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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

PROVISION FOR IMPAIRMENT OF ASSETS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

This announcement is made pursuant to Rule 13.09(2)(a) and Rule 13.10B of the *Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited* (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the *Securities and Futures Ordinance* (Chapter 571, Laws of Hong Kong).

The board of directors (the “**Board**”) of Xinjiang Goldwind Science & Technology Co., Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to refer the shareholders of the Company and potential investors to the proposed net provisions for impairment of certain assets of the Group (the “**Proposed Provisions**”) for the financial year ended 31 December 2013 as detailed below. The information contained in this announcement has been published by the Company on the Shenzhen Stock Exchange on 25 February 2014 pursuant to the requirements of the Shenzhen Stock Exchange.

Shareholders of the Company and potential investors are reminded that the Proposed Provisions, their impact on the financial results of the Group for the financial year ended 31 December 2013, and other information contained in this announcement are only based on the preliminary assessment by the management of the Company of the unaudited management accounts of the Group prepared in accordance with China Accounting Standards for Business Enterprise (“**CASBE**”, as defined in the Listing Rules), and are not based on any data or information that has been audited or reviewed by the auditors of the Company. There may be discrepancies between the information contained herein and the final data to be disclosed in the annual report.

1. Summary of Proposed Provisions

For the financial year ended 31 December 2012, the Group’s net profit attributed to owners of the Company was RMB153,053,831.01 and net provisions for impairment of assets was RMB107,323,641.29, which included RMB48,541,792.56 of net of

impairment losses recognised and reversed for trade and bills receivables and RMB58,781,848.73 of write-down of inventories to net realisable value.

As disclosed in the Company's 2013 *Third Quarterly Report* ("**2013 3Q Report**") on 25 October 2013, the Group's net profit attributed to owners of the Company for the financial year ended 31 December 2013 was projected to range between RMB382,634,500 and RMB459,161,400. The Proposed Provisions are RMB133,634,831.79, which include RMB69,912,820.89 of net of impairment losses recognised and reversed for trade and bills receivables, RMB16,050,850.98 of net of impairment losses recognised and reversed for other receivables, and RMB47,671,159.92 of write-down of inventories to net realisable value, all of which are unaudited.

Due to the Proposed Provisions of RMB133,634,831.79 as compared with the net profit attributed to owners of the Company for the financial year ended 31 December 2012 of RMB153,053,831.01 exceeded one or more applicable percentage ratios provided under the rules of the Shenzhen Stock Exchange, the Proposed Provisions of RMB133,634,831.79 is required to be submitted to the Board for approval prior to the end of February 2014, and disclosed in a timely manner in the form of an announcement.

2. Effect on Profits and Equity

The Proposed Provisions of RMB133,634,831.79 shall have an effect on the Group's profit for the year for the financial year ended 31 December 2013 and the Group's total equity as at 31 December 2013 of RMB-133,634,831.79, but shall not affect the projected range of the Group's net profit attributed to owners of the Company for the financial year ended 31 December 2013 as disclosed in the 2013 3Q Report.

3. Discussion and Analysis

In order to truthfully reflect the Group's financial position as at 31 December 2013 and its operating performance for the financial year ended 31 December 2013, the Company performed a comprehensive annual evaluation of the Group's assets at the end of 2013 and estimated the provisions for impairment of such assets in accordance with CASBE, International Financial Reporting Standards and the Company's accounting policies (the "**relevant accounting policies**"). Details of the relevant accounting policies and calculation methods used in relation to provisions for impairment of assets are disclosed in the notes to financial statements contained in the previous annual reports of the Company.

Primary reasons for the Proposed Provisions include: (1) provisions for bad debt for trade and bills receivables and other receivables in accordance with the relevant accounting policies, aging analysis of such receivables and the actual financial position of debtors; and (2) provisions made in accordance with the relevant accounting policies for write-down of inventories to net realisable value for components and semi-finished goods held in inventory of older models of products that had ceased production due to technological advancements.

Due to the Group's significantly lower net profit attributable to owners of the

Company for the financial year ended 31 December 2012, which is in line with a downturn in the domestic wind power industry since 2011, the Proposed Provisions as compared with the net profit attributed to owners of the Company for the financial year ended 31 December 2012 exceeded one or more applicable percentage ratios and, as a result, are required to be disclosed pursuant to the requirements of the Shenzhen Stock Exchange. The directors of the Company considers the Proposed Provisions were made in accordance with the relevant accounting policies, truthfully reflect the Group's financial position and operating performance, and are in the interests of the Company and its shareholders as a whole.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Beijing, 25 February 2014

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

** For identification purpose only*