

IPO FACT SHEET
Xinyi Energy Holdings Limited (3868 HK)
ISSUE STATISTICS

Offer Size:	HK\$3,553.3m – HK\$4,549.8m
Placement Tranche:	1,880.08m
Price:	HK\$1.89 – HK\$2.42
Board lot:	2,000
Entry fee:	HK\$4,888.77
Historical PE	17.4x – 22.3x
Net tangible asset per share:	HK\$1.445 – HK\$1.592
Market Cap (post-IPO):	HK\$12,520.9m - HK\$16,032.1m
Open:	10 Dec 2018
Close:	12.00 noon on 13 Dec 2018
Trading:	21 Dec 2018
Sponsor:	BNP Paribas

Year ended 31 Dec	(HK\$'000)	yoy % chg
Revenue		
2016	968,291	209.3%
2017	1,116,044	15.3%
Profit for the year/period attributable to equity holders of the Company		
2016	659,005	157.3%
2017	719,639	9.2%

BACKGROUND

- The Group is a leading non-State owned solar farm owner and operator in the PRC in terms of the approved capacity of the utility-scale ground-mounted solar farm projects in operation owned by it and under its management.
- Established and spun-off from Xinyi Solar (968 HK), the Group owns and operates utility-scale ground-mounted solar farm projects initially developed and constructed by Xinyi Solar. As of the date of this prospectus, the aggregate approved capacity of its Initial Portfolio is 954 MW.
- Pursuant to the Target Sale and Purchase Agreement, the Group will acquire the utility-scale ground-mounted solar farm projects under the Target Portfolio with an approved capacity of 540 MW upon the Listing.
- Its business model is to acquire, own, and manage a portfolio of utility-scale ground-mounted solar farm projects and sell the electricity to local subsidiaries of the State Grid for generating a stable inflow of revenue and cash which will be used for its distributions.

BUSINESS STRATEGY AND FUTURE PLANS

- Grow its business and its Distributions by way of acquisition of long-term contracted solar farm projects.
- Diversification of its project portfolio.
- Maintain prudent capital structure and financial practices.
- Closely monitor the development of renewable energy trends and develop relevant capability.

COMPETITIVE STRENGTHS

- The Group is a leading non-State owned solar farm owner and operator in the PRC, which is the largest and the fastest growing solar energy market in the world.
- Its portfolio consists of grid-connected utility-scale ground-mounted solar farm projects using proven and reliable technologies with long expected asset life and low counterparty risk.
- Predictable performance of its solar farm projects and investment return certainty supported by the Feed-in-Tariff regime.
- Visible future growth supported by the Solar Farm Call Option and the Solar Farm ROFR over construction completed and grid-

connected utility-scale ground-mounted solar farm projects developed or constructed by Xinyi Solar and the proven track record of Xinyi Solar in solar farm development.

- Dedicated management team.

KEY RISKS

- The Group is subject to the risk associated with the change in the government policy of mandatory grid connection and purchase of electricity generated from renewable energy projects.
- It is subject to the risk associated with the change in government policy of top priority in grid connection and dispatch for solar farm projects.
- Any reduction in the Feed-in-Tariff rate could materially and adversely affect its business and financial condition, operating results, and cash flows.
- Any significant and prolonged delay in receiving the tariff adjustment under the Feed-in-Tariff regime could materially and adversely affect its business and financial condition, operating results, and cash flows.
- It is subject to the risk in collecting the trade receivables due from its customers.
- It may not be able to pay or maintain its Distributions, and such amount may not be stable as they are dependent on a number of factors, including the Group's operating results and ability to generate sufficient cash inflows from operating activities.
- It had net operating cash outflows for the year ended December 31, 2015. If the Group is unable to meet its payment obligations, its business, financial condition, and operating results could be materially and adversely affected.
- Its business growth depends on its ability to identify and successfully acquire utility-scale ground-mounted solar farm projects from Xinyi Solar and Independent Third Parties at acceptable prices.
- It relies on a limited number of customers which are local subsidiaries of the State Grid.

DIVIDEND POLICY

- Intend to declare and distribute interim and final Distributions in each year in an aggregate amount of not less than 90% of its Distributable Income, with an intent to distribute 100% of its Distributable Income in each year.
- Intend to declare and distribute final Distribution for the year ending December 31, 2018 which is expected to represent 50% of the total amount of Distributable Income for the year. During the two years ending December 31, 2020, the Group intends to declare and distribute interim and final Distributions representing 100% of Distributable Income.

USE OF PROCEEDS

	HK mn	As a percentage of gross proceeds from the Invitation (%)
For the payment of the Agreed Purchase Price of the Target Acquisition	3,519.1	90.0%
For working capital and loan refinancing for the purpose of reducing interest expenses	391.0	10.0%
Total:	3,910.1	100.00%

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