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 "*The Company's 2018 Plan for Public Issue of Securities through Rights Issue (Revised Version)*" 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, 18 January 2019

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. Gao Jianjun and Ms. Gu Hongmei; 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

The Company's 2018 Plan for Public Issue of Securities through Rights Issue (Revised Version)

January 2019

Xinjiang Goldwind Science&Technology Co.,Ltd

The Company's 2018 Plan for Public Issue of Securities through Rights Issue (Revised Version)_

The Company's board of directors and all members thereof warrant that this announcement contains no misrepresentations, misleading statements or material omissions, and they are jointly and severally responsible for the truth, accuracy and completeness of the information contained in this announcement.

Important Notice:

1. Ways of public issue of securities: the securities will be issued by way of rights issue of shares to the original shareholders (Rights Issue).

2. The Plan for Public Issue of Securities through Rights Issue has been considered and approved by the Fifteenth Meeting of the Sixth Session of the board of directors of the Company (the "Board"). On January 18, 2019, the adjustment of total amount of proceeds from Rights Issue and determination of proportion of the Rights Issue was approved at the 22nd meeting of the Sixth Session of the Board. The Plan of Rights Issue has been revised by the Company and the revised Plan of Rights Issue is subject to the approval of the CSRC before its implementation.

3. The substantial shareholders have already undertaken to subscribe for the all A Share Rights Issue in cash.

I. The issue complies with the provisions of public issue through rights issue as stipulated in the relevant laws and regulations

Pursuant to the *Company Law*, the *Securities Law*, the *Administrative Measures*, the *Regulatory Requirements on Guiding and Standardizing the Financing Behavior of Listed Companies*, the *Listing Rules of The Hong Kong Stock Exchange* and other relevant laws, regulations and normative documents, after careful self-examination on each item, the Board, by reference to the requirements of relevant qualifications and conditions for A-share and H-share listed companies' rights issue, believes that the Company complies with the provisions and requirements of A-share and H-share listed companies' rights issue as stipulated in the relevant laws, regulations and normative documents and possesses the qualifications and conditions for Rights Issue, the plan of the public issue of securities through Rights Issue has been approved by 2017 Annual General Meeting, 2018 First A

Shares Class Meeting and 2018 First H Shares Class Meeting and will submit to the approval of the CSRC before its implementation.

II. Overview of issue

(I) Type and par value of the issued shares

The types of shares issued through this Rights Issue are A share and H share, with the par value of RMB1.00 per share.

(II) Way of issue

The shares will be issued by way of rights issue of shares to the original shareholders (Rights Issue).

(III) Basis, ratio and amount of Rights Issue

It is planned that the A Shares Rights Issue will be made to all A Shareholders based on the total number of shares after the market closes on the Share Registration Date of A Shares, on the basis of 1.9000 A Rights Shares for every ten (10) A Shares. A Rights Share in odd lots will be arranged according to the relevant requirements of the Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Limited, Shenzhen Branch. It is planned that the H Shares Rights Issue will be made to all H Shareholders based on the total number of qualified H Shares determined on the Share Registration Date of H Shares, on the basis of 1.9000 H Rights Shares for every ten (10) H Shares. The basis for A Shares Rights Issue and H Shares Rights Issue are the same and the share price will be the same.

On the basis of a total of 3,556,203,300 Shares in issue as at 31 December 2018, the Company shall allot and issue a total of 675,678,627 Rights Shares (comprising a total of 552,167,067 A Shares and a total of 123,511,560 H Shares). If the total share capital of the Company changes due to bonus issue, capitalization issue and other causes prior to the Rights Issue, the proportion of the Rights Issue will be changed, the maximum of Rights Shares shall be adjusted based on the total share capital after such change.

(IV) Pricing principle and Rights Issue price

1. Pricing principle

(1) The Rights Issue price will not be less than the Company's latest audited net asset value per share prior to the issue;

(2) It will make reference to the Company’s stock price in the secondary market, price-earnings ratio, price-to-book ratio and other valuation metrics, and will comprehensively take into account of the Company’s development and shareholders’ interests and other factors;

(3) It will consider the amount of fund required by the project in which the Proceeds will be invested;

(4) It will follow the principles determined by the Board and sponsor (lead underwriter) through negotiation.

2. Rights Issue price

Pursuant to the A shares and H shares market trading information prior to publishing the announcement of issue, the Rights Issue price will be calculated on the basis of average trading price of the Company’s A share for the 20 trading days prior to publishing the announcement of issuance, and will be determined in accordance with the market discount method. The shareholder’s general meeting of the Company will authorize the Board to determine the final price of the Rights Issue after consultation with the sponsor (lead underwriter) according to the market conditions before the Rights Issue. Upon the adjustment to the exchange rate, the Rights Issue price of A share and H share shall be the same.

(V) Rights Issue target

The issued A shares will be placed to all A share shareholders, whose name are on the register of the China Securities Depository and Clearing Co., Ltd. Shenzhen Branch after the closing of the record date for the proposed A share Rights Issue. The issued H shares will be issued to all H share shareholders as determined on the record date for the proposed H share Rights Issue.

The substantial shareholders have undertaken to fully subscribe for the shares issued in accordance the Plan for Rights Issue in cash.

(VI) Distribution plan of the accumulated undistributed profits prior to the Rights Issue

The accumulated undistributed profits prior to the Rights Issue will be enjoyed by all shareholders proportionally to their shareholding after the completion of Rights Issue of A shares and H shares.

(VII) Time of issue

Subject to the approval of the CSRC, it will place the shares to all shareholders within a specified time limit.

(VIII) Underwriting method

With respect to the Rights Issue, A shares will be issued by way of proxy sale and H shares will be issued by way of underwriting.

(IV) Purpose of Proceeds from this Rights Issue

The total amount of Proceeds from this Rights Issue will not exceed RMB4,744,183,000. After deducting the expenses of issue, the net Proceeds will be used for Stockyard Hill Wind

Farm 527.5MW Project, Moorabool North Wind Farm 150MW Project, supplement of working capital, repayment of interest-bearing liabilities. The particulars are as follows:

Unit: in ten thousand

Serial No.	Name of Project	Total amount planned to be invested in the project	Amount of Proceeds planned to be used
1	Stockyard Hill Wind Farm 527.5MW Project	518,261,06	139,418.30
2	Moorabool Norh Wind Farm 150MW Project	180,339.81	35,000.00
3	Supplement of working capital	-	150,000.00
4	Repayment of interest-bearing liabilities	-	150,000.00
In total			**474,418.30**

If the net Proceeds from this Rights Issue is less than those planned to be used in connection with the above-mentioned projects, the shortage shall be funded by the Company itself. Without changing the projects invested with the Proceeds from this Rights Issue, the Board may, according to the actual needs of the projects, appropriately adjust the investment sequence and amount of the Proceeds raised for the forgoing projects. During the period from the meeting of the approval by the Board and approval of the Plan of Rights Issue to the availability of the Proceeds from this Rights Issue, the Company may invest in such projects with the self-raised fund in accordance with the operating conditions and development plan and will be reimbursed after the availability of Proceeds in accordance with the relevant regulations.

(X) The valid term of the resolution of this Rights Issue

The resolution of this Rights Issue will be valid within 12 months after the obtaining the consideration and approval of such resolution from shareholders' general meeting .

(XI) The listing and trading of the issued shares

After the completion of A share Rights Issue, the issued A share will be listed and traded in Shenzhen Stock Exchange in accordance with the relevant regulations.

After the completion of H share Rights Issue, the issued H share will be listed and traded on The Stock Exchange of Hong Kong Limited in accordance with the relevant regulations.

The Plan of Rights Issue has been approved by the Fifteenth Meeting of the Sixth Session of the Board held on March 23, 2018. On January 18, 2019, the adjustment of total amount of proceeds from Rights Issue and determination of proportion of the Rights Issue was approved at the 22nd meeting of the Sixth Session of the Board. The Plan of Rights Issue has been revised by the Company and the revised Plan of Rights Issue is subject to the approval of the CSRC before its implementation.

III. Financial accounting information and management discussions and analysis

The Company's 2015, 2016 and 2017 financial reports were audited by Ernst & Young Hua Ming LLP (special general partnership), who has issued audit reports with standard unqualified opinion titled "An Yong Hua Ming (2016) Shen Zi No. 60794011_A01" , "An Yong Hua Ming (2017) Shen Zi No. 60794011_A01" and "An Yong Hua Ming (2018) Shen Zi No. 60794011_A01".

(I) Consolidated Financial Sheet

1. Consolidated Balance Sheet

Unit: in ten thousand

	2017.12.31	**2016.12.31**	**2015.12.31**
Current assets:			
Currency funds	773,953.33	827,436.69	630,637.13
Financial assets measured at fair value through profit or loss for the current period	1,264.00	2,593.73	-
Available-for-sale financial assets	105,000.00	75,000.00	-
Bills receivable	204,693.79	219,884.37	99,234.91
Accounts receivable	1,500,128.19	1,454,761.19	1,353,403.26
Prepayments	70,110.13	58,854.60	46,772.06
Interest receivable	857.50	21.25	-
Dividends receivable	1,161.70	2,063.41	265.17
Other receivables	96,663.15	79,608.74	41,075.91
Inventories	408,301.16	319,227.99	303,720.02
Assets classified as held for sale	-	179,364.87	-
Non-current assets due within one year	49,748.06	33,638.25	14,512.58
Other current assets	96,251.67	57,206.94	39,043.15
Total current assets	**3,308,132.70**	**3,309,662.01**	**2,528,664.19**
Non-current assets:			
Financial assets measured at fair value through profit or loss for the current period	1.79	198.58	412.10
Derivative financial products	1,605.25	-	-

Available-for-sale financial assets	116,821.00	119,132.46	90,112.08
Held to maturity investments	4,999.61	4,999.52	-
Long-term receivables	711,600.36	443,996.17	376,077.93
Long-term equity investments	239,074.49	130,796.23	104,719.95
Investment properties	6,790.42	7,080.03	7,369.64
Fixed assets	1,807,967.52	1,709,355.82	953,944.24
Construction in progress	475,880.35	238,513.29	747,566.99
Intangible assets	246,928.79	100,259.23	70,557.99
Development expenses	8,736.26	6,554.34	3,097.39
Goodwill	49,760.06	47,442.86	31,625.88
Long-term deferred expenses	5,883.98	5,738.06	5,959.95
Deferred tax assets	160,138.50	151,739.05	133,843.61
Other non-current assets	134,462.87	168,248.84	203,288.13
Total non-current assets	**3,970,651.24**	**3,134,054.49**	**2,728,575.90**
Total assets	**7,278,783.94**	**6,443,716.50**	**5,257,240.08**
Current liabilities			
Short-term borrowings	205,492.56	180,365.42	131,947.40
Bills payable	466,572.15	487,912.12	482,681.82
Accounts payable	1,059,116.06	959,359.94	944,779.96
Receipts in advance	465,815.74	322,505.29	188,939.39
Employee benefits payable	62,899.98	66,733.50	60,653.58
Tax payables	33,540.75	61,005.54	70,526.24
Interest payable	9,557.70	9,107.71	5,549.78
Dividends payable	7,638.81	5,000.00	-
Other payables	72,850.45	60,343.75	38,533.26
Liabilities classified as held for sale	-	65,009.99	-
Non-current liabilities due within one year	399,218.66	89,043.43	43,256.53
Anticipated liabilities	177,328.85	159,911.10	129,021.16
Bonds payable	-	-	-
Total current liabilities	**2,960,031.72**	**2,466,297.81**	**2,095,889.12**
Non-current liabilities			

Long-term borrowings	1,507,604.11	1,186,654.57	838,857.07
Bonds payable	80,976.89	355,249.28	237,205.36
Long-term payables	92,313.39	86,429.88	91,338.02
Anticipated liabilities	209,689.07	236,676.89	220,269.94
Deferred income	35,426.61	32,442.02	28,811.26
Deferred tax liabilities	45,242.04	10,086.61	5,808.92
Total non-current liabilities	**1,971,252.12**	**1,907,539.25**	**1,422,290.58**
Total liabilities	**4,931,283.83**	**4,373,837.07**	**3,518,179.70**
Owners' equity			
Share capital	355,620.33	273,554.10	273,554.10
Other equity instrument	149,511.85	149,511.85	-
Including: perpetual debt	149,511.85	149,511.85	-
Capital reserve	817,518.24	818,529.51	819,480.30
Other comprehensive income	17,087.36	-11,323.18	-20,240.49
Surplus reserve	119,731.93	109,442.59	81,617.71
Undistributed profit	809,199.64	657,900.34	521,732.99
Total equity attributable to owners of the parent company	**2,268,669.35**	**1,997,615.20**	**1,676,144.61**
Minority interests	78,830.76	72,264.23	62,915.78
Total owners' equity	**2,347,500.11**	**2,069,879.43**	**1,739,060.39**
Total liabilities and owners' equity	**7,278,783.94**	**6,443,716.50**	**5,257,240.08**

2. Consolidated Income Statement

Unit: in ten thousand

	For the year of 2017	**For the year of 2016**	**For the year of 2015**
I. Total operating income	2,512,945.60	2,639,582.93	3,006,209.96
Operating income	2,512,945.60	2,639,582.93	3,006,209.96
II. Total operating costs	2,311,526.42	2,375,023.08	2,735,107.91
Operating costs	1,753,045.78	1,867,141.41	2,209,301.32
Tax and surcharge	16,092.89	16,464.94	16,586.10
Selling expenses	190,578.45	203,278.61	275,706.61

Administrative expenses	247,309.83	190,961.36	163,575.64
Financial expenses	78,583.06	75,989.79	49,143.52
Impairment loss of assets	25,916.41	21,186.97	20,794.72
Net gains from changes in fair values	-1,566.89	2,362.39	-2,246.47
Net investment income	121,290.94	62,185.59	36,232.75
Including: Gains arising from investments in associated enterprises and joint ventures	21,031.04	19,175.13	16,153.74
Losses arising from disposal of assets	-294.20	-238.62	
Other income	30,019.06	-	-
III. Operating profits	350,868.09	328,869.20	305,088.32
Add: Non-operating income	822.86	28,749.44	24,253.02
Less: Non-operating expenses	2,635.35	2,423.01	4,658.37
IV. Total profits	349,055.60	355,195.63	324,682.97
Less: Income tax	34,174.93	44,622.44	37,143.85
V. Net profits	314,880.66	310,573.19	287,539.12
Less: Gains or losses from minority interests	9,414.97	10,275.00	2,589.42
Net profits attributable to owners of the parent company	305,465.69	300,298.20	284,949.70
Add: Other comprehensive income	28,410.54	8,917.31	-7,164.94
VI. Total comprehensive income	343,291.20	319,490.50	280,374.18
Less: Total comprehensive income attributable to minority shareholders	9,414.97	10,275.00	2,589.42
Total comprehensive income attributable to ordinary shareholders of the parent company	333,876.23	309,215.51	277,784.76
VII. Earnings per share			

Basic earnings per share	0.8390	0.8339	1.0522
Diluted earnings per share	0.8390	0.8339	1.0522

3. Consolidated Statement of Cash Flows

Unit: in ten thousand

	For the year of 2017	**For the year of 2016**	**For the year of 2015**
I. Cash inflows from operating activities			
Cash received from sales of goods, provision of services	2,304,183.94	2,172,303.15	2,258,626.89
Tax refund received	30,814.41	25,521.38	23,929.05
Other cash received relating to operating activities	102,078.00	70,969.13	105,545.48
Subtotal of cash inflows from operating activities	2,437,076.36	2,268,793.66	2,388,101.43
Cash paid for goods purchased, services rendered	1,509,829.16	1,390,931.05	1,409,281.73
Cash paid to or on behalf of employees	211,013.27	162,706.31	120,661.51
Taxes paid	188,887.49	203,983.83	220,796.07
Other cash paid relating to operating activities	225,001.55	200,918.19	159,749.29
Subtotal of cash outflows from operating activities	2,134,731.48	1,958,539.38	1,910,488.61
Net cash flows from operating activities	302,344.88	310,254.27	477,612.82
II. Cash inflows from investment activities			
Cash received from recovery of investments	23,735.96	65,466.67	13,452.99
Cash from investment income	31,272.60	21,351.18	29,935.71
Net cash from disposal of fixed assets, intangible assets and other long-term assets	454.81	4,461.59	1,415.82
Net cash from disposal of subsidiaries and other operating entities	29,710.73	4,526.13	24,180.47
Other cash received relating to investment activities	30,713.97	16,899.11	9,150.49
Subtotal of cash inflows from investment activities	115,888.07	112,704.67	78,135.49

Cash paid for purchase of fixed assets, intangible assets and other long-term assets	490,536.46	565,260.76	746,411.23
Cash paid for investments	117,655.62	195,325.00	23,566.65
Net cash paid for acquisition of subsidiaries and other operating entities	180,401.68	26,380.33	15,374.29
Other cash paid relating to investment activities	37,089.03	26,851.43	17,300.38
Subtotal of cash outflows from investment activities	825,682.80	813,817.52	802,652.55
Net cash flows from investment activities	-709,794.73	-701,112.85	-724,517.06
III. Cash inflows from financing activities			
Cash received from investments	6,489.50	154,699.46	46,630.89
Cash received from borrowings	813,907.84	750,704.40	523,656.40
Other cash received relating to financing activities	221.62	1,627.78	3,469.49
Cash received from issue of bonds	-	120,290.00	232,188.85
Subtotal of cash inflows from financing activities	820,618.96	1,027,321.64	805,945.63
Cash paid for repayment of debts	332,734.32	294,681.50	716,856.05
Cash paid for distribution of dividends, profits or repayment of interests	145,716.02	205,359.88	180,968.70
Including: Dividends and profits paid to minority shareholders by subsidiaries	3,653.77	7,313.63	2,503.87
Other cash paid relating to financing activities	3,979.58	2,626.23	5,102.09
Subtotal of cash outflows from financing activities	482,429.93	502,667.61	902,926.84
Net cash flows from financing activities	338,189.03	524,654.03	-96,981.21
IV. Effect of exchange rate changes on cash	-8,767.11	4,707.80	5,645.87
V. Net increase in cash and cash equivalents	-78,027.93	138,503.26	-338,239.57

Add: Balance of cash and cash equivalents at the beginning of the period	752,646.28	614,143.02	952,382.60
VI. Balance of cash and cash equivalents at the end of the period	674,618.35	752,646.28	614,143.02

(II) Parent Company's Financial Statements

1. Parent Company's Balance Sheet

Unit: RMB: in ten thousand

	2017.12.31	**2016.12.31**	**2015.12.31**
Current assets:			
Currency funds	318,176.79	432,614.77	413,901.46
Available-for-sale financial assets	105,000.00	75,000.00	
Bills receivable	151,057.34	218,580.49	83,781.66
Accounts receivable	964,647.26	1,006,042.64	889,661.69
Prepayments	28,802.28	27,664.04	15,726.96
Interest receivable	15,316.03	20,577.48	6,863.85
Other receivables	589,862.35	371,802.48	648,514.69
Dividends receivable	61,924.58	177,340.23	
Inventories	180,084.15	148,830.29	163,638.95
Other current assets	16,617.20	12,410.30	5,329.31
Total current assets	**2,431,487.98**	**2,490,862.72**	**2,227,418.58**
Non-current assets:			
Available-for-sale financial assets	240.00	240.00	
Held to maturity investments	4,999.61	4,999.52	
Long-term receivables	453,621.18	254,059.39	279,107.66
Long-term equity investments	1,217,464.07	1,213,043.13	1,071,726.87
Investment properties	6,066.52	6,280.31	6,494.10
Fixed assets	20,754.18	17,285.63	14,931.64
Construction in progress	989.56	296.95	10.36
Intangible assets	14,932.38	8,705.98	5,599.80

Development expenses	15,679.21	18,319.15	2,423.07
Long-term deferred expenses	-	44.48	167.26
Deferred tax assets	64,187.40	64,793.24	55,543.32
Other non-current assets	-	17,506.16	17,409.20
Total non-current assets	**1,798,934.11**	**1,605,573.94**	**1,453,413.29**
Total assets	**4,230,422.09**	**4,096,436.66**	**3,680,831.88**
Current liabilities:			
Short-term borrowings	133,615.83	165,587.36	131,947.40
Bills payable	391,972.61	431,731.89	478,335.10
Accounts payable	647,023.60	592,636.46	475,632.41
Receipts in advance	330,198.62	253,019.02	164,023.90
Employee benefits payable	21,287.00	22,814.57	22,869.90
Tax payables	1,009.91	21,342.91	34,777.89
Interest payable	12,903.15	13,186.16	1,469.16
Dividends payable	5,000.00	5,000.00	
Other payables	447,044.50	357,705.29	599,050.32
Non-current liabilities due within one year	103,970.98	18,423.65	
Anticipated liabilities	136,792.93	124,378.94	98,001.87
Total current liabilities	**2,230,819.13**	**2,005,826.26**	**2,006,107.95**
Non-current liabilities:			
Long-term borrowings	1,700.00	36,585.00	32,468.00
Bonds payable	80,976.89	151,934.09	49,580.87
Long-term payables	60,306.01	59,166.09	68,783.33
Anticipated liabilities	164,837.36	188,548.02	160,310.11
Deferred income-non-current liabilities	8,483.43	12,253.87	12,819.88
Total non-current liabilities	**316,303.69**	**448,487.07**	**323,962.18**
Total liabilities	**2,547,122.82**	**2,454,313.33**	**2,330,070.13**
Owners' equity (Shareholders' equity):			
Paid in capital (or share	355,620.33	273,554.10	273,554.10

capital)			
Other equity instrument	149,511.85	149,511.85	
Capital reserve	826,471.05	826,471.05	826,471.05
Other comprehensive income	-63.56	-156.91	-63.85
Surplus reserve	119,837.59	109,548.25	81,723.37
Undistributed profit	231,922.01	283,195.00	169,077.07
Total owners' equity	**1,683,299.27**	**1,642,123.33**	**1,350,761.75**
Total liabilities and owners' equity	**4,230,422.09**	**4,096,436.66**	**3,680,831.88**

2. Parent Company's Income Statement

Unit: RMB: in ten thousand

	For the year of 2017	**For the year of 2016**	**For the year of 2015**
I. Total operating income	1,595,562.57	1,827,044.74	1,863,639.41
Operating income	1,595,562.57	1,827,044.74	1,863,639.41
II. Total operating costs	1,562,485.26	1,721,467.62	1,722,106.15
Operating costs	1,334,676.13	1,516,727.95	1,526,715.19
Tax and surcharge	6,270.46	8,601.34	7,445.94
Selling expenses	139,413.11	143,718.47	151,341.79
Administrative expenses	84,110.17	55,608.09	45,336.26
Financial expenses	-1,404.12	-6,910.93	-10,766.88
Impairment loss of assets	-580.49	3,722.70	2,033.84
Investment income	65,478.45	179,758.61	39,650.87
Including: Gains arising from investments in associated enterprises and joint ventures	178.46	717.26	438.37
Gains (losses) arising from the disposal of assets	3.77	-94.77	
Other income	12,664.73		
III. Operating profits	111,224.26	285,240.96	181,184.13
Add: Non-operating income	212.48	9,518.04	6,687.13
Less: Non-operating expenses	419.63	629. 36	2,678.56

IV. Total profits	111,017.11	294,129.64	185,192.70
Less: Income tax	8,123.71	15,880.87	21,366.18
V. Net profits	102,893.40	278,248.77	163,826.52
VI. Total comprehensive income	102,986.76	278,155.70	163,747.65

3. Parent Company's Statement of Cash Flows

Unit: in ten thousand

Items	For the year of 2017	**For the year of 2016**	**For the year of 2015**
I. **Cash flows from operating activities:**			
Cash received from sales of goods, provision of services	1,414,811.88	1,421,658.82	1,422,809.83
Tax refund received	8,093.24	1,481.18	1,245.80
Other cash received relating to operating activities	101,796.25	41,791.99	78,827.66
Subtotal of cash inflows from operating activities	1,524,701.37	1,464,931.99	1,502,883.29
Cash paid for goods purchased, services rendered	1,059,683.89	1,406,406.05	1,648,969.12
Cash paid to or on behalf of employees	27,759.70	24,898.88	24,123.22
Taxes paid	68,861.87	100,519.99	89,605.66
Other cash paid relating to operating activities	355,401.93	112,689.16	83,757.66
Subtotal of cash outflows from operating activities	1,511,707.39	1,644,514.08	1,846,455.65
Net cash flows from operating activities	12,993.98	-179,582.09	-343,572.36
II. Cash flows from investment activities:			
Cash received from recovery of investments	-	-	71.75
Cash from investment income	142,963.10	1,800.35	57,570.75
Net cash from disposal of fixed assets, intangible assets and other long-term assets	33.59	5.00	17.97
Other cash received relating to investment activities	218,378.48	825,927.01	813,395.23

Subtotal of cash inflows from investment activities	361,375.17	827,732.36	871,055.70
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	6,992.35	7,176.83	3,027.41
Cash paid for investments	87,740.55	220,959.00	104,164.00
Other cash paid relating to investment activities	318,537.18	568,845.13	507,715.04
Subtotal of cash outflows from investment activities	413,270.08	796,980.96	614,906.45
Net cash flows from investment activities	51,894.91	30,751.40	256,149.25
III. Ccash flows from financing activities:			
Cash received from investments	-	149,511.85	33,631.09
Cash received from borrowings	147,615.82	189,399.53	192,194.22
Other cash received relating to financing activities	-	-	183,039.53
Cash received from issue of bonds	-	120,290.00	49,850.00
Subtotal of cash inflows from financing activities	147,615.82	459,201.38	458,714.84
Cash paid for repayment of debts	198,817.73	152,765.10	534,692.21
Cash paid for distribution of dividends, profits or repayment of interests	73,089.80	138,582.78	130,520.76
Other cash paid relating to financing activities	1,211.58	381.76	2,563.79
Subtotal of cash outflows from financing activities	273,119.10	291,729.64	667,776.77
Net cash flows from financing activities	-125,503.28	167,471.75	-209,061.93
IV. Effect of exchange rate changes on cash	-33.77	72.25	210.27
V. Net increase in cash and cash equivalents	-164,437.97	18,713.31	-296,274.77
Balance of cash and cash equivalents at the beginning of the period	432,614.77	413,901.46	710,176.23
VI. Balance of cash and cash equivalents at the end of the period	268,176.79	432,614.77	413,901.46

(III) Management’s Analysis and Discussion

1. Main financial indicators for the latest 3 years

(1) **Main financial indicators**

Main financial indicators	**2017-12-31** / For the year of 2017	**2016-12-31 / For the year of 2016**	**2015-12-31 / For the year of 2015**
Liquidity ratio (times)	1.12	1.34	1.21
Quick ratio (times)	0.98	1.21	1.06
Gearing ratio (consolidated)	67.75%	67.88%	66.92%
Gearing ratio (parent company)	60.21%	59.91%	63.30%
Accounts receivable turnover (times/year)	1.70	1.88	2.47
Inventory turnover ratio (times/year)	4.82	5.99	6.61
Net cash flow from operating activities of each share (yuan/share)	0.85	1.13	1.75
Net cash flow per share (yuan/share)	-0.22	0.51	-1.24

Note: with respect to the forgoing indicators, except for the parent company's gearing ratio, all other indicators are calculated in accordance with the criteria of the consolidated statements.

(2) Return on net assets and earnings per share

Item	**2017**	**2016**	**2015**
Before deduction of non-recurring profit and loss			
Weighted average return on net assets (%)	15.04	16.87	18.13
Basic earnings per share (yuan)	0.84	0.83	1.05
Diluted earnings per share (yuan)	0.84	0.83	1.05
After deduction of non-recurring profit and loss			
Weighted average return on net assets (%)	14.12	15.99	17.16
Basic earnings per share (yuan)	0.79	0.79	1.00

Diluted earnings per share (yuan)	0.79	0.79	1.00

Note: Basic earnings per share and weighted average return on net assets are calculated in accordance with the 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 (revised in 2010)

2. Brief analysis of Company's financial position

(1) For the latest 3 years, the Company's asset structure is as follows

Unit: in ten thousand

Items	2017-12-31	Percentage	2016-12-31	Percentage	2015-12-31	Percentage
Current assets:						
Currency funds	773,953.33	10.63%	827,436.69	12.84%	630,637.13	12.00%
Financial assets measured at fair value through profit or loss for the current period	1,264.00	0.02%	2,593.73	0.04%	-	-
Available-for-sale financial assets	105,000.00	1.44%	75,000.00	1.16%	-	-
Bills receivable	204,693.79	2.81%	219,884.37	3.41%	99,234.91	1.89%
Accounts receivable	1,500,128.19	20.61%	1,454,761.19	22.58%	1,353,403.26	25.74%
Prepayments	70,110.13	0.96%	58,854.60	0.91%	46,772.06	0.89%
Interest receivable	857.50	0.01%	21.25	0.00%	-	-
Dividends receivable	1,161.70	0.02%	2,063.41	0.03%	265.17	0.01%
Other receivables	96,663.15	1.33%	79,608.74	1.24%	41,075.91	0.78%
Inventories	408,301.16	5.61%	319,227.99	4.95%	303,720.02	5.78%
Assets classified as held for sale	-	-	179,364.87	2.78%	-	-
Non-current assets due within one year	49,748.06	0.68%	33,638.25	0.52%	14,512.58	0.28%
Other current assets	96,251.67	1.32%	57,206.94	0.89%	39,043.15	0.74%
Total current assets	**3,308,132.70**	**45.45%**	**3,309,662.01**	**51.36%**	**2,528,664.19**	**48.10%**
Non-current assets:						
Financial assets measured at fair value through profit or loss for the current period	1.79	0.00%	198.58	0.00%	412.1	0.01%
Derivative financial products	1,605.25	0.02%				

Available-for-sale financial assets	116,821.00	1.60%	119,132.46	1.85%	90,112.08	1.71%
Held to maturity investments	4,999.61	0.07%	4,999.52	0.08%	-	-
Long-term receivables	711,600.36	9.78%	443,996.17	6.89%	376,077.93	7.15%
Long-term equity	239,074.49	3.28%	130,796.23	2.03%	104,719.95	1.99%
Investment properties	6,790.42	0.09%	7,080.03	0.11%	7,369.64	0.14%
Fixed assets	1,807,967.52	24.84%	1,709,355.82	26.53%	953,944.24	18.15%
Construction in progress	475,880.35	6.54%	238,513.29	3.70%	747,566.99	14.22%
Intangible assets	246,928.79	3.39%	100,259.23	1.56%	70,557.99	1.34%
Development expenses	8,736.26	0.12%	6,554.34	0.10%	3,097.39	0.06%
Goodwill	49,760.06	0.68%	47,442.86	0.74%	31,625.88	0.60%
Long-term deferred expenses	5,883.98	0.08%	5,738.06	0.09%	5,959.95	0.11%
Deferred tax assets	160,138.50	2.20%	151,739.05	2.35%	133,843.61	2.55%
Other non-current assets	134,462.87	1.85%	168,248.84	2.61%	203,288.13	3.87%
Total non-current assets	**3,970,651.24**	**54.55%**	**3,134,054.49**	**48.64%**	**2,728,575.90**	**51.90%**
Total assets	**7,278,783.94**	**100.00%**	**6,443,716.50**	**100.00%**	**5,257,240.08**	**100.00%**

During the reporting period, the asset size of the Company generally showed a continuous upward trend. Total assets as at the end of 2016 increased by RMB 11,864,764,200 as compared to the end of 2015, representing an increase of 22.57%; Total assets as at the end of 2017 increased by RMB 8,350,674,400 as compared to the end of 2016, representing an increase of 12.96%; At the end of 2015, 2016 and 2017, the Company's current assets accounted for 48.10%, 51.36% and 45.45% of the total assets respectively, and the non-current assets accounted for 51.90%, 48.64% and 54.55% of the total assets respectively.

During the reporting period, the current assets were mainly comprised of accounts receivable, inventories and monetary capital, which accounted for a high proportion of current assets and had a greater influence on the changes in current assets. The non-current assets of the Company accounted for a relatively high proportion of the total assets, and the proportion remained stable during the reporting period. With respect to the non-current assets of the Company, fixed assets and long-term receivables were the major components thereof.

(2) Analysis of liabilities

At the end of each reporting period, the liabilities composition of the Company is as follows:

Unit: in ten thousand

Item	**2017-12-31**	**Percentage**	**2016-12-31**	**Percentage**	**2015-12-31**	**Percentage**
Current liabilities:						
Short-term borrowings	205,492.56	4.17%	180,365.42	4.12%	131,947.40	3.75%
Bills payable	466,572.15	9.46%	487,912.12	11.16%	482,681.82	13.72%
Accounts payable	1,059,116.06	21.48%	959,359.94	21.93%	944,779.96	26.85%
Receipts in advance	465,815.74	9.45%	322,505.29	7.37%	188,939.39	5.37%
Employee benefits payable	62,899.98	1.28%	66,733.50	1.53%	60,653.58	1.72%
Tax payables	33,540.75	0.68%	61,005.54	1.39%	70,526.24	2.00%
Interest payable	9,557.70	0.19%	9,107.71	0.21%	5,549.78	0.16%
Dividends payable	7,638.81	0.15%	5,000.00	0.11%	-	-
Other payables	72,850.45	1.48%	60,343.75	1.38%	38,533.26	1.10%
Liabilities classified as held for sale	-	-	65,009.99	1.49%	-	-
Non-current liabilities due within one year	399,218.66	8.10%	89,043.43	2.04%	43,256.53	1.23%
Anticipated liabilities	177,328.85	3.60%	159,911.10	3.66%	129,021.16	3.67%
Total current liabilities	**2,960,031.72**	**60.03%**	**2,466,297.81**	**56.39%**	**2,095,889.12**	**59.57%**
Non-current liabilities:						
Long-term borrowings	1,507,604.11	30.57%	1,186,654.57	27.13%	838,857.07	23.84%
Bonds payable	80,976.89	1.64%	355,249.28	8.12%	237,205.36	6.74%
Long-term payables	92,313.39	1.87%	86,429.88	1.98%	91,338.02	2.60%
Anticipated liabilities	209,689.07	4.25%	236,676.89	5.41%	220,269.94	6.26%
Deferred income	35,426.61	0.72%	32,442.02	0.74%	28,811.26	0.82%
Deferred tax liabilities	45,242.04	0.92%	10,086.61	0.23%	5,808.92	0.17%
Total non-current liabilities	**1,971,252.12**	**39.97%**	**1,907,539.25**	**43.61%**	**1,422,290.58**	**40.43%**
Total liabilities	**4,931,283.83**	**100.00%**	**4,373,837.07**	**100.00%**	**3,518,179.70**	**100.00%**

With the rapid growth of the Company's production and sales scale, the total liabilities of the Company increased year by year in the reporting period. At the end of 2015, 2016 and 2017, the total liabilities of the Company were RMB RMB35,181,797,000, RMB43,738,370,700 and RMB49,312,838,300 respectively. The Company’s liabilities composition at the end of each reporting period was relatively balanced with the current liabilities accounting for 59.57%, 56.39% and 60.03% respectively.

(3) Analysis of Solvency

At the end of each reporting period, the Company's main solvency indicators are as follows:

Main financial indicators	**2017-12-31 /For the year of 2017**	**2016-12-31 / For the year of 2016**	**2015-12-31 / For the year of 2015**
Liquidity ratio (times)	1.12	1.34	1.21
Quick ratio (times)	0.98	1.21	1.06
Gearing ratio (consolidated)	67.75%	67.88%	66.92%
Gearing ratio (parent company)	60.21%	59.91%	63.30%

At the end of each reporting period, the Company's liquidity ratio was 1.21, 1.34 and 1.12 respectively, and the quick ratio was 1.06, 1.21 and 0.98 respectively. During the reporting period, the Company's overall liquidity ratio and quick ratio were at a relatively low level. The reason for lower liquidity ratio and quick ratio at the year end of 2017 was mainly due to the lower balance of currency fund, and the relative higher balance of inventory caused by the undelivered wind turbine at the end of 2017.

At the end of each reporting period, the consolidated gearing ratio of the Company was 66.92%, 67.88% and 67.75% respectively. The gearing ratio of the parent company was 63.30%, 59.91% and 60.21% respectively. Generally, during the reporting period, the Company's consolidated criteria and the parent company's gearing ratio were relatively high, but it was relatively stable overall, which is mainly attributable to the Company's maintenance of a sound financial policy.

During the reporting period, the Company's gearing ratio was generally at a relatively high level. Enlarging the capital of the Company by virtue of public issue of securities through Rights Issue will help reduce the Company's financial leverage and improve the liability composition.

(4) Analysis of operation capacity

During the reporting period, the main financial indicators of the Company's assets turnover are as follows:

Main financial indicators	**2017-12-31 /For the year of 2017**	**2016-12-31 / For the year of 2016**	**2015-12-31 / For the year of 2015**

Accounts receivable turnover (times/year)	1.70	1.88	2.47
Inventory turnover ratio (times/year)	4.82	5.99	6.61

For the years of 2015, 2016 and 2017, the Company's accounts receivable turnover was 2.47, 1.88 and 1.70 respectively. The increase in the accounts receivable turnover in 2015 was mainly due to the fact that the tariff adjustment policy at the end of 2015 increased the demand of installed capacity, which led to the growth of the Company's sales revenue.

For the years of 2015, 2016 and 2017, the Company's inventory turnover ratio was 6.61, 5.99 and 4.82 respectively. The increase in inventory turnover ratio in 2015 was mainly due to the increase in cost of sales caused by the increase in sales revenue. At the end of 2017, the balance of inventory was increased for satisfying the demand for delivery in 2018, which resulted in the decrease of turnover ratio.

(5) During the reporting period for the profitability analysis, the Company's main profitability indicators are as follows:

Unit: in ten thousand

Item	**For the year of 2017**	**For the year of 2016**	**For the year of 2015**
Operating income	2,512,945.60	2,639,582.93	3,006,209.96
Operating costs	1,753,045.78	1,867,141.41	2,209,301.32
Operating profits	350,868.09	328,869.20	305,088.32
Total profits	349,055.60	355,195.63	324,682.97
Net Profits	314,880.66	310,573.19	287,539.12
Net profits attributable to owners of the parent company	305,465.69	300,298.20	284,949.70
Gross margin	30.24%	29.26%	26.51%

During the reporting period, the operating income of the Company was somewhat fluctuated, which mainly due to the fluctuation of market demand caused by the fluctuation of industrial policies. In 2015, the new installed capacity in China is larger, which led to the Company's higher sales revenue. During the reporting period, the gross margin of the Company increased steadily. Net profits attributable to owners of the parent company were RMB2,849,497,000, RMB3,002,982,000 and RMB3,054,656,900 respectively. Profitability increased continuously.

IV. Purpose of Proceeds from this Rights Issue

The total amount of Proceeds from this Rights Issue will not exceed RMB4,744,183,000. After deducting the expenses of issue, the net Proceeds will be used for Stockyard Hill Wind Farm 527.5MW Project, Moorabool North Wind Farm 150MW Project, supplement of working capital, repayment of interest-bearing liabilities. The particulars are as follows:

Unit: in ten thousand

Serial No.	**Name of Project**	**Total amount planned to be invested in the project**	**Amount of Proceeds planned to be used**
1	Stockyard Hill Wind Farm 527.5MW Project	518,261.06	139,418.30
2	Moorabool North Wind Farm 150MW Project	180,339.81	35,000.00
3	Supplement of working capital	-	150,000.00
4	Repayment of interest-bearing liabilities	-	150,000.00
In total			**474,418.30**

If the net Proceeds from this Rights Issue is less than those planned to be used in connection with the above-mentioned projects, the shortage shall be funded by the Company itself. Without changing the projects invested with the Proceeds from this Rights Issue, the Board of the Company may, according to the actual needs of the projects, appropriately adjust the investment sequence and amount of the Proceeds raised for the forgoing projects. During the period from the meeting of the Board's approval of the Rights Issue plan to the availability of the Proceeds from this Rights Issue, the Company may invest in such projects with the self-raised fund in accordance with the operating conditions and development plan and will be reimbursed after the availability of Proceeds in accordance with the relevant regulations.

V. Dilution of Immediate Returns by Share Rights Issue and Remedial Measures

After the completion of issue through Rights Issue, the Company's total share capital and net assets will have a certain degree of increase, but it may take some time if using Proceeds to generate benefits, which may lead to the decline in the earnings per share, the weighted average return on net assets and other indicators at a certain degree, namely, after the issue of shares through Rights Issue, there is a risk of dilution of the immediate return.

At the Fifteenth Meeting of the Sixth Session of the Board of the Company held on March 23, 2018, the Company deliberated and approved the Proposal on Dilution of Immediate Returns by Company's Rights Issue and Remedial Measures. Concurrent with the disclosure of such Proposal, the Company also disclosed the Announcement on Dilution of

Immediate Returns by Rights Issue and Remedial Measures.

On January 18, 2019, the adjustment of total amount of proceeds from Rights Issue and determination of proportion of the Rights Issue was approved at the 22nd meeting of the Sixth Session of the Board and the Plan of Rights Issue has been revised by the Company and, at the same time, the reminder of the risk of dilution of immediate returns by Rights Issue to existing shareholders, remedial measures and relevant parties' undertakings was also revised accordingly.

The special Remedial Measures formulated by the Company for responding to the risk that the immediate returns will be diluted do not mean any guarantee of the Company's future profits. The investors shall not make their investment decisions by relying thereon. The Company assumes no liabilities for compensation with respect to the losses suffered by investors arising from their investment decisions made by relying thereon.

VI. The Company's Distribution of Profits

(I) Profits Distribution Policy set forth in the Articles of Association

As of the date on which this Plan is disclosed, the Profits Distribution Policy set forth in the Articles of Association is as follows:

1. Ways of the Company's Distribution of Profits

The Company's dividend in the next three years will be distributed in the form of cash, stock or a combination thereof, with a priority on cash distribution.

2. Principle of the Company's Distribution of Profit

Under the circumstance that the Company is profitable and the accumulative undistributed profits are positive, and at the same time the cash flow is sufficient to meet the requirements of continuing operations and long-term development, the Company shall distribute the dividends in cash.

When the Company actually distributes profits, the Board shall propose the cash dividends policy in accordance with the procedures set forth in the Company's Articles of Association after comprehensively considering its industry characteristics, development stage, its own business model, profitability and whether there are major capital expenditure arrangements and other factors, and differentiating the following circumstances: (1) if the Company's development falls into the mature stage and there are no major capital expenditure arrangements, when the Company distributes the profits, the proportion of cash dividends in the profit distribution shall be at least 80%; (2) if the Company's development falls into the mature stage and there are major capital expenditure arrangements, when the Company distributes the profits, the proportion of cash dividends in the profit distribution shall be at least 40%; (3) if the Company's development falls into the growth stage and there are major capital expenditure arrangements, when the Company distributes the profits, the proportion of cash dividends in the profit distribution shall be at least 30%. If the Company's development stage is difficult to be differentiated but there are major capital expenditure arrangements, it may be dealt with in accordance with the preceding provisions.

If the Company is in good operating condition, and the Board believes that the size of the Company's share capital does not match the scale of operations, and distribution of share dividends are beneficial to the overall interests of the Company's shareholders, it may propose and implement a Plan for Distribution of Share Dividends.

The Company shall make the distribution based on the profits available for distribution as listed in the consolidated accounting statements and the parent company's accounting statements (whichever is lower).

In principle, the Company shall distribute the dividends once a year. The Board of the Company may propose to distribute the interim dividends base on the profitability of the Company.

(II) Shareholder Return Plan

The Board has formulated a Xinjiang Goldwind Shareholder Return Plan 2018-2020 (“Return Plan”) in accordance with the Circular on Further Settling the Issues Concerning the Payment of Cash Dividends by Listed Companies and No. 3 Guideline for the Supervision of Listed Companies – Cash Dividends of Listed Companies promulgated by the CSRC and the Articles of Association of the Company, taking into account profit distribution factors such as the operation and development of the Company, social capital costs, and the external financing environment.

1. Basis of the Return Plan

The Return Plan is formulated in accordance with relevant laws and regulations and the Articles of Association of the Company in respect of profit distribution, with a focus on providing investors with reasonable investment returns and maintaining the sustainable development and the continuous, stable profit distribution policy of the Company.

2. Factors Considered

A continuous, stable distribution mechanism for investors is to be established based on an analysis of the Company’s operation and development, social capital costs and the external financing environment, taking into account the current and future profits, cash flow, development progress, capital needs for project investment and bank credit of the Company, in addition to the financing environment.

3. Return Plan 2018-2020

The Company’s dividend in the next three years will be distributed in the form of cash, stock or a combination thereof, with priority given to cash distribution.

Subject to the Company's realized profit and a cash flow sufficient for the Company's normal operation and long-term development, the Company will place emphasis on shareholders' investment return by implementing an active cash distribution mechanism.

During the period from 2018 to 2020, when the Company actually distributes profits, the Board shall propose the cash dividends policy in accordance with the procedures set forth in the Company's Articles of Association after comprehensively considering its industry characteristics, development stage, its own business model, profitability and whether there are major capital expenditure arrangements and other factors, and differentiating the following circumstances:

(1) if the Company's development falls into the mature stage and there are no major capital expenditure arrangements, when the Company distributes the profits, the proportion of cash dividends in the profit distribution shall be at least 80%;

(2) if the Company's development falls into the mature stage and there are major capital expenditure arrangements, when the Company distributes the profits, the proportion of cash dividends in the profit distribution shall be at least 40%;

(3) if the Company's development falls into the growth stage and there are major capital expenditure arrangements, when the Company distributes the profits, the proportion of cash dividends in the profit distribution shall be at least 30%. If the Company's development stage is difficult to be differentiated but there are major capital expenditure arrangements, it may be dealt with in accordance with the preceding provisions.

If the Company is in good operating condition, and the Board believes that the size of the Company's share capital does not match the scale of operations, and distribution of share dividends are beneficial to the overall interests of the Company's shareholders, it may propose and implement a Plan for Distribution of Share Dividends.

Xinjiang Goldwind Science & Technology Co., Ltd

Board of Directors
January 18, 2019