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ANNOUNCEMENT

Wise Source International Limited

(哲源國際有限公司)

(incorporated with limited liability in the British Virgin Islands)

U.S.\$250,000,000 5.95 per cent. Guaranteed Bonds due 2018 (the “Bonds”)

(Stock Code: 5309)

Unconditionally and Irrevocably Guaranteed by

CEFC Shanghai International Group Limited

(上海華信國際集團有限公司)

(incorporated in the People’s Republic of China with limited liability)

and with support in the form of a keepwell deed from



CEFC China Energy Company Limited

(中國華信能源有限公司)

(incorporated in the People’s Republic of China with limited liability)

This announcement is made by Wise Source International Limited (the “**Bonds Issuer**”) and the CEFC Shanghai International Group Limited (the “**Guarantor**”) pursuant to Rule 37.47A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

NON-PAYMENT OF THE PRINCIPAL AND INTEREST ON THE 2018 SCP

The Bonds Issuer, an indirect subsidiary of the Guarantor issued an aggregate principal amount of U.S.\$250,000,000 5.95 per cent guaranteed bonds due 2018 guaranteed by the Guarantor.

The Guarantor issued an aggregate principal amount of RMB2,000,000,000 6.00 per cent fourth-term ultra-short-term financing bonds due 2018 (17沪华信SCP004 , Bond code: 011767017) (the “**2018 SCP**”).

The 2018 SCP fell due for final redemption on 29 July 2018 (the “**2018 SCP Maturity Date**”) and the Guarantor failed to pay the principal amount and accrued interest on the 2018 SCP of RMB 2,088,767,123.29 on such date (the “**Payment Default**”). The Guarantor has issued a public announcement on 30 July 2018 in relation to the Payment Default. Shanghai Clearing House has also published an announcement on 30 July 2018 in relation to the Payment Default of the Guarantor.

The Payment Default has triggered an event of default under the 2018 SCP (“**Event of Default**”). The Payment Default and Event of Default have also triggered cross-defaults under the Bonds to which the Guarantor is a party (“**Cross Defaults**”) which may in turn have material adverse impact on the financial position of the Bonds Issuer.

The Bonds Issuer is currently assessing the impact of the above Event of Default and Cross Defaults. If there is any further information, an announcement will be issued in a timely manner.

REASONS FOR THE NON-PAYMENT OF PRINCIPAL AND INTEREST ON THE 2018 SCP

Due to the tightening in credit conditions in the PRC and adverse media coverage, there has been a material adverse effect on the Guarantor’s business operations.

While the Guarantor anticipates it will continue its business operations as usual, the Bonds Issuer and the Guarantor are working with all relevant stakeholders to remedy the Event of Default and the Cross Defaults as soon as possible. The Guarantor proposes to repay the principal and accrued interest of the 2018 SCP in six months subsequent to the 2018 SCP Maturity Date.

THE PERFORMANCE OF THE BONDS ISSUER IN RELATION TO THE BONDS

The Bonds Issuer has been paying interest of the Bonds in time since its issuance. The Bonds Issuer expects the continued timely performance of its obligations to repay the principal and interest of the Bonds.

CONTINUED SUSPENSION OF TRADING IN THE DEBT SECURITIES

Trading in the debt securities has been suspended since 16 April 2018 and will continue to be suspended until further notice.

By Order of the Board
Wise Source International Limited
NGAN Kwan
Director

Hong Kong, 14 August 2018

As at the date of this announcement, the directors of Wise Source International Limited are Mr. Zhuang Miao Zhong and Mr. Ngan Kwan and the directors of CEFC Shanghai International Group Limited (上海華信國際集團有限公司) are Mr. Li Yong, Mr. Su Weizhong, Mr. Chen Qiang and Mr. Wei Wei.