

**XINJIANG GOLDWIND SCIENCE AND TECHNOLOGY COMPANY LTD:
CLEARLY A GOOD COMPANY,
BUT WILL POLITICS TAKE PRECEDENCE OVER PROFIT ?**

There is a number of aspects with regard to one of the latest offerings on the Main Board of The Stock Exchange of Hongkong Ltd, about which, perhaps, prospective shareholders should be apprised:

- Xinjiang Goldwind Science and Technology Company Ltd () is a corporate entity, controlled by the Government of the People's Republic of China (PRC);
- Xinjiang Goldwind Science and Technology Company Ltd is 'burning' money as though it has gone out of style; and,
- The main customers of the Xinjiang Goldwind Science and Technology Company Ltd have the appearance of being entities of the PRC Government, although this is not stated in the Global Offering Prospectus, dated June 7, 2010.

Xinjiang Goldwind Science and Technology Company Ltd is a company, engaged in manufacturing wind turbine generators, providing complete wind power solutions in the PRC, proper, being separate and distinct from the Hongkong Special Administrative Region (HKSAR) of the PRC.

It launched its **Initial Public Offering (IPO)**, last Monday, in order to try to garner about \$HK8,078.60 million, net of expenses.

The Global Offering comprises 395,294,000, one-renminbi Shares at a Share Price Offer Range of between \$HK19.80 and \$HK23.00.

HKSAR investors are Offered 39,529,600 Shares, the remainder, 355,764,400 Shares, are reserved for International Investors.

At the midway Share Price Offer Range of \$HK21.40, the Company expects to net about \$HK8,078.60 million, that amount of money to be utilised as follows:

1. About 40.20 percent, that is about \$HK3,247.60 million, to '*be used for the construction of production bases ...*';
2. About 14.60 percent, that is about \$1,179.48 million, to '*be used for the design and development of more advanced WTGs (Wind Turbine Generators) and certain related components*';
3. About 24.10 percent, that is about \$HK1,946.94 million, to be used to attack international markets for the Company's products and services, with emphasis on the markets of the US, Australia and Europe;
4. About 11.10 percent, that is about \$HK896.72 million, to retire a small proportion of the Company's debts to its bankers; and,
5. About 10 percent, that is about \$HK807.86 million, to be tossed into the General Working

Capital Account.

Just prior to launching this IPO, Chow Tai Fook Nominee Ltd (), a company, wholly owned by Dr Cheng Yu Tung (), who is the Chairman of New World Development Company Ltd () (Code: 17, Main Board, The Stock Exchange of Hongkong Ltd), agreed to invest up to \$US40 million (about \$HK312 million) in buying shares in Xinjiang Goldwind Science and Technology Company Ltd at the Offer Price.

Chow Tai Fook Nominee Ltd is the lone Cornerstone Investor.

Which may say a great deal ... [CLICK TO ORDER FULL ARTICLE](#)

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