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CHINA RUIFENG RENEWABLE ENERGY HOLDINGS LIMITED

中國瑞風新能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 00527)

DISCLOSEABLE TRANSACTION IN RESPECT OF THE PROPOSED FORMATION OF JOINT VENTURE COMPANY

Reference is made to the announcement of the Company dated 4 November 2022 in relation to a discloseable transaction in respect of the proposed formation of the Dongying JV with Kang Bai Ke.

THE SHANDONG JV AGREEMENT

The Board is pleased to announce that on 4 November 2022 (after trading hours), a wholly-owned subsidiary indirectly held by the Company, Beijing Hongsong VC, entered into another Shandong JV Agreement with Kang Bai Ke in relation to the Proposed JV Formation.

Pursuant to the Shandong JV Agreement, the Shandong JV shall be, after its establishment, owned as to 50% by Beijing Hongsong VC and 50% by Kang Bai Ke. The registered capital of the Shandong JV is expected to be RMB20 million, to which Beijing Hongsong VC and Kang Bai Ke shall each contribute RMB10 million respectively.

The Shandong JV shall be involved in, among others, forage planting and trade, facility agricultural construction and operation, agricultural and animal husbandry consulting and planning, agricultural and animal husbandry product distribution in Dongying, Shandong Province, the PRC.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios under Rule 14.07 of the Listing rules in respect of the Capital Contribution by Beijing Hongsong VC under the Shandong JV Agreement are below 5%, entering into the Shandong JV Agreement did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules on a standalone basis.

As the Dongying JV Agreement and the Shandong JV Agreement are entered into by Hebei Hongsong Renewable Energy and Beijing Hongsong VC, respectively with the same party, namely Kang Bai Ke, within a 12-month period, the Capital Contribution by Beijing Hongsong VC and the Hebei Hongsong Capital Contribution were required to be aggregated pursuant to Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing rules in respect of the Capital Contribution by Beijing Hongsong VC under the Shandong JV Agreement in aggregate with the Hebei Hongsong Capital Contribution is or are more than 5% but less than 25%, the Capital Contribution by Beijing Hongsong VC and the Hebei Hongsong Capital Contribution, in aggregate, constitute a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Reference is made to the announcement of the Company dated 4 November 2022 in relation to a discloseable transaction in respect of the proposed formation of the Dongying JV with Kang Bai Ke. Pursuant to the Dongying JV Agreement, Hebei Hongsong Renewable Energy shall contribute to the Dongying JV the Hebei Hongsong Capital Contribution in the amount of RMB48 million.

The Board is pleased to announce that on 4 November 2022 (after trading hours), a wholly-owned subsidiary indirectly held by the Company, Beijing Hongsong VC, entered into another Shandong JV Agreement with Kang Bai Ke in relation to the Proposed JV Formation.

The principal terms of the Shandong JV Agreement are summarised below.

THE SHANDONG JV AGREEMENT

Date

4 November 2022 (after trading hours)

Parties

- (1) Beijing Hongsong VC; and
- (2) Kang Bai Ke.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Kang Bai Ke and its respective ultimate beneficial owners are Independent Third Parties.

Proposed JV Formation

The Shandong JV, with its proposed name of 紅松農牧科技(山東)有限公司 (Hongsong Agriculture and Animal Husbandry Technology (Shandong) Co., Ltd.*), will be established as a limited liability company, with its office to be located in Dongying, Shandong Province, the PRC. The term of operation of the Shandong JV shall be long-term from the date on which its business license is to be issued.

Each of the Shandong JV Shareholders shall be held responsible to the Shandong JV to the extent of their respective Capital Contribution, and shall share profit, risk or loss in proportion to their respective Capital Contribution.

Purpose of the Proposed JV Formation

The Shandong JV aims at expanding the Group's business operations in the agriculture and animal husbandry technology sector and exploring business opportunities in agricultural-photovoltaic projects.

Scope of business

The Shandong JV shall be principally engaged in forage planting and trade, facility agricultural construction and operation, agricultural and animal husbandry consulting and planning, agricultural and animal husbandry product distribution in Dongying, Shandong Province, the PRC.

Total investment, registered capital and Capital Contribution

Pursuant to the terms of the Shandong JV Agreement, the total investment of the Shandong JV is expected to be RMB20,000,000 and its registered capital is expected to be RMB20,000,000, which shall be contributed by the JV Shareholders in cash as follows:

| JV Shareholders | Manner of Capital Contribution | Capital Contribution (RMB) | Shareholding Percentage |
|------------------------|---|---|------------------------------------|
| Beijing Hongsong VC | In cash | 10,000,000 | 50% |
| Kang Bai Ke | In cash | 10,000,000 | 50% |
| Total | | <u>20,000,000</u> | <u>100%</u> |

The JV Shareholders shall contribute their respective Capital Contribution before 31 December 2025 and the registered capital of the Shandong JV shall not be reduced during the term of its operation generally. The Shandong JV will not become a subsidiary of the Company and the financial results of the Shandong JV will not be consolidated into the Group's consolidated financial statements.

The amount of capital contribution has been determined after arm's length negotiations among the parties to the Shandong JV Agreement, with reference to the business prospects as well as the development potential of the JV Company and the capital requirement of its business development. The Capital Contribution by Beijing Hongsong VC will be funded by the Group out of its internal resources and/or other fund-raising activities to be conducted by the Group.

Transfer of the equity interests in the Shandong JV

In case of transfer of all or part of its equity interests by any of the JV Shareholders to any third party other than the JV Shareholders, consent from the other JV Shareholder shall be obtained and the other JV Shareholder shall be granted the right of first refusal with respect to such transfer on the same terms. In addition, such transfer shall be approved by the relevant authority.

JV Director

The Shandong JV shall, for the time being, have no board of directors but shall have one JV Director to be appointed by Kang Bai Ke as the legal representative of the Shandong JV. The office of the JV Director shall be three years, being eligible for renewal upon continuous appointment by Kang Bai Ke.

JV Supervisor

The Shandong JV shall, for the time being, have no committee of supervisors but shall have one JV Supervisor to be appointed by Kang Bai Ke.

Head of Finance

The Shandong JV shall have one Head of Finance to be appointed by Beijing Hongsong VC to oversee and monitor the financial performance of the Shandong JV.

Dissolution of the Shandong JV

When the Shandong JV is to be declared dissolved, it shall be liquidated in accordance with applicable laws, and the remaining assets after its liquidation shall be distributed to the JV Shareholders in proportion to their respective Capital Contribution.

Amendment of the Shandong JV Agreement

Any amendment of the Shandong JV Agreement shall be agreed by each JV Shareholder in writing, which shall take effect after approval by the relevant authority.

Breach of the Shandong JV Agreement

If any of the JV Shareholders fails to timely make its relevant Capital Contribution in accordance with the Shandong JV Agreement, it shall constitute a breach of the Shandong JV Agreement and that defaulting JV Shareholder shall be held liable for such breach.

In the event that the Shandong JV Agreement cannot be performed or cannot be fully performed due to the default of any of the JV Shareholders, the relevant defaulting JV Shareholder(s) shall be held liable for the relevant breach.

Effective Date of the Shandong JV Agreement

The Shandong JV Agreement (and its amendment) shall take effect after approval by each JV Shareholder and the relevant authority.

INFORMATION ON THE GROUP AND THE PARTIES TO THE JV AGREEMENT

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange. The Group is principally engaged in the businesses of wind power generation. Beijing Hongsong VC is an indirect wholly-owned subsidiary of the Company and is principally engaged in investment holding.

Kang Bai Ke is a company established in the PRC with limited liability. It is principally engaged in the rural revitalization industry sector including desertification and alkaline land treatment, agricultural upgrade and intelligent construction, green and low-carbon treatment for agricultural purpose in the PRC. Kang Bai Ke is beneficially held by two individuals namely, Mr. Yu Mao (于懋) and Ms. Gong Li (公麗).

REASONS FOR AND BENEFITS OF THE PROPOSED JV FORMATION

As disclosed in the Company's annual report for the year ended 31 December 2021, in addition to its principal business of operating wind farms, the Group continues to search for investment opportunities in the energy and renewable energy sectors. The Group believes that the establishment of the Shandong JV can expand the Group's business operations and explore business opportunities in agricultural-photovoltaic projects. Such agricultural-photovoltaic projects are in line with the climate commitments of the Central Government of the PRC to achieve peak carbon emissions before 2030 and carbon neutrality by 2060. The Group is committed to becoming a renewable energy supplier and a competitive integrated service provider, and establishing a stable and comprehensive foundation for the long-term growth of the Group. The Group strives to contribute to rural revitalization and low-carbon agricultural development in the PRC.

Accordingly, the Board is of the view that the Proposed JV Formation and the terms of the Shandong JV Agreement are fair and reasonable and on normal commercial terms, and the entering into of the Shandong JV Agreement is in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As all of the applicable percentage ratios under Rule 14.07 of the Listing rules in respect of the Capital Contribution by Beijing Hongsong VC under the Shandong JV Agreement are below 5%, entering into the Shandong JV Agreement did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules on a standalone basis.

As the Dongying JV Agreement and the Shandong JV Agreement are entered into by Hebei Hongsong Renewable Energy and Beijing Hongsong VC, respectively with the same party, namely Kang Bai Ke, within a 12-month period, the Capital Contribution by Beijing Hongsong VC and the Hebei Hongsong Capital Contribution were required to be aggregated pursuant to Rule 14.22, 14.23 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing rules in respect of the Capital Contribution by Beijing Hongsong VC under the Shandong JV Agreement in aggregate with the Hebei Hongsong Capital Contribution is or are more than 5% but less than 25%, the Capital Contribution by Beijing Hongsong VC and the Hebei Hongsong Capital Contribution, in aggregate, constitute a discloseable transaction for the Company pursuant to Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

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| “Beijing Hongsong VC” | 北京紅松創投科技發展有限公司 (Beijing Hongsong Venture Capital Technology Investment Company Limited*), a company established in the PRC with limited liability and a wholly-owned subsidiary indirectly held by the Company |
| “Board” | the board of Directors of the Company |
| “Capital Contribution” | the actual capital contribution to the Shandong JV to be made by the Shandong JV Shareholder(s) |
| “Company” | China Ruifeng Renewable Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Stock Exchange (stock code: 527) |
| “connected person(s)” | has the meaning ascribed thereto in the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “Dongying JV” | the joint venture company to be established in the PRC with limited liability under the Shandong JV Agreement and named as 紅松新能源(東營)有限公司 (Hongsong Renewable Energy (Dongying) Company Limited*) |

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| “Dongying JV Agreement” | the agreement dated 4 November 2022 entered into between Hebei Hongsong Renewable Energy and Kang Bai Ke in relation to the formation and management of the Dongying JV |
| “Group” | the Company and its subsidiaries |
| “Head of Finance” | the head of finance of the Shandong JV |
| “Hebei Hongsong Capital Contribution” | the actual capital contribution to the Dongying JV to be made by Hebei Hongsong Renewable Energy (i.e. RMB48,000,000) |
| “Hebei Hongsong Renewable Energy” | 河北紅松新能源投資有限公司 (Hebei Hongsong Renewable Energy Investment Company Limited*), a company established in the PRC with limited liability and a non-wholly owned subsidiary indirectly held by the Company (79.06% of the shares in Hebei Hongsong Renewable Energy is held by the Company) |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollar, the lawful currency of Hong Kong |
| “Independent Third Party(ies)” | party(ies) who is (are) not connected person(s) of the Company and its subsidiaries and is (are) third party(ies) independent of the Company and connected persons of the Company |
| “JV Director” | the executive director of the Shandong JV |
| “JV Shareholder(s)” | the shareholder(s) of the Shandong JV, namely, Beijing Hongsong VC and Kang Bai Ke |
| “JV Supervisor” | the supervisor(s) of the Shandong JV |
| “Kang Bai Ke” | 康百可(北京)科技有限公司 (Kang Bai Ke (Beijing) Technology Company Limited*), a company established in the PRC with limited liability |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “PRC” | the People’s Republic of China |

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| “Proposed JV Formation” | the proposed establishment of the Shandong JV by Beijing Hongsong VC and Kang Bai Ke |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shandong JV” | the joint venture company to be established in the PRC with limited liability under the Shandong JV Agreement and named as 紅松農牧科技(山東)有限公司 (Hongsong Agriculture and Animal Husbandry Technology (Shandong) Co., Ltd.*) |
| “Shandong JV Agreement” | the agreement dated 4 November 2022 entered into between Beijing Hongsong VC and Kang Bai Ke in relation to the formation and management of the Shandong JV |
| “Shareholders” | holder of the Shares |
| “Shares” | ordinary shares of HK\$0.01 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent |

By order of the Board of
China Ruifeng Renewable Energy Holdings Limited
Zhang Zhixiang
Executive Director and Chief Executive Officer

Hong Kong, 4 November 2022

As at the date of this announcement, the executive Directors are Mr. Zhang Zhixiang (Chief Executive Officer), Mr. Ning Zhongzhi, Mr. Li Tian Hai and Mr. Peng Ziwei; and the independent non-executive Directors are Mr. Jiang Senlin, Mr. Qu Weidong and Ms. Hu Xiaolin.

* *for identification purposes*