

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect about this circular 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 securities in China Renewable Energy Investment Limited, you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.



CHINA RENEWABLE ENERGY INVESTMENT LIMITED
中國再生能源投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 987)

(Warrant Code: 1677)

(website: www.cre987.com)

**ACQUISITION OF WIND TURBINES AND
TURBINE TOWERS CONSTITUTING
A MAJOR TRANSACTION**

A letter from the board of directors of China Renewable Energy Investment Limited is set out on pages 5 to 11 of this circular.

25 August 2017

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I - Financial information of the Group	I-1
Appendix II - General information	II-1

DEFINITIONS

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

“Acquisition”	the acquisition of the wind turbines and the turbine towers by Songxian HKE pursuant to the terms of the Agreements and the transactions contemplated thereunder
“Agreements”	collectively, the Wind Turbine Agreement and the Turbine Tower Agreement
“Announcement”	the announcement of the Company dated 5 July 2017 in relation to the acquisition of wind turbines and turbine towers constituting a major transaction
“associate”	has the meaning ascribed to such term in the Listing Rules
“Board”	the board of Directors
“Company” or “CRE”	China Renewable Energy Investment Limited, a Cayman Islands company whose shares are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules
“Controlling Shareholders”	HKC and its relevant wholly-owned subsidiaries, namely Noble Quest Enterprises Limited holding 1,274,835,292 Shares and Hong Kong Construction (Hong Kong) Limited holding 705,632 Shares, which together constitute a closely allied group of Shareholders for the purposes of Rule 14.44 of the Listing Rules and hold in aggregate of 1,275,540,924 Shares, representing approximately 54.11% of the entire issued share capital of the Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“HKC”	HKC (Holdings) Limited, a Bermuda company whose shares are listed on the main board of the Stock Exchange

DEFINITIONS

“HKC Director(s)”	the director(s) of HKC
“HKC Group”	HKC and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	22 August 2017, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China
“Project”	the wind farm project is located at Songxian County, Luoyang City, Henan Province, the PRC. The total installed capacity of the said project will be 74 mega-watt and the wind utilization hours are expected to be in the range of 2,100 to 2,300 hours and the said project is expected to generate approximately 153 million kilowatt hour of electricity annually (i.e. equivalent to about 63,000 households annual electricity consumption in Luoyang City). It is expected that the date for delivery of wind turbines and turbine towers would be in September to December 2017, the installation and trial running of wind turbines and turbine towers would be in October 2017 and December 2017 respectively and the expected project commencement date would be in the first half of 2018. The Company would timely update any substantial deviation of the above expected timings in its annual and/or interim reports as appropriate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company

DEFINITIONS

“Songxian HKE”	嵩縣港能風電有限公司 (Songxian HKE Wind Power Limited), a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Turbine Tower Agreement”	the agreement dated 5 July 2017 entered into between Songxian HKE and 山東中車同力鋼構有限公司 (Shandong CRRC Tongli Steel Structure Co., Ltd.*) in respect of the purchase of 37 sets of turbine towers and related components
“Turbine Tower Performance Guarantee Letter”	a bank guarantee in the amount of 10% of the contract sum of the Turbine Tower Agreement (i.e. RMB4,743,326) arranged by the counterparty in favour of Songxian HKE to guarantee the performance of its obligations under the Turbine Tower Agreement starting from the date of signing the Turbine Tower Agreement to a date up to 30 days after the acknowledgement receipt issued by Songxian HKE in relation to the installation and satisfactory pre-acceptance notice of the turbine towers and related components
“Turbine Tower Warranty Guarantee Letter”	a bank guarantee in the amount of 10% of the contract sum of the Turbine Tower Agreement (i.e. RMB4,743,326) arranged by the counterparty in favour of Songxian HKE to guarantee its performance of warranty obligations under the Turbine Tower Agreement for a warranty period of 1 year starting from the date of entering into this bank guarantee
“Warrants”	the existing bonus warrants that were issued by the Company on 19 May 2017 (warrant code: 1677) and such warrants are listed on the main board of the Stock Exchange
“Wind Turbine Agreement”	the agreement dated 5 July 2017 entered into between Songxian HKE and 浙江運達風電股份有限公司 (Zhejiang Windey Co., Ltd.*) in respect of the purchase of 37 sets of wind turbines

DEFINITIONS

“Wind Turbine Performance Guarantee Letter”	a bank guarantee in the amount of 10% of the contract sum of the Wind Turbine Agreement (i.e. RMB28,471,566.8) arranged by the counterparty in favour of Songxian HKE to guarantee the performance of its obligations under the Wind Turbine Agreement from the date of signing the Wind Turbine Agreement to the date of completion of the Project
“Wind Turbine Warranty Guarantee Letter”	a bank guarantee in the amount of 10% of the contract sum of the Wind Turbine Agreement (i.e. RMB28,471,566.8) arranged by the counterparty in favour of Songxian HKE to guarantee its performance of warranty obligations under the Wind Turbine Agreement for a warranty period of 3 years starting from the date of entering into this bank guarantee
“% ”	per cent.

For the purpose of illustration only and unless otherwise stated, the translation of RMB into HK\$ is based on the approximate exchange rate of RMB1.00 = HK\$1.1493. Such translation should not be construed as a representation that any amount has been, could have been, or may be, exchanged at such or any other rate.

** The unofficial English transliterations or translations are for identification purposes only.*



CHINA RENEWABLE ENERGY INVESTMENT LIMITED
中國再生能源投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 987)

(Warrant Code: 1677)

(website: www.cre987.com)

Executive Directors:

Mr. OEI Kang, Eric (*Chairman and Chief Executive Officer*)
Mr. LEUNG Wing Sum, Samuel (*Chief Financial Officer*)
Mr. WONG Jake Leong, Sammy

Independent Non-executive Directors:

Mr. YU Hon To, David
Mr. TIAN Yuchuan
Mr. ZHANG Songyi

Registered Office:

Cricket Square
Hutchins Drive
P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

*Principal Place of
Business in Hong Kong:*

9th Floor, Tower 1
South Seas Centre
75 Mody Road
Tsimshatsui East
Kowloon
Hong Kong

25 August 2017

*To the Shareholders and, for information only,
holders of Warrants*

Dear Sir or Madam,

**ACQUISITION OF WIND TURBINES AND
TURBINE TOWERS CONSTITUTING
A MAJOR TRANSACTION**

A. INTRODUCTION

Reference is made to the Announcement in relation to, inter alia, the entering into of the Agreements. On 5 July 2017, Songxian HKE, a wholly-owned subsidiary of the Company, entered into the Agreements relating to the acquisition of certain wind power generation equipments, including wind turbines and turbine towers. It is expected that further contracts will be entered into by the Group for the Project.

LETTER FROM THE BOARD

The Wind Turbine Agreement and the Turbine Tower Agreement entered into by Songxian HKE with 浙江運達風電股份有限公司 (Zhejiang Windey Co., Ltd.*) and 山東中車同力鋼構有限公司 (Shandong CRRC Tongli Steel Structure Co., Ltd.*) respectively, are related to the Project and hence the transactions contemplated under the Wind Turbine Agreement and the Turbine Tower Agreement respectively will be aggregated under Rule 14.22 of the Listing Rules.

As one of the applicable percentage ratios in respect of the Acquisition are more than 25% but less than 100% for the Company, it constitutes a major transaction for the Company and is therefore subject to the notification, announcement, circular and shareholders' approval requirements in Chapter 14 of the Listing Rules.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Acquisition. As such, no Shareholder is required to abstain from voting under the Listing Rules if the Company were to convene a general meeting for the approval of the Acquisition. The Controlling Shareholders are currently holding approximately 54.11% of the entire issued share capital of the Company. Pursuant to Rule 14.44 of the Listing Rules, the Controlling Shareholders which hold more than 50% of the voting rights, had issued a written shareholders' approval to approve the Acquisition. Accordingly, no extraordinary general meeting will be convened by the Company to approve the Acquisition.

The purpose of this circular is to provide you with further information about the Agreements and the transactions thereunder and other information required by the Listing Rules.

B. THE WIND TURBINE AGREEMENT AND THE TURBINE TOWER AGREEMENT

The principal terms of the Wind Turbine Agreement and the Turbine Tower Agreement are set out below:

1. The Wind Turbine Agreement

Date	:	5 July 2017
Counterparty	:	浙江運達風電股份有限公司 (Zhejiang Windey Co., Ltd.*)
Principal business of the counterparty	:	Development, design and sale of wind power general equipments
Equipment purchased	:	37 sets of wind turbines
Contract sum	:	RMB284,715,668 (approximately HK\$327,223,717), being the sum agreed after further negotiation with the counterparty which was lower than the submitted tender price

LETTER FROM THE BOARD

- Payment schedule : - 10% of the contract sum shall be paid within 30 days after (i) signing of the Wind Turbine Agreement; (ii) getting all necessary government approval in relation to the Project; and (iii) Songxian HKE getting the Wind Turbine Performance Guarantee Letter;
- 10% of the contract sum shall be paid after receipt of the invoice from the counterparty in relation to the order of the main parts of wind turbines;
 - 10% of the contract sum shall be paid after receipt of the confirmation from the counterparty that wind turbines are ready for delivery;
 - 30% of the contract sum shall be paid after (i) delivery of the wind turbines to the agreed wind turbine location and Songxian HKE confirming satisfactory completion of installation of the wind turbines; and (ii) receipt of the invoice from the counterparty;
 - 15% of the contract sum shall be paid after Songxian HKE confirming satisfactory completion of all trial running;
 - 15% of the contract sum shall be paid after (i) completion of the Project; (ii) receipt of the power curve certification report from the counterparty; and (iii) the satisfactory completion notice issued by Songxian HKE; and
 - 10% of the contract sum shall be paid (i) upon the second year of the warranty period after the completion of the Project; and (ii) after Songxian HKE getting the Wind Turbine Warranty Guarantee Letter.

As at the Latest Practicable Date, none of the said contract sum has been settled. 10% of the contract sum amounting to RMB28,471,566.8 has been scheduled to be settled on or around 28 August 2017.

LETTER FROM THE BOARD

- Termination Clause : The obligations of the parties to the Wind Turbine Agreement shall be terminated if Songxian HKE cannot get any consent from the Stock Exchange (if needed) in relation to the Wind Turbine Agreement and the transactions contemplated thereunder.
- Condition precedent : There was no condition precedent to the Wind Turbine Agreement.

2. The Turbine Tower Agreement

- Date : 5 July 2017
- Counterparty : 山東中車同力鋼構有限公司 (Shandong CRRC Tongli Steel Structure Co., Ltd.*)
- Principal business of the counterparty : Manufacture of turbine towers and related components
- Equipment purchased : 37 sets of turbine towers and related components
- Contract sum : RMB47,433,260 (approximately HK\$54,515,046), being the submitted tender price
- Payment schedule : – 20% of the contract sum shall be paid within 15 days after (i) signing of the Turbine Tower Agreement; (ii) receipt of the invoice; and (iii) Songxian HKE getting the Turbine Tower Performance Guarantee Letter;
- a total of 50% of the contract sum (such payment shall first reduce the initial 20% of the contract sum as mentioned above) shall be paid in installment proportion to the number of turbine towers delivered within 20 days after (i) delivery to the agreed wind turbine location and Songxian HKE confirming satisfactory of the preliminary inspection of the turbine towers and related components; and (ii) receipt of the invoice from the counterparty;

LETTER FROM THE BOARD

- 15% of the contract sum shall be paid in installment proportion to the number of turbine towers delivered within 20 days after (i) installation and satisfactory pre-acceptance notice issued by Songxian HKE of part of the turbine towers or within 6 months after the acknowledgement receipt issued by Songxian HKE in relation to delivery of part of the turbine towers; and (ii) receipt of the invoice from the counterparty;
- 25% of the contract sum shall be paid within 20 days after (i) installation and satisfactory pre-acceptance notice issued by Songxian HKE or within 6 months after the acknowledgement receipt issued by Songxian HKE in relation to delivery of all the turbine towers; and (ii) receipt of the invoice from the counterparty; and
- 10% of the contract sum shall be paid after (i) the final acceptance certificate notice issued by Songxian HKE or within 18 months after the acknowledgement receipt issued by Songxian HKE in relation to delivery of all the turbine towers; (ii) the satisfactory performance of the turbine towers within the first year of the warranty period; and (iii) after Songxian HKE getting the Turbine Tower Warranty Guarantee Letter.

As at the Latest Practicable Date, 20% of the contract sum amounting to RMB9,486,652 has been settled.

Conditions Precedent : The obligations of the parties to the Turbine Tower Agreement shall be conditional upon:

- (a) the entering into the Turbine Tower Agreement by the signature of the legal representative or the entrusted agent (who shall be authorized in writing by the legal representative) together with the common seal; and

LETTER FROM THE BOARD

- (b) since Songxian HKE is a subsidiary of CRE which is a company listed in the Stock Exchange and would need to comply with the requirements of the Listing Rules and the internal guidance of CRE and HKC, such requirements shall include the notification, announcement, and passing of the necessary resolution(s) by the Shareholders at an extraordinary general meeting (if needed) to approve the entering into the Turbine Tower Agreement and the transactions contemplated thereunder. Upon the relevant transaction has been approved at the extraordinary general meeting (if needed), Songxian HKE shall inform the counterparty in writing and the Turbine Tower Agreement shall take effect after such written notice is received.

As at the Latest Practicable Date, all the conditions precedent which are non-waiveable have been satisfied.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the above counterparties and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

The above counterparties were selected in 2017 through a tender process with the participation of 6 tenderers for the Wind Turbine Agreement; and 4 tenderers for the Turbine Tower Agreement. The tenders of the Agreements were open for approximately one month and a selection committee, comprising the senior management of the Group, was formed to consider the tenders submitted. During the evaluation process, various technical and commercial factors have been considered including but not limited to the market price, quality, delivery schedule, track record and reputation of the suppliers when making the decisions. Amongst the various tenders submitted, 浙江運達風電股份有限公司 (Zhejiang Windey Co., Ltd.*) and 山東中車同力鋼構有限公司 (Shandong CRRC Tongli Steel Structure Co., Ltd.*) are the ones provided most competitive tender prices together with good quality, accordingly, the Company selected 浙江運達風電股份有限公司 (Zhejiang Windey Co., Ltd.*) and 山東中車同力鋼構有限公司 (Shandong CRRC Tongli Steel Structure Co., Ltd.*) as the suppliers for the Wind Turbine Agreement and the Turbine Tower Agreement.

LETTER FROM THE BOARD

C. REASONS FOR, AND BENEFITS OF, ENTERING INTO THE AGREEMENTS

The Group is principally engaged in the renewable energy business with its primary focus in the development, construction and operation of wind farms in Mainland China.

The contract sum of each of the Wind Turbine Agreement and the Turbine Tower Agreement was determined through the abovementioned tender processes and Songxian HKE with reference to, among other things, the market price, quality, delivery schedule, track record and reputation of the suppliers as at the date of the Announcement. The Directors consider that the terms of each of the Wind Turbine Agreement and the Turbine Tower Agreement and the Acquisition to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The entering into the Wind Turbine Agreement and the Turbine Tower Agreement was to develop the Project. The total installed capacity of the Project will be 74 mega-watt and the wind utilization hours are expected to be in the range of 2,100 to 2,300 hours and the said project is expected to generate approximately 153 million kilowatt hour of electricity annually (i.e. equivalent to about 63,000 households annual electricity consumption in Luoyang City). It is expected that the date for delivery of wind turbines and turbine towers would be in September to December 2017, the installation and trial running of wind turbines and turbine towers would be in October 2017 and December 2017 respectively and the expected project commencement date would be in the first half of 2018. The Company would timely update any substantial deviation of the above expected timings in its annual and/or interim reports as appropriate. Upon completion of the Project, the net wind capacity will be expected to increase by approximately 22% (representing approximately 74 mega-watt), and the amount of cash generated by the wind farms will be further increased.

D. FINANCIAL EFFECT

Given that the Project is still under development and the Acquisition is intended to be funded by the Group's internal resources and bank borrowings, the Directors do not expect that the Acquisition, during the development period, will have any financial effect on the Group's earnings while with regard to the Group's balance sheet, there will be an increase in construction in progress, a decrease in the cash and cash equivalents and an increase in bank borrowings in the Group's balance sheet. The cash and cash equivalents of the Group as at 30 June 2017 amounted to approximately HK\$425 million.

E. ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully,
For and on behalf of the Board
China Renewable Energy Investment Limited
OEI Kang, Eric
Chairman and Chief Executive Officer

FINANCIAL INFORMATION OF THE GROUP

The audited consolidated financial statements of the Group for the years ended 31 December 2014, 2015 and 2016 together with the relevant notes thereto can be found from pages 62 to 138 of the annual report of the Company for the year ended 31 December 2014, pages 58 to 130 of the annual report of the Company for the year ended 31 December 2015 and pages 69 to 142 of the annual report of the Company for the year ended 31 December 2016.

The said annual reports of the Company are available on the website of the Stock Exchange at www.hkexnews.hk and on the Company's website at the following links:

2014 Annual Report http://www.cre987.com/attachment/2015042317170100032180859_en.pdf

2015 Annual Report http://www.cre987.com/attachment/2016042117170100032490727_en.pdf

2016 Annual Report http://www.cre987.com/attachment/2017041218350200012778822_en.pdf

INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2017, being the latest practicable date prior to the printing of this circular for the purpose of compiling this indebtedness statement, the Group had the following indebtedness:

	<i>HK\$' Million</i> <i>(approximately)</i>
Bank borrowings – secured and guaranteed by fellow Subsidiaries (<i>Note (a)</i>)	313.8
Bank borrowings – secured and guaranteed by the Group (<i>Note (b)</i>)	157.6
Amount due to a shareholder – unsecured (<i>Note (c)</i>)	220.0
	<hr/>
	691.4
	<hr/> <hr/>

Notes:

- (a) The bank borrowings of HK\$143.7 million were secured by certain wind farm assets amounting to approximately HK\$303.4 million and trade receivables amounting to approximately HK\$11.1 million held by the Group and guaranteed by Hong Kong Construction (China) Engineering Company Limited, a fellow subsidiary of the Group. The interest rate of the bank borrowings was 4.9% which is the longer than 5 years People's Bank of China's Benchmark Lending Rate.

The bank borrowings of HK\$170.1 million were secured by certain wind farm assets amounting to approximately HK\$306.4 million and prepaid land lease payments amounting to approximately HK\$8.6 million held by the Group and guaranteed by Hong Kong Construction (Hong Kong) Limited, a fellow subsidiary of the Group. The interest rate of the bank borrowings was 4.9% which is the longer than 5 years People's Bank of China's Benchmark Lending Rate.

- (b) The bank borrowings were secured by certain wind farm assets amounting to approximately HK\$287.1 million and trade receivables amounting to approximately HK\$22.1 million held by the Group. The interest rate of the bank borrowings ranges from 4.90% to 6.55%.
- (c) The shareholder's loan from Creator Holdings Limited bears interest at 1-month HIBOR plus 3.5%.

As at the close of business on 30 June 2017, financial guarantees not provided for in the financial statements are as follows:

*HK\$' Million
(approximately)*

Counter guarantee given to 中節能風力發電股份有限公司 (CECEP Wind-Power Corporation*), the joint venture partner of the Group in an associate, for 30% (representing the Group's equity interest in the said associate) of all the liabilities and expenses which may be incurred by 中節能風力發電股份有限公司 (CECEP Wind-Power Corporation*) under the bank guarantee given by 中節能風力發電股份有限公司 (CECEP Wind-Power Corporation*) for the benefit of the said associate	<u>103.4</u>
---	--------------

On 22 June 2017, Songxian HKE entered into an interest-bearing RMB mortgage loan with a maximum security of RMB400 million (equivalent to approximately HK\$460 million) which is repayable within 15 years from the actual drawdown date for the purposes of the Project with interest rates fixed at the People's Bank of China's Benchmark Lending Rate. As at the Latest Practicable Date, Songxian HKE has not drawn any loan amount under this RMB bank loan facility.

Save as aforesaid, and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, none of the companies in the Group had outstanding at the close of business on 30 June 2017 any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

For the purpose of the above indebtedness statement, foreign currency amounts have been translated into Hong Kong dollars at the rates of exchange prevailing at the close of business on 30 June 2017 (RMB1.00 = HK\$1.1493).

Save as disclosed above, the Directors have confirmed that there has been no material change in the indebtedness or contingent liabilities or guarantees of the Group since 30 June 2017.

WORKING CAPITAL

Taking into account the financial resources available to the Group, including the internally generated funds and the available banking and financing facilities, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular.

FINANCIAL AND TRADING PROSPECTS

China's transition to a low carbon economy will not happen overnight. Companies, including CRE, will need to work hand in hand with policy makers to ensure an orderly and controlled transition to a low carbon economy. As an early investor in China's renewable energy sector for over 10 years, we are committed and willing to continue to face this challenge.

On the development front, the Group has over 1.3 GW wind project pipeline; however around 1.1 GW of the pipeline is in Inner Mongolia, which is currently experiencing significant curtailment. As a result, the Group will only develop this pipeline when it is satisfied that the curtailment problem will be resolved. We have been mainly focusing our development efforts on provinces with minimal or no curtailment for the past few years. The total gross generating capacity of the Group as at 31 December 2016 and 30 June 2017 is 660 mega-watt ("MW") and the expected gross generating capacity as at 31 December 2017 is also 660 MW. The net wind capacity as at 31 December 2016 and 30 June 2017 is 341 MW. The Company has received the final project approval from Luoyang Development and Reform Commission for the construction of a wholly-owned 74 MW wind power project located in Songxian County of Luoyang City in Henan Province in the fourth quarter of 2016. Construction of the Project has begun and is expected to be commissioned in the first half of 2018, which will increase our net wind capacity by 22%. The Group does not have any concrete plan on the development of other new wind farms as at the Latest Practicable Date.

China's transition to cleaner and more efficient sources of energy and reform of the power sector will bring new opportunities to renewable energy power producers such as CRE. We will be closely monitoring the development of the renewable energy sector in various markets and will not rule out the possibility of investing in other emerging markets for growth in the future when the timing is right; however China will remain the primary market where we will focus on. As such, we will build on our past successes and will continue to pursue more renewable projects in the country. Despite recent tariff cuts and growing competition, our portfolio of wind projects remains robust thanks to our effective cost control and strategic selection of projects. In addition to our existing pipeline of wind projects currently under wind measurement, we are evaluating a number of new opportunities, including both new wind and solar projects. We will continue to follow our prudent and selective investment strategy when such opportunities arise.

Our ultimate goal is to create sustainable and increasing value for our shareholders. To do that, we seek to invest in projects and businesses which leverage our core capabilities and provide long-term returns. We recognise that we are the stewards of our shareholders' investments in the Company; therefore we strive to maintain a healthy balance sheet, uphold our values in managing our businesses, and communicate frequently with our shareholders on important issues.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules 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 circular 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 circular misleading.

DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) of the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

(i) Long positions in the Shares and underlying Shares

Name of Director	Nature of interest	Number of Shares and underlying Shares	Approximate percentage of existing issued share capital of the Company
Mr. OEI Kang, Eric	Corporate	2,046,390,972 ¹	86.808
	Joint	32,279,326 ²	1.369

Notes:

- Since HKC was held as to approximately 64.676% by Claudio Holdings Limited (“Claudio”) (via its wholly-owned subsidiaries, Creator Holdings Limited (“Creator”) and Genesis Capital Group Limited (“Genesis”)), a company wholly-owned by Mr. OEI Kang, Eric, Mr. OEI Kang, Eric is deemed to be interested in the same parcel of Shares in which HKC is interested. The corporate interest of Mr. OEI Kang, Eric includes (i) an interest in 1,275,540,924 Shares and an interest in 255,108,184 Warrants held by HKC; (ii) an interest in 154,278,990 Shares and an interest in 30,183,798 Warrants held by Creator; and (iii) an interest in 276,065,897 Shares and 55,213,179 Warrants held by Genesis.
- The joint interest of Mr. OEI Kang, Eric represents an interest in 26,899,439 Shares and an interest in 5,379,887 Warrants jointly held with his wife, Mrs. OEI Valonia, Lau.

(ii) Long positions in the shares and underlying shares of associated corporation of the Company

Name of associated corporation	Name of Directors	Nature of interest	Number of shares and underlying shares of the associated corporation	Approximate percentage of existing issued share capital of the associated corporation
HKC (Holdings) Limited	Mr. OEI Kang, Eric	Corporate	342,026,938 ¹	64.676
		Joint	8,042,987 ²	1.521
	Mr. WONG Jake Leong, Sammy	Personal	5,145,000 ³	0.973

Notes:

1. The corporate interest of Mr. OEI Kang, Eric represents (i) an interest in 198,814,407 shares of HKC held by Creator; and (ii) an interest in 143,212,531 shares of HKC held by Genesis. Both Creator and Genesis are wholly-owned subsidiaries of Claudio, a company wholly-owned by Mr. OEI Kang, Eric.
2. The joint interest of Mr. OEI Kang, Eric represents an interest in 8,042,987 shares of HKC jointly held with his wife, Mrs. OEI Valonia Lau.
3. The personal interest of Mr. WONG Jake Leong, Sammy represents an interest in 5,145,000 shares of HKC.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company held any interest or short position in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

DIRECTORS' INTERESTS IN CONTRACTS

As at the Latest Practicable Date,

- (a) none of the Directors had any interest, direct or indirect, in any assets which has 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 since 31 December 2016, being the date to which the latest published audited financial statements of the Company were made up; and

- (b) none of the Directors was materially interested in any contract or arrangement which is subsisting at the date of this circular and which is significant in relation to the business of the Group.

In addition, the following Directors were also directors of the companies hereinafter mentioned which had an interest or short position in the Shares or 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:

Name of Directors	Name of companies which had such discloseable interest or short position
Mr. OEI Kang, Eric	HKC, Claudio, Genesis, Creator
Mr. LEUNG Wing Sum, Samuel	HKC
Mr. WONG Jake Leong, Sammy	HKC

PERSONS WHO HAVE AN INTEREST OR SHORT POSITION WHICH IS DISCLOSEABLE UNDER DIVISIONS 2 AND 3 OF PART XV OF THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to any Director or chief executive of the Company, the persons or companies (not being a Director or chief executive of the Company) who had interests or short positions in the Shares and 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 were directly or indirectly deemed to be interested 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 are as follows:

Name of Shareholder	Capacity	Number of Shares held	Approximate percentage of shareholding
HKC (Holdings) Limited	Beneficial owner	1,530,649,108 ¹	64.930
Mrs. OEI Valonia Lau	Family	2,046,390,972 ²	86.808
	Joint	32,279,326 ³	1.369
Claudio Holdings Limited	Corporate	2,046,390,972 ⁴	86.808
Genesis Capital Group Limited	Corporate	331,279,076 ⁵	14.053
Creator Holdings Limited	Corporate	184,462,788 ⁶	7.825

Notes:

1. The beneficial interest of HKC includes an interest in 1,275,540,924 Shares and 255,108,184 Warrants held by HKC.
2. Mrs. OEI Valonia Lau is deemed to be interested in the same parcel of Shares in which Mr. OEI Kang, Eric is taken to be interested (as detailed in "Disclosure of Interests" section above).
3. The joint interest of Mrs. OEI Valonia Lau represents an interest in 26,899,439 Shares and 5,379,887 Warrants jointly held with Mr. OEI Kang, Eric.
4. Claudio is beneficially interested in 64.676% of the issued share capital of HKC (via its wholly-owned subsidiaries, Creator and Genesis) and thus, is deemed to be interested in the same parcel of Shares in which HKC is interested. In addition, as Creator and Genesis are wholly-owned subsidiaries of Claudio, and thus, Claudio is deemed to be interested in the same parcel of Shares in which Creator and Genesis are interested.
5. The corporate interest of Genesis includes an interest in 276,065,897 Shares and 55,213,179 Warrants.
6. The corporate interest of Creator includes an interest in 154,278,990 Shares and 30,183,798 Warrants.

Save as disclosed above, as at the Latest Practicable Date, to the knowledge of the Company, none of the persons or companies (not being a Director or chief executive of the Company) had or was deemed to have any interests or short positions in the Shares and 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 were directly or indirectly deemed to be interested 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 or any member of the Group.

SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors has any existing or proposed service contracts with any member of the Group other than contracts expiring or determinable by the employer within one (1) year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS COMPETING BUSINESS

Mr. OEI Kang, Eric, Mr. LEUNG Wing Sum, Samuel and Mr. WONG Jake Leong, Sammy are executive directors of HKC. One of the business activities of the HKC Group is alternative energy business in the PRC. Apart from the Company's business, HKC Group has an interest in a business in ethanol energy business in the PRC. Having considered that HKC's investment in the ethanol energy business is non-core and the business was sold in August 2016, the Company can operate its business independently.

Save as disclosed above, none of the Directors or their respective associate(s) was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

MATERIAL CONTRACT

The following are material contracts, not being contract entered into in the ordinary course of business of the Group, which has been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date:

- (i) the Wind Turbine Agreement; and
- (ii) the Turbine Tower Agreement.

Save as disclosed above, none of the members of the Group has entered into any contracts (not being contracts entered into in the ordinary course of business) within the two years preceding the Latest Practicable Date that are or may be material.

MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2016, the date to which the latest published audited financial statements of the Company was made up.

MISCELLANEOUS

The company secretary of the Company is Mr. LAI Kam Kuen, Ricky, who is a fellow member of The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators in the United Kingdom.

The registered office of the Company is situated at Cricket Square, Hutchins Drive, P. O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business of the Company in Hong Kong is situated at 9th Floor, Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong.

The Company's Hong Kong branch share registrar and transfer agent is Computershare Hong Kong Investor Services Limited, whose address is at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

The English text of this circular shall prevail over the Chinese text in case of any inconsistency.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at 9th Floor, Tower 1, South Seas Centre, 75 Mody Road, Tsimshatsui East, Kowloon, Hong Kong during normal business hours from the date of this circular up to and including the 14th day following the date hereof:

- (i) the memorandum and articles of association of the Company;
- (ii) the annual reports of the Company for the years ended 31 December 2014, 31 December 2015 and 31 December 2016;
- (iii) copy of the material contracts as referred to in the paragraph headed "Material contract" in this Appendix; and
- (iv) this circular.