

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

**SUPPLEMENTAL INFORMATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

References are made to the annual report for the year ended 31 December 2022 (the “**2022 Annual Report**”) of China Ruifeng Renewable Energy Holdings Limited (the “**Company**”) dated 31 March 2023 and the announcements of the Company dated 29 November 2021 and 10 December 2021 (the “**Announcements**”) in relation to, among other things, the provision of financial assistance. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the 2022 Annual Report and the Announcements.

In addition to the information provided in the 2022 Annual Report, the Board would like to provide further information in relation to the loan receivables and other receivables to the Shareholders and the prospective investors of the Company as follows:

LOAN RECEIVABLES

As at 31 December 2022, the details of the material loan receivables and their key terms are as follows:

Identity	As at 31 December 2022 (RMB'000)	Provision for loss allowance as at 1 January 2022 (RMB'000)	Increase/ (decrease) in the allowance recognised during the year (RMB'000)	Amount written-off for the year ended 31 December 2022 (RMB'000)	Exchange realignment (RMB'000)	Provision for loss allowance as at 31 December 2022 (RMB'000)	Date of entering into transaction	Principal amount (RMB'000)	Interest rate (p.a.)	Repayment period	Securities/guarantee/collateral
Debtor A	63,681	13,022	(710)	—	—	12,312	Between 31 December 2017 to 6 January 2020	73,466	6%—7%	By 9 July 2021	Share charge and guaranteed by business partner of borrower
Debtor B	—	4,800	—	(4,800)	—	—	Between 17 August 2016 to 27 December 2017	4,800	8%	Between 16 August 2018 to 12 December 2018	Nil
Debtor C	73,109	14,535	(400)	—	—	14,135	Between 28 September 2018 to 17 January 2020	89,708	6%—7%	By 9 July 2021	Share charge and guaranteed by business partner of borrower
承德利保建築工程有限公司 ("Chengde Libao")	25,000	25,000	—	—	—	25,000	3 March 2016	25,000	5.70%	31 May 2018	Nil
中小企業印度工業園區與 基礎設施開發有限公司 ("SME India")	—	8,411	—	(8,411)	—	—	1 May 2019	8,411	10%	30 April 2020	Nil
Others	74,767	11,663	10,803	(9,000)	8	13,474					
	<u>236,557</u>	<u>77,431</u>	<u>9,693</u>	<u>(22,211)</u>	<u>8</u>	<u>64,921</u>					

Debtor A

As disclosed in the Announcements, Debtor A is a company incorporated in the PRC with limited liability, which is primarily engaged in investment holding and management. The projects in which Debtor A is involved include comprehensive tourism development spanning hotels, leisure and cultural attractions.

Through Debtor A, the Group would be able to gain access to business network and opportunities in the tourism sector, within which the Group sees potential for expansion, e.g. by conducting tourism activities related to or at its wind farms. The Group considers that such cooperations with tourism companies could generate an additional source of revenue from its existing wind farm assets at a relatively low cost, as well as boost the Group's reputation within the general public and help promote renewable energies. In particular, Debtor A is involved in two tourism development projects in Chengde City, Hebei province, the PRC, where some of the Group's wind farms are located in. The Group saw similar networking opportunities with Debtor A, as it is involved in tourism development. The Company therefore considered potential cooperation with Debtor A would be beneficial.

Debtor B

As disclosed in the Announcements, Debtor B is a company incorporated in the PRC with limited liability, which is principally engaged in investment holding, with interests in companies across various sectors, including tourism, finance and technology. Through Debtor B, the Group would be able to gain business connections and seek opportunities in the finance sector. The Group has obtained PRC legal advice on the recoverability of loan receivables from Debtor B and considered that the loan was long overdue with remote possibility of repayment, the amount was therefore considered as not recoverable. Such balance was fully impaired in prior years in accordance with the impairment assessment policy of the Group and was fully written off for the year ended 31 December 2022.

Debtor C

As disclosed in the Announcements, Debtor C is a company incorporated in the PRC with limited liability, which is primarily engaged in technology development and services. Debtor C is experienced in providing energy management and conservation services in Chengde city, Hebei province, the PRC. As one of the Group's wind farms is located in Chengde city, the Group saw potential in business cooperation with Debtor C by combining the renewable energy generation resources of the Group with Debtor C's network of energy-conscious customers and its energy management and conservation experience.

Chengde Libao

Chengde Libao is a company incorporated in the PRC with limited liability which is primarily engaged in construction. In prior years, the Group was engaged in power grid construction operation. In order to enhance its construction capacities, the Group intended to invest in Chengde Libao and therefore loan facility was provided by a PRC subsidiary of the Group to Chengde Libao for business development.

SME India

SME India is a company incorporated in the British Virgin Islands with limited liability, which is principally engaged in the development of an industrial park in India. The Group considered cooperation with SME India would bring new business opportunities under the Belt and Road Initiative. As no substantial progress has been made in the industrial park project and SME India was unable to repay the loan which was long overdue, the amount was considered as not recoverable. Such balance was fully impaired in prior years in accordance with the impairment assessment policy of the Group and was fully written off for the year ended 31 December 2022.

Taking into account the potential business development and network benefits of a good business relationship between the Group and the respective debtors as detailed above, as well as the interest income which may be generated, the Directors consider that the terms reached were fair and reasonable and that the provision of the financial assistance to each of Debtor A, Debtor B, Debtor C, Chengde Libao and SME India was in the interests of the Company and its Shareholders as a whole.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Debtor A, Debtor B, Debtor C, Chengde Libao and SME India is not connected person(s) of the Company and its subsidiaries and is a third party independent of the Company and connected persons of the Company.

OTHER RECEIVABLES

As at 31 December 2022, the details of the material other receivables and their key terms are as follows:

Identity	As at 31 December 2022 (RMB'000)	Provision for loss allowance as at 1 January 2022 (RMB'000)	Increase in the allowance recognised during the year (RMB'000)	Disposal of a subsidiary (RMB'000)	Amount written-off for the year ended 31 December 2022 (RMB'000)	Exchange realignment (RMB'000)	Provision for loss allowance as at 31 December 2022 (RMB'000)	Nature	Date of entering into transaction
Debtor A	3,299	532	106	—	—	—	638	Loan interest receivable	Refer to loan receivables above
Debtor C	4,106	655	139	—	—	—	794	Loan interest receivable	Refer to loan receivables above
Chengde Libao 河北北辰電網建設股份有限公司 ("Beichen Electricity")	12,927	11,502	1,425	—	—	—	12,927	Loan interest receivable	Refer to loan receivables above
Suzlon	78,961	4,817	501	—	—	—	5,318	Deposit	1 January 2018
SME India 深圳市天聯電子有限公司 ("Shenzhen Tianku")	116,493	113,023	20	—	—	3,450	116,493	Consideration for equipment and deposit	Between 17 December 2015 to 13 April 2018
Others	—	2,604	—	—	(2,604)	—	—	Loan interest receivable	Refer to loan receivables above
	—	5,470	—	—	(5,470)	—	—	Deposit	1 July 2014
	119,532	48,835	15,619	(2,475)	(11,202)	20	50,797		
	335,319	187,438	17,810	(2,475)	(19,276)	3,470	186,967		

Beichen Electricity

Beichen Electricity is a company incorporated in the PRC with limited liability, which is primarily engaged in power grid construction. The Group entered into a framework agreement for the cooperation in the development of wind power, photovoltaic and tourism projects with Beichen Electricity in 2018.

Pursuant to such framework agreement, the Group as an investor is responsible for funding the projects while Beichen Electricity is responsible for the preliminary work involving the utilisation of its own human resources, assessment work concerning the project area and marketing and planning. Therefore, the Group paid an initial deposit to support the projects. Nonetheless, due to the non-approval of the projects by the local government of the PRC, the projects could not proceed. Pursuant to the framework agreement, Beichen Electricity should return the deposit in full to the Group.

Suzlon

Reference is made to section “Qualified Opinion” of Directors’ report in the 2022 Annual Report in relation to the details of other receivables from Suzlon.

Shenzhen Tianku

Shenzhen Tianku is a company incorporated in the PRC with limited liability, which is principally engaged in the development of telecommunication solutions. The Group entered into an agreement with Shenzhen Tianku on the development and application of mobile internet and paid an initial deposit in the amount of approximately HK\$6,000,000 to Shenzhen Tianku for feasibility analysis.

The project was discontinued and the deposit should be returned in full by Shenzhen Tianku. As the deposit was long outstanding and no refund was received from Shenzhen Tianku, the amount was considered as not recoverable. Such balance was fully impaired in prior years in accordance with the impairment assessment policy of the Group and was fully written off for the year ended 31 December 2022.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of Beichen Electricity, Suzlon and Shenzhen Tianku is not connected person(s) of the Company and its subsidiaries and is a third party independent of the Company and connected persons of the Company.

IMPAIRMENT ASSESSMENT OF LOAN RECEIVABLES AND OTHER RECEIVABLES

Reference is made to “Financial Risk Management” in notes to the consolidated financial statements of the 2022 Annual Report for the basis of impairment assessment.

As at 31 December 2022, Beichen Electricity is classified in “Stage 1” as the Company has considered various factors including the financial conditions of Beichen Electricity and no significant credit risk was identified. Debtor A and Debtor C are classified in “Stage 2” as the balances are past due which indicated increase in credit risk. As repayments have been received and the Company is in negotiation of settlement plan with Debtor A and Debtor C, such balances are not yet deemed to be credit-impaired. Chengde Libao and Suzlon are classified in “Stage 3” as the balances are credit impaired due to default of payments in prior years and there were evidence indicating that the counterparties were in financial difficulties.

ACTION PLAN FOR LOAN RECEIVABLES AND OTHER RECEIVABLES

The Group will use its best endeavours to continue taking active measures to control and monitor the conditions of each of the loan receivables and other receivables and will actively seek actions for recovery of such receivables to safeguard the Group’s assets, including but not limited to taking legal actions to recover the overdue balances.

The Company’s PRC legal representative has issued demand letters to Debtor A and Debtor C demanding the settlement of all outstanding loan and interest amounts. For Chengde Libao and Suzlon, the Company has obtained legal opinion from its PRC legal representative on possible legal actions to recover such balances. For Beichen Electricity, the Company will continue to closely monitor the repayment progress and seek PRC legal advice when necessary.

The additional information set out in this announcement does not affect other information contained in the 2022 Annual Report.

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

Hong Kong, 28 September 2023

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