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 enclose the announcement entitled the "*Feasibility Analysis Report with Respect to Proceeds from the Company's Share Rights Issue in 2018*" 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, 23 March 2018

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. Zhao Guoqing, Mr. Feng Wei and Mr. Gao Jianjun; and the independent non-executive directors are Mr. Yang Xiaosheng, Mr. Luo Zhenbang, and Dr. Tin Yau Kelvin Wong.

** For identification purpose only*

Xinjiang Goldwind Science & Technology Co., Ltd.

Feasibility Analysis Report with Respect to Proceeds from the Company's Share Rights Issue in 2018

March 2018

I. Plan for the Use of Proceeds from This Rights Issue

The total amount of proceeds that Xinjiang Goldwind Science & Technology Co., Ltd. ("Goldwind Science & Technology" or the "Company") may get from the proposed rights issue of shares (this "Rights Issue") will not exceed RMB5,000,000,000 (the "Proceeds"). After deducting the issue expenses, the net amount of the Proceeds will be used for the 527.5MW Stockyard Hill Wind Farm Project and the 150MW Moorabool North Wind Farm Project, to supplement working capital, and to repay interest-bearing liabilities (the "Target Projects"), as detailed below:

Unit: RMB'0,000

No.	Name of Project	Total amount planned to be invested in the projects	Amount of proceeds planned to be used
1	527.5MW Stockyard Hill Wind Farm Project	518,261.06	165,000.00
2	150MW Moorabool North Wind Farm Project	180,339.81	35,000.00
3	Supplementation of working capital	-	150,000.00
4	Repayment of interest-bearing liabilities	-	150,000.00
Total			**500,000.00**

Note: The conversion between Australian dollar and RMB is based on the middle price of RMB exchange rate published in China Foreign Exchange Trade System on the date of the relevant board meeting.

If the net amount of the Proceeds from this Rights Issue is less than the amount planned to be invested in the Target Projects, the shortage will be resolved by the Company itself through fund raising. Subject to no change of the Target Projects, the Board of Directors (the "Board")of the Company may, according to the actual needs of the projects, appropriately adjust the sequence and amounts of investment in the Target Projects with the Proceeds. During the period from the meeting of the Board for consideration and approval of the plan for the Rights Issue to the receipt of the Proceeds from this Rights Issue, the Company will first invest self-raised funds in the Target Projects in accordance with its state of operation and development plan, and reimburse such upfront investment after receiving the Proceeds in accordance with the relevant regulations.

II. Basic Information about the Target Projects

(I) 527.5MW Stockyard Hill Wind Farm Project

1. Project Constructor

The constructor of the project will be Goldwind Australia Pty Ltd ("Goldwind Australia"), a wholly-owned subsidiary of Goldwind

International, which is a wholly-owned subsidiary of Goldwind Science & Technology. Below is some basic information about Goldwind Australia:

Name of company	Goldwind Australia Pty Ltd
Type of company	Goldwind International's wholly-owned subsidiary
General manager	Chen Ning
Business scope	Development of and investment in wind farms
Date of registration	December 21, 2009

2. Content of Project Construction

The project is intended for the development of Stockyard Hill Wind Farm, which will use 149 goldwind 3S Platform wind turbines and have a rated capacity of 527.5MW. After completed, the project will become a wind farm with the largest capacity in the Southern Hemisphere, and its expected annual generating capacity (based on P50) is about 1,935GWh.

3. Location of Project

Stockyard Hill Wind Farm is located 140km northwest of Melbourne, Australia, about 35km west of Ballarat and between Beaufort and Skipton towns in Victoria's central highlands:

At the site there are both plains and hills, and the elevations are between 320m and 440m. The annual average wind speed at 110m above the ground is 7.8m/s as assessed, and the project's capacity factor will be about 42.1%, meaning good wind resources there. It is planned that the wind turbines for the project will be arranged at 149 places.

4. Project Construction Period

The planned construction period of the project is 27 months from the receipt of project proposal approval to the completion of the project for full commercial operation. The periods required for project proposal approval, design and development, installation and commissioning, and connection to the grid have been comprehensively considered in

formulating the construction schedule, and the goal is for the project to start operation with power turned on by the end of 2019.

5. Total Investment in Project

The estimated total investment in this project is AU$1,064,060,000 (approximately RMB5,182,610,600 based on the middle price of RMB exchange rate published in China Foreign Exchange Trade System on March 23, 2018 when the Board of Directors of Goldwind Science & Technology approved this project), excluding initial working capital.

The estimated investment in this project is as follows:

Unit: AU$'0,000

Items	Amount of Investment
Construction costs	78,427.30
Other construction costs	22,211.90
Financing costs	5,766.80
Total	**106,406.00**

6. Project Approval and Filing

(1) **Land for Project Construction**

Goldwind Australia and the relevant land owner have entered into a Development Lease for a lease term of 25 years, after the expiry of which, Goldwind Australia will have the right to renew the lease for another 25 years twice.

(2) **Project Approval**

The Company received the planning permit, and received from the Department of the Environment and Energy of Australia an environmental protection and biodiversity conservation (EPBC) approval for the Stockyard Hill project. The project has been granted a construction permit number EPBC 2016/7746.

7. Analysis of the Project's Economic Benefits

As forecasted in the feasibility study report, after the construction of this project is completed and the project fully reaches its rated capacity, the Company is expected to get an additional income of AU$174,496,600 or approximately RMB849,903,100 every year, and an additional net profit of AU$50,554,400 or approximately RMB246,230,300 every year; this project's after-tax internal rate of return will be 7.33%; its after-tax internal rate of return to shareholders will be 9.92%; and its after-tax payback period, including the construction period, will be 14 years.

(II) 150MW Moorabool North Wind Farm Project

1. Project Constructor

The constructor of the project will be Goldwind Australia, a wholly-owned subsidiary of Goldwind International, which is a wholly-owned subsidiary of Goldwind Science & Technology. Below is some basic information about Goldwind Australia:

Name of company	Goldwind Australia Pty Ltd
Type of company	Goldwind International's wholly-owned subsidiary
General manager	Chen Ning
Business scope	Development of and investment in wind farms
Date of registration	December 21, 2009

2. Content of Project Construction

The project is intended for the development of Moorabool North Wind Farm, which will use 50 goldwind 3.0 turbines and have a rated capacity of 150MW. Its expected annual generating capacity (based on P50) is about 487GWh.

3. Location of Project

Moorabool North Wind Farm is located approximately 5km south of Ballan, approximately 67km from Melbourne, 27km from Ballarat and 47km from Geelong, Victoria in south Australia. The altitude there is between 375m and 427m. The site of the project mainly comprises meadows and plains, and has a flat terrain. The annual average wind speed at 100m above the ground is more than 7.5m/s as assessed, meaning the project has good wind resources. It is planned that the wind turbines for the project will be arranged at 50 places.

4. Project Construction Period

The planned construction period of the project is 20 months from the receipt of project proposal approval to the completion of the project for full commercial operation. The periods required for project proposal approval, design and development, installation and commissioning, and connection to the grid have been comprehensively considered in formulating the construction schedule, and the goal is for the project to start operation with power turned on by the 4^{th} quarter of 2019.

5. Total Investment in Project

The estimated total investment in this project is AU$370,262,000(approximately RMB1,803,398,100 based on the middle price of RMB exchange rate published in China Foreign Exchange Trade System on March 23, 2018 when the Board of Directors of Goldwind Science & Technology approved this project), excluding initial working capital.

The estimated investment in this project is as follows:

Unit: AU$'0,000

Items	Amount of Investment
Construction costs	31,855.00
Other construction costs	3,973.61
Financing costs	1,197.59
Total	37,026.20

6. Project Approval and Filing

(1) **Land for Project Construction**

Goldwind Australia and the relevant land owner have entered into a Development Lease for a lease term of 25 years, after the expiry of which, Goldwind Australia will have the right to renew the lease for another 25 years twice.

(2) **Project Approval**

The Company has received a planning permit for the project, and received from the Department of the Environment and Energy of Australia an environmental protection and biodiversity conservation (EPBC) approval for the Moorabool North project. The construction permit number is EPBC 2009/4907.

7. Analysis of the Project's Economic Benefits

As forecasted in the feasibility study report prepared by the Company, after the construction of the project is completed and the project fully reaches its rated capacity, the Company is expected to get an additional income of AU$46,890,000 or approximately RMB228,382,400 every year, and an additional profit of AU$12,408,000 or approximately RMB60,434,400 every year; this project's after-tax internal rate of return will be 6.61%; its after-tax internal rate of return to shareholders will be 9.52%; and its after-tax payback period, including the construction period, will be 7.3 years.

(III) Feasibility and Necessity of Investment in and Development of Wind Farm Projects

1. Necessity

(1) The Company's Strategic Need for Active Expansion in International Market

Investing in overseas wind farms is the important content of Goldwind Science & Technology's overseas wind power strategy. After a decade of development, Goldwind Science & Technology has become the largest non-state-owned wind farm developer in China and laid a solid foundation in the development and exploitation of wind power resources, the operation of wind farm assets, and wind power and community development. As China's power enterprises

go global at an increasing speed, investing in overseas wind farms to enable Goldwind Science & Technology's industrial capital to go global accords with China's "Belt and Road" strategy and is Goldwind Science & Technology's inevitable choice for it to achieve strategic development abroad.

(2) Strategic Need for Strengthening Linkage among Business Segments

The Company has three business segments, i.e. turbine manufacturing, wind power services and wind farm investment and development. Taking advantage of its strengths in brand, products, technology and funds, the Company will build a resources integration platform to provide integrated solutions. A steady growth of the wind farm investment and development segment can effectively drive the continuous development of the turbine manufacturing segment and promote synergies by means of benign interaction among the business segments.

2. Feasibility

(1) The Projects Accord with China's Industrial Policy and Direction of Industrial Development

After high-speed development in recent years, the speed of wind turbine installation in China has declined and the stress has been laid on optimizing the distribution structure and promoting the development of wind power in the south and marine wind power. At the same time, the global wind power market is still growing at a high rate, and the United States and some emerging markets in the Asia-Pacific region have become the focus of growth. Investing in overseas wind farms to enable Goldwind Science & Technology's industrial capital to go global accords with China's "Belt and Road" strategy and the wind power industry's direction of development. In order to solidify Goldwind Science & Technology's leadership in the global wind power industry, the Company introduced an "overseas market strategy" in 2017 for purposes of transformation, focusing on developing its offshore and overseas wind power business to enhance the Company's global competitiveness and assuring the healthy and stable development of the Company's business.

In 2017, the Company achieved breakthroughs in six emerging markets during its expansion in overseas markets. The Company realized equipment installation and connection to the grid in Uzbekistan, completed the installation of direct-drive turbines for the first time in Turkey, signed an order for a China-aided project in Kazakhstan, won the first order in the Philippines, entered the Argentine wind power market for the first time for the purpose of project investment, and achieved new breakthroughs in turbine services in Brazil. The capacity of the new projects developed and reserved by the Company in overseas markets reached a record high of 1.2GW.

(2) The Company Can Guarantee in Technology Successful Implementation of the Projects

The Company has three business segments, i.e. turbine manufacturing, wind power services and wind farm investment and development. With its rich experience in wind turbine research, development and manufacturing, the Company has accumulated extensive expertise in integrated solutions for wind farm development. The Company has performed detailed survey and argumentation of the location of Stockyard Hill Wind Farm and Moorabool North Wind Farm, where there are sufficient wind resources available; considering that the equipment required by the projects should be highly mature in technology and reliable in operation, and according to the natural environments around the power stations, the conditions for construction and the situation of transportation, equipment manufactured by the Company is selected; each of the plans for connection to the grid after completion has been designed by a qualified electric power survey and design organization and approved by the grid company. Therefore, these wind farm projects are consistent with the Company's current technical level.

(3) The Company Has A Specialized Team for Implementing the Projects

The Company has an experienced, pioneering, stable and united management team, which has a deep understanding about the wind power industry, including this industry's history of development, technical characteristics and future trends, and can satisfy Stockyard Hill Wind Farm and Moorabool North Wind Farm projects' need for management personnel. The Company also has a specialized team of employees, which has rich theoretical knowledge and practical experience in the industry and experience in successfully operating a number of wind farms, and can fully satisfy Stockyard Hill Wind Farm and Moorabool North Wind Farm projects' need for employees.

(4) The Company Has Rich Experience in Developing and Operating Large Wind Farms at Home and Abroad

Taking advantage of the good opportunity for the development of wind power, the Company has been actively tapping the market to reserve advantageous resources for its continuous development. The Company has been actively exploring a better cooperation model for its wind farm investment and development business so as to give full play to its strengths in brand, products, technology and funds, to build a resources integration platform, to make use of local governments' support and its status as a private company, and to provide integrated solutions. Meanwhile, the Company has been actively promoting the development of its power sale business and has completed the registration of power sales companies in Shanxi

and Mengxi. The Company has also been actively exploring intra-provincial and interregional cooperation with a number of enterprises in direct power purchase to support sustainable development of the Company's power sale business.

As of the end of, 2017, the Company's wind farms had a grid-connected installed capacity of 4,713.50MW and an equity-based capacity of 3,868MW; the wind farm projects under construction had a capacity of 1,523.15MW and an equity-based capacity of 1,496.15MW. Its wind farm investment and development business has been further reinforced and expanded.

Goldwind International (GWI), the main carrier of Goldwind Science & Technology's overseas business, has accumulated rich experience in cross-border operations through implementing overseas wind power solution sales. After many years of practice and market development, the Company's products and corporate image have gradually been recognized in the international market, the Company's internationalization strategy has been steadily pushed forward, and the Company has performed well in the implementation of international projects, market expansion and other aspects.

As of the end of 2017, the completed wind farms under the Company's international wind power projects had an installed capacity of 421MW and an equity-based capacity of 124.1MW; the Company's international wind farm projects under construction had a capacity of 690MW and an equity-based capacity of 690MW.

In 2016, the Company successfully acquired the Rattlesnake Wind Power Project in Texas, the U.S., which has a planned capacity of 160MW, will use 64 goldwind 2.5MW permanent magnet direct-drive turbines and, after completed, will become the largest wind farm constructed by Goldwind Science & Technology in the U.S.; the hoisting work for the Company's first lot-size flexible tower project in Thailand has completed and the capacity of the project is 99MW; after the Pakistan Project I, the Company has received the order for turbines for Pakistan Project II, the capacity of which is 99MW.

In 2017, the Company has acquired the 150MW Loma Blanca I, II and III power projects in Argentina, which are Goldwind Science & Technology's first wind power projects in the Argentine market, laying a foundation for the Company's subsequent business development in Argentina and even the South American market.

The Gullen Range and White Rock wind farm projects implemented by GWI in Australia from beginning to end in cooperation with BEIH, CECEP and some other domestic enterprises have enabled Chinese enterprises to develop, construct and trade wind power assets abroad and the parties on both sides to achieve a win-win result in the international market.

After completed, Stockyard Hill Wind Farm will become the largest wind farm in Australia and an important handle for the Company to reinforce and further expand its presence in the international market.

As the Stockyard Hill Wind Farm and Moorabool North Wind Farm projects can effectively increase the installed capacity of the Company's wind power projects and improve the Company's operating results, the Company has decided to develop these projects after comprehensively considering the development trends of the wind power industry, the development of wind power in Australia and the Company's actual need for funds. After the Target Projects are completed, the Company will increase the grid-connected installed capacity of its wind power projects by 677.5MW, and increase its power supply to the grid by 2,422GWh/year, effectively strengthening the Company's position in market competition.

(5) The Projects Will Be Highly Profitable Thanks to Australia's Advantages in Wind Resources

According to Goldwind Science & Technology's analysis of the wind power markets in Asia-Pacific countries, Australia will become the largest wind turbine installer in the Asia-Pacific region in the next three years, and the average capacity of wind turbines installed in Australia every year will be about 1-2GW in order to achieve the large-scale renewable energy target (RET) of 33,000GWh in 2020 as proposed by the Australian Parliament. The subsidies for renewable energy projects in Australia will gradually be eliminated from then on. To accomplish this policy-based target, the next two years will be a peak period for wind power development in Australia.

Considering the rich wind resources, stable politics and strong Australian dollar in Australia, in the long term Australia will be an advantageous place for global energy investment.

Goldwind Science & Technology intends to use the Proceeds for developing super-large wind farms in Australia to fully implement the Company's "overseas markets" strategies. According to its analysis of the local wind resources at the places where the projects are located and the clean power market in Australia, the Company believes that the rates of return on investment in the projects can fully meet the shareholders' requirements. Through investing in large overseas wind farm projects and increasing the Company's overseas assets reserves, the Company can enhance its ability to operate across borders and resist risks. Meanwhile, the Company intends to use its most advanced 3MW direct-drive turbines to display the strengths of "intelligent manufacturing in China" to global developers. This is of great strategic significance for reinforcing Goldwind Science & Technology's global competitiveness.

(IV) Supplementation of Working Capital

1. Particular Amount to Be Used to Supplement Working Capital

The Company intends to use RMB1.5 billion out of the Proceeds to supplement its working capital in order to reduce the level of its current liabilities, optimize its financial structure, strengthen its ability to resist risks, and also to enhance its financial strength to satisfy the needs of business development, thus further strengthening its competitiveness in the industry.

2. Necessity to Supplement Working Capital

The 13th Five-Year Plan period is a key period for China's transition towards low-carbon energy, and also an important period for China's further implementation of its energy development strategy. To ensure the target percentage of non-fossil energy consumption is achieved, promote the transformation and upgrading of energy structure and facilitate the sustainable and healthy development of renewable energy sources represented by wind power, in 2017 China has successively issued many policies to continue to reinforce the stable development of the wind power industry from industry regulation, installed capacity planning, subsidization mechanism and other perspectives.

The Company's business in all segments is advancing smoothly; its promotion of new products is proceeding in an orderly way; the number of its orders in hand is growing stably; and it has scored remarkable achievements in tapping the international market. The Company has been actively exploring a better cooperation model for its wind farm investment and development business so as to give full play to its strengths in brand, products, technology and funds, to build a resources integration platform, to make use of local governments' support and its status as a private company, and to provide integrated solutions.

The Guiding Opinions on Energy Tasks for 2018 published by the National Energy Administration propose to pay more attention to green and low-carbon development, stick to the strategic direction towards green and low-carbon development, accelerate the optimization of energy structure, strengthen the clean energy industry, steadily promote the large-scale development of renewable energy, enhance the wind power generation investment monitoring and warning mechanism, control the size of new projects to be constructed in the areas where the abandonment of wind farms is serious, and ensure both the quantity and percentage of wind power abandoned will drop. To steadily push forward the construction of wind power projects, it is planned that the capacity of the new projects to be commenced in the year will be about 25,000,000kW, and the increase in installed capacity will be about 20,000,000kW. Front-end work for wind power projects in some areas will be pushed forward in a down-to-earth way, and the capacity of such projects is about 20,000,000kW. Active and solid efforts will be made to push forward the construction of offshore wind power projects, to explore and promote the construction of pilot wind power projects in

remote sea areas of Shanghai, and to accelerate and promote distributed wind power development.

Meanwhile, in order to achieve the target of "equal price for wind power and thermal power", wind turbine manufacturers will ceaselessly strengthen their technical innovation capability, thus speeding up the iteration of products, the increase of capacity per turbine, and the reduction of cost per kWh; considering the policy on power rate adjustment, 2018 and 2019 are expected to be another peak period for the commencement of wind power projects. According to the development of the industry and the Company's development strategy, it is expected that the Company's operating income in the next three years will keep on growing; meanwhile, because the base of the Company's operating income is large after years of growth, the growth of the Company's operating income in the next years will probably slow down and the percentage of its net operating current assets in its incomes may increase.

The characteristics and operating model of the industry in which the Company operates require the Company to have adequate working capital to guarantee the Company's normal production and operation and satisfy the need for funds required for the Company's continuous development. Meanwhile, because the Company's asset to liability ratio is high as a result of the growth of the Company's operating income and the continuous expansion of the size of its assets, the Company needs to supplement its working capital through equity financing in order to maintain its stable and healthy growth.

Considering the factors described above and the continuous growth of the Company's principal business in the future, supplementing working capital is good for the further stable growth of the Company's business, and the Company has an urgent need to supplement its working capital.

(V) Repayment of Interest-bearing Liabilities

1. Particular Amount of Interest-bearing Liabilities to Be Repaid

   The Company plans to use RMB1.5 billion out of the Proceeds to repay its interest-bearing liabilities so as to reduce its asset to liability ratio, optimize its financial structure, reduce its financial costs and strengthen its ability to resist risks.

2. Necessity to Repay Interest-bearing Liabilities

   (1) **The Company's Capital Structure Needs to Be Improved as Its Debt Level Is High**

   The Company's current asset to liability ratio is high and the Company is under a high pressure to repay debts in the short term. As of the ends of 2015, 2016 and 2017, the total amounts of the Company's liabilities were respectively RMB35,181,797,000,

RMB43,738,370,700 and RMB49,312,838,300; the percentages of current liabilities in total liabilities were respectively 59.57%, 56.39% and 60.03%; the asset to liability ratios (consolidated) were respectively 66.92, 67.88% and 67.75%. Generally speaking, the Company's asset to liability ratio is high.

As of the ends of 2014, 2015 and 2016, the Company's asset to liability ratios were respectively higher than those of the main comparable listed companies in the same industry. A comparison is made in the table below:

Unit: %

Abbreviated Company Name	**2016**	**2015**	**2014**
Zhefu Holding	48.10	39.75	39.55
Taihai Manoir Nuclear	61.52	65.43	20.22
Dajin Heavy Industry	33.87	32.01	21.65
Titan Wind	41.26	50.27	32.12
Western Power	70.43	67.97	61.72
Shouhang Resources Saving	30.93	39.22	33.92
Hangzhou Steam Turbine B	36.07	40.28	36.24
Longyuan Technology	24.65	24.83	31.76
East New Energy	39.26	43.30	46.79
TSP	29.60	36.88	38.18
Jinlei Wind Power	12.50	12.61	32.39
Tianneng Heavy Industries	22.18	53.79	58.46
Harbin Air Conditioning	64.32	65.52	67.27
Huayi Electric	40.46	42.38	56.63
Longking	72.23	72.89	71.65
Xiangtan Electric	66.97	78.51	86.36
Huaguang	64.87	67.22	66.06
Feida Environmental	67.51	62.39	71.74
Dongfang Electric	73.93	72.16	75.98
SINOJIT Technology	32.07	36.66	38.17
*ST Sinovel Wind	87.19	67.63	49.61
Shanghai Electric	67.18	69.39	68.36
Riyue Heavy Industry	27.56	46.12	53.72
Zhenjiang Energy	42.01	35.38	60.15
Average of listed companies in the same industry	**48.19**	**50.94**	**50.78**
Goldwind Science & Technology	**67.88**	**66.92**	**66.74**

Notes: 1. The listed companies in the same industry are those fall within Wind Info's industry category – heavy electric equipment;

2. The data source is Wind Info.

From the comparison in the table above, it can be seen that the Company's asset to liability ratios in the reporting periods were significantly higher than the average levels in the industry. The high asset to liability ratio of the Company weakens its ability to resist risks to a certain extent, and limits its ability to finance and potential of future development. To further reduce the Company's asset to liability ratio, strengthen its ability to resist risks and satisfy the needs of its expansion in the industry and the rapid growth of its scale of operation in the future, the Company intends to arrange for RMB1.5 billion out of the Proceeds to be used for repaying its interest-bearing liabilities.

(2) **The Large Amount of Interest Expenses Resulting from the Company's Liabilities Has Great Negative Impact on Its Operating Results**

In recent years, the Company's production scale has kept growing, and the Company has a great need for funds to cover business development and research and development expenses, resulting in the Company's large size of liabilities and its high financial costs. The percentages of the Company's interest expenses in its operating profits in the last three years and one period are as shown in the table below:

Unit: RMB yuan

Items	2017	2016	2015
Interest expenses	86,536.30	71,772.24	64,558.15
Operating profit	350,868.09	328,869.20	305,088.32
Percentage in operating profit	24.66%	21.82%	21.16%

From the table above, it can be seen that the percentages of the Company's interest expenses in its operating profits in 2015, 2016 and 2017 were respectively 21.16%, 21.82% and 24.66%. If the Company maintains a large size of bank loans, it will have to bear high interest expenses, which has certain negative impact on the growth of the Company's profitability. Therefore, the Company needs to reduce the size of its bank loans urgently so as to reduce its interest expenses and increase its profitability.

In summary of the above, the stable growth of the Company's principal business has resulted in its asset to liability ratio staying at a high level and high interest expenses, which, while weakening the Company's ability to resist risks, have brought about a heavy pressure of interest expenses and restrain the increase of the Company's profitability. The Company intends to use part of the Proceeds to repay its interest-bearing liabilities for purposes of optimizing its capital structure and helping reduce its financial costs.

III. Impacts of the Proceeds on the Company's State of Operation and Financial Position

(I) Impact on the Company's State of Operation

The Target Projects are consistent with China's relevant industrial policies and the direction of the Company's overall strategic development for the future, have good market development prospects and may produce good economic benefits. Thanks to the Company's forward-looking strategic arrangement and its cultivation of the target markets for many years, Goldwind Science & Technology's international strategy is proceeding steadily. The implementation of the Target Projects will further enhance the Company's position in the international market, promote the awareness of the Company in the world, balance its stable growth in the domestic market and the international market, facilitate the strengthening of its core competitive edges, and increase its profitability, which is in the interest of both the Company and all its shareholders.

(II) Impact on the Company's Financial Position

After the Rights Issue is completed, both the total assets and the net assets of the Company will correspondingly increase, the Company's assets structure will be further optimized, and its asset to liability ratio will significantly drop, making the Company's financial structure sounder on one hand; because the Company's total shares will increase after the Rights Issue, while the wind farm projects can start operation only after a construction period and it will take some time for them to show their economic benefits, it is possible that the Company's earnings per share may be diluted after the Rights Issue on the other hand.

IV. Conclusion of Feasibility Analysis with Respect to the Proceeds

The purposes of the Proceeds are reasonable and feasible. The Target Projects are consistent with the orientation of China's industrial policies and the direction of the Company's overall strategic development for the future. The investment in and construction of the projects will be good for further promoting the Company's core competitive edges, reinforce its leadership in its industry, accord with the requirements of laws and regulations, have good market development prospects, and produce good economic benefits, which is in the interest of both the Company and all its shareholders.

Board of Directors

Xinjiang Goldwind Science & Technology Co., Ltd.

March 23, 2018