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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

**SUBSCRIPTION OF NEW A SHARES
PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION
AND
RESUMPTION OF TRADING**

SUBSCRIPTION OF NEW A SHARES

On 2 September 2014, the Company has entered into a Subscription Agreement with each of the Individual Subscribers. On the same day, the Company has also entered into two Subscription Agreements with Haitong Asset Management for the purpose of Goldwind Plan I and Goldwind Plan II, respectively. The terms of all the Subscription Agreements are substantially identical.

The New A Shares represent (i) approximately 1.52% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.50% of the total issued share capital of the Company as enlarged by the issue of the New A Shares (assuming a maximum of 40,953,000 A Shares are fully issued and no further issuance of Shares prior to completion of the Subscription).

Pursuant to the relevant rules of the CSRC, the Subscription Price was determined with reference to the average trading price of A Shares for the Fixed Price Period (being RMB9.85), which represents no less than 90% of such average trading price of RMB9.85 per A Share for the Fixed Price Period. The average trading price of A Shares for the Fixed Price Period is the result of total turnover of A Shares for the Fixed Price Period divided by the total trading volume of A Shares for the same period. Such Subscription Price represents a discount of approximately 10.94% as compared to the average closing price of RMB9.96 per A Share for the last 5 consecutive trading days immediately prior to the suspension of trading of A Share on 27 August 2014. The

Subscription Price was agreed after arm's length negotiations between the parties.

The New A Shares will be issued pursuant to the Specific Mandate proposed to be sought from the Shareholders at the EGM and the Class Meetings.

As certain Subscribers are connected persons of the Company, the Subscription constitutes a non-exempt connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Directors (including the independent non-executive Directors) consider that the Subscription Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscribers and the Subscription Agreements are fair and reasonable and the Subscription is in the interest of the Company and the Shareholders as a whole.

The Company will convene the EGM and Class Meetings to seek approval from the Shareholders for the Subscription Agreements and the transactions contemplated thereunder. As at the date of this announcement, Mr. Cao Zhigang, an executive Director and one Subscriber, holds a total of 9,368,024 A Shares. In view of Mr. Cao Zhigang's material interests in the Subscription, Mr. Cao Zhigang and his associates shall abstain from voting on the relevant resolution at the EGM and the A Shareholders Meeting.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on the Subscription Agreements and the Subscription contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders in this regard, which appointment will be approved by the Independent Board Committee.

The circular containing, among other things, further details of the Subscription Agreements, a letter of advice from the Independent Board Committee to the Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Shareholders in relation to the Subscription Agreements and the Subscription contemplated thereunder, will be dispatched by the Company to the Shareholders by 24 September 2014.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to make amendments to the Articles of Association, subject to and upon completion of the Subscription Agreements, in order to reflect the current registered capital structure of the Company as a result of the issue of the New A Shares pursuant to the Subscription Agreements.

The proposed amendments to the Articles of Association are subject to approval of the Shareholders by way of special resolutions at the EGM and the Class Meetings and the approval of the registration or filing with the relevant PRC government authorities.

RESUMPTION OF TRADING IN THE SHARES

<p>At the request of the Company, trading in the Shares was suspended from 9:00 a.m. on Wednesday, 27 August 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Wednesday, 3 September 2014.</p>

THE SUBSCRIPTION AGREEMENTS

On 2 September 2014, the Company has entered into a Subscription Agreement with each of the Individual Subscribers. On the same day, the Company has also entered into two Subscription Agreements with Haitong Asset Management for the purpose of Goldwind Plan I and Goldwind Plan II. For details of each of the Subscribers and their respective relationship with the Company, please refer to the paragraph headed “Information about the Parties to the Subscription” in this announcement below.

The major terms of all the Subscription Agreements are substantially identical, which are summarised as follows:

Subscription Shares

Pursuant to the Subscription Agreements, the Company has conditionally agreed to issue, and each of the Subscribers has conditionally agreed to subscribe for the respective number of New A Shares set out below:

Name of Subscriber	Number of New A Shares Subscribed
Mr. Wang Haibo	550,000
Mr. Cao Zhigang	550,000
Mr. Wu Kai	550,000
Mr. Huo Changbao	550,000
Ms. Ma Jinru	550,000
Mr. Liu Wei	550,000
Mr. Zhou Yunzhi	550,000
Mr. Yang Hua	400,000
Haitong Asset Management	
- Goldwind Plan I	17,140,000
- Goldwind Plan II	19,563,000
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Total	40,953,000
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The New A Shares represent (i) approximately 1.52% of the total issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.50% of the total issued share capital of the Company as enlarged by the issue of the New A Shares (assuming a maximum of 40,953,000 A Shares are fully issued and no further issuance of Shares prior to completion of the Subscription).

Subscription Price

The Subscribers will, at the Subscription Price of RMB8.87 per Share, subscribe for 40,953,000 New A Shares. The aggregate consideration for the Subscription is approximately RMB363.25 million. Upon completion of the Subscription, the Subscribers shall pay their respective consideration in cash based on number of the New A Shares subscribed to the designated account of the Company (within a specified period to be notified by the Company).

Pursuant to the relevant rules of the CSRC, the Subscription Price was determined with reference to the average trading price of A Shares during the Fixed Price Period (being RMB9.85), which represents no less than 90% of such average trading price of RMB9.85 per A Shares for the Fixed Price Period. The average trading price of A Shares during the Fixed Price Period is the total turnover of A Shares for the Fixed Price Period divided by the total trading volume of A Shares during the Fixed Price Period. Such Subscription Price represents a discount of approximately 10.94% as compared to the average closing price of RMB9.96 per A Share for the last 5 consecutive trading days immediately prior to the suspension of trading of A Share on 27 August 2014. The Directors (including the independent non-executive Directors) consider that the Subscription Price is fair and reasonable and is in the best interest of the Company and Shareholders as a whole.

Conditions Precedent

The Subscription Agreements will take effect upon the happening of the following:

- (1) execution of the Subscription Agreements;
- (2) obtaining the approval by the Shareholders at a general meeting of the Company, and obtaining the approvals by the A Shareholders and H Shareholders at an A Shareholders meeting and a H Shareholders meeting, respectively; and
- (3) obtaining the approval from the CSRC for the issue of New A Shares pursuant to the Subscription Agreements.

Completion

Completion will take place within six month after the day on which all the conditions precedent have been fulfilled.

Liquidated Damage

Pursuant to the Subscription Agreements, if any Subscriber reduces the number of New A Shares he/she/it has agreed to subscribe, or withdraws his/her/its subscription of the New A Shares at all, such Subscriber shall pay to the Company a liquidated damage equal to 10% of the consideration he/she/it has agreed to pay in the Subscription Agreement.

Lock-up

Pursuant to the relevant rules of the CSRC, each of the Subscribers has undertaken to the Company that he/she/it will not transfer any of the New A Shares which he/she/it has subscribed for pursuant to the Subscription Agreements within 36 months from the date of the completion of the Subscription. Except for such lock-up arrangement, there is no restriction on the subsequent sale of the New A Shares which each of the Subscribers has subscribed for pursuant to the Subscription Agreements.

RANKING

The New A Shares to be issued pursuant to the Subscription Agreements will rank, upon issue, pari passu in all respects with the existing A Shares and H Shares in issue at the time of issue of such New A Shares except that the New A Shares are subject to the lock-up period of 36 months as mentioned above.

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after completion of the Subscriptions is as follows (assuming a maximum of 40,953,000 New A Shares are fully issued and no further issuance of Shares):

Shareholders	As at the date of this announcement		Immediately after completion of the Subscriptions	
	Number of Shares	% of the total number of Shares ⁴	Number of Shares	% of the total number of Shares ⁴
A Shareholders				
Xinjiang Wind Power	375,920,386	13.95	375,920,386	13.74
China Three Gorges New Energy ¹	664,766,085	24.67	664,766,085	24.30
China Three Gorges ²	664,766,085	24.67	664,766,085	24.30
Mr. Wang Haibo ³	-	-	550,000	0.02
Mr. Cao Zhigang ³	9,368,024	0.35	9,918,024	0.36
Mr. Wu Kai	-	-	550,000	0.02
Mr. Huo Changbao	-	-	550,000	0.02
Ms. Ma Jinru	-	-	550,000	0.02
Mr. Liu Wei	-	-	550,000	0.02
Mr. Zhou Yunzhi	-	-	550,000	0.02
Mr. Yang Hua	-	-	400,000	0.01
Haitong Asset Management				
- Goldwind Plan I	-	-	17,140,000	0.63

- Goldwind Plan II	-	-	19,563,000	0.72
Other A Shareholders	<u>1,520,407,091</u>	<u>56.42</u>	<u>1,520,407,091</u>	<u>55.58</u>
H Shareholders	<u>500,046,800</u>	<u>18.56</u>	<u>500,046,800</u>	<u>18.28</u>
Total	<u>2,694,588,000</u>	<u>100</u>	<u>2,735,541,000</u>	<u>100</u>

Notes:

1. China Three Gorges New Energy directly held 288,845,699 A Shares of the Company. China Three Gorges New Energy and China Three Gorges, taken together, held 43.33% of the issued share capital of Xinjiang Wind Power. Under the SFO, other than directly holding interests in the Company, China Three Gorges New Energy were deemed to be interested in the 375,920,386 A Shares of the Company held by Xinjiang Wind Power.

2. China Three Gorges is the holding company of China Three Gorges New Energy. Under the SFO, the 375,920,386 A Shares of the Company held by Xinjiang Wind Power, in which China Three Gorges New Energy were deemed to be interested, and the 288,845,699 A Shares of the Company directly held by China Three Gorges New Energy were deemed to be the interests of China Three Gorges in the Company.

3. Both Mr. Wang Haibo and Mr. Cao Zhigang are executive Directors of the Company.

4. The percentage figures above have been rounded off to the nearest second decimal place.

INFORMATION ABOUT THE PARTIES TO THE SUBSCRIPTION

Mr. Wang Haibo is an executive Director and the president of the Company and therefore is a connected person of the Company.

Mr. Cao Zhigang is an executive Director and executive vice president of the Company and therefore is a connected person of the Company.

Mr. Wu Kai is an executive vice president and director of the research and development centre of the Company.

Mr. Huo Changbao is the CFO of the Company. He is also a director of Beijing Tianrun New Energy Investment Co., Ltd. (北京天潤新能投資有限公司) (“Beijing Tianrun”), a subsidiary of the Company. Therefore, Mr. Huo Changbao is a connected person of the Company.

Ms. Ma Jinru is the company secretary, secretary of the Board and a vice president of the Company.

Mr. Liu Wei is a vice president of the Company and the general manager of Beijing Tianrun. Therefore, Mr. Liu Wei is a connected person of the Company.

Mr. Zhou Yunzhi is a vice president of the Company. He is also the general manager of Beijing Techwin Electric Co., Ltd. (北京天誠同創電氣有限公司), a subsidiary of the Company. Therefore, Mr. Zhou Yunzhi is a connected person of the Company.

Mr. Yang Hua is a vice president of the Company. He is also the general manager of Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd. (北京天源科創風電技術有限責任公司), a subsidiary of the Company. Therefore, Mr. Yang Hua is a connected person of the Company.

Haitong Asset Management is an assets management company controlled by Haitong Securities Co., Ltd. (海通證券股份有限公司) and mainly engaged in securities and assets management business. Haitong Asset Management is the manager of both Goldwind Plan I and Goldwind Plan II which are established by Haitong Asset Management pursuant to the agreements between Haitong Asset Management and certain eligible senior management and employees of the Group, respectively, for the purposes of satisfying the applicable CSRC requirements of maximum 200 participants for such type of asset management plan. As certain directors and general managers of the Group's subsidiaries (who are connected persons of the Company) are participants of such plans, Haitong Asset Management is a connected person of the Company under the Listing Rules.

The Group is one of the global leaders in manufacturing WTGs and providing comprehensive wind power solutions with three primary business segments of WTG Manufacturing, Wind Power Services, and Wind Farm Investment, Development and Sales.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The Directors consider that the Subscription represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company.

Upon completion of the Subscription, certain executive Directors, members of the senior management and key employees of the Company will become Shareholders, which would provide them with more incentives to achieve better performance when discharging their duties. In addition, the Subscription will help to increase the solvency ratio and broaden the capital scale of the Company, satisfy the capital demand of the Company for its future business development, so as to further enhance the market competitiveness of the Company and maintain its leading position in wind power industry.

The Directors (including the independent non-executive Directors) consider that the Subscription Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscribers and the Subscription Agreements are fair and reasonable and the Subscription is in the interest of the Company and the Shareholders as a whole. Each of Mr. Wang Haibo and Mr. Cao Zhigang, being a Director as well as one Subscriber, has abstained from voting on the board resolution approving the Subscription Agreements and the Subscription contemplated thereunder at the board meeting held on 2 September 2014. Save as disclosed above, none of the Directors attending the board meeting has a material interest in the Subscription.

RECENT FUND RAISING ACTIVITIES AND USE OF PROCEEDS

The Company has not conducted any fund raising activities within the 12 months immediately prior to the date of this announcement. The total gross proceeds to be raised from the Subscription are approximately RMB363.25 million. After deduction of relevant expenses for the Subscription, the total net proceeds are intended to be used to supplement the working capital of the Company.

MANDATE TO ISSUE THE NEW A SHARES

The New A Shares will be issued pursuant to the Specific Mandate proposed to be sought from the Shareholders at the EGM and the Class Meetings.

IMPLICATIONS UNDER THE LISTING RULES

As certain Subscribers are connected persons of the Company, the Subscription constitutes a non-exempt connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the EGM and Class Meetings to seek approval from the Shareholders for the Subscription Agreements and the transactions contemplated thereunder. As at the date of this announcement, Mr. Cao Zhigang holds a total of 9,368,024 A Shares. In view of Mr. Cao Zhigang's material interests in the Subscription, Mr. Cao Zhigang and his associates shall abstain from voting on the relevant resolution at the EGM and the A Shareholders Meeting.

The Independent Board Committee comprising all the independent non-executive Directors has been formed to advise the Shareholders on the Subscription Agreements and the Subscription contemplated thereunder. An independent financial adviser will be appointed to advise the Independent Board Committee and the Shareholders in this regard, which appointment will be approved by the Independent Board Committee.

The circular containing, among other things, further details of the Subscription Agreements, a letter of advice from the Independent Board Committee to the Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Shareholders in relation to the Subscription Agreements and the Subscription contemplated thereunder, will be dispatched by the Company to the Shareholders by 24 September 2014.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposed to make amendments to the Articles of Association, subject to and upon completion of the Subscription Agreements, in order to reflect the current registered capital structure of the Company as a result of the issue of the New A Shares pursuant to the Subscription Agreements.

The proposed amendments to the Articles of Association are subject to approval of the Shareholders by way of special resolutions at the EGM and the Class Meetings and the approval of the registration or filing with the relevant PRC government authorities.

Details of the proposed amendments to the Articles of Association will be set out in the notices to be issued by the Company for convening the EGM and the Class Meetings.

RESUMPTION OF TRADING IN THE SHARES

At the request of the Company, trading in the H Shares was suspended from 9:00 a.m. on Wednesday, 27 August 2014 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the H Shares with effect from 9:00 a.m. on Wednesday, 3 September 2014.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Articles of Association”	the articles of association of the Company
“A Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the SZSE and traded in RMB
“A Shareholders”	the holders of the A Shares
“A Shareholders Meeting”	the class meeting of A Shareholders of the Company to be convened for the purpose of considering and if thought fit, approving, among other things, the Subscription
“Board”	the board of Directors of the Company
“China Three Gorges ”	中國長江三峽集團公司 (China Three Gorges Corporation [†]), a company incorporated under the laws of the PRC and the parent company of China Three Gorges New Energy
“China Three Gorges New Energy”	中國三峽新能源公司 (China Three Gorges New Energy Corporation [†]), a company incorporated under the laws of the PRC, a wholly-owned subsidiary of China Three Gorges, and a substantial shareholder of the Company
“Class Meetings”	the A Shareholders Meeting and the H Shareholders Meeting
“Company”	新疆金風科技股份有限公司 (Xinjiang Goldwind Science & Technology Co., Ltd. [†]), a joint stock limited company incorporated in the PRC with its H Shares listed and traded on the main board of the Stock Exchange

“connected person”	has the meaning as ascribed to it under the Listing Rules
“CSRC”	the China Securities Regulatory Commission
“Directors”	the directors of the Company
“EGM”	The extraordinary general meeting of the Company to be convened for the purpose of considering and if thought fit, approving, among other things, the Subscription
“Fixed Price Period”	the 20 trading days period ending on the date immediately preceding 3 September 2014 (excluding 3 September 2014)
“Goldwind Plan I”	a plan established and managed by Haitong Asset Management pursuant to the agreements between Haitong Asset Management and certain members of senior management and employees of the Group in connection with subscription of 17,140,000 New A Shares
“Goldwind Plan II”	in addition to Goldwind Plan I, another plan established and managed by Haitong Asset Management pursuant to the agreements between Haitong Asset Management and certain members of senior management and employees of the Group in connection with subscription of 19,563,000 New A Shares
“Group”	the Company and its subsidiaries
“Haitong Asset Management”	上海海通證券資產管理有限公司(Shanghai Haitong Securities Asset Management Co., Ltd [†])
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the Stock Exchange and traded in HKD
“H Shareholders”	the holders of the H Shares
“H Shareholders Meeting”	the class meeting of H Shareholders of the Company to be convened for the purpose of considering and if thought fit, approving, among other things, the Subscription
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors established for the purpose of advising the Shareholders on the Subscription Agreements and transactions contemplated thereunder
“Individual Subscribers”	Mr. Wang Haibo, Mr. Cao Zhigang, Mr. Wu Kai, Mr. Huo Changbao, Ms. Ma Jinru, Mr. Liu Wei, Mr. Zhou Yunzhi and Mr. Yang Hua
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“New A Shares”	an aggregate of 40,953,000 new A Shares to be subscribed for by the Subscribers and issued by the Company pursuant to the Subscription Agreements
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan)
“SFO”	The Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Shares”	Ordinary share of RMB1.00 each in the capital of the Company including A Shares and H Shares
“Shareholders”	the shareholders of the Company
“Specific Mandate”	a specific mandate for the issue of the New A Shares to be sought from the Shareholders at the EGM and Class Meetings
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the Individual Subscribers and Haitong Asset Management
“Subscription”	subscription of the New A Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreement”	the subscription agreement dated 2 September 2014 entered into between the Company and each of the Subscribers, collectively, the Subscription Agreements
“Subscription Price”	the subscription price of RMB8.87 per New A Share

“Wind Farm Investment, Development and Sales”	the Group’s wind farm investment, development and sales business segment, one of the three primary business segments of the Group
“Wind Power Services”	the Group’s wind power services business segment, one of the three primary business segments of the Group
“WTG”	wind turbine generator
“WTG Manufacturing”	the Group’s WTG research and development, manufacturing and sales business segment, the core business of the Group and one of the three primary business segments of the Group
“Xinjiang Wind Power”	新疆風能有限責任公司 (Xinjiang Wind Power Co., Ltd. †), a state-owned enterprise incorporated under the laws of the PRC and a substantial shareholder of the Company

† denotes English translation of the name of a Chinese company, or vice versa, and is provided for identification purposes only

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

Beijing, 2 September 2014

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

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** For identification purposes only*