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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)

(1) PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATES;

(2) PROPOSED SUBSCRIPTION OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATES;

(3) POSSIBLE CONNECTED TRANSACTION — POSSIBLE ACQUISITION OF 50% EQUITY INTEREST IN THE TARGET COMPANY;

(4) APPLICATION FOR WHITEWASH WAIVER; AND

(5) RESUMPTION OF TRADING

Financial Adviser to the Company



Lego Corporate Finance Limited

Financial Adviser to Subscriber A Holdco



CCB International Capital Limited

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



Red Sun Capital Limited

THE SHARE SUBSCRIPTIONS

On 26 January 2024 (after trading hours), the Company entered into Share Subscription Agreement A with Subscriber A Holdco, pursuant to which Subscriber A Holdco has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 590,615,905 Subscription Shares for a consideration of RMB106,310,863 (equivalent to approximately HK\$115.8 million) under Specific Mandate A.

On 21 June 2024, the Company entered into Subscription Agreement B with Subscriber B, pursuant to which Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 119,437,859 Subscription Shares for a consideration of HK\$23,409,820 (equivalent to approximately RMB21.5 million) under Specific Mandate B.

THE CB SUBSCRIPTIONS

On 26 January 2024 (after trading hours), the Company entered into CB Subscription Agreement A with Subscriber A Holdco, pursuant to which Subscriber A Holdco has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the 2024 RMB Convertible Bonds in a principal amount of RMB933,689,137 (equivalent to approximately HK\$1,016.7 million), which may be converted into 5,187,161,873 Conversion Shares at the initial RMB Conversion Price of RMB0.18 per Conversion Share (equivalent to approximately HK\$0.196 per Conversion Share) under Specific Mandate A.

On 21 June 2024, the Company entered into Subscription Agreement B and CB Subscription Agreement C with Subscriber B and Subscriber C, respectively, pursuant to which, among other things, each of Subscriber B and Subscriber C has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the 2024 HKD Convertible Bonds in a principal amount of HK\$161,701,291 (equivalent to approximately RMB148.5 million) and HK\$98,000,000 (equivalent to approximately RMB90.0 million), respectively, which may be converted into 825,006,585 Conversion Shares and 500,000,000 Conversion Shares at the initial HKD Conversion Price of HK\$0.196 (equivalent to approximately RMB0.18) per Conversion Share under Specific Mandate B and Specific Mandate C, respectively.

IMPLICATIONS UNDER THE LISTING RULES

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares and the Conversion Shares.

As at the date of this announcement, the Vendors are companies established in the PRC with limited liability and are directly wholly owned by Hebei Transportation Group, which is directly wholly owned by Hebei Provincial People's Government State-owned Assets Supervision and Administration Commission* (河北省人民政府國有資產監督管理委員會), a PRC government body. As at the date of this announcement, the Vendors and Subscriber A Holdco are subsidiaries of Hebei Transportation Group.

Considering that (i) the Vendors are associates of Subscriber A Holdco and Hebei Transportation Group and (ii) upon the Share Subscription A Completion, the CB Subscription A Completion and the conversion of the 2024 RMB Convertible Bonds under CB Subscription A, Subscriber A Holdco and its associates will become a controlling shareholder group of the Company. Accordingly, the Possible Acquisition constitutes a connected transaction pursuant to Rule 14A.28 of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

IMPLICATIONS UNDER THE TAKEOVERS CODE

At as the date of this announcement, Subscriber A Holdco and parties acting in concert with it have no interest in any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon the Share Subscription Completion and the CB Subscription Completion but before conversion of the 2024 Convertible Bonds, and assuming that there is no other change in the issued share capital of the Company, Subscriber A Holdco and parties acting in concert with it will be interested as to approximately 24.9% of the total number of Shares in issue as increased by the allotment and issue of the respective Subscription Shares, and will be further interested to (i) approximately 77.7% of the total number of Shares in issue as enlarged upon the conversion of the 2024 RMB Convertible Bonds under CB Subscription A or (ii) approximately 65.0% as enlarged upon full conversion of the 2024 Convertible Bonds under the CB Subscriptions. This will render Subscriber A Holdco and parties acting in concert with it, upon completion of the Share Subscriptions and the CB Subscriptions, and upon conversion of the 2024 RMB Convertible Bonds under CB Subscription A, to be obliged to make an unconditional mandatory general offer for all the Shares not already owned or agreed to be acquired by Subscriber A Holdco (together with parties acting in concert with it) under Rule 26.1 of the Takeovers Code unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code has been obtained from the Executive.

Subscriber A Holdco will apply to the Executive for the Whitewash Waiver from compliance with the obligation to make a mandatory general offer under Rule 26.1 of the Takeovers Code as a result of the issue of the Subscription Shares and the Conversion Shares upon conversion of the 2024 RMB Convertible Bonds under CB Subscription A. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, amongst others, the passing of the Whitewash Waiver Resolutions.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee

Pursuant to Rule 2.8 of the Takeovers Code, an independent board committee of the Company, comprising all non-executive Directors who have no direct or indirect interest in Share Subscription Agreement A, CB Subscription Agreement A and the Formal Equity Transfer Agreement, and the respective transactions contemplated thereunder and the Whitewash Waiver should be established to advise the Independent Shareholders on whether the terms of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver are on normal commercial terms, fair and reasonable and in the interests of the Independent Shareholders, and as to the voting action therefor.

Accordingly, the Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Qu Weidong, Ms. Hu Xiaolin and Mr. Jiang Senlin, has been established. Saved as disclosed that as at the date of this Announcement, each of Mr. Qu Weidong, Ms. Hu Xiaolin and Mr. Jiang Senlin, independent non-executive Directors, holds 1,713,920 Share Options, none of the members of the Independent Board Committee has any direct and/or indirect interest or involvement in Share Subscription A, CB Subscription A and the Possible Acquisition.

Appointment of the Independent Financial Adviser

With the approval of the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code, an independent financial adviser, Red Sun Capital Limited, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver are fair and reasonable and to advise the Independent Shareholders how to vote. The Independent Board Committee will form its view in respect of the terms of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver after taking into account the recommendations of the Independent Financial Adviser.

POSSIBLE ACQUISITION

On 26 January 2024 (after trading hours), the Company, as the intended purchaser, entered into a non-legally binding equity transfer framework agreement with the Vendors, as the intended vendors, pursuant to which, the Vendors intended to sell and the Purchaser intended to purchase, 50% equity interest in the Target Company, at a proposed consideration of not more than RMB7.5 million (equivalent to approximately HK\$8.2 million) to be payable in full in cash by the Purchaser. Upon completion of the Possible Acquisition, the Target Company will not become a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Company.

GENERAL

An EGM will be convened by the Company to consider and, if though fit, approve the (i) Share Subscription Agreement A, CB Subscription Agreement A and the Formal Equity Transfer Agreement and the transactions contemplated thereunder (including the granting of Specific Mandate A); (ii) the Whitewash Waiver; (iii) Subscription Agreement B and the transactions contemplated thereunder (including the granting of Specific Mandate B) and (iv) CB Subscription Agreement C and the transactions contemplated thereunder (including the granting of Specific Mandate C). The voting in relation to resolutions to be proposed at the EGM will be conducted by way of a poll.

The Subscription Shares and the Conversion Shares under Subscription Agreement B will be allotted and issued under Specific Mandate B to be approved by way of ordinary resolution by the Shareholders at the EGM. The Conversion Shares under CB Subscription Agreement C will be allotted and issued under Specific Mandate C to be approved by way of ordinary resolution by the Shareholders at the EGM.

Share Subscription A, CB Subscription A and the Possible Acquisition are inter-conditional to each other and are subject to a number of conditions, which may or may not be fulfilled. For the avoidance of doubt, Subscription B and CB Subscription C are not inter-conditional to each other and are not conditional upon the Share Subscription A Completion, the CB Subscription A Completion and the Possible Acquisition Completion. Additionally, the Executive may or may not grant the Whitewash Waiver. In the event that the Whitewash Waiver is not granted and/or the Whitewash Waiver and the underlying transactions are not approved by 75% and 50% of the Independent Shareholders, respectively, Share Subscription Agreement A, CB Subscription Agreement A and the Formal Equity Transfer Agreement shall lapse, and Share Subscription A, CB Subscription A and the Possible Acquisition will not proceed. The Whitewash Waiver, if granted, will be subject to the approval of the Whitewash Waiver and/or the underlying transactions by 75% and 50% of the Independent Shareholders, respectively, at the EGM.

If the Whitewash Waiver is approved by the Independent Shareholders and Share Subscription A and CB Subscription A occur, the conversion of the 2024 RMB Convertible Bonds under CB Subscription A will result in the aggregate shareholding of Subscriber A Holdco and parties acting in concert with it exceeding 50% of the equity interest in the Company. Subscriber A Holdco and parties acting in concert with it may further increase its shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

A circular including, among other things, details of (i) information regarding the Share Subscriptions, the CB Subscriptions, the Possible Acquisition and the Whitewash Waiver; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in relation to Share Subscription A, CB Subscription A, the Possible Acquisition and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to Share Subscription A, CB Subscription A, the Possible Acquisition and the Whitewash Waiver; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) a notice convening the EGM will be despatched to the Shareholders.

The circular is required to be despatched to the Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code (i.e. on or before 12 July 2024); however, as additional time is required to prepare the information contained in the Circular, an application will be made to the Executive to extend the deadline for the despatch of the circular. Further announcement(s) will be made in this regard as and when appropriate.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. Share Subscription A, CB Subscription A and the Possible Acquisition are inter-conditional to each other and are subject to a number of conditions, which may or may not fulfilled. As such, the Possible Acquisition may or may not proceed. In the event that the Possible Acquisition does not proceed, Share Subscription A and CB Subscription A will terminate. If the Possible Acquisition is materialised, it may constitute a major transaction on the part of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in the event any formal agreement in respect of the Possible Acquisition is executed.

Shareholders and investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 29 January 2024 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 24 June 2024.

A. PROPOSED SHARE SUBSCRIPTIONS

On 26 January 2024 (after trading hours), the Company entered into Share Subscription Agreement A with Subscriber A Holdco, pursuant to which Subscriber A Holdco has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 590,615,905 Subscription Shares, representing approximately 24.9% of the enlarged issued share capital of the Company immediately after the Share Subscription Completion, for a consideration of RMB106,310,863 (equivalent to approximately HK\$115.8 million) under Specific Mandate A. On 21 June 2024, the Company entered into Supplemental Agreement A with Subscriber A Holdco, among other things, to (i) amend certain conditions precedents to Share Subscription Agreement A; and (ii) extend the Share Subscription A Long Stop Date.

On 21 June 2024, the Company entered into Subscription Agreement B with Subscriber B, pursuant to which, among other things, Subscriber B has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue 119,437,859 Subscription Shares, representing approximately 5.0% of the enlarged issued share capital of the Company immediately after the Share Subscription Completion, for a consideration of HK\$23,409,820 (equivalent to approximately RMB21.5 million) under Specific Mandate B.

The principal terms of the Share Subscription Agreement A are set out below:

Share Subscription Agreement A (as supplemented by Supplemental Agreement A)

Date:	26 January 2024 (after trading hours)
Parties:	(1) the Company (as issuer); and (2) Subscriber A Holdco (as subscriber), which is wholly beneficially owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province* (河北省人民政府國有資產監督管理委員會), a PRC government body
Subscription Price:	RMB0.18 per Subscription Share (equivalent to approximately HK\$0.196 per Subscription Share)
Number of Subscription Shares:	590,615,905

- Share Subscription Consideration: RMB106,310,863 (equivalent to approximately HK\$115.8 million)
- Conditions precedent: Share Subscription A Completion is conditional upon the fulfilment, waiver or satisfaction of the following conditions before the Share Subscription A Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber A Holdco:
- (a) Subscriber A Holdco having received written consent (in the form and substance to the satisfaction of Subscriber A Holdco) from the relevant financial institutions, being creditors of the Group, including but not limited to Huaneng Tiancheng Financial Leasing Co., Ltd* (華能天成融資租賃有限公司), to Hongsong Wind Power in respect of Share Subscription A;
 - (b) the Formal Equity Transfer Agreement having been executed and all conditions precedent in the Formal Equity Transfer Agreement having been fulfilled or waived;
 - (c) the passing of resolutions by the Independent Shareholders at the EGM approving the transactions contemplated under Share Subscription Agreement A and CB Subscription Agreement A including Specific Mandate A in relation to the issue and allotment of Subscription Shares and Conversion Shares under Share Subscription Agreement A and CB Subscription Agreement A;
 - (d) the Executive granting the Whitewash Waiver to Subscriber A Holdco and the satisfactions of all conditions (if any) attached to the Whitewash Waiver;
 - (e) the passing of the necessary resolutions by the Independent Shareholders at the EGM to approve the Whitewash Waiver by special resolution;
 - (f) the Stock Exchange having granted the listing approvals of, and permission to deal in, the Subscription Shares and such approval not subsequently being revoked or withdrawn;

- (g) the listing status of the Shares on the Stock Exchange not having been suspended, revoked, withdrawn by the Stock Exchange, or cancelled;
- (h) Subscriber A Holdco having received a letter of completion confirmation from the Company, certifying each and every condition having been satisfied, provided that the Company having also furnished all the necessary supporting documents to demonstrate the satisfaction or waiver of each condition;
- (i) Subscriber A Holdco having (i) obtained all necessary approvals and consents from the State-owned Assets Supervision and Administration Commission, the National Development and Reform Commission, the Department of Commerce, the State Administration of Foreign Exchange and the State Administration for Market Regulation (if applicable); and (ii) completed all necessary registrations, approvals, or filings for the signing of Share Subscription Agreement A and/or the fulfilment of the obligations under Share Subscription Agreement A, including but not limited to Share Subscription A;
- (j) Subscriber A Holdco having completed the incorporation of a wholly-owned limited company under the laws of Hong Kong and the opening of a bank account for that wholly-owned limited company; and
- (k) all warranties made by the Company remaining true, accurate, correct and complete in all material respects when they are made and will remain true, accurate, correct and complete and not misleading at the Share Subscription A Completion until the fulfilment of the last condition precedent.

The Condition in paragraph (k) may be waived by Subscriber A Holdco in its sole discretion. All the remaining conditions precedents cannot be waived by Subscriber A Holdco or the Company.

If any of the above conditions precedent has not been fulfilled or waived (where applicable) on or before the Share Subscription A Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber A Holdco, Share Subscription Agreement A will be terminated. All rights and obligations of the parties under Share Subscription Agreement A will cease, save for any antecedent breaches.

As at the date of this announcement, none of Share Subscription A Conditions has been fulfilled or waived (as applicable).

Payment of consideration: Subscriber A Holdco shall pay the consideration under the Share Subscription A to the Company on the day of Share Subscription A Completion.

Event of default: In the event that any party to Share Subscription Agreement A breaches any of the representations and warranties given under Share Subscription Agreement A, the defaulting party shall pay to the other party all reasonable fees, expenses and losses suffered by the non-defaulting party.

The principal terms of Subscription Agreement B in connection with Share Subscription B are set out below:

Subscription Agreement B

Date:	21 June 2024
Parties:	(1) the Company (as issuer); and (2) Subscriber B (as subscriber).
Subscription Price:	HK\$0.196 per Subscription Share
Number of Subscription Shares:	119,437,859
Share Subscription Consideration:	HK\$23,409,820

Conditions precedent: Share Subscription B Completion is conditional upon the fulfilment, waiver or satisfaction of the following conditions before the Subscription B Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber B:

- (a) the passing of resolutions by the Shareholders at the EGM approving Subscription Agreement B and the transactions contemplated thereunder, including the issue of 2024 HKD Convertible Bonds under Subscription Agreement B and the grant of Specific Mandate B in respect of the issue and allotment of Subscription Shares and Conversion Shares under Subscription Agreement B;
- (b) the Stock Exchange having granted the listing approval of, and permission to deal in, the Subscription Shares and the Conversion Shares under Subscription Agreement B and such approval and permission not subsequently having been revoked or withdrawn prior to completion of subscription;
- (c) Subscriber B having completed due diligence on the legal, financial and business aspects of the Group and is satisfied with the due diligence results; and
- (d) all warranties made by the Company remaining true, accurate, correct and complete in all material respects when they are made and will remain true, accurate, correct and complete and not misleading at the Subscription B Completion until the fulfilment of the last condition precedent;

The Conditions in paragraph (c) and (d) may be waived by Subscriber B in its sole discretion. All the remaining conditions precedents cannot be waived by Subscriber B or the Company.

If any of the above conditions precedent has not been fulfilled or waived (where applicable) on or before the Subscription B Long Stop Date or any other date as may be agreed in writing by parties, Subscription Agreement B will be terminated. All rights and obligations of the parties under Subscription Agreement B will cease, save for any antecedent breaches.

Subscription B is not conditional upon Share Subscription A, CB Subscription A and the Possible Acquisition. Subscription B and CB Subscription C are not inter-conditional to each other.

As at the date of this announcement, none of the Subscription B Conditions has been fulfilled or waived (as applicable).

Payment of consideration:	Subscriber B shall pay the consideration under Subscription B to the Company on the day of the Subscription B Completion.
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Subscription Price

Share Subscription Price A of RMB0.18 per Subscription Share, which is equivalent to approximately HK\$0.196 per Subscription Share, and Share Subscription Price B of HK\$0.196 per Subscription Share represent:

- a) a discount of approximately 21.28% to of the closing price of HK\$0.249 per Share as quoted on the Stock Exchange on the Last Trading Day;
- b) a discount of approximately 21.28% to the average of the closing price of approximately HK\$0.249 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately including the Last Trading Day;
- c) a discount of approximately 28.99% to the average of the closing price of approximately HK\$0.276 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately including the Last Trading Day;

- d) a premium of approximately 40.63% over the audited net asset value of the Group per Share of approximately RMB0.128 per Share as at 31 December 2023, with reference to the annual results of the Group for the year ended 31 December 2023;
- e) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules), represented by a discount of approximately 7.33% of the theoretical diluted price of approximately HK\$0.241 per Share to the benchmarked price of HK\$0.260 per Share as defined under Rule 7.27B of the Listing Rules; and
- f) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) (the aggregation effect of the Rights Issue on the basis of five rights shares for every two shares completed on 21 August 2023 (the “**Rights Issue**”), the Share Subscriptions and the CB Subscriptions) represented by a discount of approximately 23.66% of the cumulative theoretical diluted price of approximately HK\$0.198 per Share to the benchmarked price immediately before the twelve-month period of HK\$0.260 per Share as defined under Rule 7.27B of the Listing Rules.

The net price per Subscription Share, after deduction of all relevant expenses, is estimated to be approximately HK\$0.195 (equivalent to approximately RMB0.179).

Share Subscription Price A and Share Subscription Price B was arrived at after arm’s length negotiations between the Company, Subscriber A Holdco and Subscriber B with reference to (i) the prevailing trading price of the Shares; (ii) the prospects and financial position of the Group; (iii) recent market conditions at the time of entering into of the Subscription Agreements; and (iv) the benefits of the Share Subscriptions, please refer to the section headed “Reasons for and benefits of the Share Subscriptions and CB Subscriptions and use of proceeds” below for details.

Subscription Shares

As at the date of this announcement, the Company has a total of 1,662,365,223 Shares in issue.

Pursuant to the respective Share Subscription Agreements, each of the Subscriber A Holdco and Subscriber B conditionally agreed to subscribe for, and the Company conditionally agreed to allot and issue, such number of Subscription Shares as set out against the relevant subscriber in the table below:

Subscriber	No. of Subscription Shares subscribed for	Subscription consideration (RMB) approximately	Approx. percentage of total issued Shares as at the date of this announcement	Approx. percentage of total issued Shares as enlarged immediately after completion of the Share Subscriptions
Subscriber A Holdco	590,615,905	106.3 million	35.5%	24.9%
Subscriber B	<u>119,437,859</u>	<u>21.5 million</u>	<u>7.2%</u>	<u>5.0%</u>
Total:	<u><u>710,053,764</u></u>	<u><u>127.8 million</u></u>	<u><u>42.7%</u></u>	<u><u>29.9%</u></u>

The Subscription Shares in aggregate represent approximately 42.7% of the existing total number of issued Shares as at the date of this announcement and approximately 29.9% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares (assuming that there will be no change in the total number of issued Shares from the date of this announcement to the date on which completion of the Share Subscriptions takes place).

Share Subscriptions Completion

Each of the completion of Share Subscription A and Share Subscription B is expected to take place within 10 Business Days after the day on which the respective conditions as set out in the paragraph headed “A. Proposed Share Subscriptions — Conditions precedents” are fulfilled or waived (or such other date as the Company, Subscriber A Holdco and Subscriber B may agree in writing).

Mandates to issue the Subscription Shares

The Subscription Shares under Share Subscription Agreement A will be allotted and issued under Specific Mandate A to be approved by way of ordinary resolution by the Independent Shareholders at the EGM. The Subscription Shares will rank *pari passu* in all respects with Shares.

The Subscription Shares under Subscription Agreement B will be allotted and issued under Specific Mandate B to be approved by way of ordinary resolution by the Shareholders at the EGM.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Subscription Shares.

B. PROPOSED 2024 CONVERTIBLE BONDS SUBSCRIPTIONS

On 26 January 2024 (after trading hours), the Company entered into CB Subscription Agreement A with Subscriber A Holdco, pursuant to which Subscriber A Holdco has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue the 2024 RMB Convertible Bonds in a principal amount of RMB933,689,137 (equivalent to approximately HK\$1,016.7) million, which may be converted into 5,187,161,873 Conversion Shares, representing approximately 58.4% of the enlarged issued share capital of the Company immediately after Share Subscription Completion and CB Subscription Completion and assuming the 2024 Convertible Bonds are converted in full, at the initial RMB Conversion Price of RMB0.18 per Conversion Share (equivalent to approximately HK\$0.196 per Conversion Share) and the initial HKD Conversion Price of HK\$0.196 per Conversion Share under Specific Mandate A. On 21 June 2024, the Company entered into Supplemental Agreement A with Subscriber A Holdco, among other things, to (i) amend certain conditions precedents to CB Subscription Agreement A; and (ii) extend the CB Subscription A Long Stop Date.

On 21 June 2024, the Company entered into Subscription Agreement B and CB Subscription Agreement C with Subscriber B and Subscriber C, respectively, pursuant to which, among other things, each of Subscriber B and Subscriber C has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue, the 2024 HKD Convertible Bonds in a principal amount of HK\$161,701,291 (equivalent to approximately RMB148.5 million) and HK\$98,000,000 (equivalent to approximately RMB90.0 million), respectively, which may be converted into 825,006,585 Conversion Shares and 500,000,000 Conversion Shares, respectively, representing approximately 9.3% and 5.6% of the enlarged issued share capital of the Company immediately after

Share Subscription Completion and CB Subscription Completion, respectively, and assuming the 2024 HKD Convertible Bonds are converted in full, at the initial HKD Conversion Price of HK\$0.196 per Conversion Share (equivalent to approximately RMB0.18 per Conversion Share) under Specific Mandate B and Specific Mandate C, respectively.

The principal terms of CB Subscription Agreement A are set out below:

CB Subscription Agreement A
(as supplemented by Supplemental Agreement A)

- Date: 26 January 2024 (after trading hours)
- Parties: (1) the Company (as issuer); and
- (2) Subscriber A Holdco (as subscriber), which is wholly beneficially owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province* (河北省人民政府國有資產監督管理委員會), a PRC government body.
- Principal amount: RMB933,689,137 (equivalent to approximately HK\$1,016.7 million)
- Conditions precedent: The CB Subscription A Completion is conditional upon the fulfilment, waiver or satisfaction of the following conditions before the CB Subscription A Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber A Holdco:
- (a) Subscriber A Holdco having received written consent (in the form and substance to the satisfaction of Subscriber A Holdco) from the relevant financial institutions, being creditors of the Group, including but not limited to Huaneng Tiancheng Financial Leasing Co., Ltd (華能天成融資租賃有限公司), to Hongsong Wind Power in respect of the CB Subscription A;

- (b) the Formal Equity Transfer Agreement having been executed and all conditions precedent in the Formal Equity Transfer Agreement having been fulfilled or waived;
- (c) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in, (either unconditionally or on condition that neither the Company, Subscriber A Holdco objects) all the Conversion Shares which may fall to be allotted and issued upon exercise of the Conversion Rights attaching to the 2024 RMB Convertible Bonds (the “**Listing Approval**”), and such Listing Approval remaining in full force and effect and not revoked;
- (d) the passing of resolutions by the Independent Shareholders at the EGM approving the transactions contemplated under Share Subscription Agreement A and CB Subscription Agreement A including Specific Mandate A in relation to the issue and allotment of Subscription Shares and Conversion Shares under Share Subscription Agreement A and CB Subscription Agreement A;
- (e) the Executive granting the Whitewash Waiver to Subscriber A Holdco and the satisfactions of all conditions (if any) attached to the Whitewash Waiver granted;
- (f) the passing of the necessary resolutions by the Independent Shareholders at the EGM to approve the Whitewash Waiver by special resolution;
- (g) the Company having obtained all necessary approvals and consents from any governments or regulatory authorities and having fulfilled all filing and registration obligations arising from CB Subscription Agreement A and their execution, including but not limited to, the issue of convertible bonds, execution of instruments, issue of certificate for convertible bonds, issue and allotment of Conversion Shares;

- (h) Subscriber A Holdco having received a letter of completion confirmation from the Company, certifying each and every condition having been satisfied, provided that the Company has also furnished all the necessary supporting documents to demonstrate the satisfaction or waiver of each condition;
- (i) Subscriber A Holdco having obtained (i) all necessary approvals and consents from the State-owned Assets Supervision and Administration Commission, the National Development and Reform Commission, the Department of Commerce, the State Administration of Foreign Exchange and the State Administration for Market Regulation (if applicable); and (ii) completed all necessary registrations, approvals or filings for the signing of CB Subscription Agreement A and/or the fulfilment of the obligations under CB Subscription Agreement A, including but not limited to CB Subscription A;
- (j) Subscriber A Holdco having completed the incorporation of a wholly-owned limited company under the laws of Hong Kong and the opening of a bank account for that wholly-owned limited company; and
- (k) all warranties made by the Company remaining true, accurate, correct and complete in all material respects when they are made and will remain true, accurate, correct and complete and not misleading at CB Subscription A Completion until the fulfilment of the last condition precedent.

The condition in paragraph (k) may be waived by the Subscriber A Holdco in its sole discretion. All the remaining conditions precedents cannot be waived by Subscriber A Holdco or the Company.

If any of the above conditions precedent has not been fulfilled on or before the CB Subscription A Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber A Holdco, CB Subscription Agreement A shall be terminated.

As at the date of this announcement, none of the CB Subscription A Conditions has been fulfilled or waived (as applicable).

The principal terms of the Subscription Agreement B in connection with 2024 HKD Convertible Bonds are set out below:

Subscription Agreement B

- Date: 21 June 2024
- Parties: (1) the Company (as issuer); and
(2) Subscriber B (as subscriber)
- Principal amount: HK\$161,701,291
- Conditions precedent: Share Subscription B Completion is conditional upon the fulfilment, waiver or satisfaction of the following conditions before the Subscription B Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber B:
- (a) the passing of resolutions by the Shareholders at the EGM approving Subscription Agreement B and the transactions contemplated thereunder, including the issue of 2024 HKD Convertible Bonds under Subscription Agreement B and the grant of Specific Mandate B in respect of the issue and allotment of Subscription Shares and Conversion Shares under Subscription Agreement B;

- (b) the Stock Exchange having granted the listing approval of, and permission to deal in, the Subscription Shares and the Conversion Shares under Subscription Agreement B and such approval and permission not subsequently having been revoked or withdrawn prior to completion of subscription;
- (c) Subscriber B having completed due diligence on the legal, financial and business aspects of the Group and is satisfied with the due diligence results; and
- (d) all warranties made by the Company remaining true, accurate, correct and complete in all material respects when they are made and will remain true, accurate, correct and complete and not misleading at the Subscription B Completion until the fulfilment of the last condition precedent;

The Conditions in paragraph (c) and (d) may be waived by Subscriber B in its sole discretion. All the remaining conditions precedents cannot be waived by Subscriber B or the Company.

If any of the above conditions precedent has not been fulfilled or waived (where applicable) on or before the Subscription B Long Stop Date or any other date as may be agreed in writing by parties, Subscription Agreement B will be terminated. All rights and obligations of the parties under Subscription Agreement B will cease, save for any antecedent breaches.

Subscription B is not conditional upon Share Subscription A, CB Subscription A and the Possible Acquisition. Subscription B and CB Subscription C are not inter-conditional to each other.

As at the date of this announcement, none of the Subscription B Conditions has been fulfilled or waived (as applicable).

The principal terms of CB Subscription Agreement C are set out below

CB Subscription Agreement C

- Date: 21 June 2024
- Parties: (1) the Company (as issuer); and
(2) Subscriber C (as subscriber)
- Principal amount: HK\$98,000,000
- Conditions precedent: The CB Subscription C Completion is conditional upon the fulfilment, waiver or satisfaction of the following conditions before the CB Subscription C Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber C:
- (a) the passing of resolutions by the Shareholders at the EGM approving CB Subscription Agreement C and the transactions contemplated thereunder, including the issue of 2024 HKD Convertible Bonds under CB Subscription Agreement C and the grant of Specific Mandate C in respect of the issue and allotment of Conversion Shares under CB Subscription Agreement C;
 - (b) the Listing Committee of the Stock Exchange having granted the listing of, and the permission to deal in the Conversion Shares under CB Subscription Agreement C and such approval and permission not subsequently having been revoked or withdrawn prior to completion of subscription;
 - (c) Subscriber C having completed due diligence on the legal, financial and business aspects of the Group and is satisfied with the due diligence results; and
 - (d) all warranties made by the Company remaining true, accurate, correct and complete in all material respects when they are made and will remain true, accurate, correct and complete and not misleading at the CB Subscription C Completion until the fulfilment of the last condition precedent;

The condition in paragraph (c) and (d) may be waived by Subscriber C in its sole discretion. All the remaining conditions precedents cannot be waived by Subscriber C or the Company.

If any of the above conditions precedent has not been fulfilled on or before the CB Subscription C Long Stop Date or any other date as may be agreed in writing by the Company and Subscriber C, CB Subscription Agreement C shall be terminated.

CB Subscription C is not conditional upon Share Subscription A, CB Subscription A and the Possible Acquisition. Subscription B and CB Subscription C are also not inter-conditional to each other.

As at the date of this announcement, none of the CB Subscription C Conditions has been fulfilled or waived (as applicable).

Principal Terms of the 2024 Convertible Bonds

Type:	2024 RMB Convertible Bonds	2024 HKD Convertible Bonds
Issuer:	the Company	the Company
Denomination:	RMB1,000 each	HK\$1,000 each
Interest rate and payment of interest:	The 2024 Convertible Bonds shall carry coupon interest at the rate of 5.5% per annum payable every three months from the issue date of 2024 Convertible Bonds in arrears.	
Default interest:	12% per annum payable on any outstanding amount due under the 2024 Convertible Bonds accrued from the due date to the date of payment in full.	

Status:	The 2024 Convertible Bonds constitute general, unsubordinated, direct, unconditional and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference or priority among themselves. The payment obligations of the Company under the 2024 Convertible Bonds shall, subject to such exceptions as may be provided by applicable laws, rank at least <i>pari passu</i> with all its other present and future unsecured, unconditional and unsubordinated obligations.
Maturity and redemption:	The maturity date falls on the 36 months of the date of issue of the 2024 Convertible Bonds. Unless previously redeemed, converted or cancelled, the 2024 Convertible Bonds will be redeemed on the Maturity Date at such amount equivalent to 110% of the principal amount of the outstanding 2024 Convertible Bonds plus any accrued and unpaid interest.
Conversion Price and adjustment:	The number of Shares to be issued upon conversion of a 2024 RMB Convertible Bond will be determined by dividing the principal amount of the 2024 RMB Convertible Bond to be converted (translated into Hong Kong dollar) by RMB0.18 per Conversion Share (but will be subject to adjustment described below) in effect at the Conversion Date. The number of Shares to be issued upon conversion of a 2024 HKD Convertible Bond will be determined by dividing the principal amount of the 2024 HKD Convertible Bond to be converted by HK\$0.196 per Conversion Share (but will be subject to adjustment described below) in effect at the Conversion Date.

The initial RMB Conversion Price shall be RMB0.18 (equivalent to approximately HK\$0.196) per Conversion Share, subject to adjustment which includes consolidation, sub-division and reclassification of the Shares, capitalisation issue, capital distributions, rights issues of Shares or options over Shares or other securities of the Company, issue of Shares or other securities of the Company at less than 80% of the prevailing market price.

The initial HKD Conversion Price shall be HK\$0.196 (equivalent to approximately RMB0.18) per Conversion Share, subject to adjustment which includes consolidation, sub-division and reclassification of the Shares, capitalisation issue, capital distributions, rights issues of Shares or options over Shares or other securities of the Company, issue of Shares or other securities of the Company at less than 80% of the prevailing market price.

The Conversion Price may not be reduced so that, on conversion of the 2024 RMB Convertible Bonds, Shares would fall to be issued at a discount to their par value. As at the date of this announcement, the par value of the Share is HK\$0.05.

The Conversion Price may not be reduced so that, on conversion of the 2024 HKD Convertible Bonds, Shares would fall to be issued at a discount to their par value. As at the date of this announcement, the par value of the Share is HK\$0.05.

Conversion rights:

The 2024 CB Holders shall have the right (the “**Conversion Right**”) to convert the whole or part (must be in multiples of RMB1,000) of the principal amount of the 2024 RMB Convertible Bonds into Conversion Shares before the Maturity Date.

The 2024 CB Holders shall have the right (the “**Conversion Right**”) to convert the whole or part (must be in multiples of HK\$1,000) of the principal amount of the 2024 HKD Convertible Bonds into Conversion Shares before the Maturity Date.

- Conversion Shares: Assuming full conversion of the 2024 Convertible Bonds at the initial Conversion Price, the 2024 Convertible Bonds will be converted into a total of 6,512,168,458 Conversion Shares, representing approximately 391.7% of the existing issued share capital of the Company and approximately 79.7% of the issued share capital of the Company as enlarged immediately upon allotment and issue of Conversion Shares.
- Conversion restrictions: The 2024 CB Holders can only exercise their conversion rights on the condition that (i) they will comply with the obligation under Rule 26 of the Takeovers Code upon exercising of the conversion rights (if applicable); and (ii) no Listing Rule, including the minimum public float requirements of the Company under the Listing Rules, will be breached as a result of an exercise of conversion rights. Any exercise of conversion rights shall be subject to all applicable laws, rules and regulations, including but not limited to the Listing Rules and the Takeovers Code.
- Events of Default: If any of the events specified below occurs, the 2024 CB Holders can give redemption notice to the Company, with an effect that the 2024 Convertible Bonds are immediately due and payable, in the amount of 110% of the principal amount of the 2024 Convertible Bonds and any accrued and unpaid interest thereon:
- (a) the failure of the Company or its subsidiaries to perform or comply with, or breach any of the terms of, or its obligations under the 2024 Convertible Bonds or the CB Subscription Agreements, and failure to rectify or remedy such breach within fourteen (14) Business Days from the date on which the 2024 CB Holders give notice thereof to the Company;
 - (b) the delisting of all the issued Shares on the Stock Exchange, save as in the event that the offer to the holders of the Shares to acquire all or any proportion of the Shares becomes unconditional;

- (c) an effective resolution passed by the Shareholders or an order is made by any courts with valid jurisdictions for any bankruptcy, dissolution or winding up of the Company or any subsidiaries or any distribution in connection with the disposition of all or substantially all of the assets of the Company or any of its subsidiaries, unless such bankruptcy, dissolution, winding up or distribution is in consequence of, or in connection with, or is immediately followed by, any merger, merger by absorption, consolidation or reorganisation, as the case may be; and
- (d) the Company's performance with any one or more of its obligations under the 2024 Convertible Bonds becoming unlawful.

Transferability:	<p>The 2024 RMB Convertible Bonds are transferable in integral multiple of RMB1,000, except to connected persons (as defined in the Listing Rules) or direct competitors of the Company, which is subject to prior written consent from the Company.</p>	<p>The 2024 HKD Convertible Bonds are transferable in integral multiple of HK\$1,000, except to connected persons (as defined in the Listing Rules) or direct competitors of the Company, which is subject to prior written consent from the Company.</p>
Listing:	<p>The 2024 Convertible Bonds will not be listed on the Stock Exchange or any other stock exchange.</p>	
Voting:	<p>The 2024 CB Holders are not entitled to receive notices of, attend or vote at any meetings of the Company by reason only of it being a holder of the 2024 Convertible Bonds.</p>	
Jurisdiction:	<p>The 2024 RMB Convertible Bonds to be issued to Subscriber A Holdco shall be governed by and construed in accordance with the laws of the PRC.</p>	<p>The 2024 HKD Convertible Bonds to be issued to Subscriber B and Subscriber C shall be governed by and construed in accordance with the laws of the Hong Kong.</p>

For details of Subscriber A Holdco, Subscriber B and Subscriber C, please refer to the paragraph headed “Information on the parties to Share Subscription Agreements and CB Subscription Agreements” in this announcement.

Conversion Price

The initial RMB Conversion Price of RMB0.18 per Conversion Share, which is equivalent to approximately HK\$0.196 per Conversion Share, and the initial HKD Conversion Price of HK\$0.196 represent:

- (a) a discount of approximately 21.28% to the closing price of HK\$0.249 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 21.28% to the average of the closing price of approximately HK\$0.249 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days immediately including the Last Trading Day;
- (c) a discount of approximately 28.99% to the average of the closing price of approximately HK\$0.276 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days immediately including the Last Trading Day;
- (d) a premium of approximately 40.63% over the audited net asset value of the Group per Share of approximately RMB0.128 per Share as at 31 December 2023, with reference to the annual results of the Group for the year ended 31 December 2023;
- (e) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 19.52% of the theoretical diluted price of approximately HK\$0.209 per Share to the benchmarked price of HK\$0.260 per Share as defined under Rule 7.27B of the Listing Rules; and
- (f) a cumulative theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) (the aggregation effect of the Rights Issue, the Share Subscriptions and the CB Subscriptions) represented by a discount of approximately 23.66% of the cumulative theoretical diluted price of approximately HK\$0.198 per Share to the benchmarked price immediately before the twelve-month period of HK\$0.260 per Share as defined under Rule 7.27B of the Listing Rules.

The net price per Conversion Share, after deduction of all relevant expenses, is estimated to be approximately HK\$0.195 (equivalent to approximately RMB0.179).

The RMB Conversion Price and HKD Conversion Price were arrived at after arm's length negotiations between the Company, Subscriber A Holdco, Subscriber B and Subscriber C with reference to (i) the recent market price of the Shares; (ii) the business prospects and financial position of the Group; (iii) recent market conditions at the time of entering into of the CB Subscription Agreements; and (iv) the benefits of the CB Subscriptions. Please refer to the section headed "Reasons for and benefits of the Share Subscriptions and CB Subscriptions and use of proceeds" below for details.

Conversion Shares

Based on the initial RMB Conversion Price of RMB0.18 per Conversion Share, which is equivalent to approximately HK\$0.196 per Conversion Share, and the initial HKD Conversion Price of HK\$0.196 per Conversion Share, an aggregate of 6,512,168,458 Conversion Shares represents approximately:

- (a) 391.7% of the issued share capital of the Company as at the date of this announcement; and
- (b) 79.7% of the issued share capital of the Company as enlarged immediately upon allotment and issue of Conversion Shares.

The Conversion Shares issued upon conversion of the 2024 Convertible Bonds will in all respects rank *pari passu* with the Shares as at the date of issue of Conversion Shares and be entitled to any dividends and other distributions the record date of which falls on or after the date on which the Conversion Shares are issued.

CB Subscriptions Completion

Each of the completion of CB Subscription A, CB Subscription B and CB Subscription C is expected to take place within 10 Business Days after the day on which the respective conditions as set out in the paragraph headed "B. Proposed 2024 Convertible Bonds Subscriptions — Conditions precedents" are fulfilled or waived (or such other date as the Company, Subscriber A Holdco, Subscriber B and Subscriber C (if applicable) may agree in writing).

Mandates to issue the Conversion Shares

The Conversion Shares under CB Subscription Agreement A will be allotted and issued under Specific Mandate A to be approved by way of ordinary resolution by the Independent Shareholders at the EGM.

The Conversion Shares under Subscription Agreement B and CB Subscription Agreement C will be allotted and issued under Specific Mandate B and Specific Mandate C to be approved by way of ordinary resolution by the Shareholders at the EGM, respectively.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares. No application will be made for listing of, or permission to deal in, the 2024 Convertible Bonds on the Stock Exchange or any other stock exchange.

Filing requirements in the PRC

As advised by our PRC legal adviser, the issue of Subscription Shares and the 2024 Convertible Bonds is subject to the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), which was promulgated by the China Securities Regulatory Commission on 17 February 2023 and took effect on 31 March 2023. The Company is required to fulfil all filing and registration obligations arising from the Subscription Agreements. The Company will fulfil all the required filing and registration as and when appropriate.

As advised by our PRC legal adviser, Subscriber A Holdco is required to submit an application for approval of Share Subscription A, CB Subscription A, and the Possible Acquisition (the “**SASAC Approval**”) with the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province* (河北省人民政府國有資產監督管理委員會). Following the receipt of the SASAC Approval, Subscriber A Holdco must then proceed to file an application for Share Subscription A, CB Subscription A, and the Possible Acquisition (the “**Hebei DRC Filing**”) with Hebei Development and Reform Commission* (河北省發展和改革委員會). Subsequent to obtaining the Hebei DRC Filing, Subscriber A Holdco will file an application (the “**DOC Filing**”) to Hebei Provincial Department of Commerce* (河北省商務廳). Upon successful approval of the DOC Filing, an “Enterprise Offshore Investment Certificate”* (企業境外投資證書) will be issued to Subscriber A Holdco. With an Enterprise Offshore Investment Certificate*, Subscriber A Holdco can proceed to directly carry out an offshore foreign exchange registration at a bank. As advised by our PRC legal adviser, such registrations are directly reviewed and processed by banks, with the State Administration of Foreign Exchange implementing indirect supervision. As at the date of this announcement, the abovementioned filing and approval requirements reflect the necessary approvals and consents outlined in paragraph (i) of the conditions precedent to each of Share Subscription Agreement A and CB Subscription Agreement A in the paragraphs headed “A. Proposed Share Subscriptions” and “B. Proposed 2024 Convertible Bonds Subscriptions”. The Company will make further announcements regarding any material variations to these filing and approval requirements.

As advised by our PRC legal adviser, Subscriber A Holdco may be required to submit Operator Concentration Notification* (經營者集中申報) filing, which is contingent upon confirmation that the Company's annual revenue in the PRC exceeds RMB800 million. The filing is subject to the approval of the State Administration for Market Regulation, which governs anti-monopoly matters in the PRC. The Company will procure Subscriber A Holdco to fulfil all the required filing and registration as and when appropriate.

INFORMATION ON THE PARTIES TO SHARE SUBSCRIPTION AGREEMENTS AND CB SUBSCRIPTION AGREEMENTS

Subscriber A Holdco

Subscriber A Holdco is a company incorporated in the PRC with limited liability and it is principally engaged in the business of road transport industry, renewable energy (including wind power and solar power) development and technology service.

As at the date of this announcement, Subscriber A Holdco is wholly owned by Hebei Transportation Investment Group Company Limited* (河北交通投資集團有限公司) (“**Hebei Transportation Group**”), which is directly and wholly owned by State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province* (河北省人民政府國有資產監督管理委員會), a PRC government body.

Subscriber B

Subscriber B is a Cayman Islands exempted company incorporated with limited liability and is registered with the Cayman Islands Monetary Authority as a mutual fund under the laws of the Cayman Islands. Its management shares (the “**Subscriber B's Management Shares**”) are wholly owned by Atlantis Investment Management Limited (“**Atlantis**”), a limited liability company incorporated in Hong Kong licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, which is also the investment manager of Subscriber B. Notwithstanding that the total par value of all Subscriber B's Management Shares represents less than 50% of the total issued share capital of Subscriber B, Atlantis, owning all Subscriber B's Management Shares, holds the control over the board of Subscriber B due to the right to receive notice of, attend, and vote at general meetings of Subscriber B only conferred on the holders of Subscriber B's Management Shares pursuant to the Subscriber B's articles of association. Atlantis, holding the control over Subscriber B's board of directors, can influence the selection of Subscriber B's investment manager.

Liu Yang (“**Ms. Liu**”) is the chairperson and chief investment officer of Atlantis. Ms. Liu is also solely responsible and authorised to make investment decisions on behalf of Subscriber B. She was head of China equity at First State Investment Management (HK). Prior to this, in 1993, she joined CMG CH China Investments Ltd, where she was CIO and fund manager of the CMG CH China Fund (renamed New Era PRC Fund). In 1988, Ms. Liu embarked on her investment career with CITIC Group in Beijing. She graduated in 1988 from Central University of Finance and Economics in Beijing with a Bachelor of Arts in Economics. She also received a Graduate Diploma in Applied Finance and Investment from the Securities Institute of Australia in 1998.

Subscriber B, with approximately USD10.0 million (equivalent to approximately HKD78.5 million) of assets under management as at the date of this announcement, invests mainly in a portfolio of listed equities but may also invest in equity related instruments including convertible bonds and derivatives, and its investors consist of professional institutions and professional individual investors.

The principal investment objective of Subscriber B is to seek to achieve long term capital appreciation by investing primarily in listed companies in Hong Kong that, in the opinion of the Investment Manager, embrace the concept of “new economy, new Hong Kong stocks and new trends”, namely the New Hong Kong Stocks (“**NHKS**”). The definition of NHKS includes, among others, companies engaged in business which is in line with the targets set out in the “14th Five-Year Plan” for the National Economic and Social Development of the PRC. This plan emphasises, among other things, the importance of the five years under the “14th Five-Year Plan” as an intensive period of accelerating its green and low-carbon energy transformation and actively pursuing its national goal of making a self-driven contribution to the global fight against climate change. This national goal also facilitates the Group’s business, as a renewable energy enterprise specialised in wind power, with a view of expanding into new business sectors and striving for a solid foothold in the renewable energy industry.

According to the disclosure of interests publicly available on the website of the Stock Exchange, Subscriber B previously invested in the shares of Zhong Ji Longevity Science Group Ltd. (Stock Code: 767) and, as at the date of this announcement, has interest in the shares in China Bright Culture Group (Stock Code: 1859). Atlantis, on behalf of the funds it manages, with over USD1.0 billion (equivalent to approximately HKD7.85 billion) of assets under management as at the date of this announcement, (i) previously made various investments in securities issued by including, among others, King Stone Energy Group Limited (Stock Code: 663) and other companies listed on the Main Board, in which Atlantis were interested in 5% or more of any class of voting shares; and (ii) has interest in, among others, the shares in Apollo Future Mobility Group Ltd. (Stock Code: 860) and Changyou Alliance Group Ltd. (Stock Code: 1039) as at the date of this announcement.

At as the date of this announcement, Subscriber B has no interest in and holds no relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

Subscriber B and its respective beneficial owners are not parties in concert with (i) Subscriber A Holdco, the Vendors and their beneficial owners; (ii) Mr. Yuan, his nominees and his controlled companies; and (iii) Mr. Zhang, his nominees and his controlled companies. There are also no business or other relationships between (i) Subscriber B and its respective beneficial owners; and (ii) (a) Subscriber A Holdco, the Vendors and their beneficial owners; (b) Mr. Yuan, his nominees and his controlled companies; and (c) Mr. Zhang, his nominees and his controlled companies.

Atlantis is indirectly wholly-owned by Ms. Liu. Each of Subscriber B, Atlantis and Ms. Liu is (i) is an Independent Third Party and (ii) has no interest in any relevant securities (as defined in Noted 4 to Rule 22 of the Takeovers Code) of the Company.

Subscriber C

Subscriber C is a segregated portfolio created by TradArt Flagship Investment SPC (“**TradArt SPC**”), which is a Cayman Islands exempted company incorporated with limited liability and registered as a segregated portfolio company. TradArt SPC, incorporated in 2021, is established to operate as an investment fund, with over HKD280.0 million of assets under management as at the date of this announcement.

TradArt Asset Management Co., Limited (“**TradArt**”), a limited liability company incorporated in Hong Kong licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, is the investment manager of TradArt SPC (on behalf of and for the account of Subscriber C), managing the investment on a discretionary basis. At as the date of this announcement, all of the founder shares of TradArt SPC (the “**SPC Founder Shares**”) are owned by Great Praise Asset Management Limited (“**Great Praise**”), a limited liability company registered in Hong Kong, which is in turn beneficially owned 80% as to Mr. Hu Chao (“**Mr. Hu**”) and 20% as to Mr. Wong Chiu (“**Mr. Wong**”).

Notwithstanding that the total par value of all SPC Founder Shares represents less than 50% of the total issued share capital of TradArt SPC, Great Praise, owning all SPC Founder Shares, holds the control over the board of TradArt SPC, given that the right to receive notice of, attend, and vote at general meetings of TradArt SPC is only conferred on the holders of SPC Founder Shares pursuant to the TradArt SPC’s articles of association. Great Praise, holding the control over TradArt SPC’s board of directors, can influence the selection of TradArt SPC’s investment manager.

Mr. Hu and Mr. Wong Chiu are responsible officers and directors of TradArt, which is beneficially owned as to 34% by Mr. Hu, 33% by Mr. Wong and 33% by Mr. Liu Dayuan (“**Mr. Liu**”).

Mr. Hu has more than twenty years of experience in the financial industry. Before joining TradArt, he was the responsible officer of Harvest International Securities Company Limited. Prior to that, he was the general manager of the family office of Wonderland International Asset Management Limited. Mr. Hu holds a master’s degree in Business Administration from the School of Business of Sun Yat-sen University.

Mr. Wong has more than fourteen years of experience in the financial industry. Before joining TradArt, he was the deputy director of the capital market department of Harvest International Securities Company Limited. Prior to that, he was the manager of the capital market department of Wonderland International Asset Management Limited. Mr. Wong holds a bachelor’s degree in Economics from the School of Economics of Fudan University.

Mr. Liu has more than twenty years of experience in the financial industry. He is also the general manager of Zhuhai Kuanquan Private Fund Management Partnership (Limited Partnership). Before joining TradArt, he was the director of Harvest International Securities Company Limited. Prior to that, he was the deputy general manager of Harvest Capital Management Co., Ltd.. Mr. Liu holds a bachelor’s degree in Investment from the School of Management Science and Engineering, Central University of Finance and Economics.

The primary objective of Subscriber C, with approximately HKD9.0 million of assets under management as at the date of this announcement, is to generate investment returns through investments in companies focused on mass consumption, healthcare, hard technology, new economy and new energy. TradArt SPC has the flexibility to invest in a wide range of instruments including, but not limited to, pre-initial public offerings (Pre-IPOs), initial public offerings (IPOs), securities of all kinds, collective investment schemes, notes convertible into stocks or shares, equity-related instruments, all kinds of derivative instruments, either be exchange-traded or over-the-counter. In Hong Kong, TradArt SPC (on behalf of and for the account of one of its segregated portfolios), as a cornerstone investor, subscribed shares in 3D Medicines Inc. (Stock Code: 1244), YH Entertainment Group (Stock Code: 2306) and STAR CM Holdings Limited (Stock Code: 6698), the shares of which are listed on the Main Board of the Stock Exchange.

TradArt SPC and its respective beneficial owners are not parties acting in concert with (i) Subscriber A Holdco, the Vendors and their beneficial owners; (ii) Mr. Yuan, his nominees and his controlled companies; and (iii) Mr. Zhang, his nominees and his controlled companies. There are also no business or other relationships between (i) TradArt SPC and its respective beneficial owners; and (ii) (a) Subscriber A Holdco, the Vendors and their beneficial owners; (b) Mr. Yuan, his nominees and his controlled companies; and (c) Mr. Zhang, his nominees and his controlled companies. Investors of Subscriber C consist of high net worth individuals and corporations.

At as the date of this announcement, Subscriber C and TradArt SPC have no interest in and hold no relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

Each of TradArt, TradArt SPC, their respective ultimate beneficial owners, Subscriber C, other segregated portfolios under TradArt SPC, their respective investment managers, Mr. Hu, Mr. Wong and Mr. Liu (i) is an Independent Third Party; and (ii) has no interest in any relevant securities (as defined in Noted 4 to Rule 22 of the Takeovers Code) of the Company.

REASONS FOR AND BENEFITS OF THE SHARE SUBSCRIPTIONS AND CB SUBSCRIPTIONS AND USE OF PROCEEDS

The Board is optimistic about the future business development of the Group. The Group specialises in wind power development and operation and continues to search for other investment opportunities and further develop the core business of the Group in the new energy sectors. The Board also believes that the Share Subscriptions and the CB Subscriptions will allow the Company to raise additional funds (i) to upgrade the Group's generators and related equipment and invest in new equipment and potential business opportunities; (ii) to repay the Group's borrowings and other payables; and (iii) to replenish the Group's working capital. The Board confirms that the proceeds from the Share Subscriptions and CB Subscriptions will not be utilised for repaying any 2022 Convertible Bonds or any early borrowings and payables involved any Shareholders and directors of the Company.

The Group's wind farm operations in Chengde City have been in operation since 2001. In view of the full utilisation of the existing wind farm operating capacity and its power plants and generators starts to age, also having considered the growing demand for renewable energy in the PRC, it is the objective of the Group to undergo technical transformation plan in order to further increase the operating capacity as well as the business scale of its wind farm operation so as to improve the operational efficiency. The technical transformation plan involves replacing and upgrading existing wind farm equipment, including but not limited to, wind power generators and electricity transformer substations. The Board (excluding the independent non-executive

Directors whose views will be formed after taking into consideration the advice of the Independent Financial Adviser) is of the view that the transformation plan is essential for the Group to meet the growing demand for renewable energy and achieve long-term sustainability in its operations and is in the interest to the Company and the Shareholders as a whole.

The Company also aims to obtain new fundings to improve the Company's financial position. The new fundings allow the Group (i) to repay part of the Group's bonds and notes payables; and (ii) to set aside certain funds for the partial repayment of the secured loans in connection with the sales and leaseback transactions of the Company. With additional funds, the Share Subscriptions and the CB Subscriptions also offer a favourable opportunity for the Company its capital base through equity and debt financing, achieving an optimal balance in the Group's funding sources.

Furthermore, Share Subscription A can also help the Company to strengthen its shareholder base and introduce a strategic partner to the Group. As at the date of this announcement, Subscriber A Holdco, being a state-owned enterprise, is a subsidiary of Hebei Transportation Group, which covers investment, construction, operation and management in the field of transport infrastructure and engages renewable energy business through its subsidiaries. Subscriber A Holdco and Hebei Transportation Group are both ultimately owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province* (河北省人民政府國有資產監督管理委員會), a PRC government body. The Group can fully leverage the management expertise and resources of these strategic partners to create synergies with the Group's wind farm operation. Upon completion of Share Subscription A and CB Subscription A, Subscriber A Holdco may nominate one new member to the Board, contributing to improved corporate governance and strategic evolution. As at the date of this announcement, no specific candidate has been identified by Subscriber A Holdco to be nominated to the Board.

It is also expected the involvement of Subscriber A Holdco will further support the optimisation of the Company's organisational structure and operational efficiency and is beneficial to the long-term business development of the Group. The Group will be well equipped to further develop its current focused business of renewable energy operations, either by self-development, or by forming strategic alliances with other industry players or mergers and acquisitions (if such business opportunities arise). Share Subscription A indicates Subscriber A Holdco's confidence in the continued long-term growth of the Group. Except for Mr. Yuan and Mr. Zhang, having discharged their responsibilities as executive Directors, no Directors participated in the commercial negotiations regarding Share Subscription A, CB Subscription A, and the Equity Transfer Framework Agreement.

The Board considers it in the Company's best interests to diversify its shareholder base. Share Subscription B has provided the Company with the opportunity to introduce a well-known institutional shareholder, which can significantly enhance the Company's reputation and brand image. Furthermore, the funds of approximately HK\$283.1 million raised from Subscriber B and Subscriber C can also fulfill the Group's funding requirements. This strategic move not only strengthens the Group's financial position but also elevates its brand reputation by associating it with renowned institutional investors, which have participated in diverse investments in Hong Kong's listed issuers through share subscription, convertible bonds subscription and cornerstone investment, indicating their confidence in the Group's business and prospects. The Group's management members (namely the chief financial officer and a vice president) are primarily involved in road shows, discussions, and negotiations with both Subscriber B and Subscriber C, under the guidance and supervision of the Board. No Directors directly participated in the road shows, discussions, and negotiations with both Subscriber B and Subscriber C. All Directors fulfilled their routine responsibilities to the Board and the Company in respect of Subscription Agreement B and CB Subscription Agreement C.

In an attempt to strengthen its capital base and solve the substantial funding needs, the Board had considered different funding solutions and concluded that the proposed Share Subscriptions and CB Subscriptions are the most feasible way for the Group to raise such level of funding. With respect to other equity financing solutions, the Company has noted that raising additional funds from existing Shareholders through rights issue or open offer, comparable to proceeds from the proposed Share Subscriptions, is impractical to fulfil the Company's funding needs. This decision takes into account prevailing market conditions and the completion of the Rights Issue in August 2023. Furthermore, considering (i) the uncertain response from the existing Shareholders; and (ii) the time and cost involved in identifying suitable underwriter(s), negotiating terms agreeable to the parties, and preparing the requisite compliance and legal documentation, the proposed Share Subscriptions would be a more practicable solution to fulfil the funding needs of the Company.

The Board also believes that placing Shares through placing agents would not generate the potential synergy effect comparable to the proposed Share Subscription A, as Subscriber A Holdco is a strategic partner to the Group and understands the operation and business of the Group, respectively, making its involvement more advantageous.

The Board, after due enquiries and consideration, also concluded that the CB Subscriptions are one of the most feasible ways for the Group to raise funds compared with other alternative means of debt financing, such as borrowings from banks and other financial institutions, as an attempt to strengthen the Group's capital base. Considering that (i) bank borrowings would result in the Company being subject to a higher interest burden due to the prevailing high interest rate environment; and (ii) having considered the continuous loss-making position of the Group, banks or other financial institutions would likely require the Group to provide collateral or pledge of assets, and the Board believes that borrowings from banks and other financial institutions may not be a feasible and beneficial way of fund raising available and applicable to the Group.

The Board is of the view that the Share Subscriptions and the CB Subscriptions would have lower immediate dilution impact on the existing Shareholders compared with merely issuing the new Shares for subscription, given the amount of new funds brought in by the CB Subscriptions.

The Board (excluding the independent non-executive Directors, whose view will be provided after taking into account the advice from the Independent Financial Adviser) considers that the terms of the Subscription Agreements and the CB Subscription Agreements are on normal commercial terms, fair and reasonable, and are in the interests of the Company and the Shareholders as a whole.

The gross proceeds from the Share Subscriptions and the CB Subscriptions amount to approximately RMB127.8 million (equivalent to approximately HK\$139.2 million) and approximately RMB1,172.2 million (equivalent to approximately HK\$1,276.4 million), respectively, and the net proceeds, after deduction of all relevant expenses, amount to an aggregate of approximately RMB1,295.0 million (equivalent to approximately HK\$1,410.1 million). The Group intends to apply the proceeds as follows:

Use of proceeds	Percentage of the net proceeds from the Share Subscriptions and the CB Subscriptions	Amount of the net proceeds from the Share Subscriptions and the CB Subscriptions
1. to upgrade the Group's generators and related equipment and invest in new equipment	Approximately 60.0%	Approximately RMB777.0 million (equivalent to approximately HK\$846.1 million)
2. to repay the Group's borrowings and other payables	Approximately 30.0%	Approximately RMB388.5 million (equivalent to approximately HK\$423.0 million)
3. to replenish the Group's working capital	Approximately 10.0%	Approximately RMB129.5 million (equivalent to approximately HK\$141.0 million)
Total	100%	Approximately RMB1,295.0 million (equivalent to approximately HK\$1,410.1 million)

The Group expects to carry out a technical transformation plan for its wind farm operation in Chengde City, Hebei Province in the PRC (the “**Hongsong Project**”). The Hongsong Project has been in operation since 2001, and has been operating at its full capacity. According to the technical transformation plan, the Group plans to replace and upgrade existing wind power generators and related equipment by nine phases to increase the maximum installed capacity from approximately 398MW to approximately 750MW. The first phase is scheduled to be completed by the end of 2025, with the second phase expected to finish by the end of 2026. The entire transformation plan is projected to be fully completed by 2034. The Company expects to apply approximately RMB507.0 million from the proceeds for the first two phrases of the technical transformation plan.

In addition, the Group plans to purchase new wind power generators and related equipment for the construction of the wind farm project in Baotou City, Inner Mongolia (the “**Baotou Project**”). The Group has started the development of the Baotou Project since 2016 and the expected installable capacity of the wind farms operation is 49.8MW. The construction of the Baotou Project is currently suspended and the Company expects to apply approximately RMB270.0 million of the proceeds to resume and complete the construction of the Baotou Project of 23 sets of wind power generators and wind turbine towers.

The Group also plans to utilise approximately RMB388.5 million from the proceeds for repayment of the Group’s borrowings, which include certain bonds, notes payables and other loans from third parties with maturity within one to two years. The Board confirms that the proceeds from Share Subscriptions and CB Subscriptions will not be utilised for repaying any 2022 Convertible Bonds or any early borrowings and payables involved any Shareholders.

In relation to replenishment of the Group’s working capital, approximately RMB39.8 million is expected to be used for repairs and maintenance of the Group’s wind farm operations, and remaining proceeds of approximately RMB89.7 million to be used for salaries and general office expenditures.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company had carried out the following fund-raising activities in the 12 months immediately preceding the date of this announcement:

Date of announcement	Completion date	Event	Net proceeds raised (approximately)	Intended use of proceeds	Actual use of proceeds
12 May 2023	21 August 2023	Rights issue on the basis of five rights shares for every two consolidated shares on the record date	HK\$211.0 million	<p>(a) approximately HK\$92.0 million for repayment of the Group's bond;</p> <p>(b) approximately HK\$70.0 million for repayment of the Group's notes payables;</p> <p>(c) approximately HK\$27.8 million for future business development; and</p> <p>(d) approximately HK\$21.2 million for general working capital of the Group</p>	<p>(a) approximately HK\$43.9 million has been used for repayment of the Group's bond;</p> <p>(b) approximately HK\$70.0 million has been fully used for repayment of the Group's notes payables;</p> <p>(c) approximately HK\$27.8 million has been fully used for future business development; and</p> <p>(d) approximately HK\$21.2 million has been fully used for general working capital of the Group.</p>

Save as disclosed above, the Company has not conducted any fund-raising activities involving issue of its securities in the past 12 months immediately preceding the date of this announcement.

Despite conducting the fund-raising activities above in the past 12 months, the Company still consider it beneficial to carry out the Share Subscriptions and CB Subscriptions which can further strengthen the financial position of the Group and can introduce strategic partners to the Group for its long-term business development. For details of the benefits, please refer to “Reasons for and benefits of the Share Subscriptions and CB Subscriptions and use of proceeds”.

POSSIBLE CHANGE OF COMPOSITION OF THE BOARD

At the date of this announcement, Subscriber A Holdco intends to nominate one executive Director to the Board, but no specific candidate for a new member to the Board has been identified. The Company will comply with the relevant laws, Rule 26.4 of the Takeovers Code and the Listing Rules to register such a nomination.

Any nomination will be considered and approved by the Board in accordance with the nomination policy of the Company and board diversity policy of the Company having regard to including but not limited to, the professional qualifications, skills, knowledge and experience that are relevant to the Company’s business and corporate strategy. Any appointment will be subject to the Listing Rules and the articles of association of the Company in force from time to time, including but not limited to, the requirements for retirement, rotation, re-election and vacation of office of Directors as set forth in the articles of association of the Company.

Details of the actual change of the Board composition and biography of any new Director to be appointed will be further announced as and when appropriate in accordance with the Takeovers Code and the Listing Rules.

POSSIBLE ADJUSTMENTS RELATING TO THE SHARE OPTIONS AND THE 2022 CONVERTIBLE BONDS

As at the date of this announcement, there are (i) 56,658,240 outstanding Share Options granted by the Company exercisable into 56,658,240 Shares; and (ii) 2022 Convertible Bonds with an aggregate principal amount of HK\$356,375,000 convertible into 494,278,779 Shares, at the conversion price of HK\$0.721 per Share.

The allotment and issue of the Subscription Shares and Conversion Shares may lead to adjustments to the exercise price of the Share Options and the 2022 Convertible Bonds as set out above. The Company will make further announcement(s) on such adjustment(s) as and when appropriate.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, the tables below illustrate the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after allotment and issue of the Subscription Shares and before conversion of any 2024 Convertible Bonds; (iii) immediately upon allotment and issue of the Subscription Shares and Conversion Shares; (iv) immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber A Holdco only; (v) immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber B only; (vi) immediately upon allotment and issue of the Conversion Shares of Subscriber C only; (vii) immediately upon allotment and issue of (1) the Subscription Shares; and (2) only partial conversion of the Conversion Shares of Subscriber A Holdco, Subscriber B and Subscriber C, on a pro rata basis, to maintain public float of at least 25% of the Shares in issue; and (viii) immediately upon allotment and issue of the Subscription Shares, Conversion Shares and Shares converted from the 2022 Convertible Bonds:

Assuming the Share Options are not being exercised:

As at the date of this announcement	Immediately upon allotment and issue of the Subscription Shares and before conversion of any of the 2024 Convertible Bonds		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares (subject to its conversion restrictions)		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber A Holdco only (subject to its conversion restrictions)		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber B only (subject to its conversion restrictions)		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber C only		Immediately upon allotment and issue of (i) the Subscription Shares, and (ii) only partial conversion of the Conversion Shares of Subscriber A Holdco, Subscriber B and Subscriber C, on a pro rata basis, to maintain public float of at least 25% of the Shares in issue (subject to its conversion restrictions) (Note 8)		Immediately upon allotment and issue of the Subscription Shares, Conversion Shares and Shares converted from the 2022 Convertible Bonds (for illustrative purposes only and subject to its conversion restrictions)			
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%		
Subscriber A Holdco (Note 1 & 2)	—	—	590,615,905	24.9%	5,777,777,778	65.0%	5,777,777,778	77.7%	—	—	2,568,321,134	52.7%	5,777,777,778	61.6%		
Subscriber B (Note 3 and 4)	—	—	119,437,859	5.0%	944,444,444	10.7%	—	944,444,444	36.2%	—	419,821,723	8.6%	944,444,444	10.1%		
Subscriber C (Note 4)	—	—	—	—	500,000,000	5.6%	—	—	—	500,000,000	23.1%	222,258,560	4.6%	500,000,000	5.3%	
Sub-total of the Subscribers	—	—	710,053,764	29.9%	7,222,222,222	81.3%	5,777,777,778	77.7%	944,444,444	36.2%	500,000,000	23.1%	3,210,401,417	65.9%	7,222,222,222	77.0%
Mr. Xu (Note 5)	227,966,663	13.7%	227,966,663	9.6%	227,966,663	2.6%	227,966,663	3.1%	227,966,663	8.7%	227,966,663	10.5%	227,966,663	4.7%	227,966,663	2.4%
The Directors:																
Mr. Zhang and his concert parties:																
Mr. Zhang (Note 6 and 7)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Diamond Era (Note 6)	216,206,900	13.0%	216,206,900	9.1%	216,206,900	2.4%	216,206,900	2.9%	216,206,900	8.3%	216,206,900	10.0%	216,206,900	4.4%	216,206,900	2.3%
Filled Convergence (Note 6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Sub-total of Mr. Zhang and his concert parties	216,206,900	13.0%	216,206,900	9.1%	216,206,900	2.4%	216,206,900	2.9%	216,206,900	8.3%	216,206,900	10.0%	216,206,900	4.4%	216,206,900	7.6%
Mr. Yuan Wanyong (Note 6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mr. Ning Zhongzhi (Note 7)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mr. Qu Weidong (Note 7)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Ms. Hu Xiaolin (Note 7)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Mr. Jiang Sentlin (Note 7)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Sub-total of the Directors	216,206,900	13.0%	216,206,900	9.1%	216,206,900	2.4%	216,206,900	2.9%	216,206,900	8.3%	216,206,900	10.0%	216,206,900	4.4%	216,206,900	7.6%
Public Shareholders	1,218,191,660	73.3%	1,218,191,660	51.4%	1,218,191,660	13.7%	1,218,191,660	16.3%	1,218,191,660	46.8%	1,218,191,660	56.4%	1,218,191,660	25.0%	1,218,191,660	13.0%
Total	1,662,365,223	100.0%	2,272,418,987	100.0%	8,884,587,445	100.0%	7,440,143,001	100.0%	2,606,809,667	100.0%	2,162,365,223	100.0%	4,872,766,040	100.0%	9,378,866,224	100.0%

Assuming all of the Share Options are being exercised:

	Immediately upon allotment and issue of the Subscription Shares and before conversion of any of the 2024 Convertible Bonds		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares (subject to its conversion restrictions)		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber A Holdco only (subject to its conversion restrictions)		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber B only (subject to its conversion restrictions)		Immediately upon allotment and issue of the Subscription Shares and Conversion Shares of Subscriber C only		Immediately upon allotment and issue of (i) the Subscription Shares, and (ii) only partial conversion of the Conversion Shares of Subscriber A Holdco, Subscriber B and Subscriber C, on a pro rata basis, to maintain public float of at least 25% of the Shares in issue (subject to its conversion restrictions) (Note 8)		Immediately upon allotment and issue of the Subscription Shares, Conversion Shares and Shares converted from the 2022 Convertible Bonds (for illustrative purposes only and subject to its conversion restrictions)			
As at the date of this announcement	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%		
Subscriber A Holdco (Note 1 & 2)	—	—	590,613,905	24.3%	5,777,777,778	64.6%	5,777,777,778	77.1%	—	—	2,646,291,310	52.6%	5,777,777,778	61.2%		
Subscriber B (Note 3 and 4)	—	—	119,437,859	4.9%	944,444,444	10.6%	—	944,444,444	35.5%	—	432,566,848	8.6%	944,444,444	10.0%		
Subscriber C (Note 4)	—	—	—	—	500,000,000	5.6%	—	—	—	500,000,000	22.5%	229,005,979	4.6%	500,000,000	5.3%	
Sub-total of the Subscribers	—	—	710,053,764	29.2%	7,222,222,222	80.8%	5,777,777,778	77.1%	944,444,444	35.5%	500,000,000	22.5%	3,307,864,137	65.8%	7,222,222,222	76.5%
Mr. Xu (Note 5)	227,966,663	13.2%	227,966,663	9.3%	227,966,663	2.5%	227,966,663	3.0%	227,966,663	8.6%	227,966,663	10.5%	227,966,663	4.6%	227,966,663	2.4%
The Directors:																
Mr. Zhang and his concert parties:																
Mr. Zhang (Note 6 and 7)	6,493,120	0.4%	6,493,120	0.3%	6,493,120	0.1%	6,493,120	0.1%	6,493,120	0.2%	6,493,120	0.3%	6,493,120	0.1%	6,493,120	0.1%
Diamond Era (Note 6)	216,206,900	12.5%	216,206,900	8.9%	216,206,900	2.4%	216,206,900	2.9%	216,206,900	8.1%	216,206,900	9.7%	216,206,900	4.3%	216,206,900	2.3%
Filled Convergence (Note 6)	—	—	—	0.0%	—	—	—	0.0%	—	0.0%	—	0.0%	—	0.0%	494,278,779	5.3%
Sub-total of Mr. Zhang and his concert parties	222,700,020	12.9%	222,700,020	9.2%	222,700,020	2.5%	222,700,020	3.0%	222,700,020	8.3%	222,700,020	10.0%	222,700,020	4.4%	716,978,799	7.7%
Mr. Yuan Wanyang (Note 6)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mr. Ning Zhonghui (Note 7)	6,493,120	0.4%	6,493,120	0.3%	6,493,120	0.1%	6,493,120	0.2%	6,493,120	0.2%	6,493,120	0.4%	6,493,120	0.2%	6,493,120	0.1%
Mr. Qu Weidong (Note 7)	1,713,920	0.1%	1,713,920	0.1%	1,713,920	0.0%	1,713,920	0.0%	1,713,920	0.1%	1,713,920	0.1%	1,713,920	0.0%	1,713,920	0.0%
Ms. Hu Xiaolin (Note 7)	1,713,920	0.1%	1,713,920	0.1%	1,713,920	0.0%	1,713,920	0.0%	1,713,920	0.1%	1,713,920	0.1%	1,713,920	0.0%	1,713,920	0.0%
Mr. Jiang Sentlin (Note 7)	1,713,920	0.1%	1,713,920	0.1%	1,713,920	0.0%	1,713,920	0.0%	1,713,920	0.1%	1,713,920	0.1%	1,713,920	0.0%	1,713,920	0.0%
Sub-total of the Directors	234,334,900	13.7%	234,334,900	9.9%	234,334,900	2.6%	234,334,900	3.2%	234,334,900	8.8%	234,334,900	10.7%	234,334,900	4.6%	728,613,679	7.8%
Public Shareholders	1,256,721,900	73.1%	1,256,721,900	51.6%	1,256,721,900	14.1%	1,256,721,900	16.7%	1,256,721,900	47.1%	1,256,721,900	56.5%	1,256,721,900	25.0%	1,256,721,900	13.3%
Total	1,719,023,463	100.0%	2,429,077,227	100.0%	8,941,245,685	100.0%	7,496,801,241	100.0%	2,663,467,907	100.0%	2,219,023,463	100.0%	5,026,887,600	100.0%	9,435,524,464	100.0%

Notes:

1. Assuming (i) Share Subscription A, CB Subscription A and Subscription B were completed, and (ii) the conversion right of Subscriber A Holdco's 2024 RMB Convertible Bonds and Subscriber B's 2024 HKD Convertible Bonds were exercised in full, the total of 5,777,777,778 and 944,444,444 Shares would be issued to Subscriber A Holdco and Subscriber B, respectively, representing approximately 68.9% and 11.4% of the total issued Shares of the Company, respectively. As the granting of the Whitewash Waiver is one of the unwaivable conditions precedent to Share Subscription Agreement A and CB Subscription Agreement A, Subscriber A Holdco and parties acting in concert with it may further increase its shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.
2. Assuming (i) Share Subscription A, CB Subscription A and CB Subscription C were completed, and (ii) the conversion right of Subscriber A Holdco's 2024 RMB Convertible Bonds and Subscriber C's 2024 HKD Convertible Bonds were exercised in full, the total of 5,777,777,778 and 500,000,000 Shares would be issued to Subscriber A Holdco and Subscriber C, respectively, representing approximately 72.8% and 6.3% of the total issued Shares of the Company, respectively. As the granting of the Whitewash Waiver is one of the unwaivable conditions precedent to Share Subscription Agreement A and CB Subscription Agreement A, Subscriber A Holdco and parties acting in concert with it may further increase its shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.
3. Assuming (i) only Subscription B was completed; and (ii) the conversion right of Subscriber B's 2024 HKD Convertible Bonds were exercised in full, the total of 944,444,444 Shares would be issued to Subscriber B, representing approximately 35.5% of the total issued Shares of the Company. In such event, pursuant to the conversion restrictions under the 2024 Convertible Bonds, Subscriber B shall comply with the obligations under Rule 26 of the Takeovers Code by Subscriber B.
4. Assuming (i) Subscription B and CB Subscription C were completed; and (ii) the conversion right of Subscriber B's and Subscriber C's 2024 HKD Convertible Bonds were exercised in full, the total of 944,444,444 and 500,000,000 Shares would be issued to Subscriber B and Subscriber C, respectively, representing approximately 30.4% and 16.1% of the total issued Shares of the Company, respectively. In such event, pursuant to the conversion restrictions under the 2024 Convertible Bonds, Subscriber B shall comply with the obligations under Rule 26 of the Takeovers Code.
5. The information of any number of Shares held by such Shareholder are based on the disclosure of interest filings made by him. Xu Yingjie ("Mr. Xu") is considered as a substantial shareholder of the Company, pursuant to the Listing Rules.

6. As at the date of this announcement, Diamond Era owns 216,206,900 Shares. Mr. Zhang, an executive Director and the chief executive officer of the Company as at the date of this announcement, owns the entire issued share capital of Diamond Era. Accordingly, Mr. Zhang is deemed to be interested in 216,206,900 Shares under the SFO. Mr. Zhang is the beneficial owner of all the issued shares of Filled Converge. As at the date of this announcement, Filled Converge holds the 2022 Convertible Bonds in the principal amount of HK\$356,375,000. Assuming Filled Converge's conversion right of the 2022 Convertible Bonds were exercised in full, a total of 494,278,779 new Shares will be issued to Filled Converge.

Diamond Era charged 216,206,900 Shares in favour of Quam Finance as a security of the Facility on 31 August 2020.

Filled Converge charged its 2022 Convertible Bonds and the conversion shares issuable in favour of Quam Finance as security agent for the Facility on 10 October 2022.

Pursuant to the First Deed of Partial Assignment and Second Deed of Partial Assignment, EBG and Mr. Yuan are equitably assigned 20% and 80% of the rights and interests under the Assigned Contracts and the Debt, respectively, including, among other things, (i) 216,206,900 Shares owned by Diamond Era; and (ii) 20% and 80% of the 2022 Convertible Bonds as a security to the indebtedness under the Facility Agreement. As at the date of this announcement, EBG is wholly owned by Mr. Yuan. Accordingly, Mr. Yuan is interested in the Shares owned by Diamond Era.

Pursuant to the instrument to the 2022 Convertible Bonds, the 2022 Convertible Bonds cannot be transferred to any connected persons or direct competitors of the Company. Hence, any of the 2022 Convertible Bonds cannot be transferred to Mr. Yuan while he is a connected person. As at the date of this announcement, Filled Converge is the registered holder of the 2022 Convertible Bonds.

7. As at the date of this announcement, each of Mr. Zhang and Mr. Ning Zhongzhi (“**Mr. Ning**”), executive Directors, holds 6,493,120 Share Options. Each of Mr. Qu Weidong (“**Mr. Qu**”), Ms. Hu Xiaolin (“**Ms. Hu**”) and Mr. Jiang Senlin (“**Mr. Jiang**”), independent non-executive Directors, holds 1,713,920 Share Options. Save as disclosed above, no Directors, except for Mr. Zhang and his controlled companies, hold any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.
8. The shareholdings are only for illustrative purposes due to the public float requirement under the Listing Rules.
9. The percentages in the table above are expressed as percentages of the total issued Shares of the Company at the relevant time and are subject to rounding adjustments.

C. POSSIBLE ACQUISITION OF THE TARGET INTERESTS

On 26 January 2024 (after trading hours), the Company, as the intended purchaser, entered into a non-legally binding equity transfer framework agreement with the Vendors, as the intended vendors, pursuant to which, the Vendors intended to sell and the Purchaser intended to purchase, 50% equity interest in the Target Company, at a proposed consideration of not more than RMB7.5 million (equivalent to approximately HK\$8.2 million) to be payable in full in cash by the Purchaser. Upon completion of the Possible Acquisition, the Target Company will not become a subsidiary of the Company and the financial results of the Target Company will not be consolidated into the financial statements of the Company. On 21 June 2024, the Company entered into the Supplemental Framework Agreement with the Vendors, pursuant to which, among other things, (i) the proposed consideration payable for the Target Interests was amended; and (ii) the date securing the execution of the Formal Equity Transfer Agreement was extended.

Principal terms of the Equity Transfer Framework Agreement (as supplemented by the Supplemental Framework Agreement)

Date: 26 January 2024 (after trading hours)

Parties:

Purchaser: (1) the Company, as the intended purchaser

Vendors: (2) Hebei Shengde (Vendor I)

(3) Hebei Jijiao (Vendor II) (as intended vendors)

Each of Vendor I and Vendor II is wholly ultimately owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Hebei Province.

Assets proposed to be acquired

Pursuant to the Equity Transfer Framework Agreement, the Purchaser intended to purchase, and the Vendors intended to sell the Target Interests, being 50% equity interest in the Target Company.

The Target Interests shall comprise:

- (1) 40.5% equity interest of the Target Company to be transferred by Vendor I; and
- (2) 9.5% equity interest of the Target Company to be transferred by Vendor II.

Proposed consideration

The proposed consideration payable for the Target Interests is intended to be not more than RMB7.5 million (equivalent to approximately HK\$8.2 million) and it is intended to be paid in cash to a bank account as designated by the Vendors within 15 Working Days after the fulfilment of all conditions precedent of the Formal Equity Transfer Agreement.

The exact amount payable under the Formal Equity Transfer Agreement will be subject to further negotiation between the Purchaser and the Vendors with reference to, among other things, the (i) due diligence on the Target Company; (ii) audited financial statements of the Target Company for the years ended 31 December 2022 and 2023, and the latest audited financial statements of the Target Company (as appropriate); (iii) valuation conducted by an independent valuer to be appointed by the Company on the fair value of the entire equity interest of the Target Company; and (iv) the prospects of the Target Company.

Due Diligence Review

The Purchaser will procure its advisers or agents to conduct due diligence on the Target Company, and to the extent practicable and allowable under the relevant rules and regulations, the Vendors shall provide full support to the due diligence to be conducted by the Company and its advisers or agents on the Target Company, including access to all necessary information and documents of the Target Company.

Exclusivity Period

Pursuant to the Equity Transfer Framework Agreement, the Vendors will not, and will procure directors, officers, employees, representatives and agents of the Vendor and/or the Target Company will not, directly or indirectly, for a period until 31 December 2024 to (i) solicit, initiate or encourage inquiries or offers from, or (ii) initiate or continue negotiations or discussions with or furnish any information to, or (iii) enter into any agreement or statement of intent or understanding with, any person or entity other than the Purchaser with respect to the Possible Acquisition.

Formal Agreement

The Purchaser and the Vendors shall use their best endeavours to ensure the execution of the Formal Equity Transfer Agreement before 31 December 2024 (or such later date be agreed by the Purchaser and the Vendors).

Proposed Conditions precedent

It is intended that the Possible Acquisition Completion shall be conditional upon and subject to the fulfilment and satisfaction of the following:

- (i) if necessary, the Independent Shareholders having passed a resolution at an extraordinary general meeting of the Company for approving the Formal Equity Transfer Agreement and the transactions contemplated thereunder;
- (ii) the Vendors having obtained all internal consents and approvals in respect of the Possible Acquisition; and
- (iii) the completion of Share Subscription A and CB Subscription A.

As the Vendors are directly wholly-owned by Hebei Transportation Group, the proposed sale of 50% equity interest in the Target Company is required to be approved by Hebei Transportation Group.

For the avoidance of doubt, the Possible Acquisition Completion is not conditional upon the Subscription B Completion and the CB Subscription C Completion.

Possible Acquisition Completion

Upon completion of the Possible Acquisition, the Group will hold 50% equity interests of the Target Company. The Target Company will not become a subsidiary of the Company, and the financial results of the Target Company will not be consolidated into the financial statements of the Group.

Termination

The Equity Transfer Framework Agreement shall terminate upon the earlier of (i) the date of the Formal Equity Transfer Agreement and (ii) the day falling three calendar months after the date of the Equity Transfer Framework Agreement (or such later date as may be agreed by the Purchaser and the Vendors), save for certain surviving provisions.

Non-legally binding effect

The Equity Transfer Framework Agreement shall create no legal and binding obligations on the parties thereto save for provisions relating to, among other things, exclusivity, confidentiality and governing law.

If the Formal Equity Transfer Agreement is entered into, it is expected that the Possible Acquisition will constitute a major transaction on the part of the Company pursuant to the Listing Rules and is subject to approval requirements under the Listing Rules. In this regard, the Company will comply with the reporting, disclosure and/or shareholders' approval requirements under the Listing Rules.

Information on the Vendors

As at the date of this announcement, the Vendors are companies established in the PRC with limited liability and are directly wholly-owned by Hebei Transportation Group, which is directly wholly-owned by Hebei Provincial People's Government State-owned Assets Supervision and Administration Commission* (河北省人民政府國有資產監督管理委員會), a PRC government body.

As at the date of this announcement, the Vendors and Subscriber A Holdco are subsidiaries of Hebei Transportation Group. The Vendors have no interest in any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

Information on the Target Company

The Target Company is a company established in the PRC with limited liability and is owned as to 81% by Vendor I and 19% by Vendor II at the date of this announcement. The Target Company is principally engaged in the business of renewable energy development.

Upon the Possible Acquisition Completion, the Target Company will be owned as to 50%, 40.5% and 9.5% by the Company, Vendor I and Vendor II, respectively.

REASONS FOR AND BENEFITS OF THE POSSIBLE ACQUISITION

As disclosed in the annual report of the Company for the year ended 31 December 2023, the Group has been actively seeking other possible development opportunities and also enhancing the operational efficiency and reducing costs of the Group's existing wind farms.

The Target Company has two distinctive development sites that are in the midst of construction or have already embarked on it. The first of these two sites is situated in Weichang Manchu-Mongolian Autonomous County (河北省圍場滿族蒙古族自治縣) in Hebei Province, the PRC, where photovoltaic technology takes centre stage in power generation, with a target installed capacity of 200 MW. The second site, located in Chengde City in Hebei Province (河北省承德市), the PRC, is marked for wind power generation, with a target installed capacity of 300 MW. The Possible Acquisition underscores the Company's multi-faceted approach to renewable energy, encompassing both solar and wind solutions.

The proposed conditions precedent to the Possible Acquisition were also arrived at after arm's length negotiations between the Company and the Vendors. Hebei Transportation Group, which directly owns the Vendors and Subscriber A Holdco, demonstrates a strong vote of confidence by subscribing Subscription Shares and the 2024 RMB Convertible Bonds. As already disclosed in the paragraph "Reasons for and benefits of the Share Subscriptions and CB Subscriptions and use of proceeds", Subscriber A Holdco may nominate one new member to the Board, which also aligns with its strategic plan for the Group's development, as incorporating the Target Company into the Group's portfolio will significantly improve its business prospects. It also anticipates substantial synergies to emerge, further enhancing the Target Company's potential within the Group's framework.

The entering into of the Equity Transfer Framework Agreement will enable the Company to have the opportunity to further develop renewable energy business. The Board also considers that the possible cooperation with the Vendors will allow the Group to gain access to its extensive experience, technical expertise and resources in the energy sector. As such, the Board is of the view that the entering of the Equity Transfer Framework Agreement will benefit the overall performance of the Group's development.

As at the date of this announcement, the Company has no immediate plans for further acquisitions or disposals. The Company will carefully consider any opportunities that are beneficial to the Company and the Shareholders as a whole, when appropriate opportunities arise.

INFORMATION ON THE COMPANY

The Company is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange. The Group is principally engaged in the businesses of wind power generation in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Possible Acquisition

As at the date of this announcement, the Vendors are companies established in the PRC with limited liability and are directly wholly-owned by Hebei Transportation Group, which is directly wholly owned by Hebei Provincial People's Government State-owned Assets Supervision and Administration Commission* (河北省人民政府國有資產監督管理委員會), a PRC government body. As at the date of this announcement, the Vendors and Subscriber A Holdco are subsidiaries of Hebei Transportation Group.

Considering that (i) the Vendors are associates of Subscriber A Holdco and Hebei Transportation Group and (ii) upon the Share Subscription A Completion, the CB Subscription A Completion and the conversion of the 2024 RMB Convertible Bonds under CB Subscription A, Subscriber A Holdco and its associates will become a controlling shareholder group of the Company. Accordingly, the Possible Acquisition constitutes a connected transaction pursuant to Rule 14A.28 of the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Whitewash Waiver

Save as disclosed above, as at the date of this announcement, Subscriber A Holdco and parties acting in concert with it does not own or have control or direction over and did not deal in any Shares and any other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

At as the date of this announcement, Subscriber A Holdco and parties acting in concert with it have no interest in any relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company. Immediately upon the Share Subscription Completion and the CB Subscription Completion but before conversion of the 2024 Convertible Bonds, and assuming that there is no other change in the issued share capital of the Company, Subscriber A Holdco and parties acting in concert with it will be interested as to approximately 24.9% of the total number of Shares in issue as increased by the allotment and issue of the respective Subscription Shares, and will be further interested as to (i) approximately 77.7% of the total number of Shares in issue as enlarged upon the conversion of the 2024 RMB Convertible Bonds under CB Subscription A or (ii) approximately 65.0% as enlarged upon full conversion of the 2024 Convertible Bonds under CB Subscriptions. This will render Subscriber A Holdco and parties acting in concert with it, upon completion of the Share Subscriptions and

the CB Subscriptions, and upon conversion of the 2024 RMB Convertible Bonds under CB Subscription A, to be obliged to make an unconditional mandatory general offer for all the Shares not already owned or agreed to be acquired by Subscriber A Holdco (together with parties acting in concert with it) under Rule 26.1 of the Takeovers Code unless a waiver from strict compliance with Rule 26.1 of the Takeovers Code has been obtained from the Executive.

Subscriber A Holdco will apply to the Executive for the Whitewash Waiver from compliance with the obligation to make a mandatory general offer under Rule 26.1 of the Takeovers Code as a result of the issue of the Subscription Shares and the Conversion Shares upon conversion of the 2024 RMB Convertible Bonds under CB Subscription A. The Whitewash Waiver, if granted by the Executive, is expected to be subject to, amongst others, the passing of the Whitewash Waiver Resolutions.

Pursuant to Share Subscription Agreement A and CB Subscription Agreement A, the financial institutions, including but not limited to Huaneng Tiancheng Financial Leasing Co., Ltd* (華能天成融資租賃有限公司), that are required to provide Hongsong Wind Power with written consent, are not Shareholders. As at the date of this announcement, these institutions do not hold any Shares or relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company. If each of them has interest in any Shares or relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company, they are required to abstain from voting in respect of the Whitewash Waiver Resolutions. None of the Shareholders will be required to abstain from voting in respect of the Whitewash Waiver Resolutions.

As the obtaining of the Whitewash Waiver is one of the conditions precedent to Share Subscription Agreement A and CB Subscription Agreement A, and such condition is not waivable, and Share Subscription A, CB Subscription and the Possible Acquisition are inter-conditional to each other, in the event that the Whitewash Waiver is not granted and/or the Whitewash Waiver and the underlying transactions are not approved by 75% and 50% of the Independent Shareholders, respectively, Share Subscription A, CB Subscription A and the Possible Acquisition will not proceed. If the Whitewash Waiver is approved by the Independent Shareholders and Share Subscription A and CB Subscription A occur, upon conversion of the 2024 RMB Convertible Bonds under CB Subscription A, the aggregate shareholding of Subscriber A Holdco and parties acting in concert with it in the Company will exceed 50%. Subscriber A Holdco and parties acting in concert with it may further increase its shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

As at the date of this announcement, the Company does not believe that the Share Subscriptions, the CB Subscriptions and the Possible Acquisition give rise to any concerns in relation to compliance with other applicable rules or regulations (including the Listing Rules). If a concern should arise after the release of this announcement, the Company will endeavour to resolve the matter to the satisfaction of the relevant authority as soon as possible but in any event before the despatch of the circular in respect of the Whitewash Waiver. The Company notes that the Executive may not grant the Whitewash Waiver if Share Subscription A, CB Subscription A, Subscription B, CB Subscription C and the Possible Acquisition do not comply with other applicable rules and regulations.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee

Pursuant to Rule 2.8 of the Takeovers Code, an independent board committee of the Company, comprising all non-executive Directors who have no direct or indirect interest in Share Subscription Agreement A, CB Subscription Agreement A and the Formal Equity Transfer Agreement, and the respective transactions contemplated thereunder and the Whitewash Waiver should be established to advise the Independent Shareholders on whether the terms of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver are on normal commercial terms, fair and reasonable and in the interests of the Independent Shareholders, and as to the voting action therefor.

Accordingly, the Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Qu Weidong, Ms. Hu Xiaolin and Mr. Jiang Senlin, has been established. Save as disclosed that as at the date of this Announcement, each of Mr. Qu Weidong, Ms. Hu Xiaolin and Mr. Jiang Senlin, independent non-executive Directors, holds 1,713,920 Share Options, none of the members of the Independent Board Committee has any direct and/or indirect interest or involvement in Share Subscription A, CB Subscription A and the Possible Acquisition.

Appointment of the Independent Financial Adviser

With the approval of the Independent Board Committee in accordance with Rule 2.1 of the Takeovers Code, an independent financial adviser, Red Sun Capital Limited, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver are fair and reasonable and to advise the Independent Shareholders how to vote. The Independent Board Committee will form its view in respect of the terms of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver after taking into account the recommendations of the Independent Financial Adviser.

INFORMATION REQUIRED UNDER THE TAKEOVERS CODE

Subscriber A Holdco has confirmed that as at the date of this announcement:

- (i) none of Subscriber A Holdco or its ultimate beneficial owners or parties acting in concert with any of them has acquired or disposed of or entered into any agreement or arrangement to acquire or dispose of any voting rights in the Company within the six months prior to and including the date of this announcement;
- (ii) none of Subscriber A Holdco or its ultimate beneficial owners or parties acting in concert with any of them owns or has control or direction over any voting rights or rights over the Shares or any outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of Shares nor has entered into any outstanding derivative in respect of securities in the Company;
- (iii) none of Subscriber A Holdco or its ultimate beneficial owners or parties acting in concert with any of them has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) with any other persons in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company or of the Subscriber A Holdco and which might be material to the transactions contemplated under Share Subscription Agreement A, CB Subscription Agreement A, the Formal Equity Transfer Agreement and the Equity Transfer Framework Agreement and/or the Whitewash Waiver;

- (iv) none of Subscriber A Holdco or its ultimate beneficial owners or parties acting in concert with any of them has received any irrevocable commitment to vote for or against the resolutions relating to the transactions contemplated under Share Subscription Agreement A, CB Subscription Agreement A, the Formal Equity Transfer Agreement and/or the Whitewash Waiver;
- (v) save for the conditions of Share Subscription Agreement A, CB Subscription Agreement A, the Equity Transfer Framework Agreement and the Formal Equity Transfer Agreement (if any), none of Subscriber A Holdco or its ultimate beneficial owners or parties acting in concert with any of them has any agreements or arrangements to which it is a party which relate to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the transactions contemplated under Share Subscription Agreement A, CB Subscription Agreement A, the Equity Transfer Framework Agreement, the Formal Equity Transfer Agreement (if any) and/or the Whitewash Waiver;
- (vi) none of Subscriber A Holdco or its ultimate beneficial owners or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (vii) save for the consideration to be paid under Share Subscription Agreement A and CB Subscription Agreement A, none of Subscriber A Holdco or its ultimate beneficial owners or parties acting in concert with any of them has paid or will pay any other consideration, compensation or benefit in whatever form to the Company or any party acting in concert with it in connection with the Subscription Shares and 2024 Convertible Bonds;
- (viii) save for Share Subscription Agreement A, CB Subscription Agreement A and the Equity Transfer Framework Agreement disclosed in this announcement, there is no other understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between Subscriber A Holdco or its ultimate beneficial owners or any parties acting in concert with any of them on one hand and the Company or any party acting in concert with it on the other hand; and
- (ix) save for Share Subscription Agreement A, CB Subscription Agreement A and the Equity Transfer Framework Agreement disclosed in this announcement, there is no understanding, arrangement or agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder; and (2) Subscriber A Holdco, its ultimate beneficial owners and/or parties acting in concert with any of them.

As at the date of this announcement, the Company also confirmed that there is no understanding, arrangement or agreement or special deal between any Shareholders and the Company, its subsidiaries or associated companies.

PUBLIC FLOAT

The Company will monitor closely and will ensure that it maintains the minimum public float percentage as prescribed under the Listing Rules from time to time. The 2022 CB Holders and 2024 CB Holders may not exercise the conversion rights to the extent that would result in the Company failing to comply with the minimum public float requirement, currently being 25% of the shareholding of the Company, as required by Rule 8.08 of the Listing Rules. Any exercise of conversion rights shall be subject to all applicable laws, rules and regulations, including but not limited to the Listing Rules and the Takeovers Code.

GENERAL

An EGM will be convened by the Company to consider and, if though fit, approve the (i) Share Subscription Agreement A, CB Subscription Agreement A and the Formal Equity Transfer Agreement and the transactions contemplated thereunder (including the granting of Specific Mandate A); (ii) the Whitewash Waiver; (iii) Subscription Agreement B and the transactions contemplated thereunder (including the granting of Specific Mandate B) and (iv) CB Subscription Agreement C and the transactions contemplated thereunder (including the granting of Specific Mandate C). The voting in relation to resolutions to be proposed at the EGM will be conducted by way of a poll.

A circular including, among other things, details of (i) information regarding the Share Subscriptions, the CB Subscriptions, the Possible Acquisition and the Whitewash Waiver; (ii) a letter of recommendations from the Independent Board Committee to the Independent Shareholders in relation to Share Subscription A, CB Subscription A, the Possible Acquisition and the Whitewash Waiver; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to Share Subscription A, CB Subscription A, the Possible Acquisition and the Whitewash Waiver; (iv) other information required under the Listing Rules and the Takeovers Code; and (v) a notice convening the EGM will be despatched to the Shareholders.

The circular is required to be despatched to the Shareholders within 21 days from the date of this announcement pursuant to Rule 8.2 of the Takeovers Code (i.e. on or before 12 July 2024); however, as additional time is required to prepare the information contained in the circular, an application will be made to the Executive to extend the deadline for the despatch of the circular. Further announcement(s) will be made in this regard as and when appropriate.

None of the Directors have a material interest in the Share Subscription Agreements and the CB Subscription Agreements and therefore they were not required under the Listing Rules to abstain from voting on the relevant Board resolutions.

At the date of this announcement, no Shareholder is materially interested in or involved in (i) the Share Subscriptions and the CB Subscriptions (including the grant of the Specific Mandates); (ii) the Formal Equity Transfer Agreement; and (iii) the Whitewash Waiver, and will be required to abstain from voting on the resolution(s) to the (i) Share Subscription Agreements, the CB Subscription Agreements, the Formal Equity Transfer Agreement and their respective transactions thereunder (including the grant of the Specific Mandates); and (ii) the Whitewash Waiver and the respective transactions contemplated thereunder at the EGM.

Share Subscription A, the CB Subscription A and the Possible Acquisition are inter-conditional to each other and are subject to a number of conditions, which may or may not be fulfilled. For the avoidance of doubt, Subscription B and CB Subscription C are not inter-conditional to each other and are not conditional upon Share Subscription A, CB Subscription A and the Possible Acquisition. Additionally, the Executive may or may not grant the Whitewash Waiver. In the event that the Whitewash Waiver is not granted and/or the Whitewash Waiver and the underlying transactions are not approved by 75% and 50% of the Independent Shareholders, respectively, Share Subscription Agreement A, CB Subscription Agreement A and the Formal Equity Transfer Agreement shall lapse, and Share Subscription A, CB Subscription A and the Possible Acquisition will not proceed. The Whitewash Waiver, if granted, will be subject to approval of the Whitewash Waiver and/or underlying transactions by 75% and 50% by the Independent Shareholders, respectively, at the EGM.

If the Whitewash Waiver is approved by the Independent Shareholders and Share Subscription A and CB Subscription A occur, the conversion of the 2024 RMB Convertible Bonds under CB Subscription A will result in the aggregate shareholding of Subscriber A Holdco and parties acting in concert with it exceeding 50% of the equity interest in the Company. Subscriber A Holdco and parties acting in concert with it may further increase its shareholdings in the Company without incurring any further obligations under Rule 26 of the Takeovers Code to make a general offer.

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. Share Subscription A, CB Subscription A and the Possible Acquisition are inter-conditional to each other and are subject to a number of conditions, which may or may not fulfilled. As such, the Possible Acquisition may or may not proceed. In the event that the Possible Acquisition does not proceed, Share Subscription A and CB Subscription A will terminate. If the Possible Acquisition is materialised, it may constitute a major transaction on the part of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company in the event any formal agreement in respect of the Possible Acquisition is executed.

Shareholders and investors are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

RESUMPTION OF TRADING

At the request of the Company, trading in Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 29 January 2024 pending the publication of this announcement. Application has been made by the Company for the resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 24 June 2024.

DEFINITIONS

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

“2022 CB Holder(s)”	the holder(s) of the 2022 Convertible Bonds, which is Filled Converge, a company incorporated under the laws of BVI with limited liability and wholly owned by Mr. Zhang as at the date of this announcement
“2022 Convertible Bonds”	the 10% unsecured convertible bonds in the aggregate principal amount of HK\$356,375,000 due 2025 issued by the Company to Filled Converge, details of which have been disclosed in the Company’s announcements dated 28 January 2022 and 28 April 2022
“2024 CB Holder(s)”	the holder(s) of the 2024 Convertible Bonds, being Subscriber A Holdco or its wholly owned subsidiary, Subscriber B and Subscriber C

“2024 Convertible Bonds”	2024 RMB Convertible Bonds and 2024 HKD Convertible Bonds
“2024 HKD Convertible Bonds”	the convertible bonds in the principal amount of HK\$259,701,291 due on the 36 months of the date of issue of the 2024 HKD Convertible Bonds to be issued by the Company to Subscriber B and Subscriber C pursuant to Subscription Agreement B and CB Subscription Agreement C
“2024 RMB Convertible Bonds”	the convertible bonds in the principal amount of RMB933,689,137 due on the 36 months of the date of issue of the 2024 RMB Convertible Bonds to be issued by the Company to Subscriber A Holdco pursuant to CB Subscription Agreement A
“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“Assigned Contracts”	the Facility Agreement and the Security Documents (and includes any amendments, replacements and supplements in relation thereto)
“Assignors”	(i) Quam Finance; and (ii) CT Portfolio
“associate(s)”	has the meaning ascribed thereto in the Listing Rules or the Takeovers Code (as the case may be)
“Board”	the board of Directors
“Business Day(s)”	a day (excluding Saturday and Sunday and any day on which “extreme conditions” caused by super typhoons is announced by the Government of Hong Kong or a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 5:00 p.m. or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 5:00 p.m.) on which licensed banks in the PRC and Hong Kong are open for general business
“BVI”	the British Virgin Islands
“CB Subscriptions”	CB Subscription A, CB Subscription B and CB Subscription C

“CB Subscription A”	the subscription of the 2024 RMB Convertible Bonds by Subscriber A pursuant to the terms and conditions of the CB Subscription Agreement A
“CB Subscription A Completion”	completion of CB Subscription A
“CB Subscription A Conditions”	the conditions precedent set out in CB Subscription Agreement A
“CB Subscription A Long Stop Date”	31 December 2024, or such later date as may be agreed between Subscriber A Holdco and the Company in writing
“CB Subscription Agreement A”	the convertible bond subscription agreement dated 26 January 2024 entered into between the Company (as issuer) and Subscriber A Holdco (as subscriber), in relation to CB Subscription A, as amended and supplemented by Supplemental Agreement A
“CB Subscription Agreement C”	the convertible bond subscription agreement dated 21 June 2024 entered into between the Company (as issuer) and Subscriber C (as subscriber)
“CB Subscription Agreements”	CB Subscription Agreement A, Subscription Agreement B and CB Subscription Agreement C
“CB Subscription B”	the subscription of the 2024 HKD Convertible Bonds by Subscriber B pursuant to the terms and conditions of Subscription Agreement B
“CB Subscription B Completion”	completion of CB Subscription B
“CB Subscription B Conditions”	the conditions precedent set out in Subscription Agreement B
“CB Subscription C”	the subscription of the 2024 HKD Convertible Bonds by Subscriber C pursuant to the terms and conditions of CB Subscription Agreement C

“CB Subscription C Completion”	completion of CB Subscription C
“CB Subscription C Conditions”	the conditions precedent set out in CB Subscription Agreement C
“CB Subscription C Long Stop Date”	31 December 2024, or such later date as may be agreed between Subscriber C and the Company in writing
“CB Subscription Completion”	CB Subscription A Completion, CB Subscription B Completion and CB Subscription C Completion
“Company”	China Ruifeng Renewable Energy Holdings Limited, an exempted company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 527)
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Conversion Date”	the conversion date in respect of a 2024 Convertible Bond
“Conversion Share(s)”	the Shares to be allotted and issued by the Company upon conversion of the 2024 Convertible Bonds
“CT Portfolio”	China Tonghai Guaranteed Return Segregated Portfolio, a segregated portfolio of an exempted company incorporated and registered as segregated portfolio company under the laws of the Cayman Islands
“Debts”	all present and future obligations and liabilities (whether actual or contingent and whether owed jointly or severally or in any other capacity whatsoever) of each Obligor under each Assigned Contract
“Diamond Era”	Diamond Era Holdings Limited, a company incorporated in the BVI with limited liability and a substantial Shareholder holding 216,206,900 Shares as at the date of this announcement and is wholly owned by Mr. Zhang

“Director(s)”	the director(s) of the Company
“EBG”	EBG Capital Holdings Limited, a company incorporated under the laws of the BVI with limited liability. Its ultimate beneficial owner is Mr. Yuan
“EGM”	an extraordinary general meeting of the Company to be convened and held at which resolutions will be proposed to consider, and, if thought fit, to approve, among other things, the Share Subscription Agreements, the CB Subscription Agreements and the respective transactions contemplated thereunder (including the grant of the Specific Mandates) and the Whitewash Waiver
“Equity Transfer Framework Agreement”	the equity transfer framework agreement entered into between the Purchaser and the Vendors on 26 January 2024, in relation to the Possible Acquisition, as amended and supplemented by Supplemental Framework Agreement
“Executive”	Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Facility”	a loan facility in an aggregate amount of HK\$294 million under the Facility Agreement
“Facility Agreement”	the facility agreement dated 1 March 2019 entered into among the Quam Finance, CT Portfolio and Filled Converge in relation to the provision of the Facility
“Filled Converge”	Filled Converge Limited (贏匯有限公司), a company incorporated under the laws of BVI with limited liability and wholly owned by Mr. Zhang as at the date of this announcement
“First Deed of Partial Assignment”	the deed of assignment entered into among the Assignors and EBG dated 5 June 2023 in relation to the 20% of the rights and interests of the Assignors under the Assigned Contract and Debts
“Formal Equity Transfer Agreement”	the formal equity transfer agreement which may or may not be entered into in relation to the Possible Acquisition

“Group”	the Company and its subsidiaries
“Hebei Jijiao” or “Vendor I”	Hebei Province Jijiao Energy Co., Ltd* (河北省冀交能源有限公司), a company with limited liability established under the laws of the PRC and is in turn wholly ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province
“Hebei Shengde” or “Vendor II”	Hebei Shengde Jichu Sheshi Jianshe Kaifa Co., Ltd* (河北晟德基礎設施建設開發有限公司), a company with limited liability established under the laws of the PRC and is in turn wholly ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKD Conversion Price”	the price per Share at which the Conversion Shares will be issued upon conversion of the 2024 HKD Convertible Bond, with the initial conversion price being HK\$0.196 per Conversion Share (subject to adjustments)
“Hongsong Wind Power”	Hebei Hongsong Wind Power Co., Ltd* (河北紅松風力發電股份有限公司), a company established under the laws of the PRC with limited liability and is a non-wholly owned subsidiary of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors established to advise the Independent Shareholders in respect of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the respective transaction contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver

“Independent Financial Adviser”	Red Sun Capital Limited, a corporation licensed to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of (i) Share Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (ii) CB Subscription Agreement A and the transactions contemplated thereunder (including the grant of Specific Mandate A); (iii) the Formal Equity Transfer Agreement and the Possible Acquisition; and (iv) the Whitewash Waiver
“Independent Shareholder(s)”	any Shareholder(s) other than (i) Shareholder A Holdco and parties acting in concert, and associates of, it; (ii) those who are involved or have interests in Share Subscription A, CB Subscription A, the Possible Acquisition, the Whitewash Waiver; and (iii) those who are required under the Listing Rules and/or Takeovers Code (as the case may be) to abstain from voting at the EGM to consider and approve Share Subscription A, CB Subscription A, the Possible Acquisition, the Whitewash Waiver
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons
“Last Trading Day”	26 January 2024, being the last trading day of the Shares on the Stock Exchange before the release of this announcement
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	36 months from the date of the issue of the 2024 Convertible Bonds
“Mr. Zhang”	Mr. Zhang Zhixiang, an executive Director and chief executive officer of the Company

“Mr. Yuan”	Mr. Yuan Wanyong, the chairman and an executive Director of the Company
“Obligor(s)”	Filled Converge, Diamond Era and Mr. Zhang
“Possible Acquisition”	the possible acquisition 50% of equity interest in the Target Company by the Company pursuant to the Equity Transfer Framework Agreement
“Possible Acquisition Completion”	completion of the sale and purchase of Target Interests pursuant to the Formal Equity Transfer Agreement
“PRC”	The People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Purchaser”	the Company or its wholly-owned subsidiary
“Quam Finance”	Quam Finance Limited, a company incorporated in Hong Kong with limited liability, which is an indirect wholly-owned subsidiary of Quam Plus and a registered money lender holding a valid money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and is principally engaged in the business of money lending services
“Quam Plus”	Quam Plus International Financial Limited (formerly known as China Tonghai International Financial Limited), a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 952)
“Rights Issue”	the rights issue on the basis of five Rights Shares for every two consolidated shares announced by the Company on 12 May 2023
“Rights Share(s)”	the Share(s) allotted and issued pursuant to the Rights Issue
“RMB”	Renminbi, the lawful currency of the PRC

“RMB Conversion Price”	the price per Share at which the Conversion Shares will be issued upon conversion of the 2024 RMB Convertible Bond, with the initial conversion price being RMB0.18 per Conversion Share, which is equivalent to approximately HK\$0.196 per Conversion Share (subject to adjustments)
“Second Deed of Partial Assignment”	the deed of assignment entered into among the Assignors and Mr. Yuan dated 6 June 2023 in relation to the 80% of the rights and interests of the Assignors under the Assigned Contract and Debts
“Securities Documents”	has the meaning given to the term “Transaction Security Document” in the Facility Agreement, including, among other things, (i) a charge of all shares in Filled Coverage; (ii) a charge of 308,867,000 shares of the Company (before the share consolidation of the Company in 2023) held by Diamond Era; and (iii) a deed of guarantee given by Mr. Zhang in favour of Quam Finance
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Cap 571 of the laws of Hong Kong)
“Share(s)”	ordinary shares of a par value of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Share Options”	the share options granted by the Company pursuant to the Share Option Scheme
“Share Option Scheme”	the share option scheme of the Company approved and adopted on 1 June 2015
“Share Subscriptions”	Share Subscription A and Share Subscription B
“Share Subscription A”	the subscription of 590,615,905 Subscription Shares by Subscriber A Holdco pursuant to the terms and conditions of Share Subscription Agreement A

“Share Subscription A Completion”	completion of Share Subscription A
“Share Subscription A Conditions”	the conditions precedent set out in Share Subscription Agreement A
“Share Subscription A Long Stop Date”	31 December 2024, or such later date as may be agreed between Subscriber A Holdco and the Company in writing
“Share Subscription Agreement A”	the share subscription agreement dated 26 January 2024 and entered into between the Company (as issuer) and Subscriber A Holdco (as subscriber), in relation to Share Subscription A, as amended and supplemented by Supplemental Agreement A
“Share Subscription Agreements”	Share Subscription Agreement A and Subscription Agreement B
“Share Subscription B”	the subscription of 119,437,859 Subscription Shares by Subscriber B pursuant to the terms and conditions of Subscription Agreement B
“Share Subscription B Completion”	completion of Share Subscription B
“Share Subscription Completion”	completion of Share Subscription A and Share Subscription B
“Share Subscription Price A”	RMB0.18 per Subscription Share, equivalent to approximately HK\$0.196 per Subscription Share
“Share Subscription Price B”	HK\$0.196 per Subscription Share
“Specific Mandates”	Specific Mandate A, Specific Mandate B and Specific Mandate C
“Specific Mandate A”	the specific mandate to be sought from the Independent Shareholders at the EGM to authorise the Board for the allotment and issue of the Subscription Shares and the Conversion Shares under Share Subscription Agreement A and CB Subscription Agreement A

“Specific Mandate B”	the specific mandate to be sought from the Shareholders at the EGM to authorise the Board for the allotment and issue of the Subscription Shares and the Conversion Shares under Subscription Agreement B
“Specific Mandate C”	the specific mandate to be sought from the Shareholders at the EGM to authorise the Board for the allotment and issue of the Conversion Shares under CB Subscription Agreement C
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subscribers”	Subscriber A Holdco, Subscriber B and Subscriber C
“Subscriber A Holdco”	Hebei Provincial Expressway Development Co., Ltd.* (河北高速公路開發(集團)有限公司), a company established under the laws of the PRC with limited liability on 10 September 1994 which may subscribe the Subscription Shares and the 2024 RMB Convertible Bonds through any of its wholly-owned subsidiaries to be nominated by it. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province
“Subscriber B”	<p>Atlantis New Hong Kong Equity Fund Limited, an exempted company incorporated in the Cayman Islands with limited liability and is registered with the Cayman Islands Monetary Authority as a mutual fund under the laws of the Cayman Islands. Its management shares are wholly owned by Atlantis Investment Management Limited (“Atlantis”), a limited liability company incorporated in Hong Kong licensed to carry out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO, which is also the investment manager of Subscriber B</p> <p>Atlantis is wholly 100% beneficially owned by Ms. Liu Yang</p>
“Subscriber B Completion”	Share Subscription B Completion and CB Subscription B Completion

“Subscriber C”	TradArt Flagship Investment SPC — Growth Engine Fund SP, a segregated portfolio created by TradArt Flagship Investment SPC, which is an exempted company incorporated with limited liability and registered as a segregated portfolio company under the laws of the Cayman Islands on 6 August 2021
“Subscription Agreement B”	the subscription agreement dated 21 June 2024 entered into between the Company (as issuer) and Subscriber B (as subscriber) in relation to Share Subscription B and CB Subscription B
“Subscription Agreements”	CB Subscription Agreement A, Share Subscription Agreement A, Subscription Agreement B and CB Subscription Agreement C
“Subscription B”	Share Subscription B and CB Subscription B
“Subscription B Conditions”	the conditions precedent set out in Subscription Agreement B
“Subscription B Long Stop Date”	31 December 2024, or such later date as may be agreed between Subscriber B and the Company in writing
“Subscription Share(s)”	the new Shares to be subscribed by the Subscriber A Holdco and Subscriber B pursuant to Share Subscription Agreement A and Subscription Agreement B
“substantial shareholder(s)”	has the meaning ascribed thereto in the Listing Rules
“Supplemental Agreement A”	the supplemental agreement dated 21 June 2024 and entered into between the Company and Subscriber A Holdco, in relation to Share Subscription A and CB Subscription A
“Supplemental Framework Agreement”	the supplemental agreement dated 21 June 2024 and entered into between the Company and the Vendors, in relation to the Possible Acquisition
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers

“Target Company”	Hebei Jiaotou Deneng Energy Co. Ltd* (河北交投德能能源有限公司), a company with limited liability established under the laws of the PRC, whose equity interest was held by Hebei Shengde and Hebei Jijiao as to 81% and 19%, respectively, as at the date of this announcement, and is in turn, through Hebei Shengde and Hebei Jijiao, wholly ultimately controlled by the State-owned Assets Supervision and Administration Commission of the People’s Government of Hebei Province
“Target Interests”	50% equity interest in the Target Company
“Vendors”	Vendor I and Vendor II
“Whitewash Waiver”	a waiver from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Subscriber A Holdco to make a mandatory general offer for all the securities of the Company (other than those already owned or agreed to be acquired by Subscriber A Holdco and parties acting in concert with it) which would otherwise arise as a result of Subscriber A Holdco obtaining the Subscription Shares and Conversion Shares upon the exercise of the Conversion Rights attached to the 2024 RMB Convertible Bonds under CB Subscription A
“Whitewash Waiver Resolutions”	resolutions approving (A) the Whitewash Waiver by at least 75% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the EGM, and (B) Share Subscription Agreement A, CB Subscription Agreement A and the Formal Equity Transfer Agreement being approved by more than 50% of the independent votes that are cast either in person or by proxy by the Independent Shareholders at the EGM as required under the Takeovers Code

“Working Day(s)” a day excluding (i) Saturday and Sunday; and (ii) any day on which designated as public holidays under the laws of the PRC

“%” per cent.

* *For identification purposes only*

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

Hong Kong, 21 June 2024

For the purpose of illustration only and unless otherwise stated, (i) amounts denominated in RMB in this announcement have been translated into HK\$ at the rate of RMB1.00 = HK\$1.0889; and (ii) amounts denominated in USD in this announcement have been translated into HK\$ at the rate of USD1.00 = HK\$7.85. Such translation should not be construed as a representation that the amounts in question have been, could have been or could be converted at any particular rate or at all.

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.

The 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.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.