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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 “*Announcement on Reminder of the Risk of Dilution of Immediate Returns by Rights Issue to Existing Shareholders, Remedial Measures and Relevant Parties’ Undertakings*” 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.
Announcement on Reminder of the Risk of Dilution of
Immediate Returns by Rights Issue to Existing Shareholders,
Remedial Measures and Relevant Parties' Undertakings

The Company and all members its Board of Directors warrant that the information disclosed is true, accurate and complete, and is free of misstatements, misleading representations and material omissions.

IMPORTANT: After the proceeds from this rights issue are received, the Company's total share capital will be increased, while its earnings per share and return on equity will possibly drop to a certain extent, and the immediate returns to shareholders will face the risk of being diluted. None of the Company's assumptions and analyses with respect to earnings per share and return on equity in this Announcement constitutes a forecast of the Company's profits, and the Company's formulation of remedial measures does not represent a guarantee of the Company's future profits. Investors are requested to pay attention to investment risks.

At the 15th meeting of the sixth Board of Directors of Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") a proposal on the Company's rights issue of shares to its existing shareholders (the "Rights Issue") was considered and approved, and at present the proposal is still subject to consideration and approval at the general meeting of the Company and approval by China Securities Regulatory Commission ("CSRC"). Pursuant to relevant provisions of the Opinions of the General Office of the State Council on Further Strengthening the Protection of Lawful Rights and Interests of Small and Medium-sized Investors in the Capital Market (Guo Ban Fa [2013] No. 110), the Opinions of the State Council on Further Promoting Healthy Development of the Capital Market (Guo Fa [2014] No. 17), CSRC's Guiding Opinions on Matters Relating to Dilution of Immediate Returns by IPO, Refinancing or Major Assets Restructuring (CSRC Announcement [2015] No. 31) and other relevant regulations, in order to safeguard small and medium-sized investors' information right and protect such investors' interests, the Company has analyzed the Rights Issue's impacts on immediate returns and the remedial measures as follows:

I. Impacts of These Rights Issue on the Company's Earnings per Share, Return on Equity and Other Key Financial Indicators

It is planned that the total number of shares immediately after the closing of the record date for the proposed A share rights issue will be used as the base for the A shares rights issue, and up to two shares will be issued to each A share shareholder for every ten shares. The rights issue of fractional shares will be handled in accordance with the relevant rules of Shenzhen Stock Exchange

and China Securities Depository & Clearing Corp. Ltd. Shenzhen Branch. It is planned that the total number of shares immediately after the closing of the record date for the proposed H share rights issue will be used as the base for the H share rights issue, and up to two shares will be issued to each H shares shareholder for every ten shares. A shares and H shares will be issued at the same ratio.

If the Company's total number of shares are 3,556,203,300 as of the date of the plan for the Rights issue is used as the base, the total number of shares to be issued this time will not exceed 711,240,660, in which the number of A shares to be issued will not exceed 581,228,492 and the number of H shares to be issued will not exceed 130,012,168. In the event that the total number of the Company's shares changes for the Company's scrip issue, capitalization of capital reserves or any other reason before the implementation of the Rights issue, the number of shares to be issued will be correspondingly adjusted on the basis of the total number of shares after the change. The general meeting of the Company will authorize the Company to determine the final ratio of rights issue and number of shares issued after consultation with the sponsor (lead underwriter) according to the market conditions before the Rights Issue.

(I) Key Consumptions for Calculation of Financial Indicators and Explanations

1. Assume there will be no material adverse changes in the macro-economic environment, industrial policies and other business environments;
2. As calculated on the basis of the Company's total number of shares are 3,556,203,300 as of the date of the Xinjiang Goldwind Science & Technology Co., Ltd. 2018 Plan for Public Issue of Securities through Rights Issue, the total number of shares to be issued this time will be 711,240,660 (the number of shares to be finally issued is subject to approval by CSRC), and the total number of the Company's shares will be 4,267,443,960 after the end of the issuance;
3. Assume the Rights Issue had already completed on June 30, 2018 (such time of completion is estimated by the Company and used only for calculation purposes, and the actual completion time of the Rights Issue will be as approved by CSRC);
4. The final total amount of the proceeds from the Rights Issue (including issue expenses) (the "Proceeds") will be RMB5 billion;
5. According to the Company's 2017 annual report, its 2017 net profit attributable to the owners of parent was RMB3,054,656,900, representing a 1.72% year-on-year growth; its net profit after nonrecurring losses and profits attributable the owners of parent was RMB2,870,464,400, representing a 0.77% year-on-year growth; and the Company's net profit after

nonrecurring losses and profits attributable to the owners of parent for 2018 will be equal to that for 2017;

6. Assume the impacts of the receipt of the Proceeds on the Company's production, operation and financial position (such as financial costs and return on investment) are not considered;
7. Assume the impacts of the Company's distribution of cash dividends are not considered; and
8. In determining the Company's total shares at end of period and calculating its basic earnings per share after the Rights Issue, only the Rights Issue's impacts on total shares are considered and no other possible changes in equity interests are considered.

These assumptions are only used to determine the impacts of the Rights Issue's dilution of immediate returns on the Company's key financial indicators, constitute no profit forecast by the Company and do not represent the Company's judgment on its business performance and trends. Investors should not rely on such assumptions in making their investment decisions. If an investor relies on such assumptions in making investment decisions and consequently incurs any loss, the Company will not be liable for compensation therefor.

(II) Impacts on the Company's Key Financial Indicators

The comparison below reflects the Rights Issue's impacts on the Company's key financial indicators on the basis of the assumptions and prerequisites set forth above:

Items	2017/2017	2018/2018	
		Before the Rights Issue	After the Rights Issue
Total number of shares at end of period	3,556,203,300	3,556,203,300	4,267,443,960
Before Nonrecurring Losses and Profits			
Net profit attributable to owners of parent (RMB'0,000)	305,465.69	305,465.69	305,465.69
Basic earnings per share (RMB/share)	0.8390	0.8390	0.7627
Dilution of earnings per share (RMB/share)	0.8390	0.8390	0.7627
Weighted average return on equity	15.04%	15.04%	14.78%
After Nonrecurring Losses and Profits			
Net profit attributable to owners of parent after nonrecurring losses and profits	287,046.44	287,046.44	287,046.44

(RMB'0,000)			
Basic earnings per share after nonrecurring losses and profits (RMB/share)	0.7872	0.7872	0.7156
Dilution of earnings per share after nonrecurring losses and profits (RMB/share)	0.7872	0.7872	0.7156
Weighted average return on equity after nonrecurring losses and profits	14.12%	14.12%	13.87%

Note: The key financial indicators set forth above are determined through calculation in accordance with the formulas specified in Rule No. 9 on Preparation of Information Disclosures by Companies that Have Issued Securities – Calculation and Disclosure of Return on Equity and Earnings per Share.

II. Reminder of the Risk of the Rights Issue's Dilution of Immediate Returns

After the completion of the Rights Issue, the Company's net assets and total number of shares will be increased obviously after the Proceeds are received. However, because it will take some time for the target projects for investment with the Proceeds (the "Target Projects") to produce benefits, the Company will still mainly rely on its existing business to achieve profits and returns to its shareholders. In the short term, the Company's earnings per share, return on equity and other indicators will possibly drop, and the immediate returns to the Company's shareholders will face the risk of being diluted.

III. Necessity and Reasonableness of the Rights Issue

- (I) To Share the Benefits of the Company's High-speed Growth and Its Operating Results with All Its Shareholders

Since the Company was listed, its performance has improved rapidly; the Company has been profitable in the last three consecutive years; and its performance has kept improving in recent years. The main results and growth rates achieved by the Company in the last three years are as shown in the table below:

Unit: RMB'0,000

Items	2017	Growth Rate	2016	Growth Rate	2015	Growth Rate
Operating income	2,512,945.60	-4.80%	2,639,582.93	-12.20%	3,006,209.96	69.80%
Net profit	314,880.66	1.39%	310,573.19	8.01%	287,539.12	55.13%
Net profit attributable to owners of parent	305,465.69	1.72%	300,298.20	5.39%	284,949.70	55.74%

In 2016, the overall growth of the wind power industry relatively slowed down and the Company's sales income dropped slightly, but the Company's forward-looking strategic deployment, diversified profit-making model and constantly improving research and development ability, the excellent performance of its products and its ceaselessly optimizing capital structure guaranteed continuous improvement of the Company's profitability. The Company is always optimistic about the prospects of the wind power industry. Due to the support and strategic promotion by state policies, vigorously promoting the development of wind power and other renewable energy industries has become a general trend, which will play a positive role in sustainably promoting the growth of the Company's business in the future.

In 2017, the Company vigorously promoted the practical implementation of its "overseas markets" strategies; the number of orders in the Company's hand grew steadily; and the capacity of the new projects developed and reserved by the Company on overseas markets reached a record high. Except wind turbine sales, the Company's incomes from wind power services and wind farm development segments grew significantly. Although the Company's operating income saw a slight decline, its profitability kept on growing steadily.

In summary of the above, the Rights Issue to be carried out by the Company is consistent with the actual conditions of the Company's business, comprehensively takes into account the Company's sustainable development and reasonable returns on investment for small and medium-sized investors, and is good for the Company to share the benefits of its growth and its operating results with all its shareholders, in particular, the old shareholders that have long supported and optimistic about the Company's development.

(II) Growth of Debt Financing Costs for the Increase of Market Interest Rate

From the middle of 2016 to now, the domestic market interest rate has generally shown a trend of growth due to the effects of the domestic economic situation, a cycle of strong U.S. dollars and global political events. In the past 12 months, the yield rate of national debts has increased from 2.6% in August-September 2016 to more than 3% at present, reflecting an obvious trend of increase. As the domestic market interest rate is expected to increase, the Company's debt financing costs will further increase, while equity financing is good for reducing the Company's general financing costs and increase the rate of return to shareholders.

(III) The Rights Issue Is Good for the Company to Reduce Its Asset to Liability Ratio and Operational Risks

The Company's key financial indicators relating to its solvency for the last three years are as follows:

Key Financial Indicators	2017	2016	2015
Current ratio (times)	1.12	1.34	1.21

Quick ratio (times)	0.98	1.21	1.06
Asset to liability ratio (parent's statements)	60.21%	59.91%	63.30%
Asset to liability ratio (consolidated statements)	67.75%	67.88%	66.92%

As of December 31, 2017, the Company's asset to liability ratio (consolidated statements) was 67.75%; its total liabilities amounted to RMB49,312,838,300; its short-term loans amounted to RMB2,054,925,600; its long-term loans to be mature within one year amounted to RMB61,291,182,000; its long-term loans amounted to RMB15,076,041,100; its bank loans amounted to RMB18,422,148,700, representing 37.36% of its total liabilities. Since the major debt financing instrument used by the Company is bank loan and most of its bank loans are guaranteed through the mortgage or pledge of the Company's important operating assets, its ability to get new bank loans is limited, meaning more risks to the Company's continuous operation.

Therefore, the Rights Issue will be good for reducing the Company's asset to liability ratio and operational risks.

(IV) It Accords with China's Energy Development Policy

As expressly pointed out in the Energy Development Strategy Action Plan (2014-2020), China will stick to the strategic policies of "economy, cleanness and safety", accelerate the construction of a clean, efficient, safe and sustainable modern energy system, implement a green and low-carbon development strategy, save no effort in optimizing the energy structure, and regard developing clean and low-carbon energy sources as the main direction of energy structure adjustment. China will insist on equally stressing the development of non-fossil energy sources and the efficient and clean exploitation of fossil energy sources, gradually reduce the percentage of coal consumption, increase the percentage of natural gas consumption, and significantly increase the percentage of the consumptions of wind power, solar power, geothermal power and other renewable energy sources and nuclear power to form a scientific and reasonable energy consumption structure that fits the national conditions of China, significantly reduce emissions from energy consumptions, and promote ecological civilization.

Since the Target Projects are consistent with China's policy of vigorously developing renewable energy sources, the implementation of such projects is good for meeting the need of the rapid growth of demand for new energy sources in China.

IV. Relations between the Target Projects and the Company's Current Business

Since established, the Company has always been in the new energy power industry. It has three major business segments, i.e. wind turbine manufacturing, wind power services, and wind farm investment and development. It has accumulated rich experience and built extensive expertise in each aspect of wind power equipment research, development and manufacturing, wind power

services, wind farm investment and development. Going forward, the Company will further expand its wind farm investment and development business, and actively tap both the domestic and international markets to reserve advantageous resources for the Company's sustainable development and to make the best use of the Company's advantages in brand, products, technology and funds. As the Target Projects have good market development prospects and may produce good economic benefits, they will significantly increase the Company's grid-connected installed capacity so as to further strengthen the Company's core competitive edges and sustainability, enhance its ability to resist risks, and safeguard the long-term interests of shareholders.

V. Measures the Company Will Take in Response to the Rights Issue's Dilution of Immediate Returns

In order to protect the interests of investors, assure efficient use of the Proceeds, prevent the risk of dilution of the Company's immediate returns that may result from the Rights Issue, and enhance the Company's ability to provide returns to its shareholders in the future, the Company will take the following measures to remedy the Rights Issue's effect of diluting immediate returns (the "Remedial Measures").

(I) Speed up Construction of the Target Projects and Strengthen Management of the Proceeds

The Target Projects are consistent with China's industrial policies and the relevant laws and regulations, accord with the Company's actual needs for development, are good for the Company to expand its business and promote the sustainable development of its business. The implementation of such projects will further enhance the Company's overall competitiveness and ability to develop sustainably.

In accordance with Chapter VI "Management of Proceeds" of the Guidelines on Regulated Operation of Companies Listed on Small and Medium-sized Enterprises Board of Shenzhen Stock Exchange (2015 Amendment) and other relevant laws, regulations and regulatory documents, as well as the provisions of the Articles of Association, the Company has formulated Rules for Deposition and Management of Proceeds to set forth express rules on the deposition of Proceeds in a special account, use of Proceeds, change of the purposes of Proceeds, and management and supervision of proceeds. The Board of Directors of the Company will continue to supervise the Company to ensure it deposits its Proceeds in a special account, applies its Proceeds to the designated investment projects, regularly carries out internal audit of its Proceeds, cooperates with the supervising bank and the sponsor in their inspection and supervision of the use of Proceeds, strictly manages the use of its Proceeds, assures adequate and efficient use of its Proceeds for the originally designated purposes, and prevent risks in the use of Proceeds.

(II) Further Strengthen the Company's Business Management and Internal Control and Increase Its Operating Efficiency and Profitability

The Company has established a complete internal control system, on the basis of which the Company will actively optimize and increase the level of its operation and management, and improve its management model to realize systemized, intelligent and intensive management. The Company will continue to enhance its effort in integrating human resources and improve its compensation and incentive mechanism to lay a solid foundation for increasing product quality and operating efficiency; the Company will further optimize its governance structure, improve and strengthen its investment decision-making procedure, reasonably use various financing instruments and channels, control its capital costs, increase the efficiency of its fund use, reduce its financial expenditure while ensuring the need for working capital required for the rapid growth of the its business is satisfied, effectively control business risks and risks in fund control and management, improve the Company's overall operating results, actively tap the market, and establish a reasonable marketing setup to achieve rapid growth.

(III) **Further Improve Profit Distribution Policy to Protect of the Returns and Interests of Investors**

In order to further improve and perfect its profit distribution policy, establish a scientific, sustainable and stable dividend distribution mechanism, increase the transparency of decisions on profit distribution, and safeguard the interests of the Company's shareholders, the Company has formulated its Shareholders' Return Plan for the Three Years of 2018-2020 in accordance with China Securities Regulatory Commission's Notice on Further Implementing Matters Relating to Cash Dividend Distribution by Listed Companies (Zheng Jian Fa [2012] No. 37), Guideline No. 3 for Regulating Listed Companies – Cash Dividend Distribution by Listed Companies (CSRC Announcement [2013] No. 43) and other relevant documents and according to the actual conditions of the Company and the provisions of its Articles of Association.

After the Rights Issue is completed, the Company will strictly implement the relevant rules, and effectively maintain a plan and mechanism of sustainable, stable and scientific returns to investors while paying equal attention to the overall interests of all shareholders and the sustainable development of the Company. Subject to satisfaction of the relevant conditions, the Company will actively distribute profits to its shareholders to effectively protect the legal interests of public investors.

VI. The Company's Directors and Officers' Undertaking to Effectively Perform the Company's Remedial Measures

The Company's directors and officers undertake to faithfully and diligently perform their duties, and safeguard the legal interests of the Company and all its shareholders. In order to assure the Company's Remedial Measures are effectively performed in accordance with China Securities Regulatory Commission's relevant requirements, the Company's directors and officers undertake:

1. Not to transfer benefits to other entities or individuals for free or on inequitable conditions, and not to damage the Company's interests otherwise;
2. To restrain their consumptions in a capacity as directors or officers of the Company;
3. Not to use the Company's assets to engage in any investment or consumption unrelated to the performance of their duties;
4. To link the compensation system formulated by the Board of Directors or its compensation and audit committee with the implementation of the Remedial Measures;
5. To link the conditions for the exercise of rights under any equity incentive policy that the Company may subsequently implement with the implementation of the Remedial Measures;
6. That if China Securities Regulatory Commission puts forth other new regulatory requirements on remedial measures or the relevant undertakings in the period from the date of these undertakings to the completion of the Rights Issue, and the undertakings above cannot meet such new requirements of CSRC, they will make additional undertakings in accordance with the latest requirements of CSRC; and
7. To effectively perform the Remedial Measures and any undertaking made by them in connection therewith and, if they violate such undertakings and consequently cause any loss to the Company or any investor, to be liable for compensating the Company or the investor for their loss; and

That if they, as relevant parties responsible for the Remedial Measures, violate or refuse to perform the undertakings above, they will agree that CSRC, Shenzhen Stock Exchange and other securities regulatory authorities may punish or take relevant regulatory measures against them in accordance with the relevant regulations and rules formulated or promulgated by such authorities.

VII. The Company's Substantial Shareholders' Undertakings with Respect to the Remedial Measures

With respect to the Remedial Measures, The Company's substantial shareholders' undertake:

1. To exercise their rights as shareholders in accordance with the relevant laws and regulations and the relevant provisions of the Company's Articles of Association, not to interfere with the Company's operation or management activities beyond their authority, and not to embezzle the Company's interests;
2. To effectively perform the Remedial Measures and any undertaking made by them in connection therewith and, if they violate such undertakings and consequently cause any loss to the Company or any investor, to be liable for compensating the Company or the investor for their loss;

3. That if China Securities Regulatory Commission (“CSRC”) puts forth new regulatory requirements on remedial measures or the relevant undertakings in the period from the date of these undertakings to the completion of the Placement, and the undertakings above cannot meet such new requirements of CSRC, they will make additional undertakings in accordance with the latest requirements of CSRC; and

That if they, as relevant parties responsible for the Remedial Measures, violate or refuse to perform the undertakings above, they will agree that CSRC, Shenzhen Stock Exchange and other securities regulatory authorities may punish or take relevant regulatory measures against them in accordance with the relevant regulations and rules formulated or promulgated by such authorities.

Board of Directors
Xinjiang Goldwind Science & Technology Co., Ltd.

March 23, 2018