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**GOLDWIND**

**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**

**PROPOSED CONNECTED TRANSACTION  
CAPITAL CONTRIBUTION TO A FUND AS A NEW LIMITED  
PARTNER**

On 22 December 2020, the Board resolved to approve the resolution regarding the investment in Three Gorges Clean Energy Fund by Tianrun Qihang as a new limited partner and making a capital commitment of RMB1 billion to Three Gorges Clean Energy Fund. In addition, Tianrun Qihang will contribute RMB3 million to establish the New Management Company with relevant partners whereby the New Management Company will act as a new general partner to invest in the Three Gorges Clean Energy Fund and manage the special sub-fund. The total capital commitment of Three Gorges Clean Energy Fund by all the parties will be RMB4.5045 billion.

As of the date of this announcement, (i) China Three Gorges New Energy holds a total of 445,008,917 A Shares of the Company, representing 10.53% of the Company's total issued share capital; (ii) China Three Gorges holds 70% of shares of China Three Gorges New Energy; and (iii) China Three Gorges holds more than 30% of shares of Three Gorges Capital. Accordingly, pursuant to Chapter 14A of the Listing Rules, Three Gorges Capital is a connected person of the Company; Tianrun Qihang's investment in Three Gorges Clean Energy Fund as a limited partner constitutes a connected transaction of the Company.

As the highest applicable percentage ratio for Tianrun Qihang's investment in Three Gorges Clean Energy Fund and its investment in the New Management Company is more than 0.1% but less than 5%, the transactions contemplated

thereunder are subject to the reporting, announcement and annual review but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Since each partner needs to complete their own decision-making procedures before signing the Partnership Agreement, the Partnership Agreement has yet to be formally entered into. The Company will further issue an announcement when the contents and terms of the Partnership Agreement are finally determined and the Partnership Agreement is signed.

## **I. INTRODUCTION**

On 22 December 2020, the Board resolved to approve the resolution regarding the investment in Three Gorges Clean Energy Fund by Tianrun Qihang as a new limited partner and making a capital commitment of RMB1 billion to Three Gorges Clean Energy Fund. In addition, Tianrun Qihang will contribute RMB3 million to establish the New Management Company with relevant partners to act as a new general partner to invest in the Three Gorges Clean Energy Fund and to manage the special sub-fund. The total capital commitment of Three Gorges Clean Energy Fund by all the parties will be RMB4.5045 billion.

Since each partner needs to complete their own decision-making procedures before signing the Partnership Agreement, the Partnership Agreement has yet to be formally entered into. The Company will further issue an announcement when the contents and terms of the Partnership Agreement are finally determined and the Partnership Agreement is signed.

## **II. INFORMATION OF THE FUND**

### **(1) THREE GORGES CLEAN ENERGY FUND**

#### **1. BASIC INFORMATION**

The Three Gorges Clean Energy Fund was registered and established on 19 June 2017, and its general partner is Three Gorges CCB. Currently, the capital commitments of each partner of Three Gorges Clean Energy Fund are set out as follow (based on the information registered with the SAIC):

<b>No.</b>	<b>Name of Partner</b>	<b>Nature of Partner</b>	<b>Capital Commitment (RMB in ten thousand)</b>	<b>Percentage</b>	<b>Form</b>
1	Three Gorges CCB (Beijing) Investment Fund Management Co., Ltd.	General Partner (GP)	100	0.04%	Currency

2	Three Gorges Capital Holdings Co., Ltd.	Limited Partner (LP)	250,000	99.96%	Currency
<b>Total</b>			<b>250,100</b>	<b>100.00%</b>	

Jiaxing Ruihao signed a partnership agreement with Three Gorges Capital and Three Gorges CCB and made a capital commitment of RMB2.5 million to Three Gorges Clean Energy Fund. As at the date of this announcement, the aforesaid has not been registered with the SAIC. After completing the industrial and commercial changes registration, the capital commitments by each partner of Three Gorges Clean Energy Fund are as follows:

No.	Name of Partner	Nature of Partner	Capital Commitment (RMB in ten thousand)	Percentage	Form
1	Three Gorges CCB (Beijing) Investment Fund Management Co., Ltd.	General Partner (GP)	100	0.04%	Currency
2	Three Gorges Capital Holdings Co., Ltd.	Limited Partner (LP)	250,000	99.86%	Currency
3	Jiaxing Ruihao Clean Energy Equity Investment Fund Partnership (Limited Partnership)		250	0.10%	Currency
<b>Total</b>			<b>250,350</b>	<b>100.00%</b>	

## 2. EXISTING INVESTMENTS

As of the date of this announcement, Three Gorges Clean Energy Fund has invested in the equity of five companies, including Three Gorges Sunny (Hangzhou) New Energy Co., Ltd.\* (三峽桑尼(杭州)新能源有限公司), Wanjiang New Energy Group Co., Ltd.\* (萬江新能源集團有限公司), Liyang Tianmu Leading Battery Material Technology Co., Ltd.\* (溧陽天目先導電池材料科技有限公司) and so on; and subscribed for interests in seven limited partnerships, including Ruiyuan Clean Energy Investment (Tianjin) Partnership (Limited Partnership)\* (睿源清潔能源投資(天津)合夥企業(有限合夥)), Three Gorges Nandu Energy Storage Investment (Tianjin) Partnership (Limited Partnership)\* (三峽南都儲能投資(天津)合夥企業(有限合夥)) and so on. The existing investments of Three Gorges Clean Energy Fund will be referred to as the “**Existing Investments**”.

### 3. FINANCIAL INFORMATION

As at 30 September 2020, the unaudited financial information of Three Gorges Clean Energy Fund is as follows: total assets of RMB524.044 million, net assets of RMB524.044 million, investment income of RMB14.5356 million, net profits of RMB8.6608 million. As at 31 December of 2019, the audited financial information of Three Gorges Clean Energy Fund is as follows: total assets of RMB693.7867 million, net assets of RMB686.5120 million, operating revenue of RMB24.1197 million, net profits after tax of RMB17.4185 million, net profit before tax of RMB17.4185 million. As at 31 December 2018, the audited net profit of Three Gorges Clean Energy Fund before tax is RMB20.1851 million, and the net profit after tax is RMB20.1851 million.

#### (2) ADJUSTMENT OF THREE GORGES CLEAN ENERGY FUND

Pursuant to the Partnership Agreement, Tianrun Qihang and CDB Energy intend to increase the capital of Three Gorges Clean Energy Fund, each making a capital commitment of RMB1 billion. Three Gorges Capital will contribute RMB1 billion of its original capital commitment of RMB2.5 billion that is yet to be paid in. The total capital commitment by the three parties above is RMB3 billion. Meanwhile, Tianrun Qihang and relevant parties intend to establish the New Management Company, to act as one of the general partners of Three Gorges Clean Energy Fund.

After the adjustment, the total capital commitments of Three Gorges Clean Energy Fund will amount to approximately RMB4.5045 billion. There will be two general partners, namely Three Gorges CCB and New Management Company. Limited partners will consist of Three Gorges Capital, Tianrun Qihang, CDB Energy and Jiaxing Ruihao.

After the adjustment, the capital commitment by each partner of Three Gorges Clean Energy Fund is set out as follows:

No.	Name of Partner	Nature of Partner	Capital Commitment (RMB in ten thousand)	Percentage	Form
1	Three Gorges CCB (Beijing) Investment Fund Management Co., Ltd.	General Partner (GP)	100	0.02%	Currency
2	New Management Company	General Partner (GP)	100	0.02%	Currency
3	Three Gorges Capital Holdings Co., Ltd.	Limited Partner	250,000	55.50%	Currency

4	Jiaxing Ruihao Clean Energy Equity Investment Fund Partnership (Limited Partnership)	(LP)	250	0.06%	Currency
5	Tianrun Qihang Investment Management Co., Ltd.		100,000	22.20%	Currency
6	CDB Energy Technology Co., Ltd.		100,000	22.20%	Currency
<b>Total</b>			<b>450,450</b>	<b>100.00%</b>	Currency

The capital commitments set out above are determined after arm's length negotiations among the parties with reference to the total investment scale of Three Gorges Clean Energy Fund and their respective investment intentions.

### (3) FORMATION OF SPECIAL SUB-FUND

Since the Existing Investments of RMB1.5035 billion are still in operation before the capital contribution of Tianrun Qihang, CDB Energy and the New Management Company to the Three Gorges Clean Energy Fund, the Three Gorges Clean Energy Fund will establish a special sub-fund, whose general partner is the New Management Company, to directly conduct investments in external projects. The sub-fund will invest in domestic wind power station, solar power station and other related new energy industry, and priority will be given to projects recommended by partners of the Three Gorges Clean Energy Fund. The capital commitment by each partner of the special sub-fund are set out as follows:

No.	Name of Partner	Nature of Partner	Capital Contribution(RMB: ten thousand)	Percentage	Form
1	New Management Company	General Partner (GP)	100	0.03%	Currency
2	Three Gorges Clean Energy Fund	Limited Partner (LP)	300,100	99.97%	Currency
<b>Total</b>			<b>300,200</b>	<b>100.00%</b>	

### (4) BASIC INFORMATION OF THE FUND

1. Name of the fund: Three Gorges Clean Energy Equity Investment Fund (Tianjin) Partnership (Limited Partnership);
2. Form of Organization: Limited Partnership;
3. Scale of the fund: RMB4.5045 billion
4. Manager of the fund: Three Gorges Clean Energy Fund has two general

- partners, being the New Management Company and Three Gorges CCB;
5. Investment currency: RMB;
  6. Investment arrangement: Each of Tianrun Qihang, CDB Energy and Three Gorges Capital shall pay the contribution of RMB5 million after entering into the Partnership Agreement. Subsequent capital contributions will be made based on the specific investment needs of the projects as determined by the investment decision committee;
  7. Investment direction: investments in domestic wind power station, solar power station and other related new energy industry, and priority will be given to projects recommended by partners of the Three Gorges Clean Energy Fund.
  8. Term: 10 years, including an investment period of seven years and an exit period of three years.
  9. Management manner: an investment decision committee will be formed by the fund, comprising five members, of which each of Three Gorges CCB, the New Management Company, Three Gorges Capital, CDB Energy and Tianrun Qihang will appoint one member. Resolutions in relation to fund cooperation must be approved unanimously. Tianrun Qihang has veto rights in respect of the fund's proposed investments.
  10. Management fee: During the investment period and the exit period, the annual management fee shall be 1.5% of the actual management scale allocated according to the proportion of investment cost.
  11. Profit distribution: The project investment income obtained by the fund shall be distributed in the following order based on the actual paid-in capital contribution corresponding to the project, unless the partners unanimously agree to distribute the income in another way:
    - (i) First, return the actual paid-in capital contributed to the exited project by the limited partners ;
    - (ii) Return the actual paid-in capital contributed to the exited project by the general partners;
    - (iii) Distribute investment income to limited partners at an annualized income of 8% (simple interest);
    - (iv) Distribute investment income to general partners at an annualized income of 8% (simple interest);
    - (v) Allocate the remaining distributable income to limited partners and general partners at the proportion of 80% and 20%;
    - (vi) In the case that investors' annualized return (simple interest) is less than 8%, general partners are not entitled to investment income distribution; the investment income among the limited partners is distributed according to their respective actual paid-in capital contributions.

For limited partners Three Gorges Capital, CDB Energy and Tianrun Qihang, in respect of each of their unpaid capital commitment of RMB1 billion (RMB3 billion in total), they will not participate in the investment costs, fund expenses, income distribution and loss sharing of the Existing Investments. Three Gorges Capital, CDB Energy and Tianrun Qihang will only participate in the investment costs, fund expenses, income distribution and loss sharing

of one or more investment projects under the special sub-fund after they have made their respective capital contributions.

12. Callback mechanism: If the total income distribution of limited partners does not reach the sum of the total actual capital contribution and the investment income calculated at an annualized rate of return of 8% (simple interest), general partners shall make up the corresponding difference up to the income they have received.
- (i) When general partners obtain income from the fund, they shall deposit 50% of the income into a supervised account opened in the name of the fund. All partners shall confirm that the amount thereof belongs to general partners, and the funds in the supervised account are retained for general partners to fulfill their obligation of callback. If before the termination of the fund, limited partners have received all paid-in capital and obtained investment income not less than the annualized rate of return equal to 8% (simple interest) of the total paid-up capital, they shall return all funds in the supervised account to the general partners.
- (ii) At the expiration of the fund's duration, if the funds deposited by the general partners in the supervised account are insufficient to fulfill the callback obligations, general partners shall return the share of income they have obtained until the total income distribution received by limited partners reaches the sum of the total actual capital contribution and the investment income calculated at an annualized rate of return of 8% (simple interest), or the general partners' income balance is zero.

### **III. INFORMATION OF THE PROPOSED NEW MANAGEMENT COMPANY**

Tianrun Qihang, CDB Energy, Binhai Fortune and its related parties, Three Gorges CCB and the Management Team intend to establish the New Management Company to manage the RMB3 billion fund investment. The registered capital of the New Management Company will be RMB10 million, including RMB3 million to be contributed by Tianrun Qihang. Proposed shareholding by each of the parties are follows:

<b>Name of Shareholders</b>	Three Gorges CCB	CDB Energy	Binhai Fortune and its related parties	Tianrun Qihang	Management Team
<b>Shareholding percentage</b>	30%	20%	10%	30%	10%

Fund management in the transition period: The transition period refers to the period between the date when the relevant cooperation agreements regarding the fund are signed by the partners and the date when the New Management Company is established and the New Management Company becomes the general partner of the Three Gorges Clean Energy Fund. During the transition

period, Three Gorges CCB shall act temporarily as the only general partner and the filing manager of the Three Gorges Clean Energy Fund.

#### **IV. REASONS FOR AND BENEFITS OF THE PROPOSED CONNECTED TRANSACTIONS**

Under the premise of ensuring the Company's business development, relying on the Company's industrial resources in the field of wind power, with the help of industry resources, fund operation and professional investment management experience of professional investment institutions and partners, the Company's participation in the equity investment fund can seize investment opportunities in a timely manner, expand investment channels, increase investment income and enhance profitability and comprehensive competitiveness of the Company. Meanwhile, it will further strengthen the Company's coordination between industrial operations and capital operations, realize the organic and efficient integration of capital and operations, and is in line with the Company's medium and long-term development strategic plan.

Using Company's own funds, Company's participation in the equity investment fund bears limited risks. The Company's normal production and operation activities will not be affected.

The Board (including all independent non-executive Directors) considers that the terms of the Partnership Agreement are fair and reasonable, the transactions contemplated thereunder are on normal commercial terms or better, in the ordinary and usual course of business of the Company, and in the interests of the Company and its Shareholders as a whole.

#### **V. INFORMATION OF THE COMPANY AND OTHER PARTIES TO THE PARTNERSHIP AGREEMENT**

The Group is mainly engaged in the R&D of wind turbine generators, manufacturing and sales, wind power services and wind farm investment and development.

##### **GENERAL PARTNER**

Three Gorges CCB, a limited liability company incorporated in the PRC, is mainly engaged in investment management, consulting and project investment in non-securities business. Three Gorges CCB is jointly established by Three Gorges Capital and CCB (Beijing) Investment Fund Management Co., Ltd. ("**CCB Capital Management Company**"), each holding 50% of Three Gorges CCB's share capital. Currently, China Three Gorges CCB is jointly controlled by China Three Gorges Capital and CCB Capital Management Company.

##### **LIMITED PARTNERS**



CDB Energy, a limited liability company incorporated in the PRC, is mainly engaged in clean energy and energy-saving technology development, energy-saving technology application, retail of solar power equipment and its spare parts; business consulting; sales of mechanical equipment and electronic products. Its ultimate beneficial owner is Tianjin State-owned Assets Supervision and Administration Commission (天津市國有資產監督管理委員會). The Company holds more than 5% of shares of Tianjin Jinquanyechang (Group) Co., Ltd. (“**Jinquanye**”), whose A shares are listed on the Shanghai Stock Exchange, and Jinquanye holds 100% of shares of CDB Energy. Accordingly, pursuant to listing rules of Shanghai Stock Exchange, the Company and Tianrun Qihang are connected persons of CDB Energy. However, CDB Energy is not considered to be a connected person of the Company under Chapter 14A of the Listing Rules.

Three Gorges Capital, a limited liability company incorporated in the PRC, is mainly engaged in industrial investment, equity investment, asset management, and investment consulting. Its ultimate beneficial owner is the State-owned Assets Supervision and Administration Commission of the State Council of the PRC (中國國務院國有資產監督管理委員會).

Jiaxing Ruihao, a limited partnership registered in the PRC, is mainly engaged in the investment and investment consulting of non-securities businesses in the field of clean energy. Its ultimate beneficial owners are seven individuals, namely Lang Liyan, Yu Cao, Wu Wendi, Zou Wei, Huang Caijin, Mao Kaijun, and Luo Xun, with no actual controller.

Tianrun Qihang, a limited liability company incorporated in the PRC, is mainly engaged in investment management, project investment, asset management, investment consulting, corporate management consulting, technical consulting and technical services for wind power projects and other new energy projects. It is a wholly-owned subsidiary of the Company.

#### **OTHER PARTY (Shareholder of the Proposed New Management Company)**

Binhai Fortune, a limited liability company incorporated in the PRC, is mainly engaged in investment management and consulting. Its ultimate beneficial owner is Yang Rui, an individual.

To the best of the knowledge and belief of the directors and having made all reasonable enquiries, as of the date of the announcement, save as disclosed above, each of the other parties and their respective ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

## **VI. LISTING RULES IMPLICATIONS**

As of the date of this announcement, (i) China Three Gorges New Energy holds a total of 445,008,917 A Shares of the Company, representing 10.53% of the Company's total issued share capital; (ii) China Three Gorges holds 70% of shares of China Three Gorges New Energy; and (iii) China Three Gorges holds more than 30% of shares of Three Gorges Capital. Accordingly, pursuant to Chapter 14A of the Listing Rules, Three Gorges Capital is a connected person of the Company; Tianrun Qihang's investment in Three Gorges Clean Energy Fund as a limited partner constitutes a connected transaction of the Company.

As the highest applicable percentage ratio for Tianrun Qihang's investment in Three Gorges Clean Energy Fund and its investment in the New Management Company is more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, announcement and annual review but exempt from independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Lu Hailin, a non-executive Director, has abstained from voting at the Board meeting in respect of the above transactions due to his position as the chief accountant and general counsel and secretary of the board of China Three Gorges New Energy.

## DEFINITION

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“A shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed and traded on the Shenzhen Stock Exchange;
“Binhai Fortune”	天津濱海新區財富投資管理有限公司 (Tianjin Binhai New Area Wealth Investment Management Co., Ltd.*), a limited liability company established under the laws of the PRC;
“Board”	the board of Directors of the Company;
“CDB Energy”	國開新能源科技有限公司 (CDB New Energy Technology Co., Ltd.*), a limited liability company established under the laws of the PRC;
“China Three Gorges”	中國長江三峽集團有限公司 (China Three Gorges Corporation*), a company established under the laws of the PRC and the parent company of China Three Gorges Renewables;
“China Three Gorges New Energy”	中國三峽新能源（集團）股份有限公司 (China Three Gorges Renewables (Group) Co., Ltd.*), a limited liability company established under the laws of the PRC and a substantial shareholder of the Company;
“Company”	新疆金風科技股份有限公司 (Xinjiang Goldwind Science & Technology Co., Ltd.), a joint stock limited company established in the PRC on 26 March 2001, the H Shares of which are listed and traded on the main board of the Stock Exchange and the A Shares of which are listed on the Shenzhen Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;

“Directors”	the directors of the Company;
“Group”	the Company and its subsidiaries;
“Jiaxing Ruihao”	嘉興睿灝清潔能源股權投資基金合夥企業 Jiaxing Ruihao Clean Energy Equity Investment Fund Partnership (Limited Partnership), a limited partnership registered under the laws of the PRC;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Management Team”	the management team of the New Management Company;
“New Management Company”	a limited liability company to be established under the laws of the PRC by, amongst others, Three Gorges CCB, Tianrun Qihang, CDB Energy, Binhai Fortune and its related parties and the Management Team;
“Partnership Agreement”	the partnership agreement to be entered into between Three Gorges CCB, Three Gorges Capital, Jiayang Ruihao, Tianrun Qihang and CDB Energy in relation to the capital commitment and management of the Three Gorges Clean Energy Fund; and the partnership agreement to be further entered into between the New Management Company upon its establishment and the aforementioned parties in relation to the capital commitment and management of the Three Gorges Clean Energy Fund. The partnership agreements shall together contain the terms of the Group’s investment in the Three Gorges Clean Energy Fund;
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“SAIC”	State Administration for Industry and Commerce;

“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Three Gorges Capital”	三峽資本控股有限責任公司 Three Gorges Capital Holdings Co., Ltd., a limited liability company established under the laws of the PRC, is held as to more than 30% by China Three Gorges;
“Three Gorges CCB”	三峽建信（北京）投資基金管理有限公司 Three Gorges CCB (Beijing) Investment Fund Management Co., Ltd., a limited liability company established under the laws of the PRC, is held as to more than 30% by China Three Gorges;
“Three Gorges Clean Energy Fund”	Three Gorges Clean Energy Equity Investment Fund (Tianjin) Partnership (Limited Partnership)* (三峽清潔能源股權投資基金（有限合夥）);
“Tianrun Qihang”	天潤啟航投資管理有限公司 (Tianrun Qihang Investment Management Co., Ltd.*), a limited liability company established under the laws of the PRC and a wholly-owned subsidiary of the Company.

By order of the Board  
**Xinjiang Goldwind Science & Technology Co.,  
Ltd.**  
**Ma Jinru**  
*Company Secretary*

Beijing, 22 December 2020

*As of the date of this notice, the executive directors of the Company are Mr. Wu Gang, Mr. Cao Zhigang, and Mr. Wang Haibo; the non-executive directors of the Company are Mr. Gao Jianjun, Mr. Lu Hailin and Ms. Dong Zhenyu; and the independent non-executive directors of the Company are Dr. Tin Yau Kelvin Wong, Mr. Wei Wei and Ms. Yang Jianping.*

*\* For identification purpose only*