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

OVERSEAS REGULATORY ANNOUNCEMENT

This announcement is made pursuant to Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors (the "**Board**") of Xinjiang Goldwind Science & Technology Co., Ltd. (the "**Company**") hereby encloses the announcement entitled the "*Announcement regarding the Joint Establishment of Wind Power Industry Fund with CIF (Beijing) Investment Fund Management Co., Ltd.*" which has been published by the Company on the website of the Shenzhen Stock Exchange for your reference.

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

Beijing, 29 March 2016

As at the date of this announcement, the Company's executive directors are Mr. Wu Gang, Mr. Wang Haibo and Mr. Cao Zhigang; non-executive directors are Mr. Li Ying, Mr. Yu Shengjun and Mr. Zhao Guoqing; and independent non-executive directors are Dr. Tin Yau Kelvin Wong, Mr. Yang Xiaosheng and Mr. Luo Zhenbang.

** For identification purpose only*

Stock Code: 002202 Stock Name: Goldwind Announcement Code: 2016-013

Xinjiang Goldwind Science & Technology Co., Ltd Announcement Regarding Joint Establishment of Wind Power Industry Fund with CIF (Beijing) Investment Fund Management Co., Ltd.

The Company and all members of the board of directors warrant that information contained herein is true, accurate and complete, and this announcement does not contain false or misleading misrepresentation or material omission.

I. Summary

Xinjiang Goldwind Science & Technology Co., Ltd (“**Goldwind**” or the “**Company**”) is preparing to establish a limited company to engage in fund management: CIF-Goldwind (Beijing) Fund Management Co., Ltd. (tentatively, the “**Fund Management Company**”) with CIF (Beijing) Investment Fund Management Co., Ltd (“**CIF Beijing**”) or CITIC Group Corporation and its subsidiaries. Registered capital of the Fund Management Company will be RMB4 million. Goldwind and CIF Beijing will each contribute RMB2 million and hold 50% share. Size of the CIF-Goldwind wind power industry fund (limited partnership) (the “**Fund**”) which will be initiated by the Fund Management Company is RMB2.25 billion, among which Goldwind will contribute about RMB750 million and CIF Beijing will contribute about RMB1.5 billion.

With 9 votes of approval, 0 against and 0 abstain, *Proposal in Relation to Joint Formation of Wind Power Industry Fund with CIF (Beijing) Investment Management Co., Ltd* is passed in the 21st meeting of 5th board meeting of the Company on 29 March 2016. According to *Rules of Shenzhen Stock Exchange for the Listing of Stocks*, *SME Board Listed Companies Standardize Operational Guidelines* and other provisions, this external investment does not form a connected transaction, or cause major reorganization of assets stipulated in *Listed Companies Major Asset Restructuring Management Approaches*. The investment still needs to be submitted to the shareholders' meeting for further deliberation.

II. Basic Information of the Partners

Corporate Name: CIF (Beijing) Investment Fund Management Co., Ltd.
Registered Capital: RMB100 million
Legal Representative: Yu Xiudong
Registered Address: No.1 Linkong Er Road, Shunyi Park, Zhongguancun Science & Technology Park, Shunyi District, Beijing
Scope of Business: Entrust of other private equity fund engaging in non-securities

equity investment management and consulting (the following activities are prohibited: (1) public fund-raising; (2) foreign investment prohibited by the PRC government; (3) stocks and bonds trading on secondary market but excluding the shares held by equity investment fund after listing; (4) dealing in financial derivatives instruments, such as future goods; (5) direct or indirect investment in fixed assets of non-self use; (6) misappropriation equity fund for investment; (7) providing loans or guarantees; (8) commitment investment without loss or minimum benefits to investors; and (9) other activities prohibited by laws, regulations and establishment documents). Investment consulting. (The investment projects shall be approved legally and operated after the approval of relevant regulatory departments.)

CIF Beijing, a wholly owned subsidiary of China CITIC Bank, has been registered with the Asset Management Association of China, and has obtained the qualification of private equity investment funds.

III. Summary of the Fund Management Company and the Fund

- Summary of the Fund Management Company

1. Corporate Name: CIF-Goldwind (Beijing) Fund Management Co., Ltd (tentatively)
2. Corporate Nature: limited liability company
3. Registered (received) Capital: RMB4 million
4. Investment Ratio: Goldwind and CIF Beijing jointly invest and each takes up 50%
5. Scope of Business: equity investment management, investment consultancy, industry investment (the final scope is subject to registration)

- Summary of the Fund

1. Fund Name: CIF-Goldwind Wind Power Industry Fund (Limited Partnership)
2. Fund Manager: CIF-Goldwind (Beijing) Fund Management Co., Ltd.
3. Organizational Format: limited partnership
4. Size of the Fund: RMB2.25 billion
5. Duration of the Fund: 5 years, in which, 3 years are investment period and 2 years are investment withdrawal period.
6. Scope of the Fund Investment: mainly invest in the equity of domestic small and medium-sized private wind power companies, and seek for controlling interests
7. Fund Withdrawal: original owners re-purchase equity held by the fund, or other customary exit methods in the market.

- Fund Investment Plan

1. GP: the Fund Management Company invests RMB225 thousand (0.1%)
2. LP: Priority – CIF Beijing (including funds raised through non-public methods) invests RMB1.5 billion (66.6%). General – Goldwind invests 750 million (33.3%)

Contribution of each partner adopts subscribed capital system and actual investment will be completed based on subscribed capital ratio in “Capital Call Letter” issued by the Fund Management Company. The actual fund shall be contributed in investment period (first 3 years).

IV. Influence to the Company

Establishing an industry fund can provide strong financing support for wind farm project construction contracting; contribute to the increase in service value of wind farm and is beneficial for stimulating sales of wind turbines so that the market position can be further consolidated.

Within 12 months after the occurrence of this investment, idle raised fund will not be used to temporarily supply working capital, the direction of raised fund will not be changed to permanent working capital, and surplus funds to will not be permanently used to supply working capital or repay bank loans.

V. Risk and counter-measures

- **Establishment and Operational Risks**

  Risk management of the establishment and operational risks in invested wind power projects of the Fund:

  All target projects shall purchase wind turbines produced by Goldwind, and shall engage Goldwind and its branch companies for construction and subsequent operation and maintenance to ensure stable power generation and cash flow after the construction.

  Original shareholders of the projects are responsible for raising funds for the remaining investments of the projects in order to safeguard the interests of the investors of the Fund and to improve the safety net of general LPs.

  Mature wind farms shall have stable cash flow and liquidity, which effectively guarantees the investments of general LP achieve expected profits.

- **Risk of fund withdrawal**

  Original owners of the projects may lack capital to re-purchase equity after the Fund expires, or may give up the right to re-purchase such equity, leading to inability for the Fund to withdraw in time. Following measures will be used by the Fund Management Company to control risks:

  If failure of the Fund to withdrawal in time is caused by breach of contract due to inability of original owners to re-purchase equity, 25% equity of upfront investment of original owner will be taken as penalty.

When dealing with projects, the Fund should consider acquisition of projects as a priority so that to increase installed capacity of Goldwind.

If the Company confirms not to purchase a project, the Fund Management Company should dispose the investment target in the market and the revenue of the disposal should be used to pay back investment of the LP in the priority class and 10% of profits, and the rest of the revenue shall belong to Goldwind.

Besides, the investment shall carry out internal supervision and control procedure with reference to the *Risk Investment Management Regulation*.

VI. Opinion of Independent Directors

The Company's participation in establishment of wind power industry investment fund can integrate advantages of various resources, and brings scale effect or synergistic effect to the Company's existing business with help of the Fund's investment and financing functions, so as to effectively stimulate business growth. The process of decision making of the establishment of industry fund is lawful and effective, there is no damage to the Company and the interests of minority shareholders. We all agreed with the proposal.

VII. Opinion of Sponsor Institution

After reviewing meeting documents, deliberation result as well as opinions of independent directors and communicating with relevant executives about procedure of risk investment implementation and risk control solutions, the sponsor institution believes that:

1. Goldwind has set up related management systems of risk investment, which makes clear provisions in terms of principles, scope, rights and internal review of corporate risk investment.
2. After a discussion in the board meeting, two thirds of directors voted for approval of the risk investment mentioned above; and the independent directors expressed opinion of consent. This issue, therefore, will be submitted to shareholders' meeting for further consideration.
3. The Company will not use idle raised fund to temporarily supply working capital, the direction of raised fund will not be changed to permanent working capital, and surplus funds will not be permanently used to supply working capital or repay bank loans.

Due to certain hazards of the scope of investment, the sponsor institution requests the Board and related executives to pay full attention to following issues:

1. Pay attention to potential risks brought by the risk investment to the Company, and strictly follow risk investment system and reviewing procedure.
2. After obtaining approval in the shareholders' meeting, relevant executives and other staff should pay attention to related market risks. Invest and make decisions cautiously, and take the responsibility of disclosing information truly, accurately, completely and in time.
3. The Company should strictly comply with regulatory documents made by the China Securities Regulatory Commission and the Shenzhen Stock Exchange as well as internal management systems to ensure the legal compliance of the use of funds raised.
4. The Company, in conducting risk investment, should ensure sufficiency of working capital and organized production and operation.

The sponsor institution has no objection to the risk investment project to be implemented by Goldwind.

Announcement is hereby given.

The Board

Xinjiang Goldwind Science & Technology Co., Ltd.

29 March 2016