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**CHINA RUIFENG GALAXY RENEWABLE ENERGY HOLDINGS LIMITED**  
**中國瑞風銀河新能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00527)**

**MAJOR TRANSACTION**  
**DISPOSAL OF 100% INTEREST IN SUN LIGHT PLANET LIMITED**

**Financial Adviser to the Company**



**TC Capital**  
**天財資本**

**THE DISPOSAL**

On 8 April 2013, the Company (as vendor), the Purchaser and the Guarantor entered into the Disposal Agreement, pursuant to which, amongst others, the Company conditionally agreed to dispose of, and the Purchaser conditionally agreed to purchase the Sale Shares for the Consideration, being HK\$220 million.

The Group is in the process of consolidating its business operations with a view to strategically concentrate on its wind power business operation, which the Group has already established a solid foundation with scalable installation capacity, and streamlining its non-core assets. The Directors consider that the Disposal represents a good opportunity to reduce the share of income from diodes manufacturing, with the Group's aim to become a renewable energy operator with focuses on integrated wind power.

Upon Completion, the Company will not hold any interest in Sun Light and the operating results of the Sun Light Group will be deconsolidated from the financial statements of the Group.

**LISTING RULES IMPLICATIONS**

As some of the relevant percentage ratios (as defined in the Listing Rules) exceeds 25% but none of them is greater than 75%, the Disposal constitutes a major transaction for the Company and is subject to, amongst others, the approval of Shareholders. No Shareholder is required to abstain from voting in respect of the Disposal and the transactions contemplated under the Disposal Agreement at the EGM.

## **GENERAL**

A circular containing, amongst others, further details of the Disposal together with the notice of the EGM will be despatched to the Shareholders as soon as practicable and on or before 29 April 2013.

**As Completion is subject to fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

On 8 April 2013, the Company (as vendor), the Purchaser and the Guarantor entered into the Disposal Agreement, pursuant to which, amongst others, the Company conditionally agreed to dispose of, and the Purchaser conditionally agreed to purchase the Sale Shares for the Consideration, being HK\$220 million.

## **THE DISPOSAL AGREEMENT**

Date : 8 April 2013

Vendor : The Company

Purchaser : Cheerful Heart Holdings Limited

Guarantor : Ms. Shu Gaiin (Ms. Zhou Kaiying)

The Purchaser is principally engaged in investment holdings. As at the date of this announcement, the Purchaser is wholly-owned by Ms. Shu Gaiin (Ms. Zhou Kaiying). As at the date of the Disposal Agreement, the Purchaser also holds the Promissory Note with an outstanding principal amount of HK\$200 million bearing interest of 10% per annum and expiring on 6 July 2013. The Promissory Note was issued by the Company on 7 July 2010 as part of the consideration for the acquisition of the entire issued share capital of Power Full Group Holdings Limited, now a wholly-owned subsidiary of the Company.

The Guarantor has provided to the Company a guarantee for the due and punctual performance of the Purchaser's obligations under the Disposal Agreement subject to and upon the terms and conditions of the Disposal Agreement.

To the best of the Directors' knowledge, information and belief, after making all reasonable enquiries, the Purchaser and its ultimate beneficial owner (being the Guarantor) are third parties independent of the Company and its connected persons (as defined in the Listing Rules).

## **Assets to be disposed of**

The Sale Shares represent the entire issued share capital of Sun Light. The entire issued share capital of Sun Light is pledged to the Purchaser to secure the Company's payment obligation under the Promissory Note as at the date of this announcement.

Upon Completion, the Company will not hold any interest in Sun Light and the operating results of the Sun Light Group will be deconsolidated from the financial statements of the Group.

## **Consideration**

The Consideration shall be HK\$220 million, which shall be satisfied by the Purchaser discharging the Company's payment obligation as to an amount equivalent to HK\$220 million outstanding under the Promissory Note.

Parties to the Disposal Agreement further agreed that on the date of Completion, where the outstanding amount under the Promissory Note (including the principal and interests accrued) as at the date of Completion is lower than the Consideration, the Purchaser shall upon Completion pay to the Company in cash an amount equals to such difference.

As at the date of this announcement, the outstanding amount of the Company's payment obligation under the Promissory Note is HK\$200 million plus accrued interest in the amount of approximately HK\$15 million.

## **Basis for the Consideration**

The Consideration was arrived at after arm's length negotiations between the Company and the Purchaser and was determined with reference to, amongst others, the Sun Light Group's unaudited consolidated net assets value of approximately RMB161 million (equivalent to approximately HK\$201 million) as at 31 December 2012 as shown in its management accounts, prepared in accordance with generally accepted accounting principles. In concluding the final amount of the Consideration, the Board also considered the industry outlook of the diodes manufacturing business.

## **Conditions precedent**

Completion is conditional upon fulfillment of the following conditions:

- (a) the Company, as a company whose Shares are listed on the Main Board of the Stock Exchange, having obtained all necessary and appropriate consents, authorisations and approvals in relation to the Disposal and the transactions contemplated under the Disposal Agreement (including but not limited to Shareholders' approval at a general meeting); and
- (b) all other necessary consents, approvals and authorisations in relation to the Disposal having been obtained by the Company and the Sun Light Group.

In the event that the above conditions have not been fulfilled on or before 31 July 2013 (or such other day as may be agreed by the Company and the Purchaser in writing), the Disposal Agreement shall lapse and thereafter none of the parties to the Disposal Agreement shall have any rights or obligations towards each other except for rights and obligations already accrued.

### **Completion**

Completion shall take place on the fifth business day after the fulfillment of the conditions precedent under the Disposal Agreement (or such other time the Company and the Purchaser may agree).

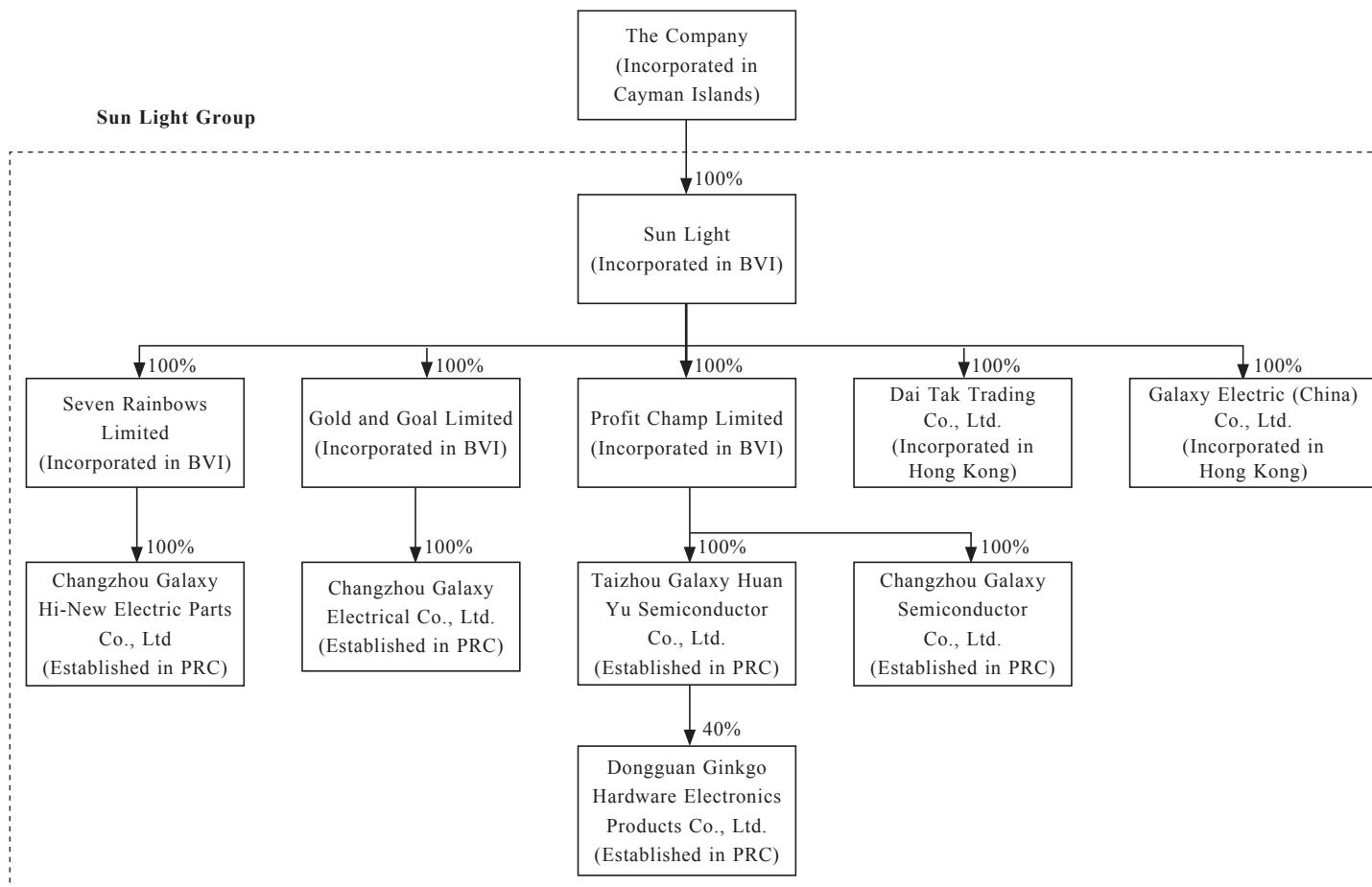
Pursuant to the Disposal Agreement, the Company and the Purchaser agreed that in the event the Disposal and transactions contemplated under the Disposal Agreement are not completed on or before 6 July 2013 (being the original maturity date of the Promissory Note) (the “Original Maturity Date”), the latest time for the Company’s payment under the Promissory Note shall automatically extend to the date of Completion (or if the Disposal Agreement is terminated or expired after the Original Maturity Date, the third business day after such date of termination or expiration), while no further interest (including default interest and other costs or expenses) shall be accrued or payable by the Company during the period between the Original Maturity Date and the date of Completion (or if the Disposal Agreement is terminated or expired after the Original Maturity Date, during the period between the Original Maturity Date and the third business day after such date of termination or expiration).

### **INFORMATION ON THE SUN LIGHT GROUP**

The Sun Light Group’s operations are principally conducted through Sun Light’s subsidiaries in the PRC, which are principally engaged in the design, development, manufacture and sale of diodes and wafers. The wafers are mainly used for the production of diodes by the Sun Light Group whereas the diodes manufactured and sold are traded under the brand name of “BILIN” and are often used in consumer electronics appliances, electric lightings, network communication products and computer accessories.

## Shareholding structure

Set out below is the shareholding structure of the Sun Light Group as at the date of this announcement:



## Financial information of the Sun Light Group

A summary of the key consolidated financial information of the Sun Light Group for the two years ended 31 December 2012 prepared in accordance with the International Financial Reporting Standards is set out below:

	For the year ended	
	31 December 2011	31 December 2012
	(RMB'000)	(RMB'000)
	(unaudited)	(unaudited)
Net profit/(loss) before tax and extraordinary items	15,829	(34,285)
Net profit/(loss) after tax and extraordinary items	16,818	(43,704)

## REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group currently engages in construction and consultation of power grid and transformer project, manufacturing, processing and sales of wind turbine blades, wind farm operation and manufacture of diodes.

The Group is in the process of consolidating its business operations with a view to strategically concentrate on its wind power business operation, which the Group has already established a solid foundation with scalable installation capacity, and streamlining its non-core assets. The Directors consider that the Disposal represents a good opportunity to reduce the share of income from diodes manufacturing, with the Group's aim to becoming a renewable energy operator with focuses on integrated wind power.

In addition, the Promissory Note in the outstanding face value of HK\$200 million will expire in July 2013. As at 31 December 2012, the Group's cash and cash equivalents were amounted to approximately RMB160,380,000. The Group's intention to concentrate its financial resources on the development of wind power business. The subscription of further interests in Hebei Hongsong Wind Power Co., Ltd. pursuant to the capital increment agreement dated 24 October 2012 would require further injection of capital. The Board thus believes that the Disposal would relieve the Group's pressure in meeting financial obligation and facilitate deployment of the Group's capital expenditures.

Following Completion, the Remaining Group will continue to be engaged in wind power business. The Board is of the view that the Disposal will enable the Group to dedicate its management resources and its expertise to accelerate the development of its wind power business. Accordingly, the Directors believe that the terms of the Disposal and the transactions contemplated under the Disposal Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

For illustrative purpose only, there will be an estimated gain of approximately RMB10 million arising from the Disposal based on the Consideration of HK\$220 million (approximately RMB176 million), the unaudited consolidated net assets value of the Sun Light Group as at 31 December 2012 of approximately RMB161 million and after the deduction of relevant estimated professional fees and other relevant expenses. The Directors do not expect any material cash proceeds from the Disposal which, in case of any, will be used for general working capital purposes.

## **LISTING RULES IMPLICATIONS**

As some of the relevant percentage ratios (as defined in the Listing Rules) exceeds 25% but none of them is greater than 75%, the Disposal constitutes a major transaction for the Company and is subject to, amongst others, the approval of Shareholders.

The Company will convene an EGM for Shareholders to consider and, if thought fit, approve by way of poll, the Disposal and the transactions contemplated under the Disposal Agreement.

No Shareholder is required to abstain from voting in respect of the Disposal and the transactions contemplated under the Disposal Agreement at the EGM.

A circular containing, amongst others, further details of the Disposal together with the notice of the EGM will be despatched to the Shareholders as soon as practicable and on or before 29 April 2013.

**As Completion is subject to fulfilment of certain conditions precedent and may or may not proceed, Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“business day(s)”	any day (other than a Saturday, Sunday or public holiday) on which banks in Hong Kong are generally open for normal banking business
“BVI”	the British Virgin Islands
“Company”	China Ruifeng Galaxy Renewable Energy Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose Shares are listed on the Main Board of the Stock Exchange

“Completion”	completion of the Disposal and the transactions contemplated under the Disposal Agreement in accordance with the terms of the Disposal Agreement
“Consideration”	the consideration for the Disposal, being HK\$220 million
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Company to the Purchaser pursuant to the Disposal Agreement
“Disposal Agreement”	the conditional sale and purchase agreement dated 8 April 2013 entered into between the Company, the Purchaser and the Guarantor in relation to the Disposal
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal and the transactions contemplated under the Disposal Agreement
“Group”	the Company and its subsidiaries
“Guarantor”	Ms. Shu Gaiin (Ms. Zhou Kaiying)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Promissory Note”	the promissory note in the principal amount of HK\$330 million issued by the Company to the Purchaser on 7 July 2010
“Purchaser”	Cheerful Heart Holdings Limited, a company incorporated in the BVI with limited liability
“Remaining Group”	the Group immediately after Completion (excluding the Sun Light Group)
“Sale Shares”	the entire issued share capital of Sun Light
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Sun Light”	Sun Light Planet Limited, a company incorporated in the BVI with limited liability, being a wholly-owned subsidiary of the Company as at the date of this announcement and prior to the Completion
“Sun Light Group”	Sun Light, its subsidiaries and its associated company including Dongguan Ginkgo Hardware Electronics Products Co., Ltd., further details of which are set out in the paragraph headed “Information on the Sun Light Group” in this announcement
“%”	per cent.
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC

*In this announcement, the English names of the PRC entities are translation of their Chinese names and included for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

*No representation has been made by the Company that any amount expressed in foreign currency in this announcement has been, could have been or could be converted at any rates or at all.*

By order of the Board  
**China Ruifeng Galaxy Renewable Energy Holdings Limited**  
**Li Baosheng**  
*Chairman*

Hong Kong, 8 April 2013

*As at the date of this announcement, the executive Directors are Mr. Li Baosheng, Mr. Zhang Zhixiang, Mr. Xu Xiaoping and Mr. Ning Zhongzhi; and the independent non-executive Directors are Ms. Wong Wai Ling, Mr. Qu Weidong and Ms. Hu Xiaolin.*