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)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2023

RESULTS

The board (the "**Board**") of directors (the "**Directors**") of China Ruifeng Renewable Energy Holdings Limited (the "**Company**") is pleased to announce the unaudited interim results of the Company and its subsidiaries (collectively, the "**Group**") for the six months ended 30 June 2023 (the "**Reporting Period**") together with the comparative figures for the last corresponding period as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2023

	Notes	**For the six months ended 30 June 2023 RMB'000 (unaudited)**	For the six months ended 30 June 2022 RMB'000 (unaudited)
Revenue	2	**190,165**	179,744
Cost of sales	3	**(119,937)**	(127,003)
Gross profit		**70,228**	52,741
Interest income		**3,641**	4,771
Other income		**9,450**	12,347
Other gains, net		**92**	400
Administrative expenses	3	**(18,700)**	(21,420)
Operating profit		**64,711**	48,839
Finance costs	4	**(72,376)**	(80,227)
Share of losses of associates		**(326)**	(289)
Loss before income tax		**(7,991)**	(31,677)
Income tax expense	5	**(13,089)**	(7,776)
Loss for the period		**(21,080)**	(39,453)
Loss for the period attributable to:			
— the owners of the Company		**(29,431)**	(38,065)
— non-controlling interests		**8,351**	(1,388)
		(21,080)	(39,453)
Loss per share attributable to the owners of the Company (in RMB)			
Basic and diluted	7	**(0.014)**	(0.019)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2023

	For the six months ended 30 June 2023	For the six months ended 30 June 2022
	RMB'000	*RMB'000*
	(unaudited)	(unaudited)
Loss for the period	**(21,080)**	(39,453)
Other comprehensive (loss)/income		
Item that may be reclassified to profit or loss:		
Exchange difference arising on translation of financial statements of foreign operations outside the People's Republic of China (the "**PRC**")	**(28,927)**	(29,164)
Item that may not be reclassified to profit or loss:		
Exchange difference arising on translation of financial statements of the Company	**5,901**	8,446
Other comprehensive loss for the period, net of tax	**(23,026)**	(20,718)
Total comprehensive loss for the period	**(44,106)**	(60,171)
Total comprehensive loss for the period attributable to:		
— the owners of the Company	**(52,457)**	(58,783)
— non-controlling interests	**8,351**	(1,388)
	(44,106)	(60,171)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Notes	**As at 30 June 2023** *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
ASSETS			
Non-current assets			
Property, plant and equipment	*8*	**808,628**	878,931
Right-of-use assets		**17,080**	20,247
Interests in associates		**1,710**	2,036
Financial assets at fair value through other comprehensive income		**32,791**	12,791
Financial assets at fair value through profit or loss		**4,260**	4,260
Prepayments and other receivables	*9*	**163,526**	184,026
		1,027,995	1,102,291
Current assets			
Inventories		**619**	619
Trade and other receivables	*9*	**540,004**	482,135
Financial assets at fair value through profit or loss		**1,402**	2,327
Cash and cash equivalents		**370,071**	420,843
		912,096	905,924
Total assets		**1,940,091**	2,008,215
EQUITY			
Deficit attributable to the owners of the Company			
Share capital	*12*	**20,733**	17,884
Reserves		**(129,715)**	(91,787)
		(108,982)	(73,903)
Non-controlling interests		**197,411**	189,060
Total equity		**88,429**	115,157

	Notes	**As at 30 June 2023** *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
LIABILITIES			
Non-current liabilities			
Lease liabilities		**1,984**	3,428
Borrowings	*11*	**1,324,089**	1,400,619
Deferred income tax liabilities		**7,532**	9,221
		1,333,605	1,413,268
Current liabilities			
Trade and other payables	*10*	**141,831**	151,366
Borrowings	*11*	**368,187**	322,451
Lease liabilities		**2,909**	3,703
Current income tax liabilities		**5,130**	2,270
		518,057	479,790
Total liabilities		**1,851,662**	1,893,058
Total equity and liabilities		**1,940,091**	2,008,215

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This condensed consolidated financial statements for the six months ended 30 June 2023 has been prepared in accordance with Hong Kong Accounting Standard ("**HKAS**") 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**") and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). This condensed consolidated financial statement does not include all the notes of the type normally included in annual consolidated financial statements. Accordingly, this condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**"). The principal accounting policies adopted to prepare the condensed consolidated financial statements are consistent with those adopted to prepare the Company's annual consolidated financial statements for the year ended 31 December 2022.

This condensed consolidated financial statements have been prepared under the historical cost convention, except for the financial assets at fair value through profit or loss and the financial assets at fair value through other comprehensive income, which are carried at fair value.

The HKICPA has issued a number of amendments to HKFRSs that are first effective for its accounting year beginning on 1 January 2023. None of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented in this condensed consolidated financial statement.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Group.

2. REVENUE

Revenue from contracts with customers within the scope of HKFRS 15, is as follows:

	For the six months ended 30 June 2023 *RMB'000* **(unaudited)**	For the six months ended 30 June 2022 *RMB'000* (unaudited)
Recognised at a point in time:		
— Sales of electricity	**139,018**	127,025
— Tariff adjustment	**51,147**	48,429
	190,165	175,454
Recognised over time:		
— Incineration of medical wastage	**—**	4,290
	190,165	179,744

Revenue mainly represents the wind power electricity sales to local grid company in the PRC for the six months ended 30 June 2023 and 2022.

3. EXPENSES BY NATURE

	For the six months ended 30 June 2023 *RMB'000* **(unaudited)**	For the six months ended 30 June 2022 *RMB'000* (unaudited)
Auditor's remuneration		
– Non-audit services	**373**	189
Depreciation of property, plant and equipment	**70,775**	77,691
Depreciation of right-of-use assets	**2,649**	837
Employee benefit costs, including directors' emoluments	**22,875**	20,970
Legal and professional fees	**1,876**	8,982
Repair and maintenance expenses	**19,290**	22,279
Others	**20,799**	17,475
Total cost of sales and administrative expenses	**138,637**	148,423

4. FINANCE COSTS

	For the six months ended 30 June 2023 *RMB'000* **(unaudited)**	For the six months ended 30 June 2022 *RMB'000* (unaudited)
Interest expense on bank loans and other loans	**37,042**	53,442
Interest expense on bonds	**5,499**	5,747
Interest expense on convertible bonds	**27,848**	8,458
Default interest expense on convertible bonds	**—**	8,076
Interest expense on notes payables	**1,835**	4,453
Interest expense on lease liabilities	**152**	51
	72,376	80,227

5. INCOME TAX EXPENSE

No provision of Hong Kong Profits Tax had been made as the Group's profit neither arises in, nor is derived from Hong Kong during the six months ended 30 June 2023 (2022: Nil).

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands or the British Virgin Islands (2022: Nil).

The applicable income tax rate to the Group's PRC subsidiaries is 25% during the six months ended 30 June 2023 and 2022.

The Law of the PRC Enterprise Income Tax and the Implementation Regulations also impose a withholding tax at 5–10%, unless reduced by a tax treaty or agreement, for dividends distributed by a PRC resident enterprise to its immediate holding company outside the PRC for earnings accumulated beginning on 1 January 2008.

An analysis of the income tax expense is as follows:

	For the six months ended 30 June 2023 *RMB'000* **(unaudited)**	For the six months ended 30 June 2022 *RMB'000* (unaudited)
PRC Corporate income tax	**14,788**	9,475
Deferred income tax	**(1,699)**	(1,699)
	13,089	7,776

6. INTERIM DIVIDEND

The Directors do not recommend any distribution of an interim dividend for the six months ended 30 June 2023 (2022: Nil).

7. LOSS PER SHARE

(a) Basic loss per share

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	For the six months ended 30 June 2023 (unaudited)	For the six months ended 30 June 2022 (unaudited)
Loss attributable to the owners of the Company *(RMB'000)*	**(29,431)**	(38,065)
Weighted average number of ordinary shares in issue *(in thousands)*	**2,162,494**	1,979,141
Basic loss per share *(RMB)*	**(0.014)**	(0.019)

(b) Diluted loss per share

Diluted loss per share was calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion/exercise of all dilutive potential ordinary shares. For the six months ended 30 June 2023, the Group has three (2022: three) categories of potential ordinary shares: convertible bonds, share options and warrants (2022: convertible bonds, share options and warrants).

The convertible bonds were assumed to have been converted into ordinary shares, and the net loss has been adjusted to eliminate the interest expenses.

For the share options and warrants, a calculation has been done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options/warrants.

Convertible bonds, share options and warrants (2022: convertible bonds, share options and warrants) were not assumed to be exercised as they would have an anti-dilutive impact to the loss attributable to the owners of the Company for the six months ended 30 June 2023 and 2022. Accordingly, diluted loss per share for the six months ended 30 June 2023 and 2022 are same as that of basic loss per share.

8. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2023, the Group acquired and disposed of property, plant and equipment (including construction in progress) amounting to approximately RMB537,000 and RMB65,000, respectively (2022: approximately RMB1,094,000 and RMB106,000, respectively).

9. TRADE AND OTHER RECEIVABLES

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
Trade receivables *(Note a)*	**191,483**	138,863
Less: provision for loss allowance	**(2,030)**	(2,030)
	189,453	136,833
Prepayments, deposits, and other receivables *(Note b)*	**514,077**	529,328
	703,530	666,161
Less: Non-current proportion		
— Prepayments for acquisition of property, plant and equipment and investments	**(135,526)**	(156,026)
— Deposit for non-current other loans	**(28,000)**	(28,000)
	(163,526)	(184,026)
Current portion	**540,004**	482,135

The carrying amounts of the Group's trade and other receivables are denominated in RMB.

(a) Trade receivables

As at 30 June 2023, the Group has pledged certain of its trade receivables with carrying values of approximately RMB189,436,000 (31 December 2022: approximately RMB136,816,000) to secure its other loans (31 December 2022: other loans).

The Group's trade receivables are mainly sales of electricity receivable from local grid company. Generally, the receivables are due within 30 days from the date of billing, except for the tariff adjustment. The collection of such tariff adjustment is subject to the allocation of funds by relevant government authorities to local grid company, which therefore takes a relatively long time for settlement. The ageing analysis of the trade receivables based on invoice date is as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Unbilled *(Note)*	**173,114**	115,318
Within three months	**16,322**	21,498
More than three months but within one year	**—**	—
More than one year	**17**	17
	189,453	136,833

Note: The amount represents the tariff adjustment receivables for the wind power plants operated by the Group.

The ageing analysis of the trade receivables based on revenue recognition date is as follows:

	As at 30 June 2023	As at 31 December 2022
	RMB'000	*RMB'000*
	(unaudited)	(audited)
Within three months	**41,185**	41,707
More than three months but within one year	**66,652**	68,234
More than one year	**81,616**	26,892
	189,453	136,833

Impairment losses in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables directly.

At 30 June 2023, trade receivables of the Group amounting to approximately RMB2,030,000 (31 December 2022: approximately RMB2,030,000) were individually determined to be impaired and full provision had been made. These individually impaired receivables were outstanding for over 1 year as at 30 June 2023 and 31 December 2022 or related to customers that were in financial difficulties. The Group does not hold any collateral over these balances.

(b) Prepayments, deposits, and other receivables

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
Other receivables	**348,232**	335,319
Less: provision for loss allowance	**(186,967)**	(186,967)
	161,265	148,352
Loan receivables	**225,001**	236,557
Less: provision for loss allowance	**(64,921)**	(64,921)
	160,080	171,636
Amount due from an associate	**29,187**	29,187
Less: provision for loss allowance	**(29,187)**	(29,187)
	—	—
Amount due from a non-controlling interest	**12,924**	9,923
Less: provision for loss allowance	**—**	—
	12,924	9,923
Deposit for other loans	**28,000**	28,000
Prepayments	**151,808**	171,417
Total	**514,077**	529,328
Less: Non-current portion		
— Prepayments for acquisition of property, plant and equipment and investments	**(135,526)**	(156,026)
— Deposit for non-current other loans	**(28,000)**	(28,000)
	(163,526)	(184,026)
	350,551	345,302

10. TRADE AND OTHER PAYABLES

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
Trade payables	**21,599**	19,243
Interest payables	**35,509**	34,547
Other tax payables	**—**	1,232
Payables on acquisition of property, plant, and equipment	**12,150**	12,059
Payables on acquisition of a subsidiary	**14,007**	14,007
Amounts due to directors	**2,367**	9,442
Amounts due to non-controlling interests	**9,342**	19,422
Other payables and accruals	**46,857**	41,414
	141,831	151,366

The ageing analysis of the trade payables based on invoice date is as follows:

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
Within three months	**21,224**	18,867
More than three months but within one year	**6**	6
More than one year	**369**	370
	21,599	19,243

The carrying amounts of trade and other payables approximate their fair values and are denominated in the following currencies:

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
RMB	**95,698**	106,888
HK$	**46,133**	44,478
	141,831	151,366

11. BORROWINGS

	As at 30 June 2023 *RMB'000* (unaudited)	As at 31 December 2022 *RMB'000* (audited)
Bank loans, secured	**—**	8,000
Bonds	**144,175**	142,666
Notes payables	**63,849**	59,107
Convertible bonds	**345,634**	302,619
Other loans from third parties	**1,138,618**	1,210,678
Total	**1,692,276**	1,723,070
Less: Non-current portion		
— Bonds	**(50,600)**	(71,713)
— Convertible bonds	**(328,853)**	(302,619)
— Other loans from third parties	**(944,636)**	(1,026,287)
	(1,324,089)	(1,400,619)
Current portion	**368,187**	322,451

12. SHARE CAPITAL

	As at 30 June 2023 *RMB'000* (unaudited)	As at 31 December 2022 *RMB'000* (audited)
Authorised		
10,000,000,000 shares at HK$0.01 each	**87,912**	87,912
Issued and fully paid		
Approximately 2,374,807,000 (31 December 2022: approximately 2,049,141,000) shares at HK$0.01 each	**20,733**	17,884

13. COMMITMENTS

As at 30 June 2023, capital commitments outstanding not provided for in the condensed consolidated financial statements were as follows:

	As at 30 June 2023 *RMB'000* **(unaudited)**	As at 31 December 2022 *RMB'000* (audited)
Acquisition of property, plant and equipment		
— Contracted for	**43,644**	43,802

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS OVERVIEW

Wind farm operations

For the six months ended 30 June 2023, the revenue from the wind farm operations amounted to approximately RMB190,165,000 (six months ended 30 June 2022: approximately RMB175,454,000), representing an increase of approximately 8% from that of six months ended 30 June 2022.

Hongsong's wind farm projects

The construction of the Phase 9 Project — The Yuanhui Project of Hebei Hongsong Wind Power Co., Ltd.* ("**Hongsong**") was completed in December 2013. Hongsong currently has an installed capacity of 398.4 MW, and its wind farm operated in a steady and stable status in 2023 which made primarily contribution to the Group's revenue for the six months ended 30 June 2023. The average utilisation hours of the Company's Hongsong wind farm in Hebei Province for the periods ended 30 June 2023 and 30 June 2022 were approximately 1,063 hours and 996 hours, respectively.

Baotou Yinfeng's wind farm projects

Baotou City Yingfeng Huili New Energy Investment Limited* ("**Baotou Yinfeng**") is a subsidiary of the Company, which possesses a wind farm in Baotou City of Inner Mongolia with the 49.8 MW of the Phase 1 Project. In October 2015, Baotou Yinfeng received the relevant project approval from Baotou City's government for its Phase 1 Project. Baotou Yinfeng Phase 1 Project is currently under construction and is expected to contribute to the Group's future revenue from the operation of wind farm.

FINANCIAL REVIEW

During the Reporting Period, the Group was principally engaged in wind farms operation through its subsidiary, namely Hongsong.

For the Reporting Period, the Group's revenue amounted to approximately RMB190,165,000 (for the six months ended 30 June 2022: approximately RMB179,744,000). Gross profit increased by approximately 33% to approximately RMB70,228,000 for the Reporting Period (for the six months ended 30 June 2022: approximately RMB52,741,000). The loss for the Reporting Period was approximately RMB21,080,000 (for the six months ended 30 June 2022: loss of approximately RMB39,453,000). The improvement in loss position for the Reporting Period was primarily attributable to the increase in volume of electricity generated as well as the sales of electricity.

Revenue

During the Reporting Period, the Group's revenue was mainly derived from the business of wind power generation of Hongsong. The Group's operating bases for the business of wind power generation are mainly located in Chengde City of Hebei Province and Inner Mongolia Autonomous Region in the PRC.

Revenue from wind farms operation for the Reporting Period was approximately RMB190,165,000, representing an increase of approximately 8% as compared with approximately RMB175,454,000 of the corresponding period of 2022. The increase was mainly due to the increase in volume of electricity generated as well as the sales of electricity.

No revenue from incineration of medical wastage was recorded for the Reporting Period as the subsidiary was disposed of in 2022 (for the six months ended 30 June 2022: RMB4,290,000).

Cost of Sales

Cost of sales mainly included the cost of raw materials, staff costs, depreciation, water, electricity, gas and other ancillary materials. Cost of sales for the Reporting Period was approximately RMB119,937,000 (for the six months ended 30 June 2022: approximately RMB127,003,000), representing approximately 63% of the Group's revenue, as compared to approximately 71% for the corresponding period of 2022.

Gross Profit

Gross profit for the Reporting Period increased by approximately 33% to approximately RMB70,228,000 (for the six months ended 30 June 2022: gross profit of approximately RMB52,741,000), which was mainly due to the increase in volume of electricity generated as well as the sales of electricity.

Other Income and Other Gains, net

Other income and other gains, net for the Reporting Period mainly comprised the government subsidy income related to value-added tax refund amounted to approximately RMB9,222,000 (for the six months ended 30 June 2022: approximately RMB11,346,000).

Administrative Expenses

Administrative expenses for the Reporting Period mainly included salaries and welfare expenses, professional fees, entertainment expenses, travelling expenses, insurance expenses and other taxation expenses. It decreased by approximately 13% to approximately RMB18,700,000 for the Reporting Period when compared with approximately RMB21,420,000 for the corresponding period of 2022.

Finance Costs

Finance costs for the Reporting Period referred to interest expenses of the Group's borrowings including bank loans and other loans obtained, corporate bonds, notes and convertible bonds issued by the Group. It amounted to approximately RMB72,376,000 for the Reporting Period (for the six months ended 30 June 2022: approximately RMB80,227,000). The decrease was mainly due to the decrease in interest expenses incurred for other loans obtained by Hongsong.

Taxation

Taxation increased from approximately RMB7,776,000 for the six months ended 30 June 2022 to approximately RMB13,089,000 for the Reporting Period, which is due to the increase in taxable profits of Hongsong.

Loss for the Reporting Period

The loss for the Reporting Period was approximately RMB21,080,000 (for the six months ended 30 June 2022: loss of approximately RMB39,453,000). The improvement in loss position for the Reporting Period was primarily attributable to the increase in volume of electricity generated as well as the sales of electricity.

Share Capital

As at 30 June 2023, the total number of issued share capital of the Company comprised 2,374,807,466 ordinary shares of HK$0.01 each (as at 31 December 2022: 2,049,140,800 ordinary shares of HK$0.01 each). As at the date of this announcement, the total number of issued share capital of the Company comprised 474,961,493 ordinary shares of HK$0.05 each. Please refer to the section "Capital Reorganisation" for details.

Liquidity and Financial Resources

The cash and bank balances as at 30 June 2023 and 31 December 2022 amounted to approximately RMB370,071,000 (mainly denominated in Renminbi ("**RMB**") and Hong Kong dollar ("**HK$**") of approximately RMB364,602,000 and HK$5,923,000), and approximately RMB420,843,000, respectively.

Total borrowings of the Group as at 30 June 2023 amounted to approximately RMB1,692,276,000, representing a decrease of approximately RMB30,794,000 when compared with approximately RMB1,723,070,000 as at 31 December 2022. The decrease was mainly due to partial repayment of other loans obtained by Hongsong during the Reporting Period.

The Group repaid its debts mainly through steady recurrent cash-flows generated by its operations. The Group's gearing ratio as at 30 June 2023 was approximately 95% which was comparable to approximately 94% as at 31 December 2022. That ratio was calculated by dividing the Group's total liabilities by its total assets. During the Reporting Period, all of the Group's borrowings were settled in RMB and HK$ and all of the Group's income was denominated in RMB. Interest bearing borrowings were approximately RMB1,692,276,000 as at 30 June 2023 (31 December 2022: approximately RMB1,723,070,000). Among the interest bearing borrowings of the Group, approximately RMB604,579,000 were fixed rate loans and approximately RMB1,087,697,000 were variable rate loans. The Group had not engaged in any hedging facility against interest rate fluctuations for the Reporting Period and up to the date of this announcement, as the Board considered that the cost of any hedging policy would be higher than the potential risk of the costs being incurred from interest rate fluctuations in individual transactions.

Exposure to fluctuation in exchange rates

The Group has minimal exposure to foreign currency risk as most of its business, transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The management will monitor the Group's foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise, and appropriate instrument be available.

Issuance of Corporate Bonds

During the Reporting Period, the Company issued additional non-listing corporate bonds with principal amount of HK$3,000,000 (the "**Corporate Bonds**") to an investor. Corporate Bonds with principal amount of HK$6,807,000 were matured and redeemed during the Reporting Period (30 June 2022: no additional Corporate Bonds were issued, and Corporate Bonds with principal amount of HK$16,717,000 were matured and redeemed).

As at 30 June 2023 and 31 December 2022, Corporate Bonds with principal amount of approximately HK$147,504,000 and HK$151,311,000 had been issued and had not been repaid respectively. For details, please refer to the announcements of the Company dated 10 July 2014 and 28 April 2015.

Extension of Notes (previously known as Convertible Notes)

On 26 May 2016, the Company entered into a placing agreement (the "**Placing Agreement**") with Get Nice Securities Limited (the "**Placing Agent**") pursuant to which the Placing Agent has conditionally agreed to procure the placee(s) on a best effort basis during the placing period to subscribe for the convertible notes to be issued by the Company of up to an aggregate principal amount of HK$171,600,000 due 2017, with the conversion rights to convert the outstanding principal amount of the convertible notes into ordinary shares of the Company at an initial conversion price of HK$0.65 per conversion share (the "**Convertible Notes**").

Assuming full conversion of the Convertible Notes, a total of 264,000,000 shares of the Company would be allotted and issued, representing (i) approximately 14.67% of the issued share capital of the Company as at the date of the Placing Agreement; and (ii) approximately 12.80% of the issued share capital of the Company as enlarged by the allotment and issue of the conversion shares upon full conversion of the Convertible Notes.

On 15 June 2016, the Convertible Notes in the aggregate principal amount of HK$171,600,000 were issued by the Company in accordance with the terms of the Placing Agreement. The net proceeds from the issue of the Convertible Notes, after deducting the Placing Agent's commission and other related expenses payable by the Company, amounted to approximately HK$167,900,000.

On 12 December 2017, the Company and all the holders of the Convertible Notes entered into a deed of amendment (the "**Amendment Deed**") to extend the maturity date of the Convertible Notes from 15 December 2017 to 15 June 2019. Save for the extension of the maturity date, all other terms and conditions of the Convertible Notes remained unchanged. The Amendment Deed has become unconditional on 15 December 2017 upon approval being received from the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

On 22 August 2019, the Company and all the holders of the Convertible Notes entered into second deed of amendment (the "**Second Amendment Deed**") to (i) further extend the maturity date (as extended by the Amendment Deed) from 15 June 2019 to 15 December 2019; (ii) amend the interest rate of the Convertible Notes from 8% per annum to 10% per annum with effect from 15 June 2019; and (iii) require the Company to pay on the date of the Second Amendment Deed interest accrued and to be accrued from (and including) 15 June 2019 to (but excluding) 15 December 2019. Save for the aforesaid, all other terms and conditions of the Convertible Notes remain unchanged. The holders of the Convertible Notes have irrevocably and unconditionally agreed and undertaken to waive any and all events of default that may have arisen on or prior to the date of the Second Amendment Deed. The Second Amendment Deed has become unconditional on 23 August 2019 upon approval being received from the Stock Exchange.

On 10 February 2020, the Company and all the holders of the Convertible Notes entered into third deeds of amendment (the "**Third Amendment Deeds**") to (i) remove the mechanism under which the holders of the Convertible Notes are entitled to convert the outstanding principal amount of the Convertible Notes into conversion shares; (ii) further extend the maturity date (as extended by the Second Amendment Deed) from 15 December 2019 to 15 May 2020; (iii) amend the interest rate of the Convertible Notes from 10% per annum to 12% per annum with effect from 15 December 2019; and (iv) require the Company to pay in advance interest accrued and to be accrued from (and including) 15 December 2019 to (but excluding) 15 May 2020. Save for the aforesaid, all other terms and conditions of the Convertible Notes remain unchanged. The holders of the Convertible Notes have irrevocably and unconditionally agreed and undertaken to waive any and all events of default that may have arisen on or prior to the date of the Third Amendment Deeds. The Third Amendment Deeds have become unconditional on 12 February 2020 upon approval being received from the Stock Exchange. The Convertible Notes have since then been reclassified as notes (the "**Notes**").

During the Reporting Period, no principal amount of the Notes has been repaid (30 June 2022: no principal amount of the Notes has been repaid). The Company is currently in negotiation with the holders of the Notes regarding the settlement of the remaining balance of the Notes.

As at 30 June 2023 and 31 December 2022, principal amount of approximately HK$54,751,000 and HK$64,751,000 of the Notes had been issued and had not been repaid respectively.

Further details are set out in the announcements of the Company dated 26 May 2016, 15 June 2016, 12 December 2017, 19 December 2017, 22 August 2019, 23 August 2019, 10 February 2020 and 12 February 2020 respectively.

Issuance of New Convertible Bonds

On 31 December 2018, the Company, Filled Converge Limited ("**Filled Converge**") and Well Foundation Company Limited ("**Well Foundation**") entered into a subscription agreement (the "**Subscription Agreement**"), pursuant to which the Company conditionally agreed to issue and (i) Filled Converge conditionally agreed to subscribe for the convertible bonds (the "**Convertible Bonds**") in the principal amount of HK$294,183,000 and (ii) Well Foundation conditionally agreed to subscribe for the Convertible Bonds in the principal amount of HK$19,612,000. The Convertible Bonds are in aggregation in the amount of HK$313,795,000 due at 2021 and extendable to 2022 at an interest rate of 8% per annum, with the conversion rights to convert the outstanding principal amount of the Convertible Bonds into the shares of the Company at an initial conversion price of HK$0.485 per conversion share.

On 28 January 2022, the Company entered into a subscription agreement (the "**New Subscription Agreement**") with one of the holders of the Convertible Bonds, Filled Converge, in respect of subscription of convertible bonds in the principal amount of HK$356,375,000 due 2025 (the "**New Convertible Bonds**"). Pursuant to the New Subscription Agreement, the Company conditionally agreed to issue and Filled Converge conditionally agreed to subscribe for the New Convertible Bonds in the principal amount of HK$356,375,000.

The principal amount of HK$294,183,000 and outstanding interests payable by the Company to Filled Converge under the Convertible Bonds were fully settled through the New Convertible Bonds issued by the Company to Filled Converge. The remaining amount of proceeds from the subscription of the New Convertible Bonds (i.e. approximately HK$4,000) were used to partially settle the professional fees incurred by the Company. The New Convertible Bonds will be due in 2025 at an interest rate of 10% per annum, with the conversion rights to convert the outstanding principal amount of the New Convertible Bonds into the Company's ordinary shares at an initial conversion price of HK$0.18 per conversion share.

Assuming full conversion of the New Convertible Bonds, a total of 1,979,861,111 new shares of the Company, being the conversion shares, would be allotted and issued, representing (i) approximately 100.04% of the issued share capital of the Company as at the date of the New Subscription Agreement; and (ii) approximately 50.01% of the issued share capital of the Company as at the date of the New Subscription Agreement as enlarged by the allotment and issue of the conversion shares upon full conversion of the New Convertible Bonds.

The issuance of New Convertible Bonds was approved by the Shareholders at the extraordinary general meeting held on 19 April 2022 and approved by the Stock Exchange on 22 April 2022. The issuance of New Convertible Bonds was completed on 28 April 2022.

None of the rights attached to the New Convertible Bonds has been exercised and no conversion shares has been allotted or issued from the conversion of the New Convertible Bonds during the Reporting Period.

Subsequent to the Share Consolidation (as defined below) with effect from 6 July 2023, the New Convertible Bonds are convertible into 395,972,222 new shares, at the conversion price of HK$0.9 per conversion share.

Further details of the issuance of the New Convertible Bonds are set out in the announcements of the Company dated 28 January 2022, 11 March 2022, 17 March 2022, 19 April 2022, 20 April 2022 and 28 April 2022 and the circular of the Company dated 29 March 2022.

Issuance of 2023 Convertible Bonds

On 20 December 2022, the Company and three individual subscribers entered into a subscription agreement, pursuant to which the Company conditionally agreed to issue and (i) Mr. Xu Yingjie ("**Mr. Xu**") conditionally agreed to subscribe for the convertible bonds (the "**2023 Convertible Bonds**") in the principal amount of HK$9,769,920; (ii) Mr. Cao Zhiwei conditionally agreed to subscribe for the 2023 Convertible Bonds in the principal amount of HK$4,884,880 and (iii) Ms. Chen Li conditionally agreed to subscribe for the 2023 Convertible Bonds in the principal amount of HK$4,885,200. The 2023 Convertible Bonds are in the aggregate principal amount of HK$19,540,000 due in 2026 at an interest rate of 7% per annum, with the conversion rights to convert the principal amount of the 2023 Convertible Bonds into shares at an initial conversion price of HK$0.06 per conversion share. The conversion shares under the 2023 Convertible Bonds will be issued under the general mandate granted to the Directors at the annual general meeting of the Company held on 16 June 2022.

Assuming full conversion of the 2023 Convertible Bonds, a total of 325,666,666 new shares of the Company, being the conversion shares, would be allotted and issued, representing (i) approximately 15.89% of the issued share capital of the Company as at the date of the subscription agreement; and (ii) approximately 13.71% of the issued share capital of the Company as at the date of the subscription agreement as enlarged by the allotment and issue of the conversion shares upon full conversion of the 2023 Convertible Bonds.

The net proceeds from the issuance of 2023 Convertible Bonds are estimated to be approximately HK$19,400,000, which is intended to be used as to (i) approximately HK$6,000,000 for general working capital of the Group; and (ii) the remaining amount of approximately HK$13,400,000 for the repayment of the Group's loans.

Based on the estimated net proceeds from the issue of the 2023 Convertible Bonds of approximately HK$19,400,000 and a total of 325,666,666 conversion shares to be issued at the initial conversion price of HK$0.06 each upon exercise of the conversion rights in full, the net issue price per conversion share is approximately HK$0.06.

The issuance of the 2023 Convertible Bonds was completed on 6 February 2023 and the aggregate principal amount of HK$19,540,000 were issued to Mr. Xu, who is the sole subscriber of the 2023 Convertible Bonds. The approval for the listing of, and permission to deal in, the conversion shares upon the exercise of the 2023 Convertible Bonds has been granted by the Stock Exchange.

On 21 April 2023, the Company received a conversion notice from Mr. Xu in respect of the exercise of the conversion rights attached to the 2023 Convertible Bonds with the principal amount of HK$19,540,000 at the initial conversion price of HK$0.06 per conversion share. As a result, on 28 April 2023, the Company allotted and issued 325,666,666 conversion shares to Mr. Xu.

Further details of the issuance of the 2023 Convertible Bonds are set out in the announcements of the Company dated 20 December 2022, 6 February 2023 and 28 April 2023.

Capital Reorganisation

Share Consolidation

The consolidation of the issued and unissued existing shares in the share capital of the Company (the "**Share Consolidation**") on the basis of five (5) ordinary shares of HK$0.01 each prior to the Share Consolidation (the "**Existing Share(s)**") into one (1) ordinary share of HK$0.05 each after the Share Consolidation (the "**Consolidated Share(s)**") became effective on 6 July 2023.

Authorised Share Capital Increase

With effect from 6 July 2023, the authorised share capital of the Company was increased from HK$100,000,000 before Share Consolidation to HK$500,000,000 divided into 10,000,000,000 Consolidated Shares of a par value of HK$0.05 each, by the creation of 8,000,000,000 Consolidated Shares of a par value of HK$0.05 each.

Change in Board Lot Size

The board lot size for trading on the Stock Exchange from 4,000 Existing Shares to 12,000 Consolidated Shares became effective on 6 July 2023.

Further details of the above are set out in the announcements of the Company dated 12 May 2023 and 4 July 2023 and the circular of the Company dated 14 June 2023.

Rights Issue

On 12 May 2023, the Company proposed to implement the issue by way of rights (the "**Rights Issue**") of up to 1,277,353,730 Shares (the "**Rights Share(s)**") on the basis of five (5) Rights Shares for every two (2) Consolidated Shares held on the record date at the subscription price of HK$0.18 per Rights Share, to raise gross proceeds of approximately HK$229.9 million before expenses (assuming no change in the number of Shares in issue on or before the record date other than the exercise of all outstanding Share Options).

The Company entered into the placing agreement with the placing agent, Get Nice Securities Limited (the "**Placing Agent**"), in relation to the placing of the Rights Shares that are not subscribed by the qualifying Shareholders or holders of nil-paid rights (the "**Unsubscribed Rights Shares**") and the Rights Share(s) which would otherwise has/have been provisionally allotted to the excluded Shareholders (if any) in nil-paid form that has/have not been sold by the Company (the "**ES Unsold Rights Shares**") to independent placees on a best effort basis (the "**Placing**").

On the record date of 18 July 2023 for determining entitlements of the Shareholders to participate in the Rights Issue, up to 1,187,403,730 Shares were to be allotted and issued pursuant to the Rights Issue. The gross proceeds from Rights Issue amounted to approximately HK$213.7 million before expenses.

The Company intends to use the net proceeds from the Rights Issue for the following purposes: (i) approximately HK$92.0 million (or approximately 43.4% of the total net proceeds) for repayment of the Group's Corporate Bonds; (ii) approximately HK$70.0 million (or approximately 33.0% of the total net proceeds) for repayment of the Group's Notes; (iii) approximately HK$28.8 million (or approximately 13.6% of the total net proceeds) for future business development; and (iv) the remaining balance of approximately HK$21.2 million (or approximately 10% of the total net proceeds) for general working capital of the Group.

In the event that there is an undersubscription of the Rights Issue, the net proceeds will be prioritised and utilised as follows: (i) to settle outstanding sums of Corporate Bonds and/or Notes to the greatest extent; and (ii) any remaining amount (if any) shall be applied to the general working capital of the Group.

Further details of the Rights Issue and Placing are set out in the announcements of the Company dated 12 May 2023, 4 July 2023 and 7 August 2023, the circular of the Company dated 14 June 2023 and the prospectus of the Company dated 19 July 2023.

Capital Raising

Save as disclosed in this announcement, the Group did not have other capital raising activity during the Reporting Period.

Share Option Scheme

On 29 January 2021, 179,900,000 share options were granted by the Company. Further details are set out in the announcement of the Company dated 29 January 2021.

Sale and Leaseback Transactions

On 29 November 2019, Huaneng Tiancheng Financial Leasing Co., Ltd. (華能天成融資租賃有限公司) (the "**Lessor**") and Hongsong, an indirectly non wholly-owned subsidiary of the Company (the "**Lessee**"), entered into a series of sale and leaseback agreements (the "**Sale and Leaseback Agreements**"), pursuant to which, among other things, the Lessor agreed to purchase from the Lessee certain wind power generators, ancillaries, buildings and land use rights (the "**Leased Assets**") of the operation of a wind farm in Chengde City, Hebei Province, the PRC, at an aggregate consideration of RMB1,800,000,000, which shall be leased back to the Lessee with lease periods range from 5 to 13 years as stipulated in each of the Sale and Leaseback Agreements. Upon expiry of the lease term of each of the Sale and Leaseback Agreements, the Lessee can purchase the Leased Assets at a consideration of RMB20,000. The total purchase consideration for the Leased Assets shall be RMB100,000 in aggregate. The total consideration of the Leased Assets of RMB1,800,000,000 represents a premium of approximately 9.46% over the appraised value of the Leased Assets of approximately RMB1,644,500,000 as at 31 October 2019 as appraised by an independent valuer.

During the lease periods of the Sale and Leaseback Agreements, the ownership of the Leased Assets will be vested in the Lessor. The Lessee shall have the right to possess and use the Leased Assets. In accordance with the requirements of HKFRSs, the sale and leaseback transactions shall be accounted for as a financing transaction and therefore would not give rise to any gain or loss, or reduction in value of the Leased Assets. The Sale and Leaseback Agreements were approved, confirmed and ratified at the extraordinary general meeting held on 13 January 2020. During the Reporting Period, nil consideration has been paid by the Lessor. Up to the date of this announcement, an aggregate consideration of RMB1,400,000,000 has been received by the Lessee, and the Lessee is in negotiation with the Lessor for the payment of the remaining balances of the consideration.

Further details are set out in the announcements of the Company dated 29 November 2019, 28 December 2020 and 24 November 2021, and the circular of the Company dated 24 December 2019.

Material Acquisition and Disposal

Save as disclosed in this announcement, there were no material acquisition and disposal of subsidiaries and associated companies by the Group for the Reporting Period.

Investment in CH-Auto Technology

On 10 December 2021, the Company and CH-Auto Technology Corporation Ltd.* (北京長城華冠汽車科技股份有限公司) ("**CH-Auto Technology**"), its wholly-owned subsidiary, and its shareholder entered into the subscription agreement (the "**CH-Auto Technology Subscription Agreement**") pursuant to which the Company will subscribe for not more than 4% of the equity interests in CH-Auto Technology. The entering into the CH-Auto Technology Subscription Agreement constitutes a discloseable transaction of the Company under the Listing Rules. The Company shall contribute not less than RMB20 million and up to RMB70 million in aggregate to subscribe for certain shares of CH-Auto Technology, the actual number and per share price of which shall be determined based on the pre-fundraising valuation of CH-Auto Technology and the total funds raised by CH-Auto Technology in the round of fundraising of which the CH-Auto Technology Subscription Agreement forms part of, but shall in any case be not more than 4% of CH-Auto Technology total issued share capital.

The Company paid RMB20 million to CH-Auto Technology in December 2021 for the subscription. CH-Auto Technology's pre-fundraising valuation was RMB2 billion. 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. 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.

CH-Auto Technology is a company incorporated in the PRC with limited liability which was previously listed on the National Equities Exchange and Quotations ("**NEEQ**") of the PRC (NEEQ: 833581, voluntarily delisted on 19 April 2019). Established in 2012, it is principally engaged in vehicle design and development services, vehicle production and sales, and vehicle research and development.

On 28 February 2023, (i) the Company and CH-Auto Technology, its wholly-owned subsidiary, and its shareholder, have entered into a supplemental agreement to mutually agree to terminate the CH-Auto Technology Subscription Agreement with effect from 28 February 2023, for the purpose of potential overseas listing of CH-Auto Technology; and (ii) Chengde Ruifeng Renewable Energy Windpower Equipment Co. Ltd* (承德瑞風新能源風電設備有限公司) ("**Chengde Ruifeng**"), a wholly-owned subsidiary of the Company, and CH-Auto Technology entered into the capital injection agreement (the "**CH-Auto Technology Capital Injection Agreement**") to substitute the CH-Auto Technology Subscription Agreement. The entering into the CH-Auto Technology Capital Injection Agreement constitutes a discloseable transaction of the Company under the Listing Rules.

Pursuant to the CH-Auto Technology Capital Injection Agreement, Chengde Ruifeng shall contribute an aggregate amount of RMB20 million to subscribe for 8,000,000 shares of CH-Auto Technology, which represents approximately 0.86% of CH-Auto Technology's total issued share capital subsequent to the capital injection.

Further details of the investment in CH-Auto Technology are set out in the announcements of the Company dated 10 December 2021, 14 December 2021, 12 January 2022, 28 February 2023 and 23 March 2023.

Pledge of Assets

As at 30 June 2023, the Group has pledged certain property, plant and equipment and certain leasehold land including in right-of-use assets with a carrying value of approximately RMB699,572,000 (31 December 2022: approximately RMB764,433,000), and trade and other receivables with a carrying value of approximately RMB217,436,000 (31 December 2022: approximately RMB164,816,000) as securities for the borrowings obtained by the Group. As at 30 June 2023, the issued share capital of certain subsidiaries of the Company were pledged for borrowings obtained by the Group.

Contingent Liabilities

As at 30 June 2023, the Group had no material contingent liabilities.

Employees and Remuneration Policies

As at 30 June 2023, the Group had 129 full-time employees (31 December 2022: 127 employees) in Hong Kong and the PRC in respect of the Group's operations. For the Reporting Period, the relevant staff costs (including Directors' remuneration) were approximately RMB22,875,000 (for the six months ended 30 June 2022: approximately RMB20,970,000). The Group's remuneration and bonus packages were given based on the performance of its employees in accordance with the general standards of the Group's salary policies.

Events after the Reporting Period

Save as disclosed in headings under "Capital Reorganisation" and "Rights Issue" of this announcement, the Group did not have any significant events since the end of the Reporting Period and up to the date of this announcement.

Future Prospects

To promote its goals of achieving peak carbon emissions and carbon neutrality, China will gradually promulgate plans for key areas and industries to peak carbon emissions and implement a series of supporting measures to construct a "1+N" policy framework for carbon peak and carbon neutrality. China will firmly implement its new concept of green development, promote resource conservation and recycling in all aspects, continue to adjust industrial and energy structures, and vigorously develop renewable energy sources by accelerating the construction of large-scale wind and PV grid projects in Gobi and other desert areas.

On 1 June 2022, nine PRC authorities including the the National Development and Reform Commission of China and the National Energy Administration jointly issued the "14th Five-Year Plan for Renewable Energy Development" (《"十四五"可再生能源發展規劃》) which sets out the goals for development and utilisation of renewable energy. During the second year of the 14th Five-year Plan, China has been steadily developing its wind and solar power industries. Its offshore and decentralised wind power projects and domestic PV projects garnered attention. Under its "dual carbon" goals, China has entered into a new era in relation to its wind and solar energy. National policies will continue to be optimised and adjusted to solve restrictive factors such as the assessment mechanism, consumption conditions, and industry-finance integration, in order to create a standardised market environment, delegate administrative powers and improve government services, give a full play to the dynamics of local governments and market entities, and bring new momentum to the wind and solar power industries.

With technological advancement, wind energy price decreases because of equipment manufacturers' ability to build larger and lighter wind turbine products. On the other hand, as a result of the Chinese government's increasing investment in smart grids and ultra-high-voltage electrical transmission cables, abandoned wind rates and power rationing hours have been decreasing every year, while utilisation hours for wind power have been increasing. At present, wind power has achieved grid parity, and its economic benefits have become increasingly prominent.

In the future, the Group will continue to consolidate its resources on the development and operation of various renewable energy systems such as wind farms, with the aim of becoming one of the pillar companies in the renewable energy industry in northern China. Through joint development and acquisitions, the Group will continue seeking opportunities to develop its renewable energy business in new and clean energy areas other than wind power. Moreover, the Group will continue looking for and acquiring power stations with good development prospects and established operations to strengthen its existing business of operating and maintaining wind farms in northern China, gradually expanding its business coverage to surrounding areas, and increasing its interaction with other business sectors. At the same time, the Group is actively seeking opportunities to expand its business scope to hydrogen-related businesses including the production of hydrogen vehicles, wind power to hydrogen generation, hydrogen storage, and building and operation of a hydrogen fuel station. It is believed that such expansion is in line with the climate commitments of the Central Government of the PRC to achieve peak carbon emissions before 2030 and carbon neutrality by 2060. The Group will primarily raise fund in the capital market to achieve future development projects.

In the long-run, the Group will focus its effort on the development and optimisation of existing renewable energy resources. In parallel to the expansion of wind farm's operational scale and the enhancement of efficiency, the Group will integrate the advantages of all cooperating parties and itself in order to explore more development opportunities in other new areas of clean energy and further consolidate the Group's position in the industry of renewable energy. During the course of business integration and resources integration, possible synergistic opportunities among different business segments will be explored for business expansions and growth in revenues and profits. The Group is committed to becoming a renewable energy supplier and integrated service provider with relatively strong competitiveness, establishing a stable and comprehensive foundation for long-term growth of the Group, creating more value for the society, and seeking higher returns for the Shareholders and investors of the Company.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions of the Code on Corporate Governance Practices (the "**CG Code**") as set out in Appendix 14 to the Listing Rules on the Stock Exchange throughout the Reporting Period except for the deviation as follows:

Chairman and Chief Executive Officer

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Prior to the appointment of Mr. Yuan Wanyong as the chairman of the Board (the "**Chairman**") on 8 June 2023, there has been no Chairman in the Company. Mr. Zhang acted as the Chief Executive Officer of the Company, and is responsible for all day-to-day corporate management matters.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") in Appendix 10 to the Listing Rules. The Company had made specific enquiries with all the Directors and all the Directors confirmed that they had strictly complied with the required standard set out in the Model Code and the aforesaid code of conduct adopted by the Company for the Reporting Period.

Senior management and those staff who are more likely to be in possession of unpublished inside information or other relevant information in relation to the Group have adopted rules based on the Model Code. These senior management and staff have been individually notified and advised about the Model Code by the Company. No incident of non-compliance of the Model Code by relevant senior management members was noted by the Company during the Reporting Period.

CONSTITUTIONAL DOCUMENT

The Shareholders have approved the second amended and restated memorandum and articles of association (the "**New Memorandum and Articles**") of the Company in the annual general meeting of the Company held on 1 June 2023 by way of special resolution and the New Memorandum and Articles has been published on the respective websites of the Stock Exchange and the Company.

INTERIM DIVIDEND

The Directors do not recommend any payment of interim dividend for the Reporting Period (for the six months ended 30 June 2022: Nil).

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any listed securities of the Company during the Reporting Period.

Audit Committee

The Company established an audit committee (the "**Audit Committee**") which comprises Mr. Jiang Senlin (chairman), Mr. Qu Weidong and Ms. Hu Xiaolin as at the date of this announcement, all being independent non-executive Directors. The Audit Committee has reviewed the unaudited financial results of the Group for the Reporting Period. The Audit Committee has also discussed matters such as internal control and risk management adopted by the Group and the financial reporting matters of the Group for the Reporting Period.

Publication of Information on the Stock Exchange Website

The 2023 interim report of the Company, containing all the information required by the Listing Rules, will be dispatched to the Shareholders and published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.c-ruifeng.com), respectively, in September 2023.

* *For identification purpose only*

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

Hong Kong, 18 August 2023

As at the date of this announcement, the executive Directors are Mr. Yuan Wanyong (Chairman), Mr. Zhang Zhixiang (Chief Executive Officer) and Mr. Ning Zhongzhi; and the independent non-executive Directors are Mr. Jiang Senlin, Mr. Qu Weidong and Ms. Hu Xiaolin.