



## Independent Proxy Advisory Firms ISS and Glass Lewis Recommend Changfeng Shareholders Vote in Favour of Loan Discharge Resolution

June 22, 2017

**Toronto, Ontario, June 22, 2017** – Changfeng Energy Inc. (TSXV: CFY) (“**Changfeng**” or the “**Corporation**”) announced today that both Institutional Shareholder Services Inc. (“**ISS**”) and Glass Lewis & Co., LLC (“**Glass Lewis**”), two leading independent proxy research and advisory firms, have published reports recommending that Changfeng shareholders vote **FOR** a resolution (the “**Loan Discharge Resolution**”) to approve a Loan Discharge Agreement pursuant to which, among other things, Changfeng will repay indebtedness owed to a related party for an aggregate amount of Chinese RMB 36,000,000. Shareholders are being asked to vote on the Loan Discharge Resolution at Changfeng’s upcoming annual and special meeting of shareholders scheduled for Friday, June 30, 2017.

In making its recommendation, ISS noted the following in its report:

- “Based on the loan valuation prepared by [Valuation Support Partners Limited], the fair market value of the loan is estimated to be between 36,870,000 and 38,830,000 RMB as at December 31, 2016. Therefore, repayment amount of the loan is reasonable. Meanwhile, as the company is determined to use available funds to repay the loan, there won’t be any dilution effects to shareholders. And considering company’s current financial positions, it has sufficient funds to support the repayment and discharge.”
- “In light of the reasonable terms associated with the related-party loan, company’s sufficient liquidity to repay the loan and the requirement of HKSE listing, vote **FOR** [...] the Loan Discharge Resolution.”

Glass Lewis also concluded that the Loan Discharge Agreement is in the best interests of Changfeng’s shareholders, stating that “management and the board are in the best position to make decisions regarding the Company’s finances.... [...] We understand that in order for the Company to list on the HKSE, these requirements must be met. We are therefore inclined to support the terms of the proposal.”

Changfeng encourages all of its shareholders to read the Management Proxy Circular dated June 1, 2017 (the “**Circular**”) for a detailed description of the Loan Discharge Agreement and proposed transaction. The Circular was mailed to shareholders of record as at May 30, 2017 and is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The board of directors of Changfeng, after taking into account, among other things, the unanimous recommendation of its special committee and after receiving legal and financial advice, has determined that the Loan Discharge Agreement is in the best interests of Changfeng and, accordingly, unanimously recommends that Changfeng shareholders vote **FOR** the Loan Discharge Resolution.

### How to Vote

Changfeng shareholders are urged to vote before the proxy cut-off time of 10:00 a.m. (Toronto time) on Wednesday, June 28, 2017 using the methods below.

#### Registered shareholders

Shareholders who have physical certificates representing their shares may vote by telephone, fax, mail or via the Internet.

To vote by telephone, call 1-866-732-8683 from a touch tone phone. When prompted, enter your Control Number listed on the proxy and follow the voting instructions. To vote via the Internet, go to



[www.investorvote.com](http://www.investorvote.com) and enter your Control Number listed on the proxy and follow the voting instructions on the screen. If you vote by telephone or via the Internet, do not complete or return the form of proxy.

#### Non-registered shareholders

Shareholders who hold their shares through a broker or other intermediary may vote by telephone, mail or via the Internet.

To vote by telephone, call 1-866-732-8683 from a touch tone phone. When prompted, enter your Control Number listed on the proxy and follow the voting instructions. To vote via the Internet, go to [www.investorvote.com](http://www.investorvote.com) and enter your Control Number listed on the proxy and follow the voting instructions on the screen. If you vote by telephone or via the Internet, do not complete or return the form of proxy.

#### **About Changfeng Energy Inc.**

Changfeng Energy Inc. is a natural gas service provider with operations located throughout the People's Republic of China. The Corporation services industrial, commercial and residential customers, providing them with natural gas for heating purposes and fuel for transportation. The Corporation has developed a significant natural gas pipeline network as well as urban gas delivery networks, stations, substations and gas pressure regulating stations in Sanya City & Haitang Bay. Through its network of pipelines, the Corporation provides safe and reliable delivery of natural gas to both homes and businesses. The Corporation is headquartered in Toronto, Ontario and its shares trade on the Toronto Venture Exchange under the trading symbol "CFY". For more information, please visit the Corporation's website at [www.changfengenergy.com](http://www.changfengenergy.com).

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#### **Forward-Looking Statements**

Certain statements contained in this document constitute forward-looking statements and forward-looking information (collectively, "**Forward-Looking Statements**"). All statements, other than statements of historical fact, included or incorporated by reference in this document are Forward-Looking Statements, including statements regarding activities, events or developments that the Corporation expects or anticipates may occur in the future. These Forward-Looking Statements can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words or the negative thereof. No assurance can be given that the plans, intentions or expectations or assumptions upon which these Forward-Looking Statements are based will prove to be correct and such Forward-Looking Statements included in the document should not be unduly relied upon. Forward-Looking Statements in this document include the repayment of indebtedness using available funds pursuant to the Loan Discharge Agreement and the intention of the Corporation to pursue a listing on the HKSE.

Although management believes that the expectations represented in such Forward-Looking Statements are reasonable, there can be no assurance that such expectations will prove to be correct. Such Forward-Looking Statements are not a guarantee of performance and involve known and unknown risks,



uncertainties, assumptions and other factors that may cause the actual results, performance or achievements to differ materially from the anticipated results, performance or achievements or developments expressed or implied by such Forward-Looking Statements. These factors include, without limitation, no significant and continuing adverse changes in general economic conditions or conditions in the financial markets and no significant and continuing adverse changes in financial markets. Shareholders are cautioned that all Forward-Looking Statements involve risks and uncertainties, including those risks and uncertainties detailed in the Corporation's filings with applicable Canadian securities regulatory authorities, copies of which are available at [www.sedar.com](http://www.sedar.com). The Corporation urges shareholders to carefully consider those factors.

The Forward-Looking Statements included in this document are made as of the date of this document and the Corporation disclaims any intention or obligation to update or revise any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation. This news release does not constitute an offer to sell or solicitation of an offer to buy any of the securities described herein and accordingly undue reliance should not be put on such.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.

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