

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 ANNOUNCEMENT IN RELATION TO
DISCLOSEABLE TRANSACTION
ACQUISITION OF EQUITY INTERESTS IN CH-AUTO TECHNOLOGY**

Reference is made to the announcements of China Ruifeng Renewable Energy Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 10 December 2021 and 14 December 2021 in relation to acquisition of equity interests in CH-Auto Technology by the Company which constituted a discloseable transaction under Chapter 14 of the Listing Rules (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless the context requires otherwise.

This announcement is made to provide certain supplemental information as to the valuation of CH-Auto Technology.

Basis of the pre-fundraising valuation and reasons for such basis

As set out in the Announcements, CH-Auto Technology’s pre-fundraising valuation was RMB2 billion. The Company wishes to supplement that such valuation was agreed between the investors and CH-Auto Technology, based largely on previous valuations of CH-Auto Technology conducted by an independent valuer in April 2019.

The said independent valuer valued CH-Auto Technology’s intangible assets at approximately RMB1.73 billion (the “**Intangible Assets Valuation**”) and CH-Auto Technology’s 100% equity interests at approximately RMB8.31 billion (the “**100% Equity Interest Valuation**”). The 100% Equity Interest Valuation of CH-Auto Technology was prepared using the income-based approach. The Intangible Assets Valuation of CH-Auto Technology was prepared using (i) the income-based approach in relation to its patents; and (ii) the replacement cost approach in relation to its software copyrights.

No new valuation report was made for the pre-fundraising valuation as at the material time, the vehicle and vehicle parts and components production of CH-Auto Technology had been significantly scaled down. Based on information provided by CH Auto Technology, only approximately 16% and 4% of its revenue for the year ended 31 December 2020 and the nine months ended 30 September 2021 was derived from sale of vehicles, vehicle parts and components and others segment.

Since it was expected that CH-Auto Technology would resume its normal scale of vehicle and vehicle parts and components production following the contemplated round of funding, CH-Auto Technology and the investors considered that valuation reports made in 2019 (prior to the scaling down of vehicle and vehicle parts and components production) would be more suitable and more accurately reflect the expected conditions of CH-Auto Technology following the contemplated investments. The pre-fundraising valuation was therefore determined based on the Intangible Assets Valuation plus an adjusted 100% Equity Interest Valuation which reflected the percentage of revenue which was derived from the sale of vehicles and vehicle parts and components and others segment for the nine months ended 30 September 2021 (being the financial information which was available at the material time). Further consideration was also made to the expected beneficial effect of full year financial information on the pre-valuation fundraising had it been available at the material time.

Based on information provided by CH-Auto Technology, it has already begun gradually scaling back up its vehicle production in December 2021 after the contemplated funding was received from investors, and CH-Auto Technology expects to resume its normal scale of vehicle production in or around the second quarter of 2022.

Considering all the above, the Board is therefore of the view that the pre-fundraising valuation of RMB2 billion, and the bases and assumptions adopted for the same, are fair and reasonable

The additional information as disclosed above do not affect any other information contained in the Announcement. This supplemental announcement is supplemental to and should be read in conjunction with the Announcement. Further announcement(s) in relation to updates on and/or completion of the Capital Injection will be made as and when appropriate.

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

Hong Kong, 12 January 2022

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.