
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your H Shares (as defined herein) in Xinjiang Goldwind Science & Technology Co., Ltd*, you should at once hand this prospectus and the accompanying Provisional Allotment Letter (as defined herein) and Excess Application Form (as defined herein) to the purchaser or other transferee or to the bank manager, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of this prospectus, together with copies of the Provisional Allotment Letter and the Excess Application Form and (where applicable) the documents specified in the paragraph headed "Documents Delivered to the Registrar of Companies" in Appendix III to this prospectus have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong and the Securities and Futures Commission take no responsibility for the contents of any of these documents. The Registrar of Companies in Hong Kong, the Stock Exchange and the Securities and Futures Commission take no responsibility as to the contents of any of the Prospectus Documents or any other documents referred to above.

Dealings in the securities of Xinjiang Goldwind Science & Technology Co., Ltd* and the H Rights Shares (as defined herein) and Nil-paid H Rights (as defined herein) may be settled through CCASS (as defined herein) and you should consult a licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of and permission to deal in the H Rights Shares and Nil-paid H Rights on the Hong Kong Stock Exchange (as defined herein) as well as compliance with the stock admission requirements of HKSCC (as defined herein), the H Rights Shares and Nil-paid H Rights will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the H Rights Shares and Nil-paid H Rights or such other dates as determined by HKSCC. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.

This prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been registered under the U.S. Securities Act of 1933, as amended, (the "U.S. Securities Act") or the laws of any state in the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the U.S. Securities Act and applicable state laws. There is no intention to register any portion of the rights issue or any securities described herein in the United States or to conduct a public offering of securities in the United States.

This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, any securities (including the Shares and the Rights Shares (in their nil-paid or fully-paid forms)) or to take up any entitlements to the H Rights Shares (in their nil-paid or fully-paid forms) in any jurisdiction in which such an offer, solicitation or sale is unlawful. Neither this prospectus nor anything in this prospectus forms the basis of any contract of commitment whatsoever.



XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.*

新疆金風科技股份有限公司

(a joint stock limited liability company incorporated in the People's Republic of China)

Stock Code: 02208

Underwriter of the Rights Issue (H Share Rights Issue)



**PROPOSED RIGHTS ISSUE OF 123,511,559 H SHARES ON THE BASIS
OF 1.9 H RIGHTS SHARES FOR EVERY 10 EXISTING H SHARES AT
HK\$8.21 PER H SHARE PAYABLE IN FULL ON ACCEPTANCE**

**PROPOSED A SHARE RIGHTS ISSUE OF 552,167,067 A SHARES ON
THE BASIS OF 1.9 A RIGHTS SHARES
FOR EVERY 10 EXISTING A SHARES AT RMB7.02 PER A RIGHTS
SHARE PAYABLE IN FULL ON ACCEPTANCE**

Existing H Shares have been dealt in on an ex-rights basis from Tuesday, 26 March 2019. Dealings in the H Rights Shares in nil-paid form will take place from Tuesday, 9 March 2019 to Tuesday, 16 April 2019 (both days inclusive).

The latest time for acceptance of and payment for the H Rights Shares is 4:00 p.m. on Tuesday, 23 April 2019. Further details on the expected timetable for the H Share Rights Issue are set out in the section headed "Expected Timetable" in this prospectus.

The procedure for acceptance or transfer of H Rights Shares is set out in the "Letter From the Board" on pages 42 and 47 of this prospectus.

The H Share Rights Issue will proceed on a fully underwritten basis. The Underwriting Agreement contains provisions entitling the Underwriter by notice in writing to terminate the Underwriting Agreement on the occurrence of certain events, including force majeure, as set out in the section headed "Termination of the Underwriting Agreement" on pages 58 to 60 of this prospectus. If the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue may not proceed. Any person dealing in the H Shares and/or Nil-paid H Rights up to the time when all conditions to which the H Share Rights Issue is subject are fulfilled (which is expected to be 5:00 p.m. on Wednesday, 24 April 2019) will bear the risk that the H Share Rights Issue may not become unconditional and may not proceed. Any person who is in any doubt about his position is recommended to consult his professional adviser.

4 April 2019

* For identification purpose only

NOTICE

The H Share Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated. Furthermore, if any of the conditions of the H Share Rights Issue set out under the subsection below headed “Letter from the Board – III. H Share Rights Issue – Conditions of the H Share Rights Issue” are not fulfilled, the H Share Rights Issue will not proceed, in which case a further announcement will be made by the Company at the relevant time. Shareholders’ and potential investors’ attention is drawn to the section below headed “Letter from the Board – III. H Share Rights Issue – Warning of the Risks of Dealing in the H Shares and Nil-paid H Rights”. It should also be noted that the H Shares have been dealt in on an ex-rights basis from Tuesday, 26 March 2019 and that dealings in the Nil-paid H Rights will take place from 9:00 a.m., Tuesday, 9 April 2019 to 4:00 p.m., Tuesday, 16 April 2019 (both days inclusive). Such dealings will take place when the conditions of the H Share Rights Issue remain unfulfilled, and the Underwriting Agreement does not become unconditional or is subject to termination in accordance with the terms thereof. Any person dealing in the securities of the Company up to the date on which such condition is fulfilled or waived and up to the Latest Time for Termination (as defined herein) and any person dealing in the Nil-paid H Rights from 9:00 a.m., Tuesday, 9 April 2019 to 4:00 p.m., Tuesday, 16 April 2019 (being the first and last day of dealings in the Nil-paid H Rights, respectively) will accordingly bear the risk that the H Share Rights Issue may not become unconditional and may not proceed. Any person dealing in or contemplating any dealing in the securities of the Company, the Nil-paid H Rights and/or the H Rights Shares during this period, who is in any doubt about his, her or its position, is recommended to consult his, her or its own professional adviser.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE H SHARE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO H SHAREHOLDERS, BENEFICIAL H SHAREHOLDERS OR INVESTORS WITH REGISTERED ADDRESS IN, LOCATED OR RESIDED IN JURISDICTIONS OUTSIDE HONG KONG. This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the Nil-paid H Rights or the H Rights Shares or to take up any entitlements to the Nil-paid H Rights or the H Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the Nil-paid H Rights, the H Rights Shares, this prospectus, the Provisional Allotment Letter or the Excess Application Form will be registered under the securities laws of any jurisdiction other than Hong Kong and none of the Nil-paid H Rights, the H Rights Shares, this prospectus, the Provisional Allotment Letter and the Excess Application Form will qualify for distribution under any of the relevant securities laws of any jurisdiction other than Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the Nil-paid H Rights and the H Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions other than Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions, or absent exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

NOTICE

No action has been taken to permit a public offering of the Nil-paid H Rights and/or H Rights Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong. Accordingly, this prospectus may not be used for the purpose of and does not constitute an offer or invitation in any jurisdiction or in any circumstances, in which such an offer or invitation is not authorized or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the Nil-paid H Rights and/or H Rights Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorization by the relevant securities regulatory authorities or an exemption therefrom.

Each person acquiring the Nil-paid H Rights and/or H Rights Shares under the H Share Rights Issue will be required to confirm, or be deemed by his acquisition of the Nil-paid H Rights and/or H Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the Nil-paid H Rights and/or H Rights Shares described in this prospectus.

Notice to the PRC Southbound Trading Investors

For the avoidance of doubt, the PRC Southbound Trading Investors can participate in the H Share Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their Nil-paid H Rights on the Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of Shares held on the H Share Record Date at the Subscription Price under the H Rights Issue in accordance with the relevant laws and regulations.

However, China Clear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through Shenzhen-Hong Kong Stock Connect. The PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in the China Clear are credited with nil-paid Rights Shares can only sell those nil-paid Rights Shares on the Stock Exchange via China Clear under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect and can neither purchase any Nil-paid H Rights nor transfer such Nil-paid H Rights to other PRC Southbound Trading Investors.

NOTICE

Forward-looking statements

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Company’s business strategies, product offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Company operates, technological advances, financial and economic developments, legal and regulatory changes, and their interpretation and enforcement.

The forward-looking statements in this prospectus are based on management’s present expectations about future events. Management’s present expectations reflect numerous assumptions regarding the Company’s strategy, operations and industry development. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any assumptions underlying forward-looking statements prove to be incorrect, the Company’s actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Company or that the Company does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realized.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable laws, the Company does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

Arbitration of disputes

If you have a claim against or dispute with us, a director, a supervisor, the president or other senior management of ours, or a holder of our A Shares relating to any rights or obligations conferred or imposed by our Articles or by the PRC Company Law and related regulations concerning our affairs, our Articles require you to submit the dispute or claim to either the China International Economic and Trade Arbitration Commission, or the Hong Kong International Arbitration Centre, for arbitration. Our Articles further provide that the arbitral award will be final and conclusive and binding on all parties.

CONTENTS

| | |
|--|-------|
| Definitions | 1 |
| Expected Timetable | 10 |
| Summary of the Rights Issue | 12 |
| Risk Factors | 13 |
| Business | 25 |
| Letter from the Board | 34 |
| I. Introduction | 34 |
| II. H Share Rights Issue | 36 |
| III. A Share Rights Issue | 63 |
| IV. Changes of the Shareholding of the Company as a Result of the Rights Issue | 67 |
| V. Reasons for the Rights Issue and Use of Proceeds | 68 |
| VI. Equity fund raising activity during the past 12 months | 70 |
| VII. Additional Information | 70 |
| Appendix I – Financial Information of the Group | I-1 |
| Appendix II – Unaudited Pro Forma Financial Information of the Group | II-1 |
| Appendix III – Statutory and General Information | III-1 |

DEFINITIONS

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

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| “150MW Moorabool North Wind Farm Project” | the 150MW Wind Farm Project owned and operated by Goldwind Capital (Australia) Pty Ltd in Moorabool North Wind Farm in Australia; |
| “527.5MW Stockyard Hill Wind Power Plant Project” | the 527.5MW Wind power plant project owned and operated by Goldwind Capital (Australia) Pty Ltd in Stockyard Hill Farm in Australia; |
| “A Rights Shares” | the new A Shares proposed to be allotted and issued to A Shareholders pursuant to the A Share Rights Issue; |
| “A Shares” | domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Shenzhen Stock Exchange and traded in RMB; |
| “A Share Record Date” | 20 March 2019, or such other date determined by the Board for determining the entitlement of the Qualified A Shareholder(s) to the A Share Rights Issue; |
| “A Share Rights Issue” | the issue of up to 552,167,067 A Rights Shares at the Subscription Price on the basis of 1.9 A Rights Shares for every ten (10) existing A Shares held on the A Share Record Date; |
| “A Share Rights Issue Prospectus” | the prospectus, which is in Chinese, containing the details of the A Share Rights Issue which has been published by the Company on the website designated by the CSRC on 18 March 2019; |
| “A Shareholder(s)” | holder(s) of the A Shares; |
| “A Shareholders Class Meeting” | the 2018 first class meeting of the A Shareholders convened on 12 June 2018 on which, among other matters, the Rights Issue was considered and approved; |
| “AGM” | The 2017 annual general meeting of the Shareholders convened on 12 June 2018 on which, among other matters, the Rights Issue was considered and approved; |
| “Announcement” | The announcement dated 18 March 2019 issued by the Company in relation to the proposed H Share Rights Issue and A Share Rights Issue; |

DEFINITIONS

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| “Articles” | the articles of association of the Company (as amended from time to time) |
| “Beneficial H Shareholder(s)” | any beneficial owner(s) of H Shares whose H Shares are registered in the name of a registered H Shareholders as shown in the H Shareholder’s Register; |
| “Board” | the board of Directors; |
| “Business Day” | any day other than Saturday or Sunday on which commercial banks and financial institutions in Hong Kong are open for business; |
| “CCASS” | the Central Clearing and Settlement System established and operated by HKSCC; |
| “CCASS Investor Participant” | a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation; |
| “CCASS Participant” | a person admitted to participate in CCASS as a direct participant or a general clearing participant, or a custodian participant or a CCASS Investor Participant; |
| “China Clear” | China Securities Depository and Clearing Corporation Limited; |
| “Company” | Xinjiang Goldwind Science & Technology Co., Ltd* (新疆金風科技股份有限公司), a joint stock limited company incorporated in the PRC, the H Shares of which are listed on the Hong Kong Stock Exchange and the A Shares of which are listed on the Shenzhen Stock Exchange; |
| “Companies Ordinance” | the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time; |
| “Companies (WUMP) Ordinance” | the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time; |
| “Controlling Shareholder(s)” | has the meaning as ascribed in the Listing Rules; |

DEFINITIONS

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| “Core Connected Person” | has the meaning as ascribed in the Listing Rules; |
| “CSRC” | China Securities Regulatory Commission; |
| “CSRC Notice” | the notice of the CSRC Filing Requirements for Hong Kong Listed Issuers Making Rights Issue to Mainland Shareholders through Mainland-Hong Kong Stock Connect (Announcement 2016 No. 21); |
| “Director(s)” | the director(s) of the Company; |
| “Excess Application Form(s)” | application form(s) for excess H Rights Shares; |
| “Excluded H Shareholder(s)” | the Overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient to exclude any such Shareholder on account either of the legal restrictions under the laws of the place of his/her/its registered address or the requirements of the relevant regulatory body or stock exchange in such jurisdiction; |
| “General Meetings” | collectively, the 2017 Annual General Meeting, the 2018 First A Shareholders Class Meeting and the 2018 First H Shareholders Class Meeting; |
| “Group”, “Goldwind”, “us” or “we” | the Company and its subsidiaries; |
| “GW” | gigawatt, a unit of power, 1GW equals 1,000MW; |
| “H Rights Shares” | the new H Shares proposed to be allotted and issued to Qualified H Shareholders pursuant to the H Share Rights Issue; |
| “H Share(s)” | overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars; |
| “H Share Record Date” | Wednesday, 3 April 2019, or such other date to be determined by the Board for determining the entitlement of the Qualified H Shareholders to the H Share Rights Issue; |

DEFINITIONS

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| “H Share Registrar” | Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong; |
| “H Share Rights Issue” | the issue of 123,511,559 H Rights Shares at the Subscription Price on the basis of 1.9 H Rights Shares for every ten (10) existing H Shares held on the H Share Record Date; |
| “H Share Rights Issue Prospectus” | the prospectus issued by the Company and dispatched to the H Shareholders in respect of the H Share Rights Issue and containing further details of the H Share Rights Issue; |
| “H Shareholder(s)” | Holder(s) of H Shares; |
| “H Shareholders Class Meeting” | the class meeting of the H Shareholders held on 12 June 2018 on which, amongst other things, the Rights Issue was considered and approved; |
| “H Shareholders’ Register” | register of the H Shareholders of the Company |
| “HK Northband Trading Investors” | the Hong Kong investors who hold the shares of PRC listed companies through HKSCC as nominee under Hong Kong-Shanghai Stock Connect and Hong Kong-Shenzhen Stock Connect; |
| “Haitong International Securities” | Haitong International Securities Company Limited (海通國際證券有限公司), a wholly-owned subsidiary of Haitong International Securities Group Limited (海通國際證券集團有限公司), the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00665); |
| “Haitong Securities” | Haitong Securities Co., Ltd. (海通證券股份有限公司), a company incorporated in the PRC in August 1988, the H shares and A shares of which are listed on the Main Board of the Stock Exchange and the Shanghai Stock Exchange, respectively; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “HKSCC” | Hong Kong Securities Clearing Company Limited; |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China; |

DEFINITIONS

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| “Hong Kong Stock Exchange” or “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “Intermediary” | in relation to a Beneficial H Shareholder whose H Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial H Shareholder’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial H Shareholder’s H Shares with a CCASS Participant; |
| “kWh” | kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kWh is the work completed by a kilowatt generator running continuously for one hour at the rated output capacity; |
| “Latest Practicable Date” | 29 March 2019, being the latest practicable date prior to the printing of this prospectus; |
| “Latest Time for Termination” | 5:00 p.m., on Wednesday, 24 April 2019; |
| “Last Acceptance Date” | Tuesday, 23 April 2019, being the last day for acceptance of and payment for H Rights Shares and application for excess H Rights Shares; |
| “Listing Rules” | the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; |
| “Long Stop Date” | sixty (60) days from the date of the Underwriting Agreement; |
| “MW” | megawatt, a unit of power, 1MW equals 1,000kW; |
| “MWh” | megawatt hours; |
| “NDRC” | National Development and Reform Commission of the PRC (中國國家發展和改革委員會); |
| “Nil-paid H Rights” | the rights to subscribe for H Rights Shares (in the form of H Rights Shares in nil-paid form) before the Subscription Price is paid; |
| “NEA” | National Energy Administration of the PRC (中國國家能源局); |

DEFINITIONS

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| “Overseas Shareholder(s)” | (i) H Shareholder(s) whose name(s) appear(s) in the H Shareholders’ Register on the H Share Record Date and whose address(es) is/are in a place outside of Hong Kong; and (ii) Beneficial H Shareholder(s) whose address(es) is/are outside Hong Kong |
| “Poll Results Announcement” | an announcement dated 12 June 2018 issued by the Company in relation to the results of the AGM, the A Shareholders Class Meeting and H Shareholders Class Meeting; |
| “PRC” | The People’s Republic of China; |
| “PRC GAAP” | the accounting rules and regulations in the RPC; |
| “PRC Southbound Trading Investors” | the PRC investors who hold the shares of Hong Kong listed companies through China Clear as nominee under Shanghai-Hong Kong Stock Connect and Shenzhen-Hong Kong Stock Connect |
| “Price Determination Date” | 15 March 2019, the date on which the Subscription Price was fixed for the purpose of the Rights Issue |
| “Prospectus Documents” | this prospectus, the Provisional Allotment Letter and the Excess Application Form; |
| “Provisional Allotment Letter(s)” | provisional allotment letter(s) for the H Rights Shares; |
| “Qualified Shareholder(s)” | the Qualified H Shareholder(s) and Qualified A Shareholder(s); |
| “Qualified A Shareholder(s)” | the A Shareholder(s) whose name(s) appear(s) on the register of A Shareholders of the Company on the A Share Record Date; |
| “Qualified H Shareholder(s)” | the H Shareholder(s) whose name(s) appear(s) on the H Shareholders’ Register on the H Share Record Date but excluding the Excluded H Shareholders; |
| “Relevant Exchange Rate” | the middle rate quoted by the People’s bank of China for the exchange between RMB and HK\$ immediately before the close of business on the Price Determination Date or such other appropriate exchange rate as determined by the Board; |

DEFINITIONS

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| “Rights Issue” | the A Share Rights Issue and the H Share Rights Issue; |
| “Rights Share(s)” | the A Share Rights Share(s) and the H Share Rights Share(s); |
| “RMB” | Renminbi, the lawful currency of the PRC; |
| “R&D” | research and development; |
| “Senior Management” | the members of the senior management of the Company; |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time; |
| “Shanghai-Hong Kong Stock Connect” or “Shenzhen-Hong Kong Stock Connect” | a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via China Clear; |
| “Shareholders” | holder(s) of the Shares; |
| “Share(s)” | the A Share(s) and the H Share(s); |
| “Shenzhen Stock Exchange” | the Shenzhen Stock Exchange; |
| “SOAM” | Smart Operation Administration & Maintenance; |
| “Specified Event” | an event occurring or matter arising on or after the date of the Underwriting Agreement and prior to the latest time for termination which, if it had occurred or arisen before the date of the Underwriting Agreement, would have (a) rendered any of the representations and warranties referred to in the Underwriting Agreement untrue, incorrect, incomplete or misleading in any material respect or (b) led to any undertaking referred to in the Underwriting Agreement to be breached or impossible to be fulfilled or complied with in any material respect; |
| “State Council” | the State Council of the PRC (中國國務院); |
| “Subsidiary” | has the meaning ascribed thereto in the Listing Rules; |
| “Subscription Price(s)” | the subscription price of HK\$8.21 per H Rights Share or the subscription of RMB7.02 per A Rights Share (as the case may be); |

DEFINITIONS

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| “Supervisory Committee” | the supervisory committee of the Company; |
| “Undertaking” | the undertaking given by Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., Anbang Life Insurance Co., Ltd., Hexie Health Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd., and Anbang Insurance Group Co., Ltd. to the Company to fully subscribe for their A Rights Shares entitlement under the proposed Rights Issue to be issued by the Company, the details of which are set out in the section headed “Letter from the Board – IV. A Share Right Issues – Undertaking by Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., Anbang Life Insurance Co., Ltd., Hexie Health Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd., and Anbang Insurance Group Co., Ltd.” in this prospectus; |
| “Underwriter” | Haitong International Securities; |
| “Underwriting Agreement” | the underwriting agreement dated 17 March 2019 entered into between the Company and the Underwriter in relation to the H Share Rights Issue; |
| “Wind Farm Investment and Development” | the Group’s Wind Farm Investment and Development segment, one of the three primary business segments of the Group; |
| “WFM” | wind farm management; |
| “Wind Power Services” | the Group’s Wind Power Services business segment, one of the three primary business segments of the Group; |
| “WTG” | wind turbine generator; |
| “WTG Manufacturing” | the Group’s WTG R&D, Manufacturing and Sales business segment, the core business of the Group and one of the three primary business segments of the Group; |
| “Xinjiang” | the Xinjiang Uyghur Autonomous Region of the PRC; |
| “Xinjiang Wind Power” | Xinjiang Wind Power Co., Ltd. (新疆風能有限責任公司), a state-owned enterprise incorporated under the laws of the PRC and a substantial shareholder of the Company; |

DEFINITIONS

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| “YoY” | year-on-year, a method of evaluating two or more measured events to compare the results at one time period with those from another time period on an annualized basis; and |
| “%” | per cent |

Unless otherwise specified in this prospectus, translations of RMB to HK\$ are made in this prospectus for illustration only, at the rate of RMB1 to HK\$1.1687. No representation is made that any amounts in RMB could have been or could be converted at that rate or at any other rates.

Unless otherwise specified in this prospectus, all figures disclosed in the “Risk Factors” and “Business” section of this prospectus presented in accordance with IFRS.

EXPECTED TIMETABLE

EXPECTED H SHARE RIGHTS ISSUE TIMETABLE

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| Last day of dealings in H Shares on a cum-rights basis | Monday, 25 March 2019 |
| First day of dealings in H Shares on an ex-rights basis | Tuesday, 26 March 2019 |
| Latest time for lodging transfer of H Shares in order to qualify for the H Share Rights Issue | 4:30 p.m. on Wednesday, 27 March 2019 |
| H Shareholders' Register closed | Thursday, 28 March 2019 to Wednesday, 3 April 2019 (both days inclusive) |
| H Share Record Date | Wednesday, 3 April 2019 |
| H Shareholders' Register re-opens | Thursday, 4 April 2019 |
| Despatch of Prospectus Documents | Thursday, 4 April 2019 |
| First day of dealings in Nil-paid H Rights | Tuesday, 9 April 2019 |
| Latest time of splitting Nil-paid H Rights | 4:30 p.m. on Thursday, 11 April 2019 |
| Last day of dealing Nil-paid H Rights | Tuesday, 16 April 2019 |
| Latest time for acceptance of, and payment for, H Rights Shares and application for excess H Rights Shares | 4:00 p.m. on Tuesday, 23 April 2019 |
| Latest time for the termination of the Underwriting Agreement and for the H Share Rights Issue to be become unconditional | 5:00 p.m. on Wednesday, 24 April 2019 |
| Announcement of results of acceptance of and excess applications for H Rights Shares | Tuesday, 30 April 2019 |
| Despatch of certificates for fully-paid H Rights Shares | Thursday, 2 May 2019 |
| Despatch of refund cheques in respect of wholly or partially unsuccessful applications for excess H Rights Shares | Thursday, 2 May 2019 |
| Commencement of dealings in fully-paid H Rights Shares | 9:00 a.m. on Friday, 3 May 2019 |

EXPECTED TIMETABLE

Designated broker starts to stand in the market
to provide matching service for odd lots of shares Friday, 3 May 2019

Designated broker ceases to stand in the market
to provide matching service for odd lots of shares Monday, 27 May 2019

All times and dates herein refer to Hong Kong local time and dates. Shareholders should note that the dates specified in the expected timetable of the H Share Rights Issue as set out above, and in other parts of this prospectus, are indicative only and may be changed by the Board. Any such change to the expected timetables will be published or notified to the Shareholders accordingly.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR H RIGHTS SHARES AND APPLICATION FOR EXCESS H RIGHTS SHARES

The latest time for acceptance of and payment for H Rights Shares and application for excess H Rights Shares will not take place if there is:

- a tropical cyclone warning signal number 8 or above, or
 - a “black” rainstorm warning
- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on the Last Acceptance Date. Instead the latest time of acceptance of and payment for the H Rights Shares and application for excess H Rights Shares will be extended to 5:00 p.m. on the same Business Day;
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Last Acceptance Date. Instead the latest time for acceptance of and payment for the H Rights Shares and application for excess H Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the H Rights Shares and application for excess H Rights Shares does not take place on the Last Acceptance Date, the dates mentioned in the section headed “Expected Timetable” in this prospectus may be affected. An announcement will be made by the Company in such event.

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with, the full text of this prospectus.

H SHARE RIGHTS ISSUE STATISTICS

| | |
|---|--|
| Basis of H Share Rights Issue: | 1.9 H Rights Shares for every ten (10) existing H Shares held by Qualified H Shareholders on the H Share Record Date |
| Number of H Shares in issues as at Latest Practicable Date: | 650,060,840 |
| Number of H Rights Shares proposed to be issued: | 123,511,559 |
| Subscription Price for the H Rights Shares: | HK\$8.21 per H Rights Share |

A SHARE RIGHTS ISSUE STATISTICS

| | |
|--|--|
| Basis of A Share Rights Issue: | 1.9 A Rights Shares for every ten (10) existing A Shares held by Qualified A Shareholders on the A Share Record Date |
| Number of A Shares in issue as at Latest Practicable Date: | 2,906,142,460 |
| Number of A Rights Shares proposed to be issued: | 552,167,067 |
| Subscription Price for the A Rights Shares: | RMB7.02 per A Rights Share |

RISK FACTORS

You should carefully consider the risks described below as well as other information contained in this prospectus before making an investment decision. The occurrence of any of the following events could harm us. If these events occur, the trading prices of our H Shares and the Nil-paid H Rights could decline, and you may lose all or part of your investment. Additional risks not currently known to us or that we now deem immaterial may also harm us and affect your investment.

I. RISKS RELATING TO THE PRC WIND POWER INDUSTRY

Political Risk

In order to foster and encourage the development of renewable energy and wind power industry, China's industry authorities have promulgated a series of laws, regulations and policies, involving industrial planning, financial subsidies, tax incentives, promoting wind power commission and power consumption. These policies are favorable for the development of wind power generation industry and wind power equipment manufacturing industry in China. However, if the industry policy is adversely changed in the future, it may have a negative impact on the wind power market in China, thus affecting the production and sales of the main products of the Company. On May 24, 2018, National Energy Board released Notice on the Relevant Requirements for Wind Power Construction Management in 2018 (Guo Neng Xin Fa Neng 2018 No.47), settling clear requirements for the construction of new wind power projects and optimizing the investment for wind power construction. On January 10, 2019, National Energy Board, released Notice on Actively Promoting the work Related to wind power and Photovoltaic Power without Subsidised Parity (Fa Gai Neng Yuen 2019 No.19), it encourages wind power without subsidies. In the short term, it may intensify the fluctuation of the profit margin of wind power project construction and the demand for equipment, but in the long term, it will be favorable for the decrease in cost of wind power to the same level of coal-fired electricity or even lower, so as to promote the growth of demand for the investment in wind power, as well as the steady development of it.

II. RISKS RELATING TO OUR BUSINESS

Wind Curtailment

While wind curtailment in China has been improving year over year, wind curtailment, which depends primarily on power grid consumption, has also become more prevalent in the southern regions. Relevant policies of China require power grid businesses to formulate power grid construction plans to account for renewable energies, which will in turn be incorporated into the state's or the provincial power grid plan. Development in the wind power industry and the Company's performance may, however, be affected in the event that power grid planning or construction lags behind the installation of WTG. Wind power development may therefore still be bottlenecked by wind curtailment, amongst other factors, for a certain period.

RISK FACTORS

Internationalized Operation Risks

The Company, as one of the first international wind power businesses in China, has engaged in business in six continents, and established international research center's in the United States, Denmark and Germany. Wind turbines of the Company have been installed by the Company worldwide following the Company's successes in the primary markets in the Americas, Australia and Europe and active participation in the African and Asian markets as part of its internationalization effort. The Company has invested in 1.5GW attributable wind power projects, with a total project capacity of 1.34GW and attributable capacity of 1.22GW under construction. Uncertainties in the global economy due to globalization and geopolitics, along with potential trade protectionism, may pose risks to the Company, who is committed to its globalized strategies.

Technological Research and Development ("R&D") Risks

Rapid technological developments in wind WTGs turbines translate into higher capacity per unit and improved operational performance. The Company, specialized in technological R&D, is committed to the rapid design and continuing development of both novel and improved WTGs, in an attempt to stay ahead of the competition and satisfy customers' diverse needs. The Company's expensed research expenditure in 2016, 2017 and 2018 amounted to RMB751 million, RMB1.001 billion and RMB1.062 billion. Any inability to continue the commercialization of technologies may hinder the Company's operation, financial status or performance.

Managerial Risks

The Company may face substantial difficulties in its management of subsidiaries following the expansion of its business scale and the increase of its outbound investment, in addition to the complexity of organizational structure and business diversification. On the other hand, more stringent and intensive requirements are being imposed by regulators of listed companies. In the meantime, the Company has enhanced its management of subsidiaries taking into account the subsidiaries' business characteristics, human resources and management, with a view to promoting the positive and progressive development of the Company. In the event that the Company's self-management or management of subsidiaries fails to respond to business development or the regulatory environment, however, the Company's operation or performance may be adversely affected.

RISK FACTORS

Market Competition Risks

The Company has been the market leader in China for eight consecutive years. The majority of market competition is expected to be undertaken between industry leaders amidst continued industry concentration and market competition. According to the latest industry statistics of Bloomberg New Energy, the top three enterprises in 2018, in terms of newly installed capacity, accounted for more than 61% of the total newly installed capacity for the year, representing a year-on-year increase of 10%. As a result, the industry concentration and competition will intensify in the future, which will exert continuous impact on the Company. Intensified industry concentration and competition in the future may therefore continue to affect the Company.

Price Reduction Risks

With the goal of “same price for wind and coal-fired electricity” in the wind power industry approaching, the downward adjustment of on-grid power tariff of wind power will lead to a reduction in the price of WTGs in the long run. Although the Company continued to undergo technological innovation and reduce the cost of WTG, if the sales price of WTG in the PRC’s wind power equipment market declines exceedingly rapidly and significantly, while the Company fails to grasp the new growth point of the industry timely, it is still possible that the gross profit margin of the existing products will decrease in the short term, thereby adversely affecting the operating results and profitability of the Company.

Declined Customer Demand Risks

The Company’s customers include large and medium-sized power companies. The sales income from the top five customers account for nearly 40% of the total annual sales amount for the year 2018. Due to factors such as industry development and policies, the Company’s operation, performance or financial status will be negatively affected if the Company’s customers decide to adjust investment strategies or slow down the growth rate of investment in wind power generation, or if the Company’s customers’ profitability descends, as a result of any development in the industry or any changes in policies.

RISK FACTORS

III. RISKS RELATING TO OUR FINANCIAL PERFORMANCE

Debt-to-Asset Ratio

Following the Company's business expansion, the Company's debt-to-asset ratio amounted to 67.46% as of 31 December 2018, which, despite being healthy in general, may adversely affect the Company's rapid growth in the future. The Company's interest expense (capitalized interest included) in 2016, 2017 and 2018 were RMB718million and RMB865 million and RMB1,107 million. Continued debt financing to support the Company's future business growth may lead to the continued increase of debt-to-asset ratio and financial costs, which may in turn lower profitability and increase financial risks.

Trade Receivable

Affected by the characteristics of the wind power industry, the balance of the aggregate trade receivables of the Company amounted to RMB14.548 billion, RMB15.001 billion and RMB14.823 billion, accounting for 43.95%, 45.35% and 45.03% of the current assets, respectively, as at 31 December 2016, 2017 and 2018.

The Company's customers comprise mostly major electric companies, whose operational status and credibility are in good standing. Bad debt losses and order cancellations were rare from 2016 to 2018. In the event that the Company's customers experience adverse operational conditions, however, the Company may not be able to recover its accounts receivables in full or in a timely manner, which may in turn adversely affect the Company's repayment capacity or normal operation.

Currency Fluctuation

The international operation of the Company is also subject to the impact of exchange rate fluctuations. Currently, there was growth pattern differentiation for the world's major economies, with globalization and geopolitics bringing uncertainty to the world economic development. RMB exchange rate fluctuation may affect the operation of the Company.

Impairment of goodwill

As at 31 December 2018, the balance of goodwill of the Company was RMB488 million accounting for 0.60% of total assets, 1.84% of the net assets and 14.86% of the net profits in 2018. If the operation of these subsidiaries are not up to expectations in the future, there is a risk of impairment of goodwill.

RISK FACTORS

IV. RISKS RELATING TO THE PRC

The inherent uncertainty of the PRC legal system as statutory law rather than case law could limit the legal protections available to you, and our H Shareholders may not be able to exercise their shareholders' rights in the PRC pursuant to PRC Company Law or Hong Kong regulatory requirements

We are incorporated under the laws of the PRC. The PRC legal system is based on statute law. The PRC government has promulgated laws and regulations dealing with economic matters such as the issuance and trading of securities, shareholder rights, foreign investment, corporate organization and governance, commerce, taxation and trade. However, many of these laws and regulations continue to evolve, may be subject to different interpretations and may be inconsistently enforced. In addition, there is only a limited volume of published court decisions which may be cited for reference, and such cases have limited precedent value as they are not binding on subsequent cases. These uncertainties relating to the interpretation of PRC laws and regulations may affect the legal protections available to you and may adversely affect the value of your investment.

Our Articles provide that disputes or claims arising between holders of our H Shares and us, or our Directors, Supervisors, President and other senior management, or our Domestic Shareholders arising from their rights or obligations under our Articles, PRC Company Law or other relevant rules and regulations, and in connection with the Company's affairs are to be resolved through arbitration rather than by courts. A claimant may elect to submit a dispute to either the Hong Kong International Arbitration Centre or the China International Economic and Trade Arbitration Commission. Awards made by PRC arbitral authorities that are recognised under the Arbitration Ordinance of Hong Kong (Cap. 609) may be enforced in Hong Kong. Hong Kong arbitral awards are also enforceable in the PRC, subject to the satisfaction of certain PRC legal requirements. However, we are uncertain whether any application to enforce an arbitral award made in favour of holders of H Shares or H Rights Shares would succeed.

Furthermore, our minority Shareholders may not have the same protections provided to shareholders of companies incorporated under the laws of the United States, certain member states of the European Union or Hong Kong.

RISK FACTORS

You may experience difficulties in serving legal process and enforcing judgements against us and our management

We are a company incorporated under the laws of the PRC and a substantial portion of our businesses, assets and operations are located in the PRC. In addition, a substantial majority of our Directors, Supervisors and executive officers reside in the PRC and substantially all of their assets are located in the PRC. As a result, it may not be possible to serve legal process within the U.S. or elsewhere outside the PRC upon us or our Directors, Supervisors or executive officers, including with respect to matters arising under U.S. federal securities laws or applicable state securities laws. Moreover, the PRC does not have treaties providing for reciprocal recognition and enforcement of judgements of courts with the U.S., the United Kingdom, Japan or a majority of the Western countries. In addition, Hong Kong has no arrangement for reciprocal recognition and enforcement of judgements with the U.S., the United Kingdom and many other countries and regions. As a result, recognition and enforcement in the PRC or Hong Kong of judgements of a court in the U.S. or any of the other jurisdictions mentioned above in relation to any matter may be difficult or impossible.

Although we are subject to the Hong Kong Listing Rules and the Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong, the holders of H Shares will not be able to bring actions on the basis of violations of the Hong Kong Listing Rules and must rely on the Hong Kong Stock Exchange to enforce its rules. The Hong Kong Listing Rules and The Codes on Takeovers and Mergers and Share Buy-backs of Hong Kong do not have the force of law in Hong Kong.

Holders of H Shares will be subject to PRC taxation

Under current PRC tax laws, regulations and rules, dividends paid by us to a Non-PRC Resident Enterprise Shareholder are subject to a 10% corporate income tax. According to the Notice on Issues Concerning Individual Income Tax Collection and Management after Abolition of Notice Guo Shui Fa 1993 No. 045 issued by the State Administration of Taxation on 28 June 2011 (Guo Shui Han 2011 No. 348), we have to withhold the individual income tax from the dividends paid to non-PRC resident individual H Shareholders at a rate of 5% to 20% (typically 10%), and the specific tax rate is to be determined in accordance with the tax treaties between the jurisdictions to which such non-PRC resident individual H Shareholders belong and the PRC and the provisions of tax arrangements between the PRC and Hong Kong or Macao. Any individual H Shareholder who is a resident of Hong Kong or Macao or a resident of any other countries in which a 10% tax rate is applicable under a tax treaty with the PRC will be subject to income tax at a rate of 10% in respect of the dividends paid by us; any individual H Shareholder who is a resident of any countries in which a less than 10% tax rate is applicable under a tax treaty with the PRC will be subject to income tax at a temporary rate of 10% in respect of the dividends paid by us, and where such individual H Shareholder wishes to apply for the

RISK FACTORS

refund of the amount of tax over withheld, we will represent him/her in handling the application formalities for such refund under the relevant tax treaty in accordance with the Circular of the State Administration of Taxation on Printing and Distribution of the “Administrative Measures on Non-resident’s Enjoyment of Treatment under Tax Treaty (Trial)” (Guo Shui Fa 2009 No. 124), and subject to the approval by the competent tax authorities, the amount of tax over withheld will be refunded. Any individual H Shareholder who is a resident of the countries in which a tax rate of more than 10% but less than 20% is applicable under a tax treaty with the PRC will be subject to income tax at the actual tax rate provided in the relevant tax treaty withheld by us in respect of the dividend paid by us. Any individual H Shareholders who is a resident of the country in which a tax rate of 20% is applicable under a tax treaty with the PRC or which is without a tax treaty with the PRC or which falls in other circumstances will be subject to income tax at a rate of 20% withheld by us in respect of the dividend paid by us.

Under current PRC tax laws, regulations and rules, gains realised by non-PRC resident individual H Shareholders upon transfer of H Shares are subject to the individual income tax at a rate of 20%, and gains realised by Non-PRC Resident Enterprise Shareholders of H Shares upon transfer of H Shares are subject to the enterprise income tax at a rate of 10%, unless there are any deductions or exemptions under the tax treaties between the PRC and such jurisdictions to which the non-PRC resident individual H Shareholders or the Non-PRC Resident Enterprise Shareholders belong.

The relevant PRC tax laws, regulations and rules may be changed, for instance, relevant preferential tax treatments may be cancelled in the future, which may result in a uniform income tax rate of 20% imposed on all non-PRC resident individual Shareholders. There exists material uncertainty in respect of the interpretation and implementation of the existing PRC tax laws, regulations and rules (for instance, the income tax to be levied on non-PRC resident individual H Shareholders and Non-PRC Resident Enterprise Shareholders of H Shares for their gains realised upon transfer of H Shares). If any change is made to the existing PRC tax laws, regulations and rules or their interpretation and implementation, the value of investments in our H Shares by such non-PRC resident individual H Shareholders and Non-PRC Resident Enterprise Shareholders may be materially and adversely affected.

Government control of currency conversion and future movements in RMB exchange rates may have an adverse effect on our operating results and may reduce the value of our H Shares and dividends payable in foreign currency terms

We receive a substantial portion of our revenues in RMB, which is currently not a freely convertible currency. A portion of these revenues must be converted into other currencies in order to meet our foreign currency obligations. For example, we need to obtain foreign currencies to make payments of declared dividends, if any, on our H Shares.

RISK FACTORS

Under the PRC's existing foreign exchange regulations, by complying with certain procedural requirements, we will be able to pay dividends in foreign currencies without prior approval from SAFE. However, in the future, the PRC government may, at its discretion, take measures to restrict access to foreign currencies for current account transactions under certain circumstances. In this case, we may not be able to pay dividends in foreign currencies to holders of our H Shares. The exchange rate of the RMB against the U.S. dollar and other currencies fluctuates and is affected by, among other things, changes in Chinese and international political and economic conditions. Since 1994, a single and managed floating exchange rate system based on market supply and demand has been implemented, and the RMB exchange rate has been announced by the PBOC in accordance with the previous business day's weighted average rate in the foreign exchange swap market. On 21 July 2005, the PRC government began to implement a managed floating exchange rate system based on market supply and demand and regulated by reference to a basket of currencies.

In August 2008, the State Council published the revised Administrative Regulations of the People's Republic of China on Foreign Exchange and implemented a managed floating exchange rate system based on market supply and demand. According to the PBOC Announcement 2012 No. 4, published on 12 April 2012, the floating band of RMB's trading prices against the US dollar in the inter-bank spot foreign exchange market was enlarged from 0.5 per cent. to 1 per cent. starting from 16 April 2012, i.e., on each business day, the trading prices of the RMB against the US dollar in the inter-bank spot foreign exchange market may fluctuate within a band of ± 1 per cent. around the central parity released on the same day by the China Foreign Exchange Trade System. The range of difference between the highest spot selling rate and lowest spot buying rate for the U.S. dollar as offered by the designated foreign exchange bank to customers each day that may float from the central parity rate on the same day is expanded from 1 per cent. to 2 per cent.

According to the PBOC Announcement 2014 No. 5, published on 14 March 2014, the floating band of RMB's trading prices against the US dollar in the inter-bank spot foreign exchange market was enlarged from 1 per cent. to 2 per cent. starting from 17 March 2014, i.e., on each business day, the trading prices of the RMB against the US dollar in the inter-bank spot foreign exchange market may fluctuate within a band of ± 2 per cent. around the central parity released on the same day by the China Foreign Exchange Trade System. The range of difference between the highest spot selling rate and lowest spot buying rate for the U.S. dollar as offered by the designated foreign exchange bank to customers each day that may float from the central parity rate on the same day is expanded from 2 per cent. to 3 per cent.

RISK FACTORS

Any appreciation of the RMB against the U.S. dollar or any other foreign currencies may result in the decrease in the value of our foreign currency-denominated assets. Conversely, any devaluation of the RMB may adversely affect the value of, and any dividends payable on, our H Shares in foreign currency terms. Moreover, at present, any substantial exchange of foreign currencies into RMB by us will be subject to the prior approval of SAFE. All of these factors may adversely affect our operating results.

V. RISKS RELATING TO THE RIGHTS ISSUE

Risks of implementation of the fundraising and investment project

The construction of the two wind farms development project of this fundraising and investment projects is relatively large. In case of unavailability of funds in time or other uncertainties resulting in the failure to implement the fundraising project as scheduled, it may adversely affect the return on investment of the project and the expected return of the Company. In addition, if funds cannot be raised in full and in time in this fundraising, the Company will use its own funds or through channels such as bank financing to solve some of the project's capital needs, which will lead to further increase in the financial pressure of the Company.

The implementation of the two wind farms development project of this fundraising and investment projects takes place in Australia. If there are adverse changes in the wind power investment policy in Australia in the future, and if the amount of power generated by the wind farms and the sale price of electricity fluctuate unfavorably upon completion of the project construction, it may adversely affect the expected return of the fundraising and investment project.

In this fund-raising and investment project, there may be other unforeseen factors or force majeure factors in the course of implementation of the project, resulting in other implementation risks such as the project not commenced or completed on time and achieve the expected benefits.

Unless you take up all of the Nil-paid H Rights and subscribe for the H Rights Shares provisionally allotted to you, this offering will dilute your investment and proportionate ownership interest in us

If you choose not to take up your Nil-paid H Rights fully, your proportionate ownership and voting interest in us will be diluted. Even if you elect to sell your Nil-paid H Rights prior to the expiration of the applicable trading period, or such Nil-paid H Rights are sold on your behalf, the consideration you receive may not be sufficient to compensate you fully for such dilution of your proportionate ownership and voting interest in us.

RISK FACTORS

The market prices of H Shares may fluctuate and may fall below the Subscription Price prior to the expiration of the subscription period

Once you take up your Nil-paid H Rights pursuant to this Rights Issue, you may not revoke such take up. Although the Subscription Price of HK\$8.21 for the H Rights Shares represented a discount to the closing price of HK\$10.36 on the Price Determination Date, the market prices of the H Shares may fall below the Subscription Price prior to the expiration of the subscription period as a result of, among other things, global or the PRC's economic or political conditions, the market's perception of the likelihood of completion of this offering, regulatory changes affecting our operations and variations in our financial results. Many of these factors are beyond our control. If you take up your Nil-paid H Rights and the market price of our H Shares trades below the Subscription Price on the date the H Rights Shares are issued to you in respect of such Nil-paid H Rights, you will have purchased the H Rights Shares at a price higher than the market price. Any decrease in market prices may continue after the completion of this offering and, as a result, you may not be able to sell such H Rights Shares at a price equal to or greater than the Subscription Price.

An active trading market for the Nil-paid H Rights may not develop on the Hong Kong Stock Exchange or any over-the-counter trading market and, even if a market does develop, the trading price of the Nil-paid H Rights may fluctuate

A trading period has been set for the Nil-paid H Rights from 9:00 a.m., Tuesday, 9 April 2019 to 4:00 p.m., Tuesday, 16 April 2019 (both days inclusive). We cannot assure you that an active trading market in the Nil-paid H Rights on the Hong Kong Stock Exchange will develop during the applicable trading period for Nil-paid H Rights or that any over-the-counter trading market in the Nil-paid H Rights will develop. Even if an active market develops, the trading price of the Nil-paid H Rights may be volatile and subject to the same factors affecting the price of our H Shares.

The Subscription Price is not an indication of our underlying value

Consistent with the customary practice for a rights issue, the Subscription Price was determined on the Price Determination Date based on a discount to the recent closing price of the H Shares. The Subscription Price does not bear a direct relationship to past operations, cash flow, earnings, financial conditions or any other established criteria for value and you should not consider the Subscription Price to be any indication of our underlying value.

RISK FACTORS

Dividends distributed in the past may not be indicative of our dividend policy in the future

Any future declaration of dividends will be proposed by our Board and the amount of dividends will depend on various factors, including our operating results, profitability, financial conditions, future business prospects and other factors that our Board may consider to be important. We cannot guarantee if and when we will pay dividends in the future.

You may not be able to participate in future rights issues and may experience dilution of your shareholdings

We may, from time to time, continue to distribute rights to our Shareholders, including rights to acquire securities. We will not distribute the securities to which these rights relate to holders of our H Shares in the U.S. unless such securities are either exempt from registration under the U.S. Securities Act or are registered under the U.S. Securities Act. There can be no assurance that we will be able to establish an exemption from registration under the U.S. Securities Act with respect to these securities, and we are under no obligation to file a registration statement with respect to these securities or to endeavour to have a registration statement declared effective under the U.S. Securities Act. Accordingly, holders of our H Shares may be unable to participate in rights issues and may experience dilution of their holdings as a result. Non-U.S. holders of our H Shares (except for those in Hong Kong) may also be unable to participate in future rights offerings, depending on the securities laws of the local jurisdictions, and as a result may also experience dilution. In addition, if we are unable to sell rights that are not exercised or not distributed or if the sale is not lawful or reasonably practicable, we will allow the rights to lapse, in which case holders of our H Shares will receive no value for these rights.

V. OTHER RISKS

Force majeure events such as earthquake, typhoon, tsunami and other natural disasters could cause damage or loss to the Company's properties and personnel and adversely affect the Company's normal business operation. In addition, wind turbines, whose construction and grid connection may be performed offshore or in the countryside, take time to construct. Any equipment failure or personal casualties arising from unexpected earthquakes, floods, fire, snowstorms or other natural disasters may affect the Company's normal operation and bring about financial losses. The force majeure events may cause the Company to incur additional costs, which may adversely affect the Company's profitability. The Shares are listed and traded on both the Shenzhen Stock Exchange and the Hong Kong Stock Exchange. Factors that could affect the Share prices include the Company's performance, changes in the government's economic policies, interest rate and foreign exchange rate, speculations in the market and investors' volatile sentiment and expectation. Due to the unpredictability and uncertainty associated with such factors, the Share price may not reflect the true value of the Company. In addition, the investors are advised to appreciate the risk associated with the difference in the prices of the A Shares and the H Shares trading on the two different markets.

RISK FACTORS

VI. ACTIVITIES BY THE UNDERWRITER

The Underwriter of the H Shares Rights Issue and its affiliates may each individually undertake a variety of activities (as further described below) which do not form part of the underwriting in respect of the Rights Issue. The Underwriter and its affiliates are diversified financial institutions with relationships in countries around the world. These entities engage in a wide range of commercial and investment banking, brokerage, funds management, trading, hedging, investing and other activities for their own account and for the account of others. In the ordinary course of their various business activities, the Underwriter and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Company and/or persons and entities with relationships with the Company and may also include swaps and other financial instruments entered into for hedging purposes in connection with the Group's activities. In relation to the Rights Issue, the activities of the Underwriter and its affiliates could include acting as agent for buyers and sellers of the Nil-paid H Rights and/or H Rights Shares, entering into transactions with those buyers and sellers in a principal capacity and proprietary trading in the Nil-paid H Rights and/or H Rights Shares. These activities may require hedging activity by the Underwriter and its affiliates involving, directly or indirectly, as soon as trading in Nil-paid H Rights commences, the buying and selling of the H Shares, entering into over the counter or listed derivative transactions or listed or unlisted securities transactions (including issuing securities such as derivative warrants listed on a stock exchange) which have as their underlying assets including H Shares. Such transactions may be carried out as bilateral agreements or trades with selected counterparties. These activities may have a negative impact on the trading price of the H Shares. All such activities could occur in Hong Kong and elsewhere in the world and may result in the Underwriter and its affiliates holding long positions of H Rights Shares and/or H Shares, and/or short positions in the H Shares, in units of funds that may purchase the H Shares, or in derivatives related to any of the foregoing. In relation to issues by the Underwriter or its affiliates of any listed securities having H Shares as their underlying securities, whether on the Stock Exchange or on any other stock exchange, the rules of the stock exchange may require the issuer of those securities (or one of its affiliates or agents) to act as a market maker or liquidity provider in the security, and this will also result in hedging activity in H Shares in most cases. All such activities may occur both during and after the end of the trading period of the Nil-paid H Rights. Such activities may affect the market price or value of the H Shares, the liquidity or trading volume in the H Shares and the volatility of the price of the H Shares, and the extent to which this occurs from day to day cannot be estimated.

BUSINESS

I. OVERVIEW

The Company was established in Urumqi, Xinjiang, the PRC in 1998, became a joint stock limited liability company in 2001, and its ordinary shares were listed on the Small and Medium sized Enterprise Board of Shenzhen Stock Exchange in December 2007 (SZSE: 002202) and the main board of the Stock Exchange in October 2010 (HK: 2208).

We are one of China's earliest manufacturers in the wind power industry. Our core technical and management personnel have more than 20 years of experience in this industry. The Company has three primary business lines of WTG Manufacturing, Wind Power Services, and Wind Farm Investment and Development and other business of water treatment and etc., that provide us with diversified sources of profitability. Drawing from our extensive experience in R&D and manufacturing of WTGs and wind farm development, we are able to provide our customers with high quality WTGs as well as comprehensive solutions which include wind power services and wind farm development, allowing us to meet our customers' demands in multiple segments of the wind power industry's value chain.

In 2018, while the growth of wind power industry maintained an upward trend, the introduction of policies related to subsidies reduction and competitive bidding of grid-connection also put forward higher requirements on the sustainable development of wind power enterprises. Facing both the opportunities and challenges brought by the industry, the Company realizes differentiated competitiveness in the market with wind power life cycle solutions. It has also been actively searching for value-adding for customers with technological innovation and product quality improvement. The "Two-Sea Strategy" continues to advance and the service market is growing fast. The effectiveness of the layout of expansion to environmental protection has initially added to the Company's profitability. The Company's various businesses progressed smoothly, business performance improved steadily, and backlog of orders continued to add.

For the financial year ended 31 December 2018, the Group's operating revenue was RMB28,590.31 million, representing an increase of 14.49% YoY. Net profit attributable to the parent company was RMB3,216.60 million, representing an increase of 5.30% YoY. The Company's wind power market share ranked the first domestically, with a market share of more than 30%; the Company's order backlog reached a record-high level, reaching 18GW, marking an increase of 16.27% year-on-year.

BUSINESS

II. PRODUCTS AND SERVICES

WTG R&D, Manufacturing and Sales

Product Manufacturing and Sales

For the year ended 31 December 2018, the Group's revenue from the sales of WTGs and components was RMB22,168.54 million, representing an increase of 14.59% YoY. The Group realized external sales of 5,861.00 MW, an increase of 15.34% YoY, the WTGs sales volumes of model 2.0MW has a significant increase, the share of sales volumes increases to 74.39% from 59.67% in 2017.

The following table provides the details of the Group's WTG sales volume in 2018 and 2017:

| Model | 2018 | | 2017 | | Change in Capacity Sold |
|-------|-----------|-----------------------|-----------|-----------------------|----------------------------|
| | Unit Sold | Capacity Sold (MW) | Unit Sold | Capacity Sold (MW) | |
| 6.0MW | 9 | 54.00 | – | – | – |
| 3.0MW | 114 | 342.00 | 15 | 45.00 | 660.00% |
| 2.5MW | 298 | 745.00 | 551 | 1,377.50 | –45.92% |
| 2.0MW | 2,180 | 4,360.00 | 1,516 | 3,032.00 | 43.80% |
| 1.5MW | 240 | 360.00 | 418 | 627.00 | –42.58% |
| Total | 2,841 | 5,861.00 | 2,500 | 5,081.50 | 15.34% |

During 2018, the Company's order backlog increased steadily. As of December 31, 2018, the Company's external contract orders were 12,852.35 MW, which included 296.1 MW of 1.5 MW unit (including 1.65 MW), 4,562 MW of 2.0 MW unit, 1,936 MW of 2.2 MW unit, 1,214.4 MW of 2.3 MW unit, 3,565 MW of 2.5 MW unit, 357 MW of 3.0MW unit, 188.1 MW of 3.3MW unit, 149.6 MW of 3.4MW unit, 150.5 MW of 3.5MW unit, 212.85MW of 6.45MW unit, 212.8MW of 6.65MW unit, 8MW of 8.0MW unit. The Company had 5657.6MW unsigned orders, which included: 49.5 MW of 1.5 MW unit, 1,300 MW of 2.0 MW unit, 1573 MW of 2.2 MW unit, 552 MW of 2.3 MW unit, 1,605 MW of 2.5 MW unit, 459 MW of 3.0 MW unit, 115.6 MW of 3.4 MW unit, and 3.5 MW unit of 3.5 MW unit. External orders totaled 18,509.95 MW.

In 2017, the Group's revenue from the sales of WTGs and components was RMB19,346.00 million, representing a decrease of 13.11% YoY. The Group realized external sales of 5,081.50 MW, a decrease of 13.62% YoY. The sales volume of 2.0MW WTGs increased significantly, of which the sales proportion increased from 37.63% in 2016 to 59.67% in 2017.

BUSINESS

The following table provides the details of the Group's WTG sales volumes in 2017 and 2016:

| Model | 2017 | | 2016 | | Change in Capacity Sold |
|-------|-----------|-----------------------|-----------|-----------------------|----------------------------|
| | Unit Sold | Capacity Sold (MW) | Unit Sold | Capacity Sold (MW) | |
| 3.0MW | 15 | 45.00 | 27 | 81.00 | 44.44% |
| 2.5MW | 551 | 1,377.50 | 498 | 1,245.00 | 10.64% |
| 2.0MW | 1,516 | 3,032.00 | 1,107 | 2,214.00 | 36.95% |
| 1.5MW | 418 | 627.00 | 1,562 | 2,343.00 | 73.24% |
| Total | 2,500 | 5,081.50 | 3,194 | 5,883.00 | -13.62% |

Technology R&D and Product Certification

Scientific and technological innovation are the core driving forces for corporate development. Driven by technological innovation to drive enterprise development and introduce differentiated products that can add value to customers, it is the key to maintain industry leadership and achieve high quality development. During the year ended 31 December 2018, the Company integrated the resources and technical advantages of the seven global R&D centers, optimized and upgraded the existing R&D platforms and products according to the market and customer needs, and combined the key technology applications in various fields of WTGs with the optimization and upgrade of the software and hardware.

During the year ended 31 December 2018, the Company continued to promote the research and development of GW2S, GW2.5S, GW3S and GW6S series units. The GW131/2.2MW unit launched by the Company's 2S platform is the first in the industry to complete high voltage ride-through test, and has been certified with an international type certificate and started supply in a large scale. The serialized unit under this platform has multi-impeller diameter, multi-tower height (form), and more. The technical characteristics of variable power and multiple control modes can respond to the complex and diverse needs of the market.

The "Double140" (GW140-2.5MW-140mHH) unit launched by Goldwind 2.5S platform is the world's first 2.5MW product with impeller diameter and tower height of 140 meters, and has been type-certified by third-party authorities. The unit is a large-capacity, low-speed product launched after GW130/2500, which expands the coverage of the 2.5S product line to the market segment.

BUSINESS

The GW3S platform has been continuously upgraded and optimized from the aspects of flexible capacity, life management strategy, tower serial configuration strategy, unit intelligence, and power generation improvement. The platform's first GW140/3400 unit received DNV type certificate and was named the world's best onshore model by Windpower Monthly. The GW155/3300 unit was launched, which was mainly designed for the low and medium wind speed onshore market. It can be customized to configure different types of towers. It effectively supports the GW3S platform to achieve coverage of the entire wind zone, providing a solution for higher power generation performance and adaptability for the development of domestic low wind speed resources. The first GW3.0MW(S) platform intelligent WTG completed its hoisting and grid connection in the United States during the reporting period, marking that the design standard of the Company's new generation of intelligent complete machine products fully meets the design requirements of North America. The GW136/4200 unit upgrades the rated capacity of the platform product to more than 4MW.

The Company's lab was approved to join Intertek's "Satellite Program", becoming the first laboratory in the wind power industry to pass the Intertek satellite program, marking another milestone in the field of wind power testing

Product Certificate

In 2018, the Company received 50 type certificates, of which international certificates was six. These certificates covered the Company's 2S to 6S product platform. In order to better suit the needs of different regions, the Company has further tried to obtain certificates for products that adapt to different environments, such as low-temperature or high-altitude adaptive WTGs. Relying on the development of the customization of the Company's products, the Company has in the same time obtained 380 design evaluation certificates for towers. It has obtained 80 design certificates for towers.

Property Rights and Standard-setting

The Company continues to attach importance to R&D and innovation investment, and actively protects its core technologies through intellectual property rights. The number of patent applications at home and abroad has gradually increased, and the patent application structure has been continuously optimized.

In 2018, the Company filed 941 new patent applications, 228 new overseas patent applications, 188 new software copyright applications, and 150 new domestic trademark applications. There were 553 new patents granted in China, 26 new authorized patents overseas, 21 newly approved registered trademarks in China, and 4 newly approved registered trademarks overseas.

Quality Control

The Company attaches great importance to the quality of wind turbine products, adheres to the “quality and efficiency” notions, formulates quality strategy, and combines 20 years of experience in WTG R&D and manufacturing to explore and gradually form a “wind power long-run” quality management model. The Company improves the quality of wind turbine products from five dimensions: cultural leadership, technology innovation, leadership-driven, wholly excellent supply chain, and customer experience. During the reporting period, the Company implemented quality benchmarking activities and completed the selection of one quality benchmark supplier, 10 product quality benchmarks and 39 other demonstration projects during the year. To achieve high-quality management of project quality, the Company launched a senior customer quality manager training camp. The Company also organized supplier quality credit evaluation activities, covering quality benchmarking, precise delivery, lean input, etc., to promote its product quality and to optimize project management.

During the year ended 31 December 2018, the Company won the Nomination Award of the third “China Quality Award” and the “National Quality Benchmark” honorary title issued by China Quality Association. The Company’s Dafeng Assembly Plant, Hami Yandun 7th District Wind Farm, Tianyuan Science and Technology Shanxi Shenchu Project won the five-star on-site management award in the “National Site Management Star Rating” evaluation activity organized by China Quality Association.

Wind Power Services

With the continuous growth of domestic wind power installed capacity, business opportunities in the service market have arrived. The traditional evaluation indicators based on internal revenues are gradually replaced by levelized cost of energy (LCOE). The Company has long established the strategic positioning of being a wind power solution provider and aimed to reduce costs, enhance market competitiveness, and create value for customers. In terms of business layout, it extends vertically to the industry chain, providing customers with services such as pre-tech development consulting, financing services, EPC engineering services, and life-cycle asset management for wind power projects.

Based on the big data platform, the Company’s digital wind farm overall solution includes self-developed customizable, intelligent direct-drive WTGs, including New Freemeso, GoldFarm, SOAM™, EFarm, Power Nest, Resmart and other systems and technologies, which help to improve power generation and equipment reliability, reduce cost, and continuously improve the comprehensive competitiveness of wind energy. During the year ended 31 December 2018, the Smart Wind Farm Operation and Management Platform (SOAM) achieved large-scale commercialization, with new orders exceeding 60 million yuan, an increase of more than 50% year-on-year. User-side integrated energy management system currently has more than 297 customers and 312 sites and has initially established data analysis capabilities such as load forecasting and power diagnosis.

BUSINESS

The Company together with State Grid Qinghai Electric Power Company and other cooperative organizations jointly set up Qinghai New Energy Big Data Innovation Platform to provide green power for Qinghai Province's "9-Day Green Power" event. 6 new energy stations will use remote monitoring through the platform. This is a new practice of zero-emission electricity consumption and maximization of clean energy consumption, and is a further exploration of the domestic energy transformation path.

As of 31 December 2018, the Company's operation and maintenance service team provided construction, operation and maintenance services and technical support for more than 33,000 units and about 1,000 wind farms worldwide, and approximately 20,000 units were connected to the Goldwind Global Monitoring Center. The domestic and foreign operating after-service projects volume was 6,968MW, of which non-Goldwind units operating after-service projects volume accounted for 39%, representing an increase of 70.93% YoY. During the year ended 31 December 2018, revenue from the Wind Power Services business segment was RMB1,647.49 million.

Wind Farm Investment and Development

With the continuous improvement of wind curtailment, the Company's wind farm investment and development business achieved good results during the year ended 31 December. The power transaction volume and power generation revenue continued to increase. The installed capacity of the grid and the projects to be built continued to grow steadily. The number of utilization hours exceeds the industry average.

In 2018, the Group's revenue from power generation was RMB3,903.99 million, showing an increase of RMB656.63 million YoY, of which market trading volume accounted for 6.9% of the Company's total electricity production volume.

During the year ended 31 December 2018, the Company added 780.90MW of grid-connected capacity in the domestic grid, and added 721.3MW of attributable grid-connected capacity. The capacity of wind farm projects under construction was 2,411.6MW, of which 1,540.04MW was attributable. In 2018, the approved domestic new capacity was 889MW, and the domestically approved yet undeveloped attributable capacity at the end of 2018 was 2,012.21MW. The average utilization of WTGs exceeds 2,200 hours.

In recent years, the scale of the Company's business has continued to expand, and the volume the wind farm asset management platform manages has continued to increase. At present, the Company manages its own wind farm installed capacity of more than 4.7 million kW. It also actively develops corresponding strategies for the management of existing wind farm assets, relies on the data center and digital platform established by the company, and uses laser radar, Efarm and other technologies to achieve live monitoring of power curve, asset management efficiency management and profitability enhancement.

BUSINESS

With the continuous advancement of the power market reform, the mode of fixed-on-grid power prices has gradually phased out, and the price of power outside the indemnificatory renewable energy purchase has entered the market. In terms of promoting market-oriented power trading, the Company currently has six power-selling companies to ensure the price of electricity through the establishment of power-supply companies in technology and management, and to ensure the price of electricity through the power market. The Company is devoted to managing investment income from a full life cycle perspective in order to maximize the return on investment during the entire life cycle for customers.

Promotion of “Offshore and Overseas” Strategy

Under the guidance of the “two seas” strategy, the overseas and offshore businesses were smoothly boosted in 2018, which played an active and important role in strengthening the Company’s market leading position of the wind power industry and in expanding market share and brand influence.

In 2018, in the context of the accelerated development of offshore wind power in China, the Company continuously strengthened the construction of offshore wind power technology, engineering and talent team-building, providing customers with high-reliability WTGs, accurate wind farm resource assessment, intelligent hoisting, and operation and maintenance plan. Focusing on offshore wind power projects, the Company pursues the optimal electricity cost plan and creates a three-dimensional integrated solution for “offshore wind turbines, offshore engineering, and offshore operation and maintenance”. Among them, GW154-6.7MW and GW171-6.45MW products launched by GW6S platform have successively obtained type certificates and started mass application. On this basis, the GW184-6.45MW, GW168-6.45MW and GW168-8.0MW series units were further upgraded. These products not only take advantage of the technical advantages of the Company’s permanent magnet direct-drive (PMDD) technology, but also carry out special adaptation studies on the complex marine environment. This entitles the Company with regional-targeted adaptation models that adapt to various climatic conditions, from low-temperature and low wind speed in the north, low wind speed in the middle intertidal zone, to high-temperature, typhoon and high wind speed in the south. They played a leading and demonstrating role for resource intensive utilization.

BUSINESS

During the year ended 31 December 2018, the Company achieved business breakthroughs in various overseas markets and international customer development. The AKSU RES project signed by the Company in Turkey became its first overseas 3S customer order. Mataraca project's first non-Goldwind WTG generator replacement work was completed in Brazil and the WTG successfully connected to the grid for power generation. The Company also signed new generator supply and service agreement with the project owner, providing technical renovation and operation and maintenance services for 223 wind turbines for its 14 wind farms. WTGs for Chilik (Kazakhstan) 5MW wind power project and 32 GW121-2.5MW WTGs of the Punta Sierra project in Chile were all hoisted and entered their commercial operation periods. In terms of international major customer expansion, Goldwind International Holdings (Hong Kong) Limited has made to the supplier list of five major international customers: EDF R, Engie, E.ON, Enel Green Power and EDPR. In 2018, the Company received 13 tender invitations from major customers. With a total capacity of 4.2GW, in December 2018, as the exclusive WTG supplier of EDPR, the Company participated in the bidding of the Greek Aerorrachi project (14MW) and was successful in the bidding.

As of 31 December 2018, the Company had invested in 1.5GW attributable wind power projects, with a total project capacity of 1.34 GW and an attributable capacity of 1.22 GW under construction. Installed capacity of the completed overseas wind farms was 739 MW and the attributable capacity was 303.1 MW.

In 2018, the Group achieved international sales revenue of RMB2,048.33 million.

Water Treatment Business

In August 2018, the State Council issued the “Opinions on Strengthening Ecological Environment Protection and Resolutely Fighting for Pollution Prevention and Pollution Control” (《關於全面加強生態環境保護堅決打好污染防治攻堅戰的意見》), arranging “Efforts to Fight for Clean Water” and “Fighting the Battle of Black and Stinky Waters in Cities” to promote the three-year action plan of “quality and efficiency improvement” of sewage treatment. It will speed up the recovery of short-term sewage collection and treatment in urban areas, and fully cover, fully collect and fully deal with sewage water as soon as possible. The water industry will also usher in a period of rapid development.

BUSINESS

The exploration and practice of the Company's water treatment business are aimed at realizing the combination of environmental water technology and new energy technology, and actively promote the development and transformation of water treatment business. The "Smart Water Plant Energy Solution" launched by the Company covers the entire energy consumption process of the water plant from the power generation side, the power supply to the load side, and the energy operation and maintenance, so as to realize the water plant energy usage and intelligent management in a more precise and dynamic way. Distributed energy can make full use of the clean energy resources of the water plant's territory and reduce the energy cost. It conducts aeration precisely, undertaking on-demand aeration based on big data and ensuring that the water reaches the standard while reducing energy consumption. The Company purchases and sells electricity to assist the water plants with enjoying the benefit of new energy policies. With intelligent energy efficiency system, it is easy to achieve visual monitoring of water plant energy consumption and high efficiency management.

The second phase expansion and upgrading project of Hannan Maosha Wastewater Treatment Plant undertaken by the Company won the honor of "Huanghaiou Cup" and "Municipal Engineering Gold Award" of Wuhan construction engineering safety civilization demonstration project, and won the silver award in 2018 "Hubei Municipal Demonstration Project".

The first phase of the distributed solar project of Beijing Drainage Group, "Qinghe Reclaimed Water Plant Distributed Solar Project" was officially put into operation in November 2018. The project is an important cooperation between the Company and Beijing Drainage Group in the field of green smart energy. It aims to transform the traditional sewage treatment plant into an "energy water plant" and a "resource water plant", leading the transformation of intelligent water treatment industry.

By the end of 2018, the Company's cumulative water treatment business scale exceeded 3 million tons per day, showing an increase of 80%. The Company owned 52 water treatment projects, including 46 sewage projects, 4 water supply projects, 1 sludge project, and 1 outsourcing project.

The water business realizes a sales revenue of RMB 581.96 million, representing an increase of 259.90% as compared with the same period of last year and a net profit of RMB114.43 million, representing an increase of 40.70% over the same period of last year.

LETTER FROM THE BOARD



XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.*

新疆金風科技股份有限公司

(a joint stock limited liability company incorporated in the People's Republic of China)

Stock Code: 02208

Executive Directors:

Mr. Wu Gang
Mr. Wang Haibo
Mr. Cao Zhigang

Non-executive Directors:

Mr. Zhao Guoqing
Ms. Gu Hongmei
Ms. Gao Jianjun

Independent non-executive Directors:

Mr. Yang Xiaosheng
Mr. Luo Zhengbang
Dr. Tin Yau Kelvin Wong

Registered office:

107 Shanghai Road
Economic & Technology Development District
Urumqi
Xinjiang
The PRC

Principal place of business

in Hong Kong:

Edinburgh Tower
33/F The Landmark
15 Queen's Road Central
Hong Kong

4 April 2019

To the Qualified H Shareholders and, for information purposes only, the Excluded H Shareholders

Dear Sirs,

**PROPOSED H SHARE RIGHTS ISSUE OF 123,511,559 H SHARES
ON THE BASIS OF 1.9 H RIGHTS SHARES
FOR EVERY 10 EXISTING H SHARES AT HK\$8.21 PER
H RIGHTS SHARE PAYABLE IN FULL ON ACCEPTANCE**

**PROPOSED A SHARE RIGHTS ISSUE OF 552,167,067 A SHARES
ON THE BASIS OF 1.9 A RIGHTS SHARES
FOR EVERY 10 EXISTING A SHARES AT RMB7.02 PER
A RIGHTS SHARE PAYABLE IN FULL ON ACCEPTANCE**

I. INTRODUCTION

Reference is made to the announcement of the Company dated 23 March 2018 the announcement dated 18 March 2019, and the circular dated 26 April 2018 in relation to the proposed Rights Issue. The resolutions to approve the proposed Rights Issue were duly passed at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting held on 12 June 2018. On 14 March 2019 CSRC gave its approval in respect of the A Share Rights Issue and on 11 December 2018, the CSRC gave its approval in respect of the H Share Rights Issue.

LETTER FROM THE BOARD

Pursuant to the authorization granted to the Board at the AGM, the A Shareholders Class Meeting and the H Shareholders Class Meeting, the Board has finalised the terms of the Rights Issue.

A summary of the major terms of the H Share Rights Issue and the expected timetable of the H Share Rights Issue are set forth in this prospectus. The H Shareholders' Register was closed from Thursday, 28 March 2019 to Wednesday, 3 April 2019. The last day of dealings in the H Shares on cum-right basis was Monday, 25 March 2019 and the H Shares were dealt with on an ex-rights basis from Tuesday, 26 March 2019. To qualify for the H Share Rights Issue, a H Shareholder must be registered as a member of the Company at the close of business on Wednesday, 3 April 2019 and must not be an Excluded H Shareholder.

The H Share Rights Issue will be fully underwritten by the Underwriter on the terms and conditions set out in the Underwriting Agreement.

The A Share Rights Issue Prospectus containing detailed terms of the A Share Rights Issue has been made available for viewing on the website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Shenzhen Stock Exchange (www.szse.com) from 18 March 2019. Neither the A Share Rights Issue Prospectus nor any other information on the above websites is incorporated in this prospectus. A summary of the major terms of the A Share Rights Issue and the expected timetable of the A Share Rights Issue are included herein for information purposes only.

The H Share Rights Issue is conditional upon the fulfillment of the conditions set out under the paragraph headed "Conditions of the H Share Rights Issue" in this prospectus and not being terminated. If any of the conditions of the H Share Rights Issue are not fulfilled, the H Share Rights Issue will not proceed, in which case, a further announcement will be made by the Company at the relevant time. Shareholders' and potential investors' attention is drawn to the paragraph headed "Warning of the Risks of Dealing in the H Shares and Nil-paid H Rights" in this prospectus. It should also be noted that the H Shares have been dealt with on an ex-rights basis from Tuesday, 26 March 2019 and that dealings in the Nil-paid H Rights will take place from 9:00 a.m., Tuesday, 9 April 2019 to 4:30 p.m., Tuesday, 16 April 2019 (both days inclusive). Such dealings will take place when the conditions of the H Share Rights Issue remain unfulfilled, and the Underwriting Agreement does not become unconditional or is subject to termination in accordance with the terms thereof. Any person dealing in the securities of the Company up to the date on which such condition is fulfilled or waived and up to the Latest Time for Termination (as defined herein) and any person dealing in the Nil-paid H Rights from Tuesday, 9 April 2019 to 4:30 p.m., Tuesday, 16 April 2019 (being the first and last day of dealings in the Nil-paid H Rights, respectively) will accordingly bear the risk that the H Share Rights Issue may not become unconditional and may not proceed. Any person dealing or contemplating any dealing in the securities of the Company, the Nil-paid H Rights and/or the H Rights Shares during this period who is in any doubt about his or her or its position is recommended to consult his or her or its own professional adviser.

LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with, among other things, details of the H Rights Issue as well as certain financial and other information in respect of the Group.

II. H SHARE RIGHTS ISSUE

The H Share Rights Issue is conducted on the basis of 1.9 H Rights Shares for every 10 existing H Shares held by Qualified H Shareholders on the H Share Record Date. The Subscription Price of HK\$8.21 per H Right Shares and RMB7.02 per A Rights Share were determined by the Company with reference to the recent closing price of the H Shares and A Shares. The H Share Rights Issue will proceed on a fully underwritten basis on the terms and conditions set out in the Underwriting Agreement.

The Rights Issue, comprising the A Share Rights Issue and the H Share Rights Issue, will raise (i) gross proceeds in an aggregate amount of approximately HK\$5,544 million (equivalent to approximately RMB4,744 million); and (ii) net proceeds (after deducting all estimated costs and expenses incidental to the Rights Issue) in an aggregate amount of approximately HK\$5,471 million (equivalent to approximately RMB4,681 million), on the basis of the Subscription Price and full subscription of the Rights Issue.

The H Share Rights Issue is subject to the fulfillment of the conditions specified in the section headed “Conditions of the H Share Rights Issue” of this prospectus.

Details of the H Share Rights Issue are as follows:

H Share Rights Issue statistics

| | |
|---|--|
| Basis of H Share Rights Issue: | 1.9 H Rights Shares for every 10 existing H Shares held by Qualified H Shareholders on the H Share Record Date |
| Number of H Shares in issue as at the Latest Practicable Date: | 650,060,840 |
| Number of H Rights Shares proposed to be issued (assuming the number of H Shares in issue on the H Share Record Date remains the same as at the Latest Practicable Date): | 123,511,559 |
| Subscription Price: | HK\$8.21 per H Rights Share |
| Underwriter: | Haitong International Securities |

LETTER FROM THE BOARD

Assuming no change in the number of issued H Shares on or before the H Share Record Date, the 123,511,559 H Rights Shares proposed to be issued pursuant to the terms of the H Rights Issue represent: (i) 19.0% of the existing issued H Share capital of the Company as at the Latest Practicable Date; and (ii) 15.97% of the issued H Share capital of the Company as enlarged by the allotment and issue of the H Rights Shares (assuming there is no other change in the shareholder structure of the Company since the Latest Practicable Date).

As at the Latest Practicable Date, the Company has no outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into the H Shares.

Basis of Entitlement

Subject to fulfillment of the conditions set out below in the paragraph headed “Conditions of the H Share Rights Issue”, Qualified H Shareholders will be provisionally allotted 1.9 H Rights Shares for every 10 existing H Shares held by Qualified H Shareholders on the H Share Record Date at the Subscription Price, being HK\$8.21, for each H Rights Share payable in full on acceptance.

Qualified H Shareholders

The Company is sending the Prospectus Documents comprising the H Share Rights Issue Prospectus, the Provisional Allotment Letters and the Excess Application Forms, to Qualified H Shareholders only. To qualify for the H Share Rights Issue, a Shareholder must be registered as a H Shareholder on the H Share Record Date and must not be an Excluded H Shareholder.

The last day of dealings in the H Shares on a cum-rights basis for the H Share Rights Issue was Monday, 25 March, 2019. The Shares have been dealt in on an ex-rights basis for the H Share Rights Issue from Tuesday, 26 March 2019. In order to be a Qualified H Shareholder, H Shareholders must lodge any transfer of H Shares (together with relevant share certificates) with the H Share Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 27 March 2019.

The PRC Southbound Trading Investors may participate in the H Share Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (a) sell their Nil-paid H Rights on the Stock Exchange; and/or (b) subscribe for their pro-rata entitlement in respect of H Rights Shares held on the H Share Record Date at the Subscription Price under the H Share Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess H Rights Shares under the H Share Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. Please refer to the paragraph headed “PRC Southbound Trading Investors” below for more details.

LETTER FROM THE BOARD

The Qualified H Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any H Rights Shares arising from the aggregation of fractional entitlements). If the Qualified H Shareholders do not take up any of his/her/its entitlement in full under the H Rights Issue, assuming (i) that there is no change to the issue share capital of the Company from the Latest Practicable Date up to and including the completion of the H Rights Issue; (ii) full subscription by the Underwriter; and (iii) full subscription in the A Share Rights Issue, the percentage of the shareholdings of the existing public H Shareholders will be reduced from approximately 16.77% to approximately 14.09%, representing a dilution effect on the shareholding interests of approximately 2.68% as a result of the H Rights Issue.

Distribution of this prospectus and the other Prospectus Documents

This prospectus accompanied by the other Prospectus Documents will be despatched to the Qualified H Shareholders only. For the Excluded H Shareholders, the Company will, to the extent reasonably practicable and legally permitted, send this prospectus to them for their information purposes only, provided that this prospectus shall not be sent to the Excluded H Shareholders known by the Company to be resident in the United States. The Company will not send any Provisional Allotment Letter or Excess Application Form to the Excluded H Shareholders.

Distribution of this prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by laws. Persons who come into possession of the Prospectus Documents (including, but not limited to, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any H Shareholder or Beneficial H Shareholder who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay. In particular, subject to certain exceptions as determined by the Company, persons in possession of this prospectus should not distribute, forward or transmit into or from any jurisdiction outside Hong Kong, this prospectus, whether with or without the Provisional Allotment Letter or the Excess Application Form.

It is the full responsibility of any person (including, but not limited to, any agent, custodian, nominee and trustee) outside Hong Kong wishing to make an application for the H Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including the obtaining of any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the H Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been fully complied with. H Shareholders should consult their professional advisers if in doubt. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

LETTER FROM THE BOARD

PRC Southbound Trading Investors

The Directors have made the relevant enquiries and were advised that the PRC Southbound Trading Investors may participate in the H Share Rights Issue through China Clear. China Clear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their Nil-paid H Rights on the Stock Exchange under the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect; and/or (ii) subscribe (in full or in part) for their pro-rata entitlement in respect of H Rights Shares held on the H Share Record Date at the Subscription Price under the H Share Rights Issue in accordance with the relevant laws and regulations. However, China Clear will not support applications by such PRC Southbound Trading Investors for excess H Rights Shares under the H Share Rights Issue through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant China Clear participants as the case may be) whose stock accounts in the China Clear are credited with Nil-paid H Rights can only sell those Nil-paid H Rights on the Stock Exchange via China Clear under Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect and can neither purchase any Nil-paid H Rights nor transfer such Nil-paid H Rights to other PRC Southbound Trading Investors.

The PRC Southbound Trading Investors should seek advice from their Intermediary (including broker, custodian, nominee or China Clear participant) and/or other professional advisers for details of the logistical arrangements as required by China Clear, and provide instructions with such Intermediary in relation to the acceptance and/or sale of the Nil-paid H Rights. Such instructions should be given in advance of the relevant dates stated in the section headed “Expected Timetable” in this prospectus and otherwise in accordance with the requirements of the Intermediary of the PRC Southbound Trading Investors and/or China Clear in order to allow sufficient time to ensure that such instructions are given effect.

According to the legal advice of the PRC legal adviser of the Company, as the Prospectus Documents have not been and are not intended to be filed with or approved by the CSRC other than in accordance with the CSRC Notice, the H Rights Shares (in both their nil-paid and fully-paid forms) shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless such person or entity is a PRC Southbound Trading Investor (subject to certain limitations in relation to its rights to participate in the H Share Rights Issue as explained in this prospectus) or a Qualified H Shareholder in the PRC, or it has otherwise been exempted by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

LETTER FROM THE BOARD

As such, the Prospectus Documents may not be distributed in or forwarded to the PRC or used in connection with any offer for subscription or sale of the H Rights Shares (in nil-paid and fully-paid forms) in the PRC, except that the same may be despatched to China Clear in the PRC or the Qualified H Shareholder in the PRC or to the extent in compliance with applicable PRC laws and regulations, and the Prospectus Documents may not be made publicly available in the PRC.

Save and except for the PRC Southbound Trading Investors and Qualified H Shareholders who have been exempted by or have obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations, based on the legal advice of the PRC legal adviser of the Company, other Shareholders in the PRC are not entitled to participate in the Rights Issue.

Excluded H Shareholders

The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdictions other than (a) Hong Kong; and (b) the PRC, in accordance with the notice issued by the CSRC of Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland Hong Kong Stock Connect (CSRC Announcement 2016 No. 21). Based on the H Shareholders' Register as at the Latest Practicable Date, there was no Shareholders with registered addresses located outside Hong Kong.

To the extent reasonably practicable and legally permitted, the Company will send copies of the H Share Rights Issue Prospectus to the Excluded H Shareholders for information purposes only, but the Company will not send any Provisional Allotment Letters or Excess Application Forms (if applicable) to the Excluded H Shareholders.

Notwithstanding any other provision in this prospectus or the Provisional Allotment Letter or the Excess Application Form, the Company reserves the right to permit any H Shareholder or Beneficial H Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

The Company also reserves the right to treat as invalid, and will not be bound to allot or issue any H Rights Shares in respect of, any acceptance or purported acceptance of the offer of Nil-paid H Rights or the H Rights Shares which:

- (i) appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction; or

LETTER FROM THE BOARD

- (ii) in the case of a Provisional Allotment Letter, provides for an address for delivery of the share certificates in, or, in the case of a credit of H Rights Shares in CCASS, a CCASS participant whose address is in, or is otherwise a resident of, any jurisdiction outside Hong Kong or any other jurisdiction in which it would be unlawful to deliver such share certificates or make such a credit or if the Company believes or its agents believe that the same may violate applicable legal or regulatory requirements.

Receipt of this prospectus and/or a Provisional Allotment Letter and/or an Excess Application Form or the crediting of Nil-paid H Rights to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or a Provisional Allotment Letter and/or an Excess Application Form must be treated as sent for information purpose only and should not be copied or redistributed. Persons (including, but not limited to, agents, custodians, nominees and trustees) who receive a copy of this prospectus and/or a Provisional Allotment Letter and/or an Excess Application Form or whose stock account in CCASS is credited with Nil-paid H Rights should not, in connection with the H Share Rights Issue, distribute or send the same into or from, or transfer Nil-paid H Rights to any person in, into or from, any of the jurisdiction outside Hong Kong. If a Provisional Allotment Letter or an Excess Application Form or a credit of Nil Paid H Rights to a stock account in CCASS is received by any person in any jurisdiction outside Hong Kong, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the Provisional Allotment Letter or transfer the Provisional Allotment Letter (or apply for any excess H Rights Shares under the Excess Application Form) or transfer the Nil-paid H Rights in CCASS unless the Company determines that such actions would not violate applicable legal or regulatory requirements. Any person (including, but not limited to, agents, custodians, nominees and trustees) who does forward this prospectus or a Provisional Allotment Letter or an Excess Application Form in, into or from any of the jurisdiction outside Hong Kong (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

LETTER FROM THE BOARD

Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded H Shareholders, to be sold in the market in their nil-paid form as soon as practicable after the commencement of the dealings in the Nil-paid H Rights, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid on a pro rata basis to the Excluded H Shareholders, provided that the Company will pay individual amounts of more than HK\$100 to the relevant Excluded H Shareholders in Hong Kong dollars and will retain individual amounts of HK\$100 or less for its own benefit.

With respect to the Excluded H Shareholders who hold interests in H Shares through CCASS, their nominees, custodians or other intermediaries may sell, on such Excluded H Shareholders' behalf, their entitlements to the Nil-paid H Rights in compliance with applicable securities laws and distribute the proceeds thereof as appropriate. Any H Rights Shares in respect of unsold entitlements of the Excluded H Shareholders and any unsold fractional entitlements to the H Rights Shares together with any H Rights Shares in respect of Nil-paid H Rights not taken up by the Qualified H Shareholders or otherwise not subscribed for by transferees of Nil-paid H Rights, will be made available for excess application on Excess Application Forms by Qualified H Shareholders.

Procedure for acceptance or transfer

General

Any person (including, but not limited to, agents, nominees and trustees) wishing to take up his/her/its rights under the H Share Rights Issue must satisfy himself/herself/itself as to full observance of the applicable laws of any relevant territories, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

Each subscriber (including, but not limited to, agents, nominees and trustees) of H Rights Shares being offered and sold outside the United States will be deemed (by accepting delivery of this prospectus) to have given each of the following representations and warranties to the Company and the Underwriter and to any person acting on their behalf, unless, in their sole discretion, the Company and the Underwriter waive such requirement expressly in writing:

- i. he/she/it was an H Shareholder as at the H Share Record Date, or he/she/it lawfully acquired or may lawfully acquire the Nil-paid H Rights, directly or indirectly, from such a person;
- ii. he/she/it is not located in any other jurisdiction in which it is unlawful to purchase or take up the Nil-paid H Rights or subscribe for or accept H Rights Shares;

LETTER FROM THE BOARD

- iii. subject to certain exceptions, he/she/it is not resident or located in, or a citizen of, the United States;
- iv. subject to certain exceptions, he/she/it is not accepting an offer to purchase or take up the Nil-paid H Rights or subscribe for or accept H Rights Shares on a non-discretionary basis for a person who is resident or located in, or a citizen of, the United States at the time the instruction to accept was given;
- v. he/she/it is not doing so for the account of any person who is located in the United States, unless:
 - a. the instruction to purchase or take up the Nil-paid H Rights or to subscribe for or accept H Rights Shares was received from a person outside the United States; and
 - b. the person giving such instruction has confirmed that he/she/it (x) has the authority to give such instruction and (y) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the H Rights Shares in an “offshore transaction” within the meaning of Regulation S under the U.S. Securities Act;
- vi. he/she/it is acquiring the Nil-paid H Rights and/or the H Rights Shares in an “offshore transaction” as defined in Regulation S under the U.S. Securities Act;
- vii. he/she/it has not been offered the H Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act;
- viii. he/she/it is not purchasing or taking up the Nil-paid H Rights or subscribing for or accepting the H Rights Shares with a view to the offer, sale, allotment, take up, exercise, resale, renouncement, pledge, transfer or delivery, directly or indirectly, of any such Nil-paid H Rights or H Rights Shares into the United States or any other jurisdiction referred to in paragraph (ii) above; and
- ix. he/she/it understands that neither the Nil-paid H Rights nor the H Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territory, or possession of the United States and the Nil-paid H Rights or H Rights Shares are being distributed and offered outside the United States in reliance on Regulation S under the U.S. Securities Act. Consequently, he/she/it understands the Nil-paid H Rights or H Rights Shares may not be offered, sold, pledged or otherwise transferred in or into the United States, except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

LETTER FROM THE BOARD

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

Action to be taken by Qualified H Shareholders

Subscription for all H Rights Shares provisionally allotted

For each Qualified H Shareholder, a Provisional Allotment Letter is enclosed with this prospectus which entitles the Qualified H Shareholder(s) to whom it is addressed to subscribe for the number of the H Rights Shares shown thereon. If a Qualified H Shareholder wishes to take up his/her/its right to subscribe for any or all of the H Rights Shares provisionally allotted to him/her/it as specified in the Provisional Allotment Letter, he/she/it must lodge the Provisional Allotment Letter in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance with the H Share Registrar, by no later than 4:00 p.m. on Tuesday, 23 April 2019.

All remittances must be made in Hong Kong dollars and by cheque or cashier's order. Cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "Bank of China (Hong Kong) Nominees Limited – Goldwind – PAL" and crossed "Account Payee Only".

It should be noted that, unless the Provisional Allotment Letter, together with the appropriate remittance, has been lodged with the H Share Registrar, by 4:00 p.m. on the Last Acceptance Date, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a Provisional Allotment Letter as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if it is not completed in accordance with the relevant instructions.

All cheques and cashiers' orders will be presented for payments immediately following receipt and all interest earned will be retained for the benefit of the Company. Any Provisional Allotment Letter in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected and, in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. If the Underwriter terminate the Underwriting Agreement before the Latest Time for Termination in accordance with the terms thereof and the H Share Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be returned to the relevant persons without interest and by means of cheques despatched by ordinary post at the risk of such persons on or about 2 May 2019.

LETTER FROM THE BOARD

Transfers and “splitting” of Nil-paid H Rights

The Nil-paid H Rights can be traded on the Hong Kong Stock Exchange. A Qualified H Shareholder can accept all of his/her/its provisional allotment of H Rights Shares, or sell all of his/her/its provisional allotment on the Hong Kong Stock Exchange, or accept only part of his/her/its provisional allotment and sell the remaining part on the Hong Kong Stock Exchange.

If a Qualified H Shareholder wishes to accept only part of his/her/its provisional allotment or transfer a part of his/her/its Nil-paid H Rights provisionally allotted to him/her/it under the Provisional Allotment Letter or transfer his/her/their Nil-paid H Rights to more than one person, the entire Provisional Allotment Letter must be surrendered and lodged for cancellation, together with a covering letter stating clearly the number of split Provisional Allotment Letters required and the number of Nil-paid H Rights to be comprised in each split Provisional Allotment Letter (which, in aggregate, should be equal to the number of H Rights Shares provisionally allotted to such holder as stated in Box B of the original Provisional Allotment Letter), by no later than 4:30 p.m. on Thursday, 11 April 2019 to the H Share Registrar, Computershare Hong Kong Investor Services Limited, who will cancel the original Provisional Allotment Letter and issue new Provisional Allotment Letters in the denominations required. This process is commonly known as “splitting” the Nil-paid H Rights.

Having “split” the Nil-paid H Rights, a Qualified H Shareholder who wishes to accept the provisional allotment of H Rights Shares represented by a new Provisional Allotment Letter should do so in accordance with the instructions given above in relation to the subscription for all the H Rights Shares provisionally allotted.

If a Qualified H Shareholder wishes to transfer all of his/her/its Nil-paid H Rights under a Provisional Allotment Letter (or a split Provisional Allotment Letter, as the case may be) to another person, he/she/it should complete and sign the “Form of Transfer” (Form B) in the Provisional Allotment Letter and hand the Provisional Allotment Letter to the person to or through whom he/she/it is transferring his/her/its Nil-paid H Rights. The transferee must then complete and sign the registration details in the Provisional Allotment Letter and lodge the Provisional Allotment Letter intact, together with a remittance for the full amount payable on acceptance with the H Share Registrar by no later than 4:00 p.m. on the Last Acceptance Date.

It should be noted that Hong Kong stamp duty is payable in connection with the transfer of your Nil-paid H Rights to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

LETTER FROM THE BOARD

Action to be taken by Beneficial H Shareholders holding interests in H Shares which are held by a registered H Shareholder (other than H Shares deposited in CCASS)

If you are a Beneficial H Shareholder whose H Shares are registered in the name of a registered H Shareholder and you wish to subscribe for the H Rights Shares provisionally allotted to you, or sell all of your Nil-paid H Rights, or “split” your Nil-paid H Rights and accept part of your provisional allotment and sell the remaining part, you should contact the registered H Shareholder and provide the registered H Shareholder with instructions or make arrangements with the registered H Shareholder in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the H Rights Shares which have been provisionally allotted in respect of the H Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of the registered H Shareholder in order to allow the registered H Shareholder sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial H Shareholders holding interests in H Shares through CCASS

If you are a Beneficial H Shareholder whose H Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the H Rights Shares provisionally allotted to you, or sell all of your Nil-paid H Rights, or “split” your Nil-paid H Rights and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of your Nil-paid H Rights. Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” above and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the H Rights Shares provisionally allotted to CCASS stock accounts in respect of the H Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

Beneficial H Shareholders who are CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial H Shareholders’ interests in H Rights Shares should be dealt with.

LETTER FROM THE BOARD

Effect of bad weather on latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares

The latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above or a “black” rainstorm warning:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on 23 April 2019. Instead the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on 23 April 2019. Instead the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for H Rights Shares and application and payment for excess H Rights Shares does not take place on 23 April 2019, the dates mentioned in the section headed “Expected Timetable” above may be affected. An announcement will be made by the Company in such event.

If you have questions in relation to the H Share Rights Issue, please call the H Shareholder hotline on (852) 2862 8699 during business hours from 9:00 a.m. to 6:00 p.m., Monday to Friday (other than public holidays).

Subscription Price for the H Rights Shares

The Subscription Price of HK\$8.21 per H Rights Share is payable in full when a Qualified H Shareholder accepts the relevant provisional allotment of H Rights Shares or applies for excess H Rights Shares or when a transferee of Nil-paid H Rights accepts the H Rights Shares.

The Subscription Price of HK\$8.21 per H Rights Share represents:

1. a discount of approximately 20.75% to the closing price of HK\$10.36 per H Share as quoted on the Hong Kong Stock Exchange on 15 March 2019 (being the Price Determination Date);
2. a discount of approximately 21.69% to the average closing price of HK\$10.4840 per H Share as quoted on the Hong Kong Stock Exchange for the five consecutive trading days up to and including 15 March 2019 (being the Price Determination Date);

LETTER FROM THE BOARD

3. a discount of approximately 19.83% to the average closing price of HK\$10.2410 per H Share as quoted on the Hong Kong Stock Exchange for the 10 consecutive trading days up to and including 15 March 2019 (being the Price Determination Date);
4. a discount of approximately 15.91% to the average closing price of HK\$9.7635 per H Share as quoted on the Hong Kong Stock Exchange for the 20 consecutive trading days up to and including 15 March 2019 (being the Price Determination Date); and
5. a discount of approximately 18.04% to the theoretical ex-right price of HK\$10.0167 per H Share based on the closing price of HK\$10.36 per H Share as quoted on the Hong Kong Stock Exchange on 15 March 2019 (being the Price Determination Date).

The Subscription Price of HK\$8.21 per H Rights Share is determined by the Board with reference to the market price of the Shares prior to and including the Price Determination Date, the financial conditions of the Company, the most recent audited net asset value per share of the Company before the H Share Rights Issue, the valuation indicators, such as the price of the H Shares of the Company on the secondary markets, price-to-earnings ratios and price-to-book ratios and the funding requirements of the Company's fundraising investment projects. The net price per H Rights Share upon full acceptance of the relevant provisional allotment of H Rights Shares will be approximately HK\$7.93.

After taking into account the reasons for the Rights Issue as stated in the section headed "V. Reasons for the Rights Issue and Use of Proceeds" below, the Directors (including the independent non-executive Directors) consider the terms of the H Share Rights Issue, including the Subscription Price, to be fair and reasonable, and in the interests of the Company and the H Shareholders as a whole.

Status of the H Rights Shares

The H Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the H Shares then in issue to receive all future dividends and distributions which may be declared, made or paid after the date and issue of allotment of the H Rights Shares.

Fractional Entitlements

Fractional entitlements to H Rights Shares will not be provisionally allotted and Qualified H Shareholders' entitlements will be rounded down to the nearest whole number. Nil-paid H Rights representing the aggregate of fractions of H Rights Shares (rounded down to the nearest whole number) will be provisionally allotted to a nominee appointed by the Company and, if a premium of more than HK\$100 (net of expenses) can be obtained, will be sold by the Company or its appointed nominee in the market in their nil-paid form after dealing in the Nil-paid H Rights commences and the net proceeds of sale will be retained by the Company for its own benefit. Any unsold fractions of H Rights Shares will be available for excess application by Qualified H Shareholders.

LETTER FROM THE BOARD

Odd lot arrangement

In order to facilitate the trading of odd lots of the H Shares arising from the H Rights Issue, Haitong International Securities Company Limited has been appointed, on a best efforts basis, to match the purchase and sale of odd lots of the H Shares at the relevant market price per H Share for the period from Friday, 3 May 2019 to Monday, 27 May 2019 (both days inclusive). Shareholders who wish to take advantage of this service should contact Andrew Yeung at telephone number 2313 8617 during office hours (i.e. 9:00 a.m. to 4:00 p.m.) of such period. Holders of odd lots of H Shares should note that successful matching of the sale and purchase of odd lots of H Shares is not guaranteed. Any H Shareholders who is in any doubt about the odd lot arrangement is recommended to consult his/her/its own professional advisers.

Application for Excess H Rights Shares

Qualified H Shareholders (other than PRC Southbound Trading Investors) may apply, by way of excess applications, for H Rights Shares in respect of any unsold entitlements of the Excluded H Shareholders, any unsold fractional entitlements to the H Rights Shares, and any H Rights Shares in respect of the Nil-paid H Rights not taken up by Qualified H Shareholders or otherwise not subscribed for by transferees of the Nil-paid H Rights.

Action to be taken by Qualified H Shareholders who wish to apply for excess H Rights Shares

Excess H Rights Shares application procedures

Applications for excess H Rights Shares should be made only by Qualified H Shareholders (other than PRC Southbound Trading Investors) and only by completing an Excess Application Form and lodging the same with a separate remittance for the amount payable on application in respect of the excess H Rights Shares being applied for with the H Share Registrar by no later than 4:00 p.m. on Tuesday, 23 April 2019.

The Directors will allocate the excess H Rights Shares at their discretion on a fair and equitable basis and as far as practicable on the following principles:

- i. subject to the availability of excess H Rights Shares, the excess H Rights Shares will be allocated to the Qualified H Shareholders (other than the PRC Southbound Trading Investors) who have applied for excess H Rights Shares on a pro rata basis based on the number of excess H Rights Shares applied for by them;

LETTER FROM THE BOARD

- ii. no preference will be given to applications for topping up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their Nil-paid H Rights and thereby receiving more H Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result;
- iii. no reference will be made to the H Rights Shares comprised in applications by Provisional Allotment Letters or the existing number of H Shares held by the Qualified H Shareholders; and
- iv. pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any Controlling Shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess H Rights Shares to the extent that the total number of excess H Right Shares they have applied for exceeds a maximum number equivalent to the total number of H Rights Shares offered under the H Rights Issue minus the number of H Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the H Rights Shares.

All remittances must be made in Hong Kong dollars and by cheque or cashier’s order. Cheques must be drawn on an account with, and cashier’s order must be issued by a licensed bank in Hong Kong and made payable to “Bank of China (Hong Kong) Nominees Limited – Goldwind – EAF” and crossed “Account Payee Only”.

If the aggregate number of H Rights Shares not taken up by the Qualified H Shareholders under Provisional Allotment Letters is greater than the aggregate number of excess H Rights Shares applied for through Excess Application Forms, the Directors will allocate to each Qualified H Shareholder who applies for excess H Rights Shares in full application. No preference will be given to topping up odd lots to whole board lots. There is no guarantee that Qualified H Shareholders with odd lots of H Rights Shares will be topped up to whole board lots pursuant to their applications for excess H Rights Shares. H Shareholders with their H Shares held by a nominee company should note that the Board will regard the nominee company as a single H Shareholder in accordance with the H Shareholders’ Register.

LETTER FROM THE BOARD

Applications for excess H Rights Shares should be made only by Qualified H Shareholders (other than PRC Southbound Trading Investors) and by completing an Excess Application Form.

The Excess Application Form is for use only by the person(s) to whom it is addressed and is not transferable. All enquiries in connection with the Excess Application Form should be addressed to the H Share Registrar.

Excess Application Forms with a separate remittance for the amount payable on application in respect of the excess H Rights Shares being applied for shall be lodged to the H Share Registrar as mentioned above no later than 4:00 p.m. on Tuesday, 23 April 2019.

If no excess H Rights Shares are allotted and issued to a Qualified H Shareholder, the amount tendered on application is expected to be refunded to that Qualified H Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Qualified H Shareholder on or about Thursday, 2 May 2019. If the number of excess H Rights Shares allotted and issued to a Qualified H Shareholder is less than the number applied for, the surplus application monies are also expected to be refunded to such Qualified H Shareholder without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Qualified H Shareholder on or about Thursday, 2 May 2019.

If the Underwriter exercises the right to terminate the Underwriting Agreement in accordance with the terms thereof or if the conditions precedent under the Underwriting Agreement are not fulfilled before the Latest Time for Termination and the H Share Rights Issue does not proceed, the monies received in respect of relevant applications for excess H Rights Shares will be returned to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post at the risk of such persons on or about Thursday, 2 May 2019.

All cheques or cashier's orders will be presented for payment immediately following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any Excess Application Form in respect of which a cheque or cashier's order is dishonoured on first presentation is liable to be rejected. An applicant must pay the exact amount payable upon application for the H Rights Shares and any underpaid application will be rejected. In the event of an overpaid application, a refund cheque will be made out to the applicant only if the overpaid amount is HK\$100 or above. The Excess Application Form is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the H Share Registrar. The Company may, at its discretion, treat an Excess Application Form as valid and binding on the person(s) by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions.

LETTER FROM THE BOARD

Action to be taken by Beneficial H Shareholders holding interests in H Shares which are held by a registered H Shareholder (other than H Shares deposited in CCASS) who wish to apply for excess H Rights Shares

If you are a Beneficial H Shareholder whose H Shares are registered in the name of a registered H Shareholder and you wish to apply for excess H Rights Shares, you should contact the registered H Shareholder and provide the registered H Shareholder with instructions or make arrangements with the registered H Shareholder in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess H Rights Shares in the section headed “Expected Timetable” and otherwise in accordance with the requirements of the registered H Shareholder, in order to allow the registered H Shareholder sufficient time to ensure that your instructions are given effect.

Action to be taken by Beneficial H Shareholders holding interests in H Shares through CCASS who wish to apply for excess H Rights Shares

If you are a Beneficial H Shareholder whose H Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess H Rights Shares, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess H Rights Shares. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess H Rights Shares in the section headed “Expected Timetable” and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedures for application for excess H Rights Shares by Beneficial H Shareholders who are CCASS Participants shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS. Beneficial H Shareholders who are CCASS Investor Participants should contact CCASS to provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess H Rights Shares.

LETTER FROM THE BOARD

Conditions of the H Share Rights Issue

The H Share Rights Issue is conditional upon each of the following events being fulfilled:

1. the approval of the Rights Issue by the Shareholders at the AGM;
2. the approval of the Rights Issue at the 2018 First A Shareholders Class Meeting and the 2018 First H Shareholders Class Meeting, respectively;
3. the approval of the CSRC for the Rights Issue;
4. the Listing Committee of the Hong Kong Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares and the Nil-paid H Rights either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the H Share Rights Issue Prospectus; and
5. the delivery to the Hong Kong Stock Exchange all documents in relation to the H Share Rights Issue and filing and registration of such documents as required by law to be filed by and registered with the Registrar of Companies in Hong Kong.

None of the above conditions for completion of the H Share Rights Issue may be waived by the Company. As at the Latest Practicable Date, the conditions under 1 to 3 above have been fulfilled. **If any of the above conditions is not satisfied, the H Share Rights Issue will not proceed.**

Furthermore, it should be noted that the H Share Rights Issue will proceed on a fully underwritten basis. Please refer to the section headed “H Share Underwriting Arrangement” below for details of the underwriting arrangement. **In the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue may not proceed.**

The H Share Rights Issue and the A Share Rights Issue are not inter-conditional upon each other. If the conditions for completion of the H Share Rights Issue are not fulfilled, the A Share Rights Issue will proceed so long as the conditions for completion of the A Share Rights Issue are fulfilled and vice versa.

No Undertaking given in relation to the H Share Rights Issue

No H Shareholder has undertaken to take up his/her/its entitlement provisionally allotted to him/her/it.

LETTER FROM THE BOARD

Application for Listing/Dealing Arrangements

Application has been made to the Stock Exchange for the listing of, and permission to deal in, the H Rights Shares, in both nil-paid and fully-paid forms. Dealings in the nil-paid and fully-paid Rights Shares will be subject to the payment of stamp duty, Hong Kong Stock Exchange trading fee, Securities and Futures Commission transaction levy or any other applicable fees and charges in Hong Kong. The board lot size of Nil-paid H Rights is the same as that of the fully-paid H Rights Shares of 200 Shares.

H Rights Shares will be Eligible for Admission into CCASS

Subject to the granting of listing of, and permission to deal in, the H Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, the H Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the H Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Please note that without approval from the relevant regulatory authorities, the H Rights Shares and the A Rights Shares are neither interchangeable nor fungible, and there is no trading or settlement between the A share and the H share markets.

Registration of subscription, Purchase and transfer of H Rights Shares

Each acquirer of the H Rights Shares agrees with the Company and each of the Shareholders, and the Company agrees with each of the Shareholders, to observe and comply with the PRC Company Law, the Companies Ordinance, the Special Regulations and the Articles.

Each acquirer of the H Rights Shares agrees with the Company, each of the Shareholders, Directors, Supervisors, managers and officers, and the Company (acting for itself and for each of its Directors, Supervisors, managers and officers) agrees with each of the Shareholders, to refer all differences and claims arising from its articles of association or any rights or obligations conferred or imposed by the PRC Company Law or other relevant laws and administrative regulations concerning its affairs to arbitration in accordance with its Articles, and any reference to arbitration shall be deemed to authorise the arbitration tribunal to conduct hearings in open session and to publish its award. Such arbitration shall be final and conclusive.

LETTER FROM THE BOARD

Each acquirer of the H Rights Shares agrees with the Company and each of the Shareholders that the H Rights Shares are freely transferable by the holders thereof. Each acquirer of the H Rights Shares authorises the Company to enter into a contract on his behalf with each of the Company's Directors and officers whereby such Directors and officers undertake to observe and comply with their obligations to the Shareholders as stipulated in the Articles.

H Share Rights Issue to Proceed on an Underwritten basis

The H Share Rights Issue will proceed on a fully underwritten basis. Details on the underwriting arrangement relating to the Rights Issue are set out below:

H Share Underwriting Arrangement

The Underwriting Agreement

| | |
|---|---|
| Date: | 17 March 2019 |
| Underwriter: | Haitong International Securities, a licensed corporation to carry on Type 1 (dealing in securities), Type 5 (leveraged foreign exchange trading) and Type 4 (advisory on securities) regulated under the SFO to the best of the Directors' knowledge and information and having made all reasonable enquiries, the Underwriter and its ultimate shareholder are third parties independent of the Company and connected persons (as defined in the Listing Rules) of the Company |
| Total number of underwritten H Rights Shares: | Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite up to 123,511,559 H Rights Shares |

LETTER FROM THE BOARD

Conditions of the Underwriting Agreement

The underwriting obligations of the Underwriters under the Underwriting Agreement are conditional upon:

- a) all respective representations and warranties in the Underwriting Agreement on the part of the Company being true and accurate and not misleading at and as of the date of the Underwriting Agreement, the date of the H Share Rights Issue Prospectus and the date of any supplementary prospectus, and of the first Business Day following the Last Acceptance Date, as if they had been repeated by reference to the facts and circumstances then existing, to the performance by the Company of all its obligations under the Underwriting Agreement; no matter having arisen which would reasonably be expected to give rise to a breach of any representation, warranty, undertaking or obligation of the Company under the Underwriting Agreement;
- b) the H Rights Shares being duly issued and provisionally allotted by the authorized representatives of the Board on the terms set out in the Prospectus Documents to the Qualified H Shareholders;
- c) Haitong International Securities (on behalf of the Underwriter) receiving from the Company all the documents as set out in the Underwriting Agreement in form and substance satisfactory to Haitong International Securities by the times and dates specified in the Underwriting Agreement;
- d) the approval of the H Share Rights Issue granted by CSRC being valid and not having been withdrawn, amended or revoked; the delivery of the Prospectus Documents and all the documents required by the provisions of section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) to be delivered to the Companies Registrar to the Hong Kong Stock Exchange and the issue by the Hong Kong Stock Exchange of a certificate of authorization of registration on the third Business Day before the date of the H Share Rights Issue Prospectus;

LETTER FROM THE BOARD

- e) the Companies Registrar registering the Prospectus Documents and all the documents required by the provisions of section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) on or before the despatch of the H Share Rights Issue Prospectus;
- f) the grant of listing of and permission to deal in the Nil-paid H Rights and the H Rights Shares (either unconditional or subject only to allotment and dispatch of the share certificates in respect thereof) by the Hong Kong Stock Exchange (the “**Listing Approval**”) and dealings in the Nil-paid H Rights and the H Rights Shares being allowed by the Stock Exchange (and such listing and permission not subsequently being withdrawn or revoked), in each case, by no later than the expected date of commencement of trading of the Nil-paid H Rights and H Rights Shares;
- g) posting of the Prospectus Documents to the Qualified H Shareholders on or before the date for despatch of the Prospectus Documents (or such later date to be agreed with Haitong International Securities) and the posting, to the extent legally permitted, of the H Share Rights Issue Prospectus for information purposes only to the Excluded H Shareholder in accordance with the requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance; provided that H Share Rights Issue Prospectus shall not be posted to Excluded H Shareholders who are known by the Company to be resident in the United States;
- h) each condition to enable the Nil Paid Rights and the H Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the Listing Approval) having been satisfied not later than the Business Day prior to the first day of dealings in the Nil-Paid Rights as set out in the H Share Rights Issue Prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused; the Shares remaining listed on the Hong Kong Stock Exchange at all times prior to the Latest Time for Termination and the current listing of the Shares not having been withdrawn and no indication being received before the Latest Time for Termination from the Hong Kong Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the H Share Rights Issue or in connection with the terms of the Underwriting Agreement or for any other reason;

LETTER FROM THE BOARD

- i) the compliance with and performance of all the undertakings and obligations of the Company under the terms of the Underwriting Agreement by the times specified;
- j) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms hereof prior to the Latest Time for Termination;
- k) no matter having arisen prior to 5:00 p.m. on the date that is the first Business Day after the Last Acceptance Date, or such later date as the Company and Haitong International Securities may agree in writing and which, in any such case, the Haitong International Securities (on behalf of the Underwriter), might consider, in its absolute discretion (acting in good faith), to be material in the context of the H Share Rights Issue or the underwriting of the H Share Rights Issue.

Any of the conditions set out above (except conditions (b), (d), (e), (f), (g), (h), (i) and (j)) may be waived at any time by the Underwriter, in its sole discretion, and such waiver may be in whole or in part and made subject to such terms and conditions as are determined by the Underwriter.

Termination of the Underwriting Agreement

The Underwriting Agreement shall terminate without further act or deed if any of the conditions to the obligations of the Underwriter, as set forth in “Conditions of the Underwriting Agreement” of the Underwriting Agreement, shall not have been satisfied when and as required by the Underwriting Agreement to be satisfied (unless otherwise waived or modified by Haitong International Securities).

In addition, the obligations of the Underwriter hereunder may be terminated with immediate effect if prior to the Latest Time for Termination and in the reasonable opinion of Haitong International Securities:

- (a) there shall have developed, occurred, happened or come into effect any change (whether permanent or not), or any development involving a prospective change, or any event or circumstance reasonably likely to result in a change or a development involving a prospective change, in or affecting the assets, liabilities, conditions, prospects, profits, losses or financial or trading position of the Company and the other members of the Group;

LETTER FROM THE BOARD

- (b) any material breach of any of the representations, warranties or undertakings contained in the Underwriting Agreement comes to the knowledge of the Sole Underwriter, or there has been a material breach on the part of the Company of any other provision of the Underwriting Agreement; or
- (c) there shall have developed, occurred, happened or come into effect any of the following:
 - i a suspension or limitation (including, without limitation, any minimum or maximum price limit or range but excluding suspensions or limitations resulting from the H Share Rights Issue, the A Share Rights Issue or any technical causes) in or on trading in securities generally on the SEHK, the New York Stock Exchange, the NASDAQ Global Market, the London Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange;
 - ii a suspension or limitation (including, without limitation, any minimum or maximum price limit or range but excluding suspensions or limitations resulting from the H Share Rights Issue, the A Share Rights Issue or any technical causes) in or on trading in any securities of the Company listed or quoted on a stock exchange;
 - iii a general moratorium on commercial banking activities declared by relevant Authorities in Hong Kong, the PRC, the United States or the United Kingdom or a disruption in commercial banking or foreign exchange trading or securities settlement or clearance services, procedures or matters in Hong Kong, the PRC, the United States or the United Kingdom;
 - iv a change or development involving a prospective change, or any event or circumstance reasonably likely to result in a change or a development involving a prospective change, in or affecting any taxation or exchange controls, currency exchange rates or foreign investment regulations (or the implementation of any exchange control) in Hong Kong, the PRC, the United States or the United Kingdom; any new laws reasonably likely to result in a change or affecting existing laws or the interpretation or application of existing laws by any court or other competent authority in Hong Kong, the PRC, the United States or the United Kingdom or any other jurisdiction relevant to any member of the Group;

LETTER FROM THE BOARD

- v any event or circumstance in the nature of force majeure (including, without limitation, any act of government, economic sanctions, riot, fire, explosion, flooding, earthquake, civil commotion, act or declaration of war, outbreak or escalation of hostilities (whether or not war is or has been declared), act of terrorism (whether or not responsibility has been claimed), act of God, pandemic, epidemic, outbreak of infectious disease, declaration of a state of emergency or calamity or crisis, in each case, involving or affecting Hong Kong, the PRC, the United States or the United Kingdom; or
- vi any change or development or any event or series of events involving a prospective change or any event or series of events or circumstance reasonably likely to result in a change or a development involving a prospective change (whether or not permanent) in any local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in or affecting Hong Kong, the PRC, the United States or the United Kingdom; or
- vii any statement contained in any of the Relevant Documents (as defined in the Underwriting Agreement) was or has become untrue, incorrect in any material respect or misleading; or
- viii any matter has arisen or been discovered which would, if any announcement or the H Share Rights Issue Prospectus (or any supplement or amendment thereto) had been issued at that time, constitute a material omission therefrom if it had not been disclosed in any announcement or the H Share Rights Issue Prospectus (or any supplement or amendment thereto); or
- ix the permission to deal in and the listing of the H Share Rights Issues (in their nil-paid and fully-paid forms) has been withdrawn by the Hong Kong Stock Exchange;
- x an authority or a political body or organisation in any relevant jurisdiction commencing any investigation or other action or announcing an intention to investigate or take other actions in relation to matters that may have a Material Adverse Effect (as defined in the Underwriting Agreement); or
- xi the President of the Company or any executive Director committing any act of fraud or other indictable offence;

which each case, in the reasonable judgement of Haitong International Securities (on behalf of the Underwriter):

- a makes it or may make it impracticable or inadvisable or inexpedient to proceed with the H Share Rights Issue or the delivery of the H Rights Shares on the terms and in the manner contemplated in the Prospectus Documents; or
- b have or will reasonably be expected to have a material adverse effect on the success of the H Rights Issue or the level of the H Share Rights Shares taken up.

LETTER FROM THE BOARD

If, after the execution and delivery of the Underwriting Agreement, the sale and delivery of the H Rights Shares, as contemplated by the Underwriting Agreement, is not carried out as a result of any termination of the Underwriting Agreement pursuant hereto or because the Company shall be unable to comply with any of the terms of the Underwriting Agreement, each party shall cease to have any further rights and obligations under the Underwriting Agreement, save for any antecedent breach of the Company or the Underwriter's obligations.

Lock up provisions under the Underwriting Agreement

The Company undertakes to Haitong International Securities that:

- (a) except for (A) the H Rights Shares and A Rights Shares to be allotted and issued pursuant to the H Share Rights Issue and the A Share Rights Issue respectively; or (B) any H Shares or other securities or rights issued or granted under existing share schemes or pursuant to the exercise of existing rights of subscription or conversion; or
- (b) unless the prior written consent of Haitong International Securities (and such consent shall not be unreasonably withheld or delayed) is obtained, from the date of the Underwriting Agreement up to 90 days after the first day of trading of the H Rights Shares on the Stock Exchange, the Company will not (A) allot or issue or sell, or offer to allot or issue or sell, accept subscription for, pledge, lend, mortgage, assign, charge, purchase any option or contract to sell, or grant any option, right or warrant to subscribe for or purchase or lend or otherwise dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Rights Shares or other equity securities of the Company or any interests therein (including but not limited to any securities convertible into or exercisable or exchangeable for any H Rights Shares or which carry rights to subscribe for or purchase or receive H Rights Shares), or deposit H Rights Shares with a depositary in connection with the issue of depositary receipts, or (B) enter into a transaction (including, without limitation, a swap or other derivative transaction) that transfers, in whole or in part, any of the economic consequences of ownership of any H Rights Shares or such securities of the Company or any interest therein or has an effect on the market in the H Rights Shares similar to that of a sale of interest in H Rights Shares or repurchase any H Rights Shares, or (C) enter into any transaction with the same economic effect as any transaction described in (A) or (B) above, or (D) offer or agree or contract or announce any intention to enter into or effect any such transaction described in (A), (B) or (C) above whether any of the foregoing transactions described in (A), (B) or (C) above is to be settled by delivery of H Rights Shares or such other securities, in cash or otherwise; provided, however, that the foregoing restrictions shall not apply to (i) any issuance of stock dividends, (ii) the application of any capital reserve to issue H Rights Shares, (iii) the execution of customer orders to trade any H Rights Shares.

LETTER FROM THE BOARD

Warning of the Risks of Dealing in the H Shares and Nil-paid H Rights

Existing H Shares are expected to be dealt in on an ex-rights basis from Tuesday, 26 March 2019. Dealings in the H Rights Shares in nil-paid form are expected to take place from Tuesday, 9 April 2019 to Tuesday, 16 April 2019 (both days inclusive). **If the conditions of the H Share Rights Issue (see the section headed “Conditions of the H Share Rights Issue” above) are not fulfilled, the H Share Rights Issue will not proceed.**

Furthermore, in the event that the Underwriting Agreement does not become unconditional or if it is terminated in accordance with the terms thereof, the H Share Rights Issue may not proceed.

Any dealing in the H Shares or the Nil-paid H Rights is at the investor’s own risk. If in any doubt, investors are recommended to consult their professional advisers.

Despatch of H Share Certificates and Refund Cheques

Subject to fulfillment of the conditions of the H Share Rights Issue, it is expected that the certificates for the H Rights Shares and the refund cheques in respect of wholly or partly unsuccessful applications for excess H Rights Shares (if any) will be dispatched by ordinary post to the allottees, at their own risk, to their registered addresses by the H Share Registrar on or about Tuesday, 2 May 2019.

Taxation

Qualified H Shareholders are recommended to consult their professional advisers if they are in any doubt as to the taxation implications of holding, disposing of or dealing in the H Rights Shares (in their nil-paid and/or fully-paid forms) and, as regards the Excluded H Shareholders, their receipt of the net proceeds of the nil-paid forms of the H Rights Shares otherwise falling to be issued to them under the H Share Rights Issue. It is emphasized that neither the Company, the Directors nor any other party involved in the H Share Rights Issue accept responsibility for any tax effects or liabilities of holders of the H Rights Shares resulting from the purchase, holding, disposal of, or dealing in the H Rights Shares (in their nil-paid and/or fully-paid forms).

LETTER FROM THE BOARD

III. A SHARE RIGHTS ISSUE

The A Rights Issue is conducted on the basis of 1.9 A Rights Shares for every 10 existing A Shares held by Qualified A Shareholders on the A Share Record Date. Details of the A Share Rights Issue are as follows:

Sponsor to A Share Rights Issue

Haitong Securities

A Share Rights Issue statistics

| | |
|---|--|
| Basis of A Share Rights Issue: | 1.9 A Rights Shares for every 10 existing A Shares held by Qualified A Shareholders on the A Share Record Date |
| Number of A Shares in issue: | 2,906,142,460 A Shares |
| Number of A Shares proposed to be issued: | 552,167,067 A Shares |
| Subscription Price: | RMB7.02 per A Rights Share |

Basis of Entitlement

Subject to fulfillment of the conditions set out below in the paragraph headed “Conditions of the A Share Rights Issue”, Qualified A Shareholders will be provisionally allotted 1.9 A Rights Shares for every 10 existing A Shares held by Qualified A Shareholders on the A Share Record Date at the Subscription Price, being RMB7.02, for each A Rights Share payable in full on acceptance.

Qualified A Shareholders

To qualify for the A Share Rights Issue, an A Shareholder must be registered as a Shareholder of the Company on the A Share Record Date.

LETTER FROM THE BOARD

Expected Timetable of A Share Rights Issue

CSRC granting approval for the A Share Rights Issue Thursday, 14 March 2019

Publication of A Share Rights Issue Prospectus

on the website of the Shenzhen Stock Exchange Monday, 18 March 2019

On-line Roadshow Tuesday, 19 March 2019

A Share Record Date Wednesday, 20 March 2019

Commencement of the A Share Rights Issue Suspension

of trading in the A Shares First day for acceptance of

and payment for the A Rights Shares Thursday, 21 March 2019

Close of the A Share Rights Issue Last day for payment

for the A Rights Shares Wednesday, 27 March 2019

Verification of payment for subscription

for the A Rights Shares Thursday, 28 March 2019

Announcement of results of the A Share Rights Issue

Resumption of trading in the A Shares Friday, 29 March 2019

Shareholders should note that the dates specified in the expected timetable of the A Share Rights Issue as set out above, and in other parts of this prospectus, are indicative only and may be changed by the Board. Any such change to the expected timetables will be published or notified to the Shareholders accordingly.

The listing of, and the commencement date of dealing in, the A Rights Shares will be subject to further determination by the relevant PRC regulatory authority. A further announcement will be made by the Company when such details are available.

LETTER FROM THE BOARD

Conditions of the A Share Rights Issue

The A Share Rights Issue is conditional upon each of the following events being fulfilled:

- (i) the approval of the Rights Issue by the Shareholders at the AGM;
- (ii) the approval of the Rights Issue at the 2018 First A Shareholders Class Meeting and the 2018 First H Shareholders Class Meeting, respectively;
- (iii) the approval of the CSRC for the Rights Issue; and
- (iv) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Share Rights Issue.

None of the above conditions for completion of the A Share Rights Issue may be waived by the Company or has been satisfied. As at the Latest Practicable Date, the conditions under (i) to (iii) above have been fulfilled. **If the conditions under (iv) is not fulfilled, the A Share Rights Issue will not proceed.**

The H Share Rights Issue and the A Share Rights Issue are not inter-conditional upon each other. If the conditions for completion of the A Share Rights Issue are not fulfilled, the H Share Rights Issue will proceed so long as the conditions for completion of the H Share Rights Issue are fulfilled and vice versa.

A Share Rights Issue to Proceed on a Non-Fully-Underwritten Basis

The A Share Rights Issue will proceed on a non-fully-underwritten basis as required under the applicable PRC laws and regulations. Under the applicable PRC laws and regulations and as classified by the CSRC, the A Share Rights Issue may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Share Rights Issue. The rights to subscribe for the A Shares which are not taken up will lapse and no new A Shares will be issued or allotted pursuant to such rights.

LETTER FROM THE BOARD

Undertaking by Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., Anbang Life Insurance Co., Ltd., Hexie Health Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd., and Anbang Insurance Group Co., Ltd..

As at the Latest Practicable Date, Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., and Hexie Health Insurance Co., Ltd., held 488,696,502, 373,957,073, and 479,483,649 A Shares, representing 13.74%, 10.52%, and 13.48% of the total issued share capital of the Company respectively. Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., and Hexie Health Insurance Co., Ltd. have undertaken to the Company to subscribe for 92,852,335, 71,051,843, and 91,101,893 A Rights Shares. On 19 September 2018, Anbang Life Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd., and Anbang Insurance Group Co., Ltd. transferred their entire shareholdings in the Company to Hexie Health Insurance Co., Ltd. and as a result, Anbang Life Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd. and Anbang Insurance Group Co., Ltd. do not hold any Shares as at the Latest Practicable Date.

Application for Listing

Application has been made to the Shenzhen Stock Exchange for the listing of the A Rights Shares.

Net Proceeds

Net proceeds of approximately RMB3,843 million are expected to be raised from the A Share Rights Issue, assuming subscription level of 100%

A Share Rights Issue Prospectus

The Chinese version of the A Share Rights Issue Prospectus is available for public inspection on the website of Hong Kong Stock Exchange (www.hkex.com.hk) and Shenzhen Stock Exchange (www.szse.cn) from the date of the Announcement.

The A Share Rights Issue Prospectus in respect of the A Share Rights Issue will be distributed to the HK Northbound Trading Investors. The A Share Rights Issue Prospectus (together with a wrapper containing the disclosures required under the Companies (WUMP) Ordinance) was registered with the Companies Registry on 15 March 2019.

LETTER FROM THE BOARD

IV. CHANGES OF THE SHAREHOLDING OF THE COMPANY AS A RESULT OF THE RIGHTS ISSUE

The following table sets out (i) the Company's current shareholding structure as at the Latest Practicable Date; (ii) its shareholding structure immediately after completion of the Rights Issue assuming full subscription for the Rights Shares; (iii) its shareholding structure immediately after completion of the Rights Issue assuming full subscription by all Qualified H Shareholders and 70% subscription in the A Share Rights Issue; and (iv) its shareholding structure immediately after completion of the Rights Issue assuming full subscription by all Qualified H Shareholders and less than 70% subscription in the A Share Rights Issue:

| | As at the date of this announcement | | Immediately after completion of the Rights Issue assuming full subscription for the Rights Shares | | Immediately after completion of the Rights Issue (assuming full subscription by all Qualified H Shareholders and 70% subscription in the A Share Rights Issue) | | Immediately after completion of the Rights Issue (assuming full subscription by all Qualified H Shareholders and less than 70% subscription in the A Share Rights Issue) | |
|---|--|---|--|---|---|---|---|---|
| | Number of Shares | Approximate percentage of the total share capital (%) | Number of Shares | Approximate percentage of the total share capital (%) | Number of Shares | Approximate percentage of the total share capital (%) | Number of Shares | Approximate percentage of the total share capital (%) |
| Core Connected Persons | 1,395,728,424 | 39.25 | 1,660,916,823 | 39.25 | 1,660,916,823 | 40.85 | 1,405,910,752 | 38.21 |
| - Xinjiang Wind Power Co., Ltd. (Note 1, Note 3) | 488,696,502 | 13.74 | 581,548,837 | 13.74 | 581,548,837 | 14.30 | 488,696,502 | 13.28 |
| - Hexie Health Insurance Co., Ltd. (Note 2, Note 3) | 479,483,649 | 13.48 | 570,585,542 | 13.48 | 570,585,542 | 14.03 | 479,483,649 | 13.03 |
| - China Three Gorges New Energy Co., Ltd. (Note 1, Note 3) | 373,957,073 | 10.52 | 445,008,916 | 10.52 | 445,008,916 | 10.94 | 373,957,073 | 10.16 |
| - Anbang Asset Management (Hong Kong) Co. Limited (Note 2, Note 4) | 53,591,200 | 1.51 | 63,773,528 | 1.51 | 63,773,528 | 1.57 | 63,773,528 | 1.73 |
| Public A Shares | 1,564,005,236 | 43.98 | 1,861,166,230 | 43.98 | 1,695,516,111 | 41.70 | 1,564,005,236 | 42.50 |
| Public H Shares | 596,469,640 | 16.77 | 709,798,871 | 16.77 | 709,798,871 | 17.46 | 709,798,871 | 19.29 |
| Total | 3,556,203,300 | 100.00 | 4,231,881,924 | 100.00 | 4,066,231,805 | 100.00 | 3,679,714,859 | 100.00 |

The above shareholding structure assumes the Rights Issue is conducted on the basis of 1.9 Rights Shares for every 10 existing Shares in issue and there will be no change in the issued share capital of the Company between the Latest Practicable Date and the H Share Record Date.

LETTER FROM THE BOARD

Notes:

1. Xinjiang Wind Power Co., Ltd. and China Three Gorges New Energy Co., Ltd. are considered a group of Core Connected Persons of the Company.
2. Hexie Health Insurance Co., Ltd., and Anbang Asset Management (Hong Kong) Co. Limited are considered a group of Core Connected Persons of the Company.
3. As at the Latest Practicable Date, all Shares held by Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., and Hexie Health Insurance Co., Ltd., in the Company are A Shares.
4. As at the Latest Practicable Date, all Shares held by Anbang Asset Management (Hong Kong) Co. Limited in the Company are H Shares.

At all times during the process of the Rights Issue and upon completion of the Rights Issue, the Company expects to be able to maintain the minimum public float requirement as set out under Rule 8.08(1) of the Listing Rules.

V. REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS

The Company experienced stable growth in recent years. In order to implement the Company's operating strategies, it has made continuous business investments in recent years, which requires debt financing in addition to the cash generated from the Company's operations. The Company's main source of financing is loan capital, which has led to a high level of debt to asset ratio and further limited the Company's ability to continue debt financing. As a result, the Company needs to raise capital through Rights Issue, so as to replenish operating capital to support its future business development and lower its debt to asset ratio and enhance its financial condition.

LETTER FROM THE BOARD

The estimated gross proceeds from the Rights Issue will not exceed RMB4,744.183 million. The net proceeds after deducting the cost of issuance will be used for the 527.5MW Stockyard Hill Wind Farm Project, the 150MW Moorabool North Wind Farm Project, replenishment of working capital, the repayment of interest bearing debts, including the long-term bank loans, the short-term bank loans and the medium-term notes, as follows:

Unit: RMB ten thousand

| No. | Project Name | Total Planned | Proposed Use of Proceeds |
|--------------|--|--------------------------|-----------------------------|
| | | Investment Amount | |
| 1 | 527.5MW Stockyard Hill Wind Farm Project | 518,261.06 | 139,418.30 |
| 2 | 150MW Moorabool North Wind Farm Project | 180,339.81 | 35,000.00 |
| 3 | Replenishment of working capital | — | 150,000.00 |
| 4 | Repayment of interest bearing debts | — | 150,000.00 |
| Total | | <u>698,600.87</u> | <u>474,418.30</u> |

If the net proceeds raised are less than the amount of proceeds proposed to be invested in the above projects, the shortfall shall be raised by the Company on its own. On the condition that these projects are not changed, the Board of the Company may make appropriate adjustments to the sequence and amount of proceeds for the above projects with reference to their actual requirements. From the approval of the plan of the Rights Issue by the Board meeting of the Company up to when the proceeds raised are available for use, the Company shall, in accordance with the operational condition and development plan, invest in such projects using other internal capital resources which will be replaced with the proceeds when they are in place, according to the procedures stipulated by relevant laws and regulations.

LETTER FROM THE BOARD

VI. EQUITY FUND RAISING ACTIVITY DURING THE PAST 12 MONTHS

The Company has not engaged in any equity fund raising activity in the past 12 months immediately preceding the Latest Practicable Date:

VII. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus and in the 2016 and 2017 annual reports and the annual results announcement of the Company dated 29 March 2019.

Yours faithfully,
Wu Gang
Chairman

1. SUMMARY OF FINANCIAL INFORMATION

The audited consolidated financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 have been disclosed in the annual reports of the Company in respect the financial information for the years 2016 and 2017 and the annual results announcement of the Group dated 29 March 2019 in respect of the financial information for the year 2018.

Details of the financial statements have been published on the Stock Exchange website (<http://www.hkexnews.hk>) and Company website (<http://www.goldwindglobal.com/>) and can be accessed by the direct hyperlinks below:

- (i) in respect of the annual report of the Company for the year ended 31 December 2016 published on 25 April 2017 (pages 90 to 216)

<http://www.hkexnews.hk/listedco/listconews/SEHK/2017/0425/LTN20170425945.pdf>

- (ii) in respect of the annual report of the Company for the year ended 31 December 2017 published on 20 April 2018 (pages 89 to 224)

<http://www.hkexnews.hk/listedco/listconews/SEHK/2018/0420/LTN20180420598.pdf>

- (iii) in respect of the annual results announcement of the Company for the year ended 31 December 2018 published on 29 March 2019 (pages 2 to 40)

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0329/LTN201903291836.pdf>

II. BUSINESS TREND, FINANCIAL AND TRADING PROSPECTS OF THE GROUP

As stated in the annual results announcement for the year ended 31 December 2018, the Group posted a profit attributable to owners of the Company of RMB3,216.60 million, representing an increase of 5.30% compared with RMB3,054.66 million in 2017. As China's wind power industry develops steadily and the situation of curtailment of wind power improves, the Group has been experiencing an increase of the market recognition, the wind farms capacity and the return to our investment in innovative business.

With the new round of scientific and technological revolution and industrial transformation in the world, the world's energy structure is gradually evolving toward low-carbon and carbon-free. The development of clean and low-emission renewable energy has become the trend of global energy transformation. China adheres to the five development concepts of "innovation, coordination, green, openness, and sharing". It focuses on building a beautiful China energy development strategy, adheres to the direction of green energy development, and proposes to vigorously develop renewable energy such as wind power and solar to build clean, low-carbon, safe and efficient energy system, and pursues high-quality development of China's energy through a series of policies.

According to *World Energy Outlook 2018* issued by the International Energy Agency (IEA), while the rise of low-carbon technology has led to a major shift in power generation, the share of electricity in global energy consumption is increasing, and electricity is increasingly becoming the preferred “fuel”. It estimates that by 2040, electricity demand will increase by 90%. By 2040, one-fifth of the global electricity demand growth will come from China. China has become a global leader in wind, solar, electric vehicles, and the emerging low-carbon technology.

According to *China Renewable Energy Outlook 2018* issued by the Energy Research Institute of the National Development and Reform Commission, the total consumption of fossil energy in China will peak in 2020 and decline steadily before 2035. After 2020, solar and wind power will grow rapidly. In the next 10 years, China will usher in the peak of large-scale construction of solar and wind power. The newly installed solar capacity will be about 80-160 GW per year, and the newly added wind power installed capacity will be about 70-140 GW per year. By 2050, wind and solar energy will become an absolute main force in China’s energy system.

According to *Global Offshore Wind Power Market Report* released by MAKE, the development scale of the global offshore wind power market is expanding. It is estimated that the installed capacity of offshore wind power will reach 100GW from 2018 to 2027, accounting for 15% of the total new capacity in the next 10 years. It is expected that after 2023, the 10+MW platform will earn more market share. It is estimated that by 2027, the demand for offshore wind power will continue to grow, and a total of 23 countries and regions will develop offshore wind power worldwide.

With the innovation and development of wind power technology, China’s wind power technology is gradually maturing, and true parity will be an inevitable trend of wind power development. According to the “Notice on Accelerating the Work on Speeding up the Wind Power and Solar Power True Parity (Draft for Comment)”(《關於加快推進風電、光伏發電平價上網有關工作的通知》) issued by the National Energy Administration, China’s renewable energy will formally enter the era of true parity, which promotes industrial technology and enhances market competition. It is of great practical significance to get rid of subsidy dependence and accumulate true parity experience. At the same time, it has important strategic meaning for boosting wind power and solar power from supplementary energy to mainstream energy.

Under the background of informationization, digitalization, and the Internet, big data, digitization, and data analysis methods are becoming more and more widely used in wind power manufacturing enterprises, and become the key to seize the market and enhance core competitiveness. The introduction of products such as smart WTG, digital operation and maintenance solution and intelligent wind farm management platform can improve the reliability and availability of wind turbines and reduce the cost of wind power operation and maintenance while monitoring the wind farm with no one or few people. The improvement of quality and efficiency is also an important consideration for customers when they choose products. The competition in digital products and smart operation and maintenance will also intensify.

The focus of China's wind power development is accelerating the shift to the central and southern region. More complicated wind conditions and shorter operation and maintenance time windows put forward higher requirements for the reliability and quality of wind power equipment. Offshore wind power has entered the stage of large-scale development. With the advancement of the market, the offshore wind power will gradually move into the deep sea and the distant sea. The increase of offshore distance and water depth will put forward higher requirements for the installation and operation of offshore wind turbines.

The Company is committed to becoming a global leader in providing clean energy and a comprehensive solution provider of energy conservation and environmental protection by adhering to the mission of "offering white clouds and blue sky to human beings and leaving more resources for the future". The Company insists on the customer-centric business philosophy and provides customers with a complete lifecycle solution. The Company continues to vigorously develop wind power equipment and wind power service business, providing onshore wind power and offshore wind power solutions. At the same time, it actively deploys the "source-network-load" industrial chain of smart energy Internet, actively develops and invests in wind farms, and accelerates the cultivation of distributed energy and energy service business. In the field of environmental protection, the Company quickly accumulates water treatment and environmental protection assets and cultivates a comprehensive solution for smart water services.

The "Two Seas" strategy formulated by the Company aims to actively develop offshore wind power, expand the overseas wind power market, and promote the overseas development of the core business of Goldwind. The Company's digital strategy helps customers achieve digital manufacturing by providing customers with comprehensive digital products and solutions. Through digitization, service, platform and internationalization of business, the Company will build core competitiveness and promote the continuous growth of the Company's business.

The Company will continue to adhere to the development policy of survival, transformation and development, innovation and breakthrough, value-added and efficiency, with steady operation and sustainable development as the core, consolidate the main business foundation, and leverage the advantages of diversified profit model to earn market share. The Company aims to increase information management coverage, implement project management, improve one-stop integrated energy solutions and asset management service levels. It continues to carry out lean management activities, improve organizational efficiency, and achieve high-quality, sustainable development.

III. INDEBTEDNESS STATEMENT

As at the close of business on 31 January 2019, being the latest practicable date for the purpose of ascertaining the indebtedness of the Group prior to the printing of this Prospectus, the Group had total issued debts of RMB22,582,701,000. Details of which are as follows:

| | <i>RMB'000</i> |
|---------------------------------|-------------------|
| Bank borrowings | |
| – Secured (<i>Note i</i>) | 15,112,353 |
| – Unsecured | <u>6,484,531</u> |
| | <u>21,596,884</u> |
| Corporate bonds | |
| – Secured (<i>Note i</i>) | <u>670,025</u> |
| Borrowings from related parties | |
| – Unsecured | <u>10,400</u> |
| Finance lease payables | |
| – Secured (<i>Note i</i>) | <u>305,392</u> |
| | <u>22,582,701</u> |

Notes:

- (i) All securities pledged for the indebtedness are owned by the Group.

The Group had total contingent liabilities of RMB18,721,355,000. Details of which are as follows:

| | <i>RMB'000</i> |
|---|-------------------|
| Contingent liabilities | |
| – Letters of credit issued | 33,211 |
| – Letters of guarantee issued | 18,091,544 |
| Guarantees given to banks in connection with bank loans granted to: | |
| – An associate | 327,166 |
| – A third party | <u>269,434</u> |
| | <u>18,721,355</u> |

Save as aforesaid and apart from intra-group liabilities and normal trade and bills payables in the ordinary course of the business, as at the close of business on 31 January 2019, the Group did not have other debt securities issued and outstanding, and authorized or otherwise created but unissued, outstanding mortgages, charges, debentures or other loan capital, bank overdrafts or loans, other similar indebtedness, finance leases or hire purchase commitments, liabilities under acceptances or acceptance credits, guarantees or material contingent liabilities.

As at the Latest Practicable Date, the Directors were not aware of any or any material adverse change in the indebtedness position of the Group since 31 January 2019.

IV. WORKING CAPITAL

The Directors are of the opinion that, in the absence of any unforeseen circumstances and after taking into account (i) the internal resources of the Group; (ii) the Group's presently available banking facilities and the intended renewal of such facilities upon maturity; and (iii) the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements and for at least 12 months from the date of the Prospectus. The Directors' opinion is based on, among other things, the assumption that the Group's secured loans are able to be renewed upon maturity and continue to be available to the Group. The Directors are confident that the Group will, if necessary, be able to renew its banking facilities when they fall due.

A. UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 31 December 2018 (the “Unaudited Pro Forma Financial Information”) which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to shareholders of the Company as if the Rights Issue had taken place at 31 December 2018.

The Unaudited Pro Forma Financial Information is prepared based on the consolidated net tangible assets of the Group attributable to shareholders of the Company as at 31 December 2018, as extracted from the published annual results announcement of the Company for the year ended 31 December 2018, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only, and because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group attributable to shareholders of the Company immediately after completion of the Rights Issue or any future date after completion of the Rights Issue.

| Consolidated net tangible assets attributable to shareholders of the Company as at 31 December 2018 (Note 1) RMB'000 | Estimated net proceeds from the Rights Issue (Note 2) RMB'000 | Unaudited pro forma adjusted consolidated net tangible assets attributable to shareholders of the Company RMB'000 | Consolidated net tangible assets attributable to shareholders of the Company per share as at 31 December 2018 (Note 3) RMB | Unaudited pro forma adjusted consolidated net tangible assets per share as at 31 December 2018 (Note 4) RMB | (Note 6) HK\$ |
|--|--|---|--|--|------------------|
| Based on 123,511,559 H Rights Shares to be issued at the Subscription Price of HK\$8.21 per Rights Share and 552,167,067 A Rights Shares to be issued at the Subscription Price of RMB7.02 per Rights Share | | | | | |
| 20,996,354 | 4,681,380 | 25,677,734 | 5.90 | 6.07 | 7.09 |

Notes

1. The consolidated net tangible assets attributable to shareholders of the Company of approximately RMB20,996,354,000 as at 31 December 2018 is based on consolidated net assets attributable to shareholders of the Company of approximately RMB24,961,218,000 after deducting intangible assets and goodwill of approximately RMB3,964,864,000 as extracted from the annual results announcement for the year ended 31 December 2018.
2. The estimated net proceeds from the Rights Issue of approximately RMB4,681,380,000 are calculated based on 123,511,559 H Rights Shares to be issued at the Subscription Price of HK\$8.21 per Rights Share and 552,167,067 A Rights Shares to be issued at the Subscription Price of RMB7.02 per Rights Share as at the Latest Practicable Date and after deduction of estimated underwriting fees and other related expenses of approximately RMB 62,489,000.
3. The consolidated net tangible assets attributable to shareholders of the Company per share as at 31 December 2018 is based on the consolidated net tangible assets attributable to shareholders of the Company as at 31 December 2018 of approximately RMB20,996,354,000 divided by 3,556,203,300 ordinary shares of the Company in issue as at 31 December 2018.
4. The unaudited pro forma adjusted consolidated net tangible assets per share as at 31 December 2018 after completion of the Rights Issue is determined based on the unaudited pro forma adjusted consolidated net tangible assets attributable to shareholders of the Company of approximately RMB 25,677,734 divided by 4,231,881,926 ordinary shares of the Company in issue after completion of the Rights Issue as at 31 December 2018, which comprises of 123,511,559 H Rights Shares and 552,167,067 A Rights Shares.
5. No adjustments have been made to the unaudited pro forma adjusted consolidated net tangible assets to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2018.
6. For the purpose of the Unaudited Pro Forma Financial Information, conversion of RMB and HK\$ is calculated at the exchange rate of RMB1 to HK\$1.1687. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, may be exchanged at this or any other rate or at all.

**II. INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of the independent reporting accountants' assurance report received from Ernst & Young, Certified Public Accountants, Hong Kong, the reporting accountants of the Company, in respect of the Group's Unaudited Pro Forma Financial Information prepared for the purpose of incorporation in this prospectus.



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Central, Hong Kong

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE
COMPILATION OF PRO FORMA FINANCIAL INFORMATION**

To the Directors of Xinjiang Goldwind Science & Technology Co., Ltd.

We have completed our assurance engagement to report on the compilation of pro forma financial information of Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The pro forma financial information consists of the unaudited pro forma consolidated net tangible assets as at 31 December 2018 and related notes as set out on pages II-1 to II-2 of the prospectus dated 4 April 2019 issued by the Company (the "Pro Forma Financial Information"). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Part A of Appendix II of the Prospectus.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the rights issue of shares of the Company on the Group's financial position as at 31 December 2018 as if the transaction had taken place at 31 December 2018. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the year ended 31 December 2018, on which an audit report has been published.

Directors' responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline ("AG") 7 Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

Our independence and quality control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the rights issue of shares of the Company on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Yours faithfully,

Ernst & Young

Certified Public Accountants

Hong Kong

4 April 2019

I. RESPONSIBILITY STATEMENT

This document, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this document is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this document misleading.

II. DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT**(a) Particulars of the Directors, supervisors and senior management of the Company**

| Name | Address |
|-----------------------------------|--|
| <i>Executive Directors</i> | |
| Mr. Wu Gang | No. 8, Bo Xing Yi Road Beijing Economic & Technological Development Zone Beijing, PRC |
| Mr. Wang Haibo | No. 8, Bo Xing Yi Road Beijing Economic & Technological Development Zone Beijing, PRC |
| Mr. Cao Zhigang | No. 8, Bo Xing Yi Road Beijing Economic & Technological Development Zone Beijing, PRC |

| Name | Address |
|---|---|
| <i>Non-Executive Directors</i> | |
| Mr. Zhao Guoqing | No. 8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Mr. Gao Jianjun | No. 8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Ms. Gu Hongmei | No. 8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| <i>Independent Non-Executive Directors</i> | |
| Dr. Tin Yau Kelvin Wong | No. 8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Mr. Yang Xiaosheng | No. 8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Mr. Luo Zhenbang | No. 8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |

Name**Address*****Supervisors***

Mr. Wang Mengqiu

No. 8, Boxing Yi Road
Economic and Technological
Development District, Beijing, PRC

Mr. Luo Jun

No. 8, Boxing Yi Road
Economic and Technological
Development District, Beijing, PRC

Ms. Xiao Hong

No. 8, Boxing Yi Road
Economic and Technological
Development District, Beijing, PRC***Employee Representative
Supervisors***

Mr. Lu Min

No.8, Boxing Yi Road
Economic and Technological
Development District, Beijing, PRC

Ms. Ji Tian

No.8, Boxing Yi Road
Economic and Technological
Development District, Beijing, PRC***Senior Management***

Mr. Wu Kai

No.8, Boxing Yi Road
Economic and Technological
Development District, Beijing, PRC

Mr. Liu Chunzhi

No.8, Boxing Yi Road
Economic and Technological
Development District, Beijing, PRC

| Name | Address |
|-----------------|--|
| Ms. Ma Jinru | No.8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Mr. Zhou Yunzhi | No.8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Mr. Liu He | No.8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Mr. Liu Rixin | No.8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Mr. Zhai Endi | No.8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |

(b) Biographies of the Directors and senior management of the Company***Executive Directors***

Mr. Wu Gang (“Mr. Wu”), aged 61, is currently the Chairman. Mr. Wu graduated from Dalian University of Technology with a master’s degree. He is a professor level senior engineer and an expert entitled to a special allowance granted by the State Council. He was appointed as the Chairman in May 2002 and previously served as the Company’s general manager between 2002 and 2006, CEO between 2006 and 2013 and President between March 2012 and January 2013.

Mr. Wu served as the Chairman and the Party Secretary of Xinjiang New Energy (Group) Co., Ltd between June 2012 and November 2018. The above company is a non-listed company.

Mr. Wang Haibo (“Mr. Wang”), aged 45, is currently an executive Director and the President. Mr. Wang graduated from Xinjiang Finance and Economics University with a bachelor’s degree. He joined the Company in 2000 and previously served as the Company’s director of Sales and Marketing and director of Investment and Development; Beijing Tianrun’s deputy general manager, general manager and chairman of the board of Beijing Tianrun; general manager and director of Goldwind International. Mr. Wang served as vice president of the Company between March 2010 to January 2013. He was appointed as an executive Director in June 2012 and the President in January 2013.

Mr. Cao Zhigang (“Mr. Cao”), aged 44, is currently an executive Director, executive vice president of the Company. Mr. Cao graduated from China Europe International Business School with a master of business administration. He is a senior engineer. He joined the Company in 2001 and previously served as the Company’s director of electronic control, deputy chief engineer and general manager of the WTG Business Unit of the Group. He served as vice president of the Company between March 2007 to March 2010. He was appointed as an executive vice president of the Company in March 2010, and an executive Director in June 2013.

Mr. Cao is concurrently a director of Swancor (Shanghai) Fine Chemical Co., Ltd.* (上緯新材料科技股份有限公司) and the Deputy Chairman of JL MAG Rare-Earth Co., Ltd.* (江西金力永磁科技股份有限公司), which is listed on the Shenzhen Stock Exchange.

Non-Executive Directors

Mr. Zhao Guoqing (“Mr. Zhao”), aged 50, is currently a non-executive Director. Mr. Zhao holds a bachelor degree. Mr. Zhao worked for China Ministry of Water Resources from November 1995 to February 2010 and held various positions including Officer of Finance Division, Deputy Director of Finance Department of Service Center and Director of Finance Department and Audit Department of Service Bureau. Mr. Zhao held the position of Deputy Chief Accountant of China Water Investment Group Corporation from February 2010 to June 2010. Mr. Zhao also held the position of Deputy Chief Accountant of China Three Gorges New Energy Co., Ltd., one of the substantial shareholders of the Company, from June 2010 to October 2011. From October 2011 to April 2017, Mr. Zhao was the Chief Accountant of China Three Gorges New Energy Co., Ltd., from April 2017 to January 2019, he served as the deputy general manager of Three Gorges New Energy Co., Ltd., during which, he was also the General Counsel of China Three Gorges New Energy from December 2015 to July 2018. Since January 2019, Mr. Zhao has served as the General Manager of the Guangdong branch of China Three Gorges Corporation and the vice general manager of China Three Gorges New Energy Co., Ltd. Mr. Zhao has been appointed as a non-executive Director since January 2016.

Mr. Gao Jianjun (“Mr. Gao”), aged 51, is currently a non-executive Director. Mr. Gao graduated from Xinjiang Coal Academy with a major in mining engineering and attained his postgraduate degree from Graduate School of China Academy of Social Sciences with a major in economic management. From April 2001 to August 2008, Mr. Gao served in the Xinjiang Uygur Autonomous Region (the “**Autonomous Region**”) Economic and Trade Commission (“**SETC**”) as Director of Investment and Planning Department, Director of Industrial Park Management Department and Deputy Secretary General of the SETC. From August 2008 to August 2012, Mr. Gao served as party Secretary and Officer of the Autonomous Region Machinery Electronics Industry Management Office. From August 2012 to November 2018, Mr. Gao has served as Deputy Party Secretary, General Manager and Director of Xinjiang New Energy (Group) Co., Ltd.. Since November 2018, he has served as Party Secretary and the Chairman of Xinjiang New Energy (Group) Co., Ltd. Since December 2016, Mr. Gao has served as Party Secretary and Chairman of Xinjiang Wind Energy, a substantial shareholder of the Company. Mr. Gao was appointed as a non-executive Director of the Company in March 2017.

Ms. Gu Hongmei (“Ms. Gu”), aged 50, is currently a non-executive Director. Ms. Gu is a PhD is and a vice research associate. From July 1991 to February 1994, Ms. Gu served as a senior public relations officer, public relations manager of Holiday Hotel in China and she was responsible for various business operations of the hotel. She was a senior publisher, general manager of Beijing representative office of Hong Kong Yishi Press from April 1994 to February 1995. Ms. Gu was a principle staff member, deputy chief of Foreign Affairs Office of Haidian District of Beijing from February 1995 to November 1995. She served as a deputy director and a director in the Tourist Administration of Haidian District of Beijing from November 1995 to December 2006. Ms. Gu concurrently served as an assistant to the district mayor, deputy director of Development and Construction Commission of the North and office director of Development Office of the People’s Government of Haidian District, Beijing from December 2006 to July 2010. Ms. Gu served as Officer of the People Commerce Commission of Haidian District, Beijing from July 2010 to November 2010. She served as a Vice Principal of Beijing Union University from November 2010 to March 2016, and served as a director of Endowment Insurance in the Global Insurance Business Division of Anbang Insurance Group from March 2016 to December 2016. Ms. Gu has been a chairman of Hexie Health Insurance Co., Ltd. since December 2016 and a director of Financial Street Holdings Co., Ltd. since August 2018 and a non-executive Director of the Company since October 2018.

Independent Non-Executive Directors

Dr. Tin Yau Kelvin Wong (“Dr. Wong”), aged 57, is currently an independent non-executive Director. He obtained his Master of Business Administration from Andrews University in Michigan, the USA and his Doctorate of Business Administration from The Hong Kong Polytechnic University. He currently serves as executive director and deputy managing director of COSCO SHIPPING Ports Limited, which is a company listed on the Hong Kong Stock Exchange. Dr. Wong previously served as an independent non-executive Director of the Company from June 2011 to June 2016 and was appointed as an independent non-executive Director of the Company again in October 2016.

Dr. Wong is currently the past chairman of The Hong Kong Institute of Directors, the chairman of Financial Reporting Council, a member of the Operations Review Committee of the ICAC. Dr. Wong was appointed as Justice of the Peace by the Government of Hong Kong Special Administrative Region in 2013.

Dr. Wong is concurrently an independent non-executive Director of China ZhengTong Auto Services Holdings Limited, I.T Limited, Huarong International Financial Holdings Limited and Bank of Qingdao Co., Ltd.* (青島銀行股份有限公司). The securities of the above companies are listed on the Hong Kong Stock Exchange. He is also an independent non-executive Director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd.* (上海復星醫藥(集團)股份有限公司) and the securities of which are listed on the Hong Kong Stock Exchange and the Shanghai Stock Exchange.

Mr. Yang Xiaosheng (“Mr. Yang”), aged 66, is currently an independent non-executive Director. Mr. Yang graduated from Beijing University of Agricultural Engineering with a master’s degree in agricultural electrification. He is a senior engineer. He previously served as deputy chief engineer and chief engineer of China Longyuan Power Group Limited between 2000 and 2009, and chief engineer of China Longyuan Power Group Corporation Limited between 2009 and 2012. Mr. Yang was appointed as an independent non-executive Director in June 2013.

Mr. Yang is the secretary general of the National Energy Industries Wind Power Standardisation Committee, deputy head of the Experts Group for Renewable Energy Development Planning under the Twelfth Five-Year Plan of the Ministry of Science and Technology of China, and director general of the Wind Power Equipment Subcommittee of China Association of Agricultural Machinery Manufacturers.

Mr. Luo Zhenbang (“Mr. Luo”), aged 53, is currently an independent non-executive Director. Mr. Luo graduated from Tsinghua University with a master’s degree in corporate governance and innovation. He is a China Certified Public Accountant, Certified Tax Agent, and Certified Asset Valuer. He previously served as a deputy director accountant of Tianhua Certified Public Accountants between 2002 and 2008. He currently serves as a director and senior partner of BDO China Shu Lun Pan Certified Public Accountants. Mr. Luo was appointed as an independent non-executive Director in June 2013.

Mr. Luo currently also serves as an independent non-executive director of China Aerospace International Holdings Limited, BII Railway Transportation Technology Holdings Company Limited, Glory Properties Limited and Digital China Holding Limited. The securities of China Aerospace International Holdings Limited, BII Railway Transportation Technology Holdings Company Limited and Glory Properties Limited are listed on the Hong Kong Stock Exchange. The securities of Digital China Holding Limited are listed on the Shenzhen Stock Exchange.

Supervisors

Mr. Wang Mengqiu (“Mr. Wang”), aged 54, is currently the chairman of the Supervisory Committee. Mr. Wang holds a university degree. He previously served as a deputy director and director of finance center of China Water Investment Group Corp. between 1998 and 2006. He currently serves as an assistant general manager and as director of the internal audit committee for China Three Gorges New Energy, one of the substantial shareholders of the Company. Mr. Wang was appointed as a Supervisor in August 2008 and the chairman of the Supervisory Committee in March 2010.

Mr. Wang currently also serves as a supervisor of Inner Mongolia of Gimhae New Energy Technology Co., Ltd., which is a private company.

Mr. Luo Jun (“Mr. Luo”), aged 52, is currently a Supervisor. Mr. Luo holds a bachelor’s degree and is an accountant. He previous served as an employee of finance department and reform office, the head of equity management office and director of asset management of Xinjiang Wind Power, one of the substantial shareholders of the Company, between 2002 and 2013. He currently serves as a director and the secretary of the board of Xinjiang Wind Power. Mr. Luo has served as a Supervisor since May 2004.

Mr. Luo currently also serves as a director of Xinjiang Xinfengqi Energy Services Co., Ltd., Xi’an Wind Power Co., Ltd. of China Water Investment Group and Xinjiang New Energy Research Centre Co., Ltd., and an executive director of Xinjiang Yutian New Wind Power Co., Ltd., Urumqi Tianpeng Wind Power Co., Ltd. and Xinjiang Tianxiang Wind Power Co., Ltd. Mr. Luo also currently serves as an executive director and legal representative of Buerjin Tianpeng New Energy Limited Company and Urumqi Xinfeng Tianxiang New Energy Limited Company, respectively. All of the aforementioned companies are private companies.

Ms. Xiao Hong (“Ms. Xiao”), aged 52, graduated from Zhongnan University of Economics and Law with a bachelor degree. Ms. Xiao served as chief accountant of Xinjiang Wind Power Research Laboratory from September 1999 to December 2001. Ms. Xiao served as chief accountant of Xinjiang Wind Power from January 2002 to February 2005. Ms. Xiao served as manager of finance department of Xinjiang Wind Power, one of the substantial shareholders of the Company, from March 2005 to April 2013. Ms. Xiao served as finance director of Xinjiang Wind Power Co., Ltd. from May 2013 until now. Ms. Xiao has served as Supervisor since June 2017.

Ms. Xiao currently also serves as supervisor of Urumqi Xinfeng Tianxiang New Energy Limited Company, Fuyun Tianxiang New Energy Limited Company * (富蕴天翔新能源有限公司), Buerjin Tianpeng New Energy Limited Company, Xinjiang Tianxiang Wind Power Co., Ltd., Urumqi Tianpeng Wind Power Co., Ltd., Xinjiang Yutian New Wind Power Co., Ltd., Xinjiang New Energy Institute Co., Ltd.* (新疆新能源研究院有限责任公司) and Xinjiang Xinfengqi Energy Services Co., Ltd.

Employee Representative Supervisors

Mr. Lu Min (“Mr. Lu”), aged 44, is the current employee representative supervisors. Mr. Lu graduated from Liaoning Shihua University with a bachelor’s degree. Mr. Lu previously served from 2002 to 2011 as project manager for ShineWing Certified Public Accountants. Mr. Lu previously served as the internal audit manager of the Company from February 2011 to October 2014; He has served as the director of corporate internal audit and legal department since October 2014. Mr. Lu has served as an Employee Representative Supervisor since April 2015.

Ms. Ji Tian (“Ms. Ji”), aged 48, is the current employee representative supervisors has a master’s degree, Ms. Ji joined the Company in July 2004 and has served in the Investment and Development Department. Since March 2008, Ms. Ji has served as the Security Affairs Representative of the Company. She served as vice officer and officer of the office of board secretary of the Company since 2012. Ms. Ji has served as an Employee Representative Supervisor since June 2016.

Senior Management

Mr. Wu Kai (“Mr. Wu”), aged 50, is currently an executive vice president. Mr. Wu graduated from China Europe International Business School with a master of business administration. He served as an engineer of China Academy of Launch Vehicle Technology between 1993 and 1998, and held various positions, including sales manager, component and product manager and senior regional sales manager, in SKF China between 1998 and 2008. He joined the Company in 2008 and previously served as the deputy general manager and general manager of Supply Chain Management Centre and R&D Centre. He was appointed as a vice president of the Company in January 2011 and executive vice president of the Company in June 2013.

Mr. Liu Chunzhi (“Mr. Liu”), aged 51, is currently the Chief Financial Officer of the Company. He graduated from the Tippie Business School, University of Iowa with an MBA. Mr. Liu served as a process engineer/research & development engineer in No. 1 factory of Wuhan Plastic from 1990 to 1992. Mr. Liu worked for China National Technical Imp. & Exp. Corp. as the section chief of strategic research center from 1995 to 1998. Mr. Liu worked for China General Technology as the manager of capital operation department from 1998 to 2001. Between 2002 and 2007, Mr. Liu worked in General Electric Company and held various positions including director of business finance of GE Energy Group Headquarter, finance manager of Shenyang GE Liming Gas Turbine Components Co. Ltd., chief financial officer of GE Infrastructure Group, chief financial officer of GE Optimization and Control Business Group. Between 2007 and 2009, Mr. Liu worked in Haier Group and worked as the chief financial officer of Customer Solution Group from 2007 to 2009, and concurrently worked as the general manager of Internal Control Center of Haier Group in 2009. Between 2009 and 2012, Mr. Liu worked in Assa Abloy and worked as chief financial officer of Greater China Region from 2009 to 2012, and worked as the general manager of Baodean Security Products Co., Ltd. from 2010 to 2012. Mr. Liu worked for Yutong Bus as the chief financial officer from 2012 to 2016. Mr. Liu served as the chief financial officer of Bestseller Fashion Co., Ltd* (凌致時裝有限公司) from 2016 to 2017. Since 2015, Mr. Liu has worked for Huatai Insurance Group Co., Ltd. as an independent director, and concurrently as the chairman of its audit committee and risk management committee. Mr. Liu has served as the Chief Financial Officer of the Company since August 2018.

Ms. Ma Jinru (“Ms. Ma”), aged 53, is currently a vice president of the Company, the Secretary of the Board and the Company Secretary. Ms. Ma graduated from Jilin University and holds a master’s degree of engineering and law. Ms. Ma graduated from China Europe International Business School with a master of business administration. She is a senior economist and an fellow of The Hong Kong Institute of Chartered Secretaries. She served as an economist with the Dalian Port Design Institute, head of the foreign trade and economic cooperation of Dalian Port Authority, manager of financial management of Dalian Port Container Integrated Development Company, and secretary of the board of Dalian Port Container Co., Ltd. between August 1990 and November 2005. She then served as the secretary of the board and company secretary of Dalian Port (PDA) Co., Ltd. between November 2005 and March 2010. She joined the Company and was appointed as a vice president of the Company, the Secretary of the Board and the Company Secretary in March 2010. She serves as member of the Second Session, Third Session and Fourth Session of Appeal Review Committee of Shenzhen Stock Exchange from April 2011 until now.

Mr. Zhou Yunzhi (“Mr. Zhou”), aged 59, is currently a vice president of the Company. Mr. Zhou graduated from Xi’an Jiao Tong University School of Management with an MBA. He is a researcher level senior engineer and an expert entitled to a special allowance granted by the State Council. He served as, a deputy general manager and general manager of Zhejiang GEMSY Group Co., Ltd. between 2005 and 2007, the general manager of Jiangsu Global Shipbuilding (Yangzhou) Co., Ltd. between 2008 and 2010 and served as a deputy general manager of Zhejiang GEMSY Mechanical and Electrical Co., Ltd. between 2011 and 2012. He joined the Company in 2012 and successively served as the director of the Chief Engineer Office, the general manager of Beijing Techwin, administrative deputy general manager of Beijing Tianyuan and WTG Business Unit of the Group. Mr. Zhou was appointed as a vice president of the Company in March 2014.

Mr. Liu He (“Mr. Liu”), aged 54, is currently the Chief Engineer of the Company. Mr. Liu graduated from Northwest A&F University with a bachelor’s degree. He is a senior engineer. He joined the Company in 2001 and previously served as the head of Technology, director of Technical Quality Control, deputy chief engineer, director of Quality Control, director of Product Development Centre of the Company and general manager of the Engineering Technology Center of WTG Business Unit of the Group. Mr. Liu was appointed Chief Engineer of the Company in March 2012 and was appointed as the General Manager of the Engineering Technology Center of WTG Business Unit in January 2016.

Mr. Liu Rixin (“Mr. Liu”), aged 46, is currently a vice president of the Company. Mr. Liu holds a bachelor’s degree. From November 2006 to July 2010, Mr. Liu served as deputy general manager of China Resources Power (Wind Energy) Development Co., Ltd. and as deputy general manager of wind power of China Resources Power Holdings Co., Ltd. From July 2010 to May 2012, Mr. Liu served as deputy general manager for China Resources New Energy Holdings Co., Ltd. From May 2012 to April 2016, Mr. Liu served as the first deputy general manager of the new energy division of China Resources Power Holdings Co., Ltd. From April 2016 to February 2017, Mr. Liu served as the vice president for China Resources Power Holdings Co., Ltd. Mr. Liu was appointed as a vice president of the Company in February 2017.

Mr. Zhai Endi (“Mr. Zhai”), aged 56, is currently the Chief Engineer of the Company. He has a Ph.D. degree. Mr. Zhai served as the Senior Research Engineer at Powertech Laboratories, Inc. of British Columbia Hydropower Authority in Canada from December 1999 to February 2001, the Senior Engineer of AECOM, USA from February 2001 to May 2002, the Senior Engineer of Group Delta Consultants, Inc. in USA from May 2002 to April 2005, the Senior Engineer to Principal Engineer of Kleinfelder Inc. in USA from April 2005 to November 2008, the Southern California Business Class Area Manager of HDR Inc. in USA from November 2008 to November 2009, the Vice President of Kleinfelder Inc. from November 2009 to June 2014, and the Chief Engineer for Civil Works and Director of chief engineer’s office at China Three Gorges from June 2014 to June 2017. Mr. Zhai has served as the Chief Engineer of the Company since July 2017.

III. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

| | |
|---|---|
| Registered Address of the Company | 107 Shanghai Road Economic & Technology Development District Urumqi Xinjiang The PRC |
| Company Secretary of the Company | Ms. Ma Jinru |
| Authorized Representative of the Company | Mr. Wu Gang No.8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| | Ms. Ma Jinru No.8, Boxing Yi Road Economic and Technological Development District, Beijing, PRC |
| Underwriter (H Share Rights Issue) | Haitong International Securities Company Limited 22/F Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong |
| Underwriter (A Share Right Issue) | Haitong Securities Co., Ltd. No.689 Guangdong Road Shanghai The PRC |
| Legal Advisers to the Company | <i>as to Hong Kong law</i> Morrison & Foerster 33/F, Edinburgh Tower The Landmark 15 Queen's Road Central Hong Kong |
| | <i>as to PRC law</i> Jingtian & Gongcheng 34th Floor, Tower 3, China Central Place Chaoyang District Beijing 10020 China |

Legal Adviser to the Underwriter*as to Hong Kong law*

William Ji & Co. (in Association with Tian Yuan
Law Firm Hong Kong Office)
Suite 702, 7/F.
Two Chinachem Central
26 Des Voeux Road Central
Central, Hong Kong

as to PRC law

Tian Yuan Law Firm
10/F, China Pacific Insurance Plaza B
28 Fengsheng Lane
Xicheng District
Beijing
China

**Auditors and Reporting
Accountants**

Ernst & Young
Level 15, E3
EY Tower
Oriental Plaza
No. 1 East Chang An Avenue
Dong Cheng District
Beijing

**H Share Registrar and
Transfer Office**

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716, 17th Floor
Hopewell Center
183 Queen's Road East
Wanchai
Hong Kong

Principal Banks

China Development Bank,
Xinjiang Weiwuerzizhi Qu Branch
China Development Bank Building,
333 Zhongshan Lu,
Wulumuqi Shi,
China

Bank of China Limited,
Xinjiang Weiwuerzizhi Qu Branch
1 Dong Feng Lu,
Wulumuqi Shi,
China

Bank Construction Bank Corporation,
Wulumuqi Zhong Shan Lu Branch
456 Zhong Shan Lu,
Tianshan Qu,
Wulumuqi Shi,
China

Industrial and Commercial Bank of China Limited,
Wulumuqi Bei Jing Lu Branch
334 Bei Jing Bei Lu,
Xinshi Qu,
Wulumuqi Shi,
China

IV. SHARE CAPITAL

- (a) The registered share capital of the Company as at the Latest Practicable Date is RMB3,556,203,300.
- (b) The following table sets out the Company's current shareholding structure and its proposed shareholding structure upon completion of the Rights Issue:

| Share class | Total number of issued Shares before the Rights Issue as at the Latest Practicable Date | Percentage of the total number of issued Shares (%) | Number of Shares to be issued under the Rights Issue | Total number of issued Shares immediately after the Rights Issue | Percentage of the total number of issued Shares immediately after the Rights Issue (%) |
|-------------|--|---|--|---|---|
| H Shares | 650,060,840 | 18.28% | 123,511,559 | 773,572,400 (Note 1) | 18.28% |
| A Shares | 2,906,142,460 | 81.72% | 552,167,067 | 3,458,309,527 (Note 2) | 81.72% |
| Total | <u>3,556,203,300</u> | <u>100%</u> | <u>675,678,626</u> | <u>4,231,881,927</u> | <u>100%</u> |

Notes:

- Assuming the H Share Rights Issue becomes unconditional and the H Rights Shares are fully subscribed for and no further H Rights Shares are issued by the Company.
 - Assuming the A Share Rights Issue becomes unconditional and the A Rights Shares are fully subscribed for and no further A Rights Shares are issued by the Company.
- (c) All A Shares and H Shares presently in issue rank *pari passu* in all respects as regards voting, dividends, distributions and return of capital.
- (d) The H Rights Shares to be allotted and issued pursuant to the H Share Rights Issue will, when issued and fully paid, rank *pari passu* in all respects with the H Shares then in issue as regards voting, dividends, distributions and return of capital.
- (e) The H Shares in issue are listed on the Hong Kong Stock Exchange. The A Shares in issue are listed on the Shenzhen Stock Exchange. Save as disclosed above, no part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange and no application is being made or is currently proposed or sought for the Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.
- (f) As at the Latest Practicable Date, the Company is not a party to any agreement to issue new Shares and none of the members of the Group had any other outstanding options or convertible securities.

V. DISCLOSURE OF INTERESTS

- (a) Save as disclosed in this section 5(a), as at the Latest Practicable Date, none of the Directors, Supervisors and chief executive of the Company had any interest or short position in the Shares, convertible securities, warrants, options or derivatives of the Company, underlying Shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to the Company and the Hong Kong Stock Exchange pursuant to the provisions under Divisions 7 and 8 of Part XV of the SFO (including the interests and short positions which he would be deemed or taken to have under Sections 344 and 345 of the SFO) or the Model Code for Securities Transactions by Directors of Listed Companies, or which will have to be, pursuant to Section 352 of the SFO, entered in the register referred to herein:

| Name of the Directors | Capacity | Number of A Shares interested | As a Percentage of A Shares | As a Percentage of Total Shares |
|-----------------------|------------------|-------------------------------------|-----------------------------------|--|
| Mr. Wu Gang | Beneficial owner | 52,217,152 (L) | 1.80% | 1.47% |
| Mr. Wang Haibo | Beneficial owner | 715,000 (L) | 0.02% | 0.02% |
| Mr. Cao Zhigang | Beneficial owner | 12,893,431 (L) | 0.44% | 0.36% |

(L) – Long Position, (S) – Short Position, (P) – Lending Pool

- (b) Save as disclosed in this section 5(b), the Directors, Supervisors and chief executive of the Company are not aware of any other person who, as at the Latest Practicable Date, had an interest or short position in the Shares, convertible securities, warrants, options or derivatives of the Company, the underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who will be interested, directly or indirectly, in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company:

H Shares:

| Name of the Shareholders | Capacity | Number of H Shares interested | As a Percentage of H Shares | As a Percentage of Total Shares |
|--|------------------------------------|-------------------------------------|--------------------------------|------------------------------------|
| Anbang Insurance Group Co., Ltd (Note 1) | Interest of controlled corporation | 53,591,200 (L) | 8.24% | 1.51% |
| Anbang Life Insurance Co., Ltd. (Note 1) | Interest of controlled corporation | 53,591,200 (L) | 8.24% | 1.51% |
| Anbang Wealth Insurance Co., Ltd (Note 1) | Interest of controlled corporation | 53,591,200 (L) | 8.24% | 1.51% |
| Anbang Asset Management (Hong Kong) Co. Limited (Note 1) | Beneficial owner | 53,591,200 (L) | 8.24% | 1.51% |
| BlackRock Inc. | Interest of controlled corporation | 43,169,207 (L) 178,400 (S) | 6.64% 0.03% | 1.21% 0.01% |
| Schroders Plc | Investment manager | 45,974,800 (L) | 7.07% | 1.29% |
| Haitong Securities Co., Ltd. | Interest of controlled corporation | 123,511,559 | 19.00 | 3.47 |
| Haitong International Holdings Limited | Interest of controlled corporation | 123,511,559 | 19.00 | 3.47 |
| Haitong International Securities Group Limited | Interest of controlled corporation | 123,511,559 | 19.00 | 3.47 |
| Haitong International Securities Company Limited | Underwriter | 123,511,559 | 19.00 | 3.47 |

(L) – Long Position, (S) – Short Position, (P) – Lending Pool

Notes:

- Anbang Insurance Group Co., Ltd. (“**Anbang Group**”) holds 99.98% of the equity interests of Anbang Life Insurance Co., Ltd. (“**Anbang Life**”). Anbang Group and Anbang Life hold 48.92% and 48.65%, respectively, of the equity interests of Anbang Wealth Insurance Co., Ltd. (“**Anbang Wealth**”). Anbang Wealth holds 100% of the equity interests of Anbang Assets Management (Hong Kong) Co., Ltd. Under the SFO, each of Anbang Group, Anbang Life and Anbang Wealth is deemed to be interested in the 53,591,200 H Shares held by Anbang Assets Management (Hong Kong) Co., Ltd.

A Shares:

| Name of the Shareholders | Capacity | Number of A Shares interested | As a Percentage of A Shares | As a Percentage of Total Shares |
|---|---------------------------------------|-------------------------------------|-----------------------------------|---------------------------------------|
| Xinjiang Wind Power Co., Ltd. (Note 1) | Beneficial owner | 488,696,502 | 17.13% | 13.74% |
| Hexie Health Insurance Co., Ltd. | Beneficial owner | 479,483,649 | 16.50% | 13.48% |
| China Three Gorges New Energy (Note 2, Note 3) | Beneficial owner | 373,957,073 | 12.55% | 10.52% |
| | Interest in controlled Corporation | 488,696,502 | 17.13% | 13.74% |
| China Three Gorges (Note 4) | Interest in controlled corporation | 862,653,575 | 29.68% | 24.26% |

Notes:

1. Mr. Gao Jianjun, a non-executive Director of the Company, is the chairman of the board of Xinjiang Wind Power Co., Ltd. Mr. Luo Jun and Ms. Xiao Hong, both a supervisor of the Company, are an employee of Xinjiang Wind Power.
 2. China Three Gorges New Energy directly holds 373,957,073 A Shares. China Three Gorges New Energy and China Three Gorges hold 43.33% of the issued share capital of Xinjiang Wind Power. Under the SFO, besides directly holding interests in our Company, China Three Gorges New Energy is deemed to be interested in the 488,696,502 A Shares held by Xinjiang Wind Power.
 3. Mr. Wang Mengqiu, a supervisor of the Company, is an employee of the China Three Gorges New Energy.
 4. China Three Gorges is the holding company of China Three Gorges New Energy. Under the SFO, the 488,696,502 A Shares held by Xinjiang Wind Power in which China Three Gorges New Energy is deemed to be interested, and the 373,957,073 A Shares directly held by China Three Gorges New Energy are deemed to be the interests of China Three Gorges in our Company.
- (c) None of the Directors had any interest, direct or indirect, in any assets which have been, since the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.
- (d) As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group taken as a whole.

VI. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any material litigation or arbitration and there was no material litigation or claim known to the Directors to be pending or threatened by or against any member of the Group.

VII. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors has entered into any existing or proposed service contracts with the Company or any of its jointly controlled entities or associated companies save for those expiring or determinable by the relevant employer within one year without payment of compensation (other than statutory compensation).

VIII. DIRECTORS AND SUPERVISORS' INTERESTS IN THE GROUP'S ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any direct or indirect interest in any assets which have, since 31 December 2018, being the date of the latest published audited financial statements of the Group were made up, been acquired or disposed of by or leased to any member of the Group or were proposed to be acquired or disposed of by or leased to, any member of the Group.

As at the Latest Practicable Date, none of the Directors or Supervisors was materially interested in any contract or arrangement entered into with any member of the Group, which contract or arrangement is subsisting as at the Latest Practicable Date and which is significant in relation to the business of the Group taken as a whole.

IX. EXPERT

The following is the qualification of the expert who has given its opinion or advice which is contained in this prospectus:

| Name | Qualification | Nature of report/advice | Date of report/advice |
|---------------|------------------------------|--|-----------------------|
| Ernst & Young | Certified Public Accountants | Report on the unaudited pro forma financial information of the Group | 4 April 2019 |

Ernst & Young has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its auditors' reports and accountants' report and references to its name in the form and context in which they appear.

As at the Latest Practicable Date, Ernst & Young did not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

X. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

The Prospectus Documents and the written consent of Ernst & Young as referred to under the paragraph headed “Expert” in this appendix have been registered by the Registrar of Companies in Hong Kong as required by Section 342C of the Hong Kong Companies (Winding Up and Miscellaneous Provisions) Ordinance.

XI. MATERIAL CONTRACTS

Save for the Underwriting Agreement, there were no material contracts (not being contracts entered into in the ordinary course of business) which had been entered into by any member of the Group within the two years immediately preceding the date of this prospectus and up to the Latest Practicable Date.

XII. MATERIAL ADVERSE CHANGES

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018, the date to which the latest published audited accounts of the Group were made up.

XIII. RESTRICTION AFFECTING REMITTANCE OF PROFIT AND CAPITAL

A significant part of the Group’s turnover and operating expenses are denominated in RMB, which is currently not a freely convertible currency. The PRC Government imposes controls on the convertibility of RMB into foreign currencies and, in certain cases, the remittance of currency out of Mainland China. Under the PRC existing foreign exchange regulations, the foreign exchange disbursements under current accounts (including payment of dividends, trade and service-related foreign exchange) can be paid with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations without prior approval from PRC foreign exchange administrative department by complying with certain procedural requirements. However, for the foreign exchange disbursements under capital account (such as the repayment of foreign debts and foreign investments), which are required to be registered with or approved by the competent bank or governmental authority according to applicable PRC laws and regulations, such registration or approval shall be obtained before paying the foreign exchange disbursements with self-owned foreign exchange or foreign exchange bought from designated financial institutions for foreign exchange operations.

Save as disclosed above, the Directors are not aware of any other restriction affecting the remittance of profits or repatriation of capital of the Group into Hong Kong from outside Hong Kong.

XIV. GENERAL

- (a) The expenses in connection with the H Share Rights Issue and the A Share Rights Issue, including the financial advisory fee, underwriting commission, printing, registration, translation, legal and accounting charges, are estimated to amount to approximately HK\$73.0 million and will be payable by the Company.
- (b) The expenses in connection with the A Share Rights Issue, including the financial advisory fee, underwriting commission, printing, registration, translation, legal and accounting charges, are estimated to amount to approximately RMB33.4 million and will be payable by the Company.
- (c) As at the Latest Practicable Date, none of the Directors or Supervisors had any interest, direct or indirect, in any assets which had been acquired or disposed of by or leased to any member of the Group since 31 December 2018 (being the date to which the latest published audited financial statements of the Company were made up) or proposed to be so acquired, disposed of or leased to any member of the Group.
- (d) In any event of any inconsistency, the English language text of this document shall prevail over the Chinese language text.

XV. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the office of Morrison & Foerster at 33/F, Edinburgh Tower, The Landmark, 15 Queen's Road Central, Hong Kong during normal business hours for a period of 14 days from the date of this prospectus:

- (a) the memorandum and articles of association of the Company;
- (b) the annual reports for each of the two years ended 31 December 2016 and 2017 and the annual results announcement of the Company dated 29 March 2019;
- (c) the report on the unaudited pro forma financial information, the text of which is set out in Appendix II to this prospectus;
- (d) the material contracts referred to in the section headed "Material Contracts" in this appendix;
- (e) the written consent referred to in the section headed "Expert" in this appendix;

- (f) a circular of the Company dated 26 April 2018 in relation to, among other things, the Rights Issue;
- (g) the announcements of the Company dated 23 March 2018 and 18 March 2019 in relation to, among other things, the Rights Issue;
- (h) a circular of the Company dated 14 January 2019; and
- (i) the Prospectus Documents.