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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: 527)**

**(1) MEMORANDUM OF UNDERSTANDING IN RELATION TO THE  
POSSIBLE SUBSCRIPTION AND THE POSSIBLE ACQUISITION;  
(2) POSSIBLE APPLICATION FOR WHITEWASH WAIVER; AND  
(3) RESUMPTION OF TRADING**

The Board announces that on 17 July 2018, the Company and the Subscriber entered into the non-legally binding MOU, under which the Subscriber expressed an interest to, directly or indirectly through a wholly-owned subsidiary or nominee, subscribe for new Shares and/or convertible bonds to be allotted and issued by the Company. It is intended that the Subscriber will become the single largest Shareholder holding not less than 51% of the enlarged issued share capital immediately following completion of the Possible Subscription. The Subscriber intends to settle the Possible Subscription by cash and/or injection of assets or such other way as the parties may agree. It is expected that the partial settlement of subscription price under the Possible Subscription by way of injection of assets may constitute a discloseable transaction and/or connected transaction of the Company under Chapter 14 and/or Chapter 14A of the Listing Rules.

The MOU does not constitute the parties' legally binding commitments as to the Possible Subscription and the Possible Acquisition, except for the provisions on inter alia, Exclusivity Period, costs and expenses, governing law and confidentiality.

It is the intention of the Subscriber to apply for the Whitewash Waiver after the signing of the Formal Agreement. Completion of the Possible Subscription will be conditional upon, among other conditions, the Executive having granted the Whitewash Waiver to the Subscriber and parties acting in concert with it and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted, which, if granted, shall be subject to, among other things, approval by the independent Shareholders. The Subscriber reserves the right to waive this condition if the Whitewash Waiver is not granted or the condition(s) of the Whitewash Waiver is/are not fulfilled. In this regard, the Subscriber will be obliged to make a mandatory general offer for all issued Shares not already owned or agreed to be subscribed for by the Subscriber and parties acting in concert with it under Rule 26.1 of the Takeovers Code as a result of the Possible Subscription.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 July 2018 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 July 2018.

**The Board wishes to emphasise that no binding agreement in relation to the Possible Subscription and the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Subscription and the Possible Acquisition may or may not proceed. Further announcement in respect of the Possible Subscription and the Possible Acquisition in compliance with the Listing Rules and the Takeovers Code will be made by the Company in the event that the Formal Agreement is signed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.**

This announcement is made pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO.

## **MEMORANDUM OF UNDERSTANDING**

The Board announces that on 17 July 2018, the Company and the Subscriber entered into the non-legally binding MOU, under which the Subscriber expressed an interest to, directly or indirectly through a wholly-owned subsidiary or nominee, subscribe for new Shares and/or convertible bonds to be allotted and issued by the Company.

It is intended that the Subscriber will become the single largest Shareholder holding not less than 51% of the enlarged issued share capital immediately following completion of the Possible Subscription. The number of the new Shares and/or the principal amount of the convertible bonds under the Possible Subscription as well as the shareholding of the Subscriber in the Company upon completion of the Possible Subscription shall be set out in the Formal Agreement.

## **Conditions precedent**

Completion of the Possible Subscription will be conditional upon, among other conditions, the Executive having granted the Whitewash Waiver to the Subscriber and parties acting in concert with it and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted, which, if granted, shall be subject to, among other things, approval by the independent Shareholders.

## **Subscription price**

Pursuant to the MOU, the subscription price of the new Shares under the Possible Subscription shall be determined with reference to a discounted value of the audited consolidated net asset value per Share as at 31 December 2017, which shall be agreed upon subject to further negotiations between the parties to the MOU and set out in the Formal Agreement. In respect of the subscription of the convertible bonds, the initial conversion price of the convertible bonds shall be equal to the subscription price of the new Shares under the Possible Subscription, subject to adjustment as a result of adjusting events including but not limited to consolidation or subdivision of Shares.

The Subscriber intends to settle the subscription price under the Possible Subscription by cash and/or injection of assets or such other way as the parties may agree. It is expected that the partial settlement of the subscription price under the Possible Subscription by way of injection of assets may constitute a discloseable transaction and/or connected transaction of the Company under Chapter 14 and/or Chapter 14A of the Listing Rules.

## **Formal Agreement**

The terms of the Possible Subscription and the Possible Acquisition will be negotiated between the parties to the MOU based on, among others, the results of the due diligence to be conducted by the Subscriber and the Company and shall be subject to the terms and conditions of the Formal Agreement which may or may not be entered into by the parties to the MOU in relation to the Possible Subscription and the Possible Acquisition.

## **Exclusivity Period**

Pursuant to the MOU, each of the Company and the Subscriber undertook that during the 180-day Exclusivity Period, the Company shall not, without the prior written consent of the Subscriber, conduct any negotiation with any other investor in relation to any transaction which may conflict with the Possible Subscription, whereas, the Subscriber shall not conduct any negotiation with any third party in relation to the transfer of assets which are to be acquired by the Company in the Possible Acquisition. Before the expiry of the Exclusivity Period, the Company and the Subscriber shall use their best endeavour to negotiate and enter into the Formal Agreement.

## **BINDING NATURE OF THE MOU**

Save for the provisions on inter alia, the Exclusivity Period, cost and expenses, governing law and confidentiality in the MOU, which are legally binding, the MOU does not have any legally binding effect. The Possible Subscription is subject to further negotiations between the Company and the Subscriber and the execution of the Formal Agreement.

## **INFORMATION ON THE SUBSCRIBER**

The Subscriber is, through its subsidiaries, principally engaged in renewable energy business in the PRC. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR THE POSSIBLE SUBSCRIPTION**

The Group is mainly engaged in the businesses of wind farms development and operation as well as wind power generation and commenced to tap into the business in finance sector, such as finance leasing and security trading. In view of the Subscriber's established operations in the new energy generation in the PRC, the Directors consider that the entering into of the MOU represents a good opportunity to (i) raise a substantial amount of additional funds for the development of wind power and clean energy generation businesses of the Company; (ii) to enhance the shareholder base of the Company; (iii) improve the financial and liquidity position of the Group; and (iv) strengthen the Group's principal business.

## **IMPLICATIONS UNDER THE TAKEOVERS CODE AND APPLICATION FOR WHITEWASH WAIVER**

Under Rule 26 of the Takeovers Code, if the Subscriber acquires 30% or more of the voting rights of the Company under the Possible Subscription, the Subscriber will be obliged to make a mandatory offer for all the Shares other than those already owned or agreed to be acquired by the Subscriber and persons acting in concert with it unless the Whitewash Waiver is granted by the Executive. It is the intention of the Subscriber to apply for the Whitewash Waiver after the signing of the Formal Agreement.

In the event that the Formal Agreement is signed and the Whitewash Waiver is to be applied for, an independent board committee will be established by the Board and an independent financial adviser will be appointed by the Company at an appropriate time to advise the independent board committee, which will then make recommendation to the independent Shareholders on the resolution(s) to approve the Possible Subscription and the Whitewash Waiver.

Completion of the Possible Subscription will be conditional upon, among other conditions, the Executive having granted the Whitewash Waiver to the Subscriber and parties acting in concert with it and the satisfaction of all conditions (if any) attached to the Whitewash Waiver granted, which, if granted, shall be subject to, among other things, approval by the independent Shareholders. The Subscriber reserves the right to waive this condition if the Whitewash Waiver is not granted or the condition(s) of the Whitewash Waiver is/are not fulfilled. In this regard, the Subscriber will be obliged to make a mandatory general offer for all issued Shares not already owned or agreed to be subscribed for by the Subscriber and parties acting in concert with it under Rule 26.1 of the Takeovers Code as a result of the Possible Subscription.

Under Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Possible Subscription will continue to be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

## **DISCLOSURE OF DEALINGS IN THE SHARES**

For the purpose of the Takeovers Code, the offer period is deemed to commence on the date of this announcement, being 19 July 2018.

In accordance with Rule 3.8 of the Takeovers Code, associates (as defined under the Takeovers Code) of the Proposed Subscriber and the Company (including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Proposed Subscriber) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates and other persons under Rule 22 of the Takeovers Code and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant rules of the Takeovers Code. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than HK\$1 million. This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## RESUMPTION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 18 July 2018 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 20 July 2018.

## GENERAL

**The Board wishes to emphasise that no binding agreement in relation to the Possible Subscription and the Possible Acquisition has been entered into as at the date of this announcement. As such, the Possible Subscription and the Possible Acquisition may or may not proceed. Further announcement in respect of the Possible Subscription and the Possible Acquisition in compliance with the Listing Rules and the Takeovers Code will be made by the Company in the event that the Formal Agreement has been signed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares and other securities of the Company.**

## DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“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 incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 527)
“Director(s)”	the director(s) of the Company
“Exclusivity Period”	the exclusivity period of 180 days from the date of the MOU or such other date agreed by the Company and the Subscriber
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Formal Agreement”	the formal sale and purchase agreement for the Possible Subscription and the Possible Acquisition which may or may not be entered into by the Company and the Subscriber

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) who is(are) third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOU”	the non-legally binding memorandum of understanding dated 17 July 2018 entered into between the Company and the Subscriber in relation to the Possible Subscription and the Possible Acquisition
“Possible Acquisition”	the possible acquisition by the Company of the assets to be injected by the Subscriber as partial settlement of the subscription price under the Possible Subscription pursuant to the MOU
“Possible Subscription”	the possible subscription by the Subscriber and/or its subsidiary(ies) and/or its nominee(s) to subscribe for the Shares by way of subscription of new Shares and/or convertible bonds to be allotted and issued by the Company pursuant to the MOU
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) of the Company
“Shareholder(s)”	holder(s) of Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	a limited liability company which is, through its subsidiaries, principally engaged in renewable energy business in the PRC and an Independent Third Party

“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers published by the SFC
“Whitewash Waiver”	a waiver from the obligation of the Subscriber to make a mandatory general offer to the Shareholders in respect of the Shares and securities issued by the Company not already owned or agreed to be acquired by the Subscriber and the parties acting in concert with it as a result of the Possible Subscription in accordance with Note 1 on dispensations from Rule 26 of the Takeovers Code
“%”	per cent.

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

Hong Kong, 19 July 2018

*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.*

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*