lattice Power
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Longstop Date”	30 November 2015
“Material Adverse Effect”	a material adverse effect on (i) Lattice Power or any of the key subsidiaries’ assets or properties, business prospects; (ii) carrying on the business or operation of Lattice Power, any of its key subsidiaries or the Lattice Power and its subsidiaries taken as a whole; (iii) Lattice Power’s ability to perform and to ensure that each of the key subsidiaries performs the Transaction Documents to which it is a party; (iv) the ability of Lattice Jiangxi to perform with its obligations under the any Transaction Documents; or (v) the validity or enforceability any of the Transaction Documents against the company or any of the key subsidiaries
“Mayfield”	Mayfield Associates Fund XII, Mayfield Principals Fund XII and Mayfield XII
“New Charter”	the fourth amended and restated memorandum of association and the fourth amended and restated articles of association of the Lattice Power to be adopted prior to or concurrently with the Completion of the Company under the Share Purchase Agreement
“Optionholders”	Lattice Power’s employees, who are holding Options in Lattice Power issued pursuant to the ESOP
“Options”	the options in the Lattice Power issued pursuant to the ESOP
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share Price”	HK\$41.5592

“Sale Shares”	the 49,086,570 shares of Lattice Power Shares to be sold by the Sellers to the Company under the Share Purchase Agreement and the ESOP Purchase Agreement
“Sellers”	the Shareholder Sellers and the ESOP Sellers
“Series E Warrantors”	Lattice Power and Wang Min
“Series E Warrants”	Series E warrants of Lattice Power entitling the holder to subscribe during the period of 5 years from the subscription date an aggregate value up to HK\$4,410,651,381 initially at HK\$41.5592
“Series E Warrant Conversion Shares”	the Lattice Power Shares issued by Lattice Power upon exercise of the Series E Warrants
“Series E Warrantholders”	the holder of Series E Warrants, i.e. GSR Ventures I, L.P., GSR Principals Fund I, L.P., GSR Ventures III, L.P., GSR Opportunities IV, L.P., GSR Principals Fund VI, L.P., CH Investments Ltd, Mayfield XII, Mayfield Principals Fund XII, Mayfield Associates Fund XII, AP Resources, Tang Guoqiang, G-O Scale Capital Management Co., LLC and the Company
“Series E Warrant Subscription”	the subscription of the Series E Warrants on the terms and subject to the conditions set out in the Series E Warrant Subscription Agreement
“Series E Warrant Subscription Agreement”	The agreement dated 20 May 2015 entered into between the Company and Lattice Power in relation to subscription of Series E Warrants
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of Shares of the Company
“Shareholder Sellers”	the sellers under the Share Purchase Agreement, namely Wang Min, GSR, AP Resources, Tang Guoqiang, So Chi On, James H Boettcher, Jia-Fann Chen, Chei-Chan Kau, Andrew Yeo Khee Kuat, Edward B Roberts, Wesley Wong, Guang Hua Zhou, The Li/Liu Family Trust, Daystar Holdings LLC, SEFAM Inc., Silverpointe Investments Ltd., Yuntian Investment Company Limited, Mayfield, CH Investments Ltd, Dunearn Investments (Mauritius) Pte. Ltd., Keytone Ventures, L.P., G-O Scale Capital Management Co., LLC, Signeo Limited, Great Hunter International and Deqing Liu

“Share Purchase”	the purchase of the common shares of Lattice Power by the Company from the existing shareholders pursuant to the terms and conditions of the Share Purchase Agreement
“Share Purchase Agreement”	the conditional agreement dated 20 May 2015 entered into between the Company and the Shareholder Sellers in relation to the Acquisition
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“SPA Sale Shares”	34,806,570 Lattice Power Shares to be sold by the Shareholder Sellers to the Company pursuant to the Share Purchase Agreement
“Specific Mandate”	a specific mandate to be considered, and, if thought fit, granted by the Shareholders to the Board to issue the Consideration Shares
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscription Shares”	84,149,220 fully paid and non assessable shares of Lattice Power, representing an aggregate value of up to HK\$3,497,174,264, which the Company is entitled to subscribe under the Series E Warrant Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Tang Guoqiang”	Mr. Tang Guoqiang is the beneficial owner of 100% shareholding in Coherent Gallery International Limited, which at the date of this announcement holds 268,223,960 Shares in the Company. Mr. Tang Guoqiang is deemed to be interested in the 268,223,960 Shares held by Coherent Gallery International Limited for the purposes of the SFO. Mr. Tang Guoqiang is a Seller and an Existing Warrantholder under the Transaction
“Transaction”	the Acquisition, the Series E Warrant Subscription and the issuance of the Call Options
“Transaction Documents”	the Share Purchase Agreement, the 2015 Investors’ Rights Agreement, the 2015 Right of First Refusal and Co-Sale Agreement; the 2015 Voting Agreement; the Series E Warrant Subscription Agreement; the Series E Warrants; and the Call Option Agreements
“Wang Min”	Chief Executive Officer of Lattice Power

“Warrants” the Existing Warrants and Series E Warrants

“Warrant Conversion Shares” the Lattice Power Shares issued by Lattice Power upon exercise of the Existing Warrants

By Order of the Board of Directors
Shunfeng International Clean Energy Limited
Zhang Yi
Chairman

Hong Kong, 20 May 2015

As at the date of this announcement, the executive Directors are Mr. Zhang Yi, Mr. Luo Xin, Mr. Shi Jianmin, Mr. Wang Yu, Mr. Lei Ting and Mr. Lu Bin; the non-executive Director is Mr. Yue Yang; and the independent non-executive Directors are Mr. Tao Wenquan, Mr. Zhao Yuwen, Mr. Siu Wai Keung Francis and Mr. Kwong Wai Sun Wilson.

* *For identification purposes only*