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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 FURTHER CAPITAL INJECTION INTO EXISTING JOINT VENTURE

On 8 December 2021 (after trading hours), (i) World Business (an indirect wholly-owned subsidiary of the Company) and (ii) Yangzhou Shiyi, both being shareholders of the Joint Venture, passed the Capital Injection Resolution, pursuant to which it is resolved that World Business shall inject additional capital in the amount of RMB12 million in cash into the Joint Venture.

Upon completion of the Capital Injection, the registered capital of the Joint Venture shall have been increased from RMB16 million to RMB28 million, and the Joint Venture will be held by World Business and Yangzhou Shiyi in proportion to their respective capital contributions, i.e. approximately 71.4% and 28.6% respectively.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules exceed 5% but are less than 25%, the Capital Injection constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under the Listing Rules.

The Board is pleased to announce that on 8 December 2021 (after trading hours), (i) World Business (an indirect wholly-owned subsidiary of the Company) and (ii) Yangzhou Shiyi, both being shareholders of the Joint Venture, passed the Capital Injection Resolution, pursuant to which it is resolved that World Business shall inject additional capital in the amount of RMB12 million in cash into the Joint Venture.

THE CAPITAL INJECTION

As at the date of this announcement and prior to the completion of the Capital Injection, the Joint Venture has a registered capital of RMB16 million and was owned as to 50% by World Business and 50% by Yangzhou Shiyi, respectively.

Pursuant to the Capital Injection Resolution, (i) the registered capital of the Joint Venture was increased from RMB16 million to RMB28 million, and (ii) World Business shall inject additional capital in the amount of RMB12 million in cash into the Joint Venture.

Upon completion of the Capital Injection, the Joint Venture will be held by World Business and Yangzhou Shiyi in proportion to their respective capital contributions, i.e. approximately as to 71.4% and 28.6%, respectively. The completion of the Capital Injection will result in the Group having control over the Joint Venture through World Business, and the Joint Venture will therefore be consolidated into the financial statements of the Company as its indirect non-wholly owned subsidiary.

The amount of the Capital Injection was determined after arm's length negotiation between World Business and Yangzhou Shiyi with reference to the funding needs of the Joint Venture for the development of its hydrogen energy business in the PRC.

The Capital Injection will be funded by the Group's internal resources.

INFORMATION ON THE GROUP AND THE PARTIES

The Group

The principal activity of the Company is investment holding. The Group is principally engaged in the businesses of wind power generation energy sectors in the PRC.

World Business

World Business is a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company, and is principally engaged in investment holding.

Yangzhou Shiyi

Yangzhou Shiyi is a company incorporated in the PRC with limited liability and principally engaged in investment in hydrogen energy sector. It is beneficially held by two individuals namely 魯鑫 and 程遠東.

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, Yangzhou Shiyi and their ultimate beneficial owner(s) are Independent Third Parties and not connected to the Company and its connected persons.

The Joint Venture

The Joint Venture is a company incorporated in the PRC with limited liability on 19 November 2021. It was formed by World Business and Yangzhou Shiyi as a joint venture vehicle for the purpose of developing its hydrogen energy business (including hydrogen production, storage, transportation and application of hydrogen electricity) in the PRC. The Joint Venture was held as to 50% by World Business and 50% by Yangzhou Shiyi at the time of its formation in proportion to their respective capital contributions of RMB8 million. The formation of the Joint Venture was not a transaction for which disclosure was required under the Listing Rules. Pursuant to the constitutional documents of the Joint Venture, there is one executive director of the Joint Venture, who shall be responsible for implementing the instructions and resolutions of, and reporting to, the shareholders. As provided in its constitutional documents, save for certain items such as the capital reduction or increase, winding-up and amendment of constitutional documents which require shareholder(s) holding two-thirds or more equity interest to pass, other shareholders' resolutions of the Joint Venture may be passed by shareholders holding 50% or more equity interest.

REASONS FOR AND BENEFITS OF THE CAPITAL INJECTION

As disclosed in its 2017, 2018, 2019 and 2020 Annual Reports respectively, 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.

Hydrogen energy involves the generation of energy using hydrogen and/or hydrogen-containing compounds, which may be used in a broad range of applications across many sectors, including transportation, commercial industrial, residential and portable energy. Due to the high efficiency and low emissions operation as compared to traditional fossil fuel energies, hydrogen energy is a clean fuel. According to the International Renewable Energy Agency, hydrogen is projected to make up approximately 6% to 18% of total final energy consumption by 2050.

As the requirements on environmental and ecological protection become more stringent, clean energy consumption in the PRC gains importance under the 14th Five-Year Plan. According to the white paper of "Energy in China's New Era" (新時代的中國能源發展白皮書) published by the State Council of the PRC on 21 December 2020, China has picked up its pace in developing industrial chains in the production, storage, transport and application of green hydrogen, hydrogen-fuel cells, and hydrogen-powered vehicles. The China Hydrogen Alliance estimated that the market size of hydrogen related industry in China can reach up to RMB1 trillion by 2025. The Company can gain access into hydrogen industry through its investment in Yangzhou Qingzi, optimize its business layout in the clean energy industry sector and diversify its income streams.

The Directors also opined that the transaction is in line with the climates commitments of the central government of the PRC to achieve peak carbon emissions before 2030 and carbon neutrality by 2060. Having considered the emergence of hydrogen energy as a growing energy source in the coming years, and the alignment of the clean energy industry with the Group’s own positioning and business in the new renewable energy sector, the Directors are of the view that the both the formation of the Joint Venture and the Capital Injection represented a valuable opportunity for the Group to implement its stated business strategies. The additional funds received by the Joint Venture from the Capital Injection will be used for the development of its hydrogen energy business in the PRC, including the funding of hydrogen production facilities.

Taking into account the abovementioned reasons and benefits, the Board considers that the terms of the Capital Injection are negotiated at arm’s length basis and on normal commercial terms and are fair and reasonable and that it is in the interest of the Company and the Shareholders as a whole.

IMPLICATION UNDER 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 Injection exceed 5% but are less than 25%, the Capital Injection constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting and announcement requirements set out in the Listing Rules.

DEFINITIONS

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

“Board”	The board of Directors of the Company
“Capital Injection”	the capital injection in the amount of RMB12 million by World Business into the Joint Venture pursuant to the Capital Injection Resolution
“Capital Injection Resolution”	the resolution passed by the shareholders of the Joint Venture on 8 December 2021 (after trading hours) in relation to the Capital Injection
“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

“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“Joint Venture”	Yangzhou Qingzi Hydrogen Energy Technology Co., Ltd* (揚州氫子氫能源科技有限公司), a company incorporated in the PRC with limited liability, which, as at the date of this announcement, is held as to 50% by World Business and 50% by Yangzhou Shiyi
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“World Business”	World Business Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“Yangzhou Shiyi”	Yangzhou Shiyi Trading Co., Ltd* (揚州時益商貿有限公司), a company incorporated in the PRC with limited liability, which is beneficially held as to 50% by an individual, 程遠東, and 50% by an individual, 魯鑫
“2017 Annual Report”	the annual report of the Company for the year ended 31 December 2017

“2018 Annual Report”	the annual report of the Company for the year ended 31 December 2018
“2019 Annual Report”	the annual report of the Company for the year ended 31 December 2019
“2020 Annual Report”	the annual report of the Company for the year ended 31 December 2020

* *The English translation in this announcement is for reference only. The official names are in Chinese.*

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

Hong Kong, 8 December 2021

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.