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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 ACQUISITION OF 24% EQUITY INTEREST IN QIANHAI JIEFENG

On 25 November 2015, World Business (an indirect wholly-owned subsidiary of the Company) (as purchaser) and Shenzhen Meixiang (as vendor) entered into the Equity Transfer Agreement whereby Shenzhen Meixiang agreed to sell, and World Business agreed to purchase from Shenzhen Meixiang, 24% equity interest in Qianhai Jiefeng for the Consideration of RMB800,000 (equivalent to approximately HK\$944,000).

As at the date of this announcement, the Further Acquisition has been completed and the equity interest held by World Business in Qianhai Jiefeng has been increased from 25% to 49%. Qianhai Jiefeng has remained as an associated company of the Company and its results are accounted for using equity method in the consolidated financial statements of the Group.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Aggregated Transaction (comprising the Previous Acquisition and the Further Acquisition) exceed(s) 5% but is/are less than 25%, the entering into of the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Further Acquisition is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

Reference is made to the voluntary announcement of the Company dated 17 August 2015 (the “**Previous Announcement**”). As disclosed in the Previous Announcement, City Alliance Management Limited (formerly known as City Alliance Limited) (a wholly-owned subsidiary of the Company) (“**City Alliance**”) and Mr. Chen Min entered into an equity transfer agreement (the “**WB Equity Transfer Agreement**”) whereby City Alliance acquired 100% of the issued share capital of World Business (which in turn held 25% of the registered capital of Qianhai Jiefeng at the material time) for a consideration of HK\$11,374,945. Upon completion of the acquisition (the “**Previous Acquisition**”) under the WB Equity Transfer Agreement, World Business became an indirect wholly-owned subsidiary of the Company.

As at the date of completion of the Previous Acquisition, World Business held 25% equity interest in Qianhai Jiefeng and Shenzhen Meixiang held the remaining 75%.

EQUITY TRANSFER AGREEMENT

On 25 November 2015, World Business and Shenzhen Meixiang entered into the Equity Transfer Agreement whereby Shenzhen Meixiang agreed to sell, and World Business agreed to purchase from Shenzhen Meixiang, 24% equity interest in Qianhai Jiefeng for the Consideration of RMB800,000 (equivalent to approximately HK\$944,000).

Date: 25 November 2015

Parties: (1) World Business (an indirectly wholly-owned subsidiary of the Company) (as purchaser); and
(2) Shenzhen Meixiang (as vendor)

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, save for the fact that Shenzhen Meixiang was a holder of 75% equity interest in an associated company of the Company (Qianhai Jiefeng), each of Shenzhen Meixiang and its ultimate beneficial owners is an Independent Third Party.

Equity interest to be acquired: The Sale Interest, 24% equity interest in Qianhai Jiefeng, which was not paid up as at the date of the Equity Transfer Agreement.

Prior to completion of the Further Acquisition, Qianhai Jiefeng was held as to 25% and 75% by World Business and Shenzhen Meixiang, respectively.

As at the date of this announcement, the Further Acquisition has been completed and Qianhai Jiefeng is held as to 49% and 51% by World Business and Shenzhen Meixiang, respectively. Qianhai Jiefeng has remained as an associated company of the Company and its results are accounted for using equity method in the consolidated financial statements of the Group.

Consideration: RMB800,000 (equivalent to approximately HK\$944,000), which shall be payable by World Business to Shenzhen Meixiang in cash within five (5) days from the date of the Equity Transfer Agreement. As at the date of this announcement, the Consideration, which was funded by the Group's internal resources, has been paid in full.

The Consideration was determined after arm's length negotiations between the parties to the Equity Transfer Agreement with reference to the Previous Acquisition and taking into account the fact that the Sale Interest has not been paid up.

Completion: The Equity Transfer Agreement shall become effective upon execution by the parties thereto. The parties shall then proceed to register the transfer of the Sale Interest at the Market Supervision Administration of Shenzhen Municipality* (深圳市市場監督管理局) (the "MSA").

As at the date of this announcement, the registration of the transfer of the Sale Interest with the MSA has been completed.

Further capital contribution As at the date of the Equity Transfer Agreement, (i) Qianhai Jiefeng had a registered capital of US\$35,000,000 (equivalent to approximately HK\$271,600,000), out of which US\$14,909,852.56 (equivalent to approximately HK\$115,700,456) was paid up, representing approximately 42.6%; and (ii) World Business and Shenzhen Meixiang contributed US\$1,342,440.50 (equivalent to approximately HK\$10,417,338) and US\$13,567,412.06 (equivalent to approximately HK\$105,283,118), respectively, to the registered capital of Qianhai Jiefeng.

World Business contributed an additional US\$6,815,843.62 (equivalent to approximately HK\$52,890,946) on 29 February 2016 to the registered capital of Qianhai Jiefeng. Subsequent to the said capital contribution and as at the date of this announcement, Qianhai Jiefeng had a paid-up capital of US\$21,725,696.18 (equivalent to approximately HK\$168,591,403), representing approximately 62.07% of its registered capital. World Business and Shenzhen Meixiang contributed US\$8,158,284.12 (equivalent to approximately HK\$63,308,285) and US\$13,567,412.06 (equivalent to approximately HK\$105,283,118), representing 23.31% and 38.76% of the registered capital of Qianhai Jiefeng, respectively.

World Business and Shenzhen Meixiang are required to pay up the remaining registered capital of Qianhai Jiefeng (equivalent to approximately US\$13,274,304) prior to 1 January 2017 (which may be extended to a later date as approved by the competent governmental authority(ies)) in proportion to their equity holdings, that is, in the amounts of approximately US\$8,991,716 (equivalent to approximately HK\$69,775,716) and US\$4,282,588 (equivalent to approximately HK\$33,232,883).

INFORMATION ON QIANHAI JIEFENG

Qianhai Jiefeng is a sino-foreign joint venture established by World Business and Shenzhen Meixiang in Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, the PRC on 30 December 2014. It is principally engaged in financial leasing, purchase of leased assets, lease advisory and guarantee services.

As at the date of this announcement, Qianhai Jiefeng has a registered capital of US\$35,000,000 (equivalent to approximately HK\$271,600,000), out of which US\$21,725,696.18 (equivalent to approximately HK\$168,591,403) has been paid up. Qianhai Jiefeng is currently held as to 49% and 51% by World Business and Shenzhen Meixiang, respectively.

Set out below is the unaudited financial information of Qianhai Jiefeng for the year ended 31 December 2015 prepared according to the PRC accounting standards:

**For the year ended
31 December 2015**
(RMB '000)

Profit before tax	93
Profit after tax	84

The net asset value of Qianhai Jiefeng as at 31 December 2015 is approximately RMB91,391,000 (equivalent to approximately HK\$107,841,000).

INFORMATION ON THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

World Business is a company incorporated in Hong Kong with limited liability and is principally engaged in investment holding and corporate management. World Business became an indirect wholly-owned subsidiary of the Company upon completion of the Previous Acquisition.

Shenzhen Meixiang is a company established in the PRC with limited liability and is principally engaged in freight agency service, investment in tangible business, trading and import and export of goods and technology.

REASONS FOR AND BENEFITS OF THE FURTHER ACQUISITION

As disclosed in the Previous Announcement, the Board considers that the Previous Acquisition will expand the financing source and lower the financial expenses of the Group, which is in line with the Group's development. Upon completion of the Further Acquisition, the Group's interest in Qianhai Jiefeng increased from 25% to 49%. The Board therefore considers that the Further Acquisition further consolidated the Group's equity holding of Qianhai Jiefeng and thus the Group's share of its profit, which is in line with the Group's scheduled plan and development strategy.

As such, the Directors (including the independent non-executive Directors) are of the view that the Equity Transfer Agreement was entered into on normal commercial terms, the terms therein are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios set out in the Listing Rules in respect of the Aggregated Transaction (comprising the Previous Acquisition and the Further Acquisition) exceed(s) 5% but is/are less than 25%, the entering into of the Equity Transfer Agreement constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. As such, the Further Acquisition is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

The Company's failure to issue an announcement at the time when the Equity Transfer Agreement was entered into constituted non-compliances with the relevant rules under Chapter 14 of the Listing Rules. As the Sale Interest was not paid up and the Sale Interest was transferred at the Consideration of RMB800,000 (equivalent to HK\$944,000), the Company considered that the Consideration (as opposed to US\$17,150,000 (equivalent to approximately HK\$133,084,000), representing 49% equity interest in Qianhai Jiefeng and the amount of capital contribution payable by World Business) would form the numerator of the consideration ratio as defined in Rule 14.07 of the Listing Rules and did not issue an announcement by then as none of the consideration ratio and the other applicable percentage ratios exceeded 5%. The Company considers that the aforesaid non-compliance was the result of the Company's misinterpretation of the Listing Rules and was unintentional.

As soon as the Company came to the knowledge of the aforesaid non-compliances, it immediately consulted its Hong Kong legal adviser and issued this announcement disclosing details of the Further Acquisition in accordance with the relevant provisions of Chapter 14 of the Listing Rules. In order to prevent similar incident from happening again in the future, the Company will strengthen its internal control process in respect of its disclosure obligations for notifiable transactions and will consult its professional advisers on a regular basis.

DEFINITIONS

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

“Aggregated Transaction”	the Previous Acquisition and the Further Acquisition in aggregate
“Board”	the board of Directors
“Company”	China Ruifeng Renewable Energy Holdings Limited (中國瑞風新能源控股有限公司), a company with limited liability incorporated in the Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange
“Consideration”	the consideration for the Further Acquisition of RMB800,000 (equivalent to approximately HK\$944,000) payable by World Business
“Director(s)”	the director(s) of the Company
“Equity Transfer Agreement”	the equity transfer agreement dated 25 November 2015 between World Business and Shenzhen Meixiang in relation to the Further Acquisition
“Further Acquisition”	the acquisition of 24% equity interest in Qianhai Jiefeng
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“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 excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Qianhai Jiefeng”	Shenzhen Qianhai Jiefeng Financing and Leasing Limited* (深圳前海捷豐融資租賃有限公司), a sino-foreign joint venture established in the PRC with limited liability
“Sale Interest”	24% equity interest in Qianhai Jiefeng
“Shareholder(s)”	holder(s) of the share(s) of the Company

“Shenzhen Meixiang”	Shenzhen Meixiang Logistics Limited* (深圳美祥物流有限公司), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency of the United States of America
“World Business”	World Business Limited (環宇國際商務有限公司), a company incorporated in Hong Kong with limited liability
“%”	per cent.

In this announcement, unless otherwise indicated, amounts in RMB have been converted into HK\$ at the rate of RMB1 = HK\$1.180 while amounts in US\$ have been converted into HK\$ at the rate of US\$ = HK\$7.760 for purpose of illustration only and does not constitute a representation that any amount has been, could have been or may be converted.

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

Hong Kong, 28 June 2016

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 Ms. Wong Wai Ling, Mr. Qu Weidong and Ms. Hu Xiaolin.

* *For identification purpose only*