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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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### 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**

**(1) SATISFACTION OF CONDITIONS FOR PUBLIC ISSUE OF  
SECURITIES THROUGH RIGHTS ISSUE**

**(2) 2018 PLAN FOR PUBLIC ISSUE OF SECURITIES THROUGH RIGHTS ISSUE**

**(3) FEASIBILITY ANALYSIS REPORT WITH RESPECT TO THE TARGET PROJECTS FOR  
INVESTMENT WITH THE PROCEEDS FROM THE COMPANY'S RIGHTS ISSUE IN 2018**

**(4) REPORT ON THE USE OF PREVIOUS PROCEEDS**

**(5) REMINDER OF THE RISK OF DILUTION OF IMMEDIATE RETURNS BY  
RIGHTS ISSUE TO EXISTING SHAREHOLDERS, REMEDIAL MEASURES AND  
THE RELEVANT PARTIES' UNDERTAKING**

**(6) AUTHORIZATION FOR THE RIGHTS ISSUE OF A SHARES AND H SHARES**

**(7) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

**(8) APPLICATION FOR THE WHOLLY-OWNED SUBSIDIARY,  
GOLDWIND NEW ENERGY (HK) INVESTMENT LIMITED TO ISSUE  
OVERSEAS PERPETUAL BONDS AND THE PROVISION OF GUARANTEE BY THE COMPANY**

**(9) PROPOSAL ON SHAREHOLDERS' RETURN PLAN FOR THE THREE YEARS OF 2018-2020**

**AND**

**NOTICE OF 2017 ANNUAL GENERAL MEETING**

**AND**

**NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING**

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The 2017 Annual General Meeting, the 2018 First H Shareholders Class Meeting and the 2018 First A Shareholders Class Meeting of the Company will be convened at Conference Room, No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC at 1:30 p.m. on Tuesday, 12 June 2018. The notice of the 2017 Annual General Meeting and the notice of the 2018 First H Shareholders Class Meeting, a proxy form and a reply slip for use at the meetings are enclosed and are also published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). Please refer to relevant documents published on the website of CNINFO ([www.cninfo.com.cn](http://www.cninfo.com.cn)) for meeting materials of the 2018 First A Shareholders Class Meeting.

The holders of H Shares who intend to attend the 2017 Annual General Meeting and/or the 2018 First H Shareholders Class Meeting by proxy should complete and return the enclosed proxy form to Computershare Hong Kong Investor Services Limited not less than 24 hours before the scheduled time for the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting. Completion and return of the proxy form will not preclude you from attending the 2017 Annual General Meeting and/or the 2018 First H Shareholders Class Meeting and voting in person if you so wish. Holders of the H Shares who intend to attend the meetings in person or by proxy should complete and return the reply slip on or before Tuesday, 22 May 2018 to the Company (at No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC). The reply slip may be delivered by hand, post or fax (fax No. +86 10-67511985).

26 April 2018

In this circular, for the purpose of illustration only, amounts quoted in RMB have been converted into HK\$ at the rate of RMB1.00 to HK\$1.24. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

\* *For identification purpose only*

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“150MW Moorabool North Wind Farm Project”	the 150MW Wind Farm Project owned and operated by Goldwind Capital (Australia) Pty Ltd in Moorabool North Wind Farm in Australia
“527.5MW Stockyard Hill Wind Power Plant Project”	the 527.5MW Wind power plant project owned and operated by Goldwind Capital (Australia) Pty Ltd in Stockyard Hill Farm in Australia
“2017 Annual General Meeting”	the 2017 Annual General Meeting to be held at 1:30 p.m. on Tuesday, 12 June 2018
“2018 First A Shareholders Class Meeting”	the class meeting of A Shareholders of the Company to be held immediately after the conclusion of 2017 Annual General Meeting
“2018 First H Shareholders Class Meeting”	the class meeting of H Shareholders of the Company to be held immediately after the conclusion of 2018 First H Shareholders Class Meeting
“A Rights Shares”	the new A Shares proposed to be allotted and issued to A Shareholders pursuant to the A Share Rights Issue (less any A Shares not taken up by the A Shareholders)
“A Share(s)”	domestic ordinary share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Shenzhen Stock Exchange and traded in RMB
“A Share Registration Date”	the date to be determined by the Board or its authorised person(s) by reference to which entitlements to the A Share Rights Issue are to be determined
“A Share Rights Issue”	the proposed issue of up to 581,228,492 A Rights Shares at the Subscription Price on the basis of up to two (2) A Rights Shares for every ten (10) existing A Shares held on the relevant A Shares Registration Date
“A Shareholder(s)”	holder(s) of the A Shares

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## DEFINITIONS

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“Articles of Association”	the Articles of Association of the Company (as amended from time to time)
“Company”	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 PRC on 26 March 2001
“Board”	the board of directors of the Company
“ChinaClear”	China Securities Depository and Clearing Corporation Limited
“Core Connected Person(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“CSRC”	China Securities Regulatory Commission
“Current Overseas Perpetual Bonds”	the proposed issue of the current overseas perpetual bonds not exceeding the equivalent of 700 million US Dollars
“Directors”	the directors of the Company
“Excluded Shareholder(s)”	overseas Shareholder(s) whom the Board, based on legal opinions provided by legal advisers, considers it necessary or expedient to exclude on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place
“General Meetings”	collectively, the 2017 Annual General Meeting, the 2018 First A Shareholders Class Meeting and the 2018 First H Shareholders Class Meeting
“H Rights Shares”	the new H Shares proposed to be allotted and issued to the Qualified H Shareholders pursuant to the H Share Rights Issue

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## DEFINITIONS

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“H Share(s)”	overseas listed foreign share(s) with a par value of RMB1.00 each in the share capital of the Company, listed on the Hong Kong Stock Exchange and traded in Hong Kong dollars
“H Share Registration Date”	a date to be determined by the Board or its authorised person(s) by reference to which entitlements to the H Share Rights Issue are to be determined
“H Share Rights Issue”	the proposed issue of up to 130,012,168 H Rights Shares at the Subscription Price on the basis of up to two (2) H Rights Shares for every ten (10) existing H Shares held on the H Share Registration Date
“H Share Rights Issue Prospectus”	the prospectus to be issued by the Company and despatched to the H Shareholders in respect of the H Share Rights Issue containing further details of the H Share Rights Issue
“H Shareholder(s)”	holder(s) of the H Shares
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	23 April 2018, being the last practicable date to determine certain information as set forth herein prior to the publication of this circular
“MW”	mega watts
“Overseas Shareholder(s)”	H Shareholders whose name(s) appear on the register of members of the Company on the H Share Registration Date and whose registered address(es) is/are in a place outside Hong Kong

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## DEFINITIONS

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“PRC”	the People’s Republic of China but excluding, for the purposes of this circular only, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Southbound Trading Investors”	the PRC investors who hold the shares of Hong Kong listed companies through ChinaClear as nominee under Shenzhen-Hong Kong Stock Connect
“Qualified H Shareholder(s)”	H Shareholders whose name(s) appear(s) on the register of members of the Company on the H Share Registration Date and who are not Excluded Shareholders
“Rights Issue”	the A Share Rights Issue and the H Share Rights Issue
“Rights Share(s)”	the H Rights Share(s) and the A Rights Share(s)
“RMB”	RMB, the lawful currency of the PRC
“Share(s)”	A Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the A and H Shares of the Company
“Share Registration Date”	the A Share Registration Date and/or the H Share Registration
“Shenzhen-Hong Kong Stock Connect”	the securities trading and clearing links programme developed by the Stock Exchange, the Shenzhen Stock Exchange, HKSCC and ChinaClear for the establishment of mutual market access between Hong Kong and Shenzhen
“SZSE Listing Rules”	The Rules Governing Listing of Stocks on the Shenzhen Stock Exchange
“Subscription Price”	the final subscription price for the A Rights Shares and the H Rights Shares to be offered pursuant to the Rights Issue
“Supervisory Committee”	the supervisory committee of the Company

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## LETTER FROM THE BOARD

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**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**

*Executive Directors:*

Wu Gang  
Wang Haibo  
Cao Zhigang

*Non-executive Directors:*

Zhao Guoqing  
Feng Wei  
Gao Jianjun

*Independent non-executive Directors:*

Yang Xiaosheng  
Luo Zhengbang  
Tin Yau Kelvin Wong

*Registered office:*

107 Shanghai Road  
Economic & Technology Development District  
Urumqi  
Xinjiang  
The PRC

*Principal place of business*

*in Hong Kong:*  
Edinburgh Tower  
33/F The Landmark  
15 Queen's Road Central  
Hong Kong

Dear Sir or Madam,

- (1) SATISFACTION OF CONDITIONS FOR PUBLIC ISSUE OF  
SECURITIES THROUGH RIGHTS ISSUE**  
**(2) 2018 PLAN FOR PUBLIC ISSUE OF SECURITIES THROUGH RIGHTS ISSUE**  
**(3) FEASIBILITY ANALYSIS REPORT WITH RESPECT TO THE TARGET PROJECTS  
FOR INVESTMENT WITH THE PROCEEDS FROM  
THE COMPANY'S RIGHTS ISSUE IN 2018**  
**(4) REPORT ON THE USE OF PREVIOUS PROCEEDS**  
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**(8) APPLICATION FOR THE WHOLLY-OWNED SUBSIDIARY,  
GOLDWIND NEW ENERGY (HK) INVESTMENT LIMITED TO ISSUE  
OVERSEAS PERPETUAL BONDS AND THE PROVISION OF  
GUARANTEE BY THE COMPANY**  
**(9) PROPOSAL ON SHAREHOLDERS' RETURN PLAN FOR  
THE THREE YEARS OF 2018-2020**  
**AND**  
**NOTICE OF 2017 ANNUAL GENERAL MEETING**  
**AND**  
**NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING**

### 1. INTRODUCTION

The Board is pleased to announce that the Board proposes to seek the approval of the Shareholders for the Rights Issue, which will comprise the issue of both the A Rights Shares and the H Rights Shares.

\* For identification purpose only



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## LETTER FROM THE BOARD

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At the 2017 Annual General Meeting, special resolutions will be proposed to consider and approve (1) the proposal on the amendment of the Company's Articles of Association, (2) the proposal on the Company's satisfaction of conditions for public issue of securities through the Rights Issue, (3) the proposal on the Company's 2018 plan for public issue of securities through the Rights Issue, (4) the proposal on the feasibility analysis report with respect to the target projects for investment with the proceeds from the Company's Rights Issue in 2018, (5) the report on the use of previous proceeds, (6) the proposal on reminder of the risk of dilution of immediate returns by Rights Issue to existing shareholders, remedial measures and the relevant parties' undertaking, (7) the authorizations for the Rights Issue of A Shares and H Shares, and (8) the application for the wholly-owned subsidiary, Goldwind New Energy (HK) Investment Limited to issue overseas perpetual bonds and the provision of guarantee by the Company. Ordinary resolutions will be proposed to consider and approve (1) the continuing connected transactions according to the requirements under The Rules Governing Listing of Stocks on the Shenzhen Stock Exchange and the respective annual caps for the year of 2018, (2) the report of the Board for the year of 2017, (3) the report of the Supervisory Committee for the year of 2017, (4) the report of the auditors for the year ended 31 December 2017, (5) the dividend distribution plan for the year ended 31 December 2017, (6) the annual report of the Company for the year of 2017, (7) the proposed applications to banks by the Company for credit facilities in 2018, (8) the provision by the Company for the benefit of its subsidiaries and certain associates of guarantees, (9) the proposed provision of guarantees by the Company for its wholly-owned subsidiaries and controlling subsidiaries, (10) the proposed operation of foreign exchange hedging business, (11) the appointment of auditors of the Company, and (12) the Proposal on Shareholders' Return Plan for the Three Years of 2018-2020. At the 2018 First H Shareholders Class Meeting, special resolutions will be proposed to shareholders to consider and approve (1) the proposal on the Company's satisfaction of conditions for public issue of securities through the Rights Issue, (2) the proposal on the Company's 2018 plan for public issue of securities through the Rights Issue, (3) the proposal on the feasibility analysis report with respect to the target projects for investment with the proceeds from the Company's Rights Issue in 2018, (4) the report on the use of previous proceeds, (5) the proposal on reminder of the risk of dilution of immediate returns by Rights Issue to existing shareholders, remedial measures and the relevant parties' undertaking, and (6) the authorizations for the Rights Issue of A Shares and H Shares. An ordinary resolution will be proposed to consider and approve the Proposal on Shareholders' Return Plan for the Three Years of 2018-2020.

Prior to the commencement of the H Share Rights Issue, the Company will make a further announcement and issue the H Share Rights Prospectus which will contain all the relevant details of the Rights Issue, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Subscription Price, the period of closure of the register of members and the record date, trading arrangements of the H Rights Shares, the arrangement for excess H Rights Shares, the underwriting arrangement and the expected timetable of the Rights Issue.

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## LETTER FROM THE BOARD

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### 2. THE PROPOSAL ON THE COMPANY'S 2018 PLAN FOR PUBLIC ISSUE OF SECURITIES THROUGH THE RIGHTS ISSUE

#### Details of the Proposed Rights Issue of A Shares and H Shares

The Rights Issue will comprise an offer of A Rights Shares and an offer of H Rights Shares to all A Shareholders and Qualified H Shareholders, respectively, on the terms set out below:

- (1) Type and nominal value of Rights Shares : The A Shares and the H Shares, each with a nominal value of RMB1.00 per Share.
  
- (2) Proportion and number of Shares to be issued : It is proposed that the A Shares Rights Issue will be made to all A Shareholders based on the total number of A Shares after the market closes on the Share Registration Date of A Shares, on the basis of no more than two (2) 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 proposed that the H Shares Rights Issue will be made to all Qualified H Shareholders based on the total number of H Shares determined on the Share Registration Date of H Shares, on the basis of no more than two (2) H Rights Shares for every ten (10) H Shares. The basis for A Shares Rights Issue and H Shares Rights Issue are the same.

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## LETTER FROM THE BOARD

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On the basis of a total of 3,556,203,300 Shares in issue as at the Latest Practicable Date and assuming that there will be no change in the issued share capital of the Company between the Latest Practicable Date and the Share Registration Date, the Company shall allot and issue no more than 711,240,660 Rights Shares (comprising no more than 581,228,492 A Shares and no more than 130,012,168 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 number of Rights Shares to be issued will be adjusted based on the total share capital after such change. The final basis and number of Shares to be issued shall be determined by the Company prior to the Rights Issue through consultation with the sponsor(s)/lead underwriter(s) having regard to the market conditions and pursuant to the authorisation of the General Meetings.

A Rights Shares will be issued by way of proxy sale according to the requirements of the Securities Law, and H Rights Shares will be fully underwritten.

- (3) Pricing principle :
- (1) The Subscription Price will not be lower than the most recent audited net asset value per Share of the Company before the Rights Issue;
  - (2) By reference to valuation indicators such as the price, price-earnings ratio, price-to-book ratio of the Shares in the secondary market, having regard to the development of the Company and the interest of Shareholders;
  - (3) To take into account the funding requirements of the investment projects; and
  - (4) To comply with the principle determined by the Company and sponsor(s)/lead underwriter(s) after negotiation.

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## LETTER FROM THE BOARD

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- (4) Subscription Price for the Rights Shares : The Subscription Price is to be determined based on a discount to market price having regard to the trading prices of the A Shares and the H Shares on the markets before the publication of the Rights Issue announcement which is expected to be published as soon as practicable after obtaining relevant Shareholders' approvals as set out in this circular and CSRC approval. The final Subscription Price shall be determined by the Board prior to the Rights Issue pursuant to the authorization of the General Meetings in consultation with the sponsor(s)/lead underwriter(s) having regard to the market conditions. The Subscription Price for the A Rights Shares and the H Rights Shares (after adjusting for the exchange rates) shall be the same. The Subscription Price shall be not lower than the Company's net asset per Share audited as of 31 December 2017, i.e. RMB6.38 per Share, or approximately HK\$7.91 per Share, which is equivalent to approximately 45.5% discount to the H Share closing price of the preceding trading day to the Company's announcement dated 23 March 2018 (the "**Announcement Date**"), 45.7% discount to the 5-day H Shares average closing price preceding the Announcement Date, and 39.9% discount to the 20-day H Shares average closing price preceding the Announcement Date. Due to the unforeseeable possible fluctuation of H share trading price, the maximum discount scale cannot be determined as at the date of this circular.
- (5) Target subscribers for the Rights Issue : The target subscribers for the A Share Rights Issue shall be all A Shareholders of the Company as set out in the register of members kept with China Securities Depository and Clearing Corporation Limited, Shenzhen Branch after market closes on the A Share Registration Date, and the target subscribers for the H Share Rights Issue shall be all Qualified H Shareholders as determined on the H Share Registration Date.

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## LETTER FROM THE BOARD

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Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., Anbang Life Insurance Co., Ltd., Hexie Health Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd., and Anbang Insurance Group Co., Ltd. which are shareholders of the Company, have indicated that they will fully subscribe for their A Rights Shares entitlement under the proposed Rights Issue (the “**Undertaking**”).

As at the Latest Practicable Date, Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., Anbang Life Insurance Co., Ltd., Hexie Health Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd., and Anbang Insurance Group Co., Ltd. held 488,696,502, 373,957,073, 278,904,260, 147,222,544, 31,109,165 and 22,247,680 A Shares, representing 13.74%, 10.52%, 7.84%, 4.14%, 0.87% and 0.63% of the total issued share capital of the Company respectively.

- (6) Use of proceeds : Please refer to the section headed “Use of Proceeds” below for details.
- (7) Distribution plan for the accumulated undistributed profits of the Company prior to the Rights Issue : The accumulated undistributed profits of the Company prior to the completion of the Rights Issue shall be shared by all Shareholders on a pro-rata basis after completion of the A Rights Issue and H Rights Issue.
- (8) Effective period of the resolutions : The effective period of the resolutions on the proposed Rights Issue shall be twelve (12) months starting from the date on which the resolutions are approved by the Company’s General Meetings.
- (9) Issue period : The Rights Shares will be issued to all Shareholders in due course during the prescribed period after the Rights Issue is approved by the CSRC.

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## LETTER FROM THE BOARD

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(10) Listing of Rights Shares : The A Shares offered in the Rights Issue will be listed on the Shenzhen Stock Exchange according to relevant requirements after the completion of A Shares Rights Issue.

The H Shares offered in the Rights Issue will be listed on the Hong Kong Stock Exchange according to relevant requirements after the completion of H Share Rights Issue.

### Reasons for the Rights Issue

The Company experienced stable growth in recent years. In order to implement the Company's operating strategies, it has made continuous business investments in recent years, which requires debt financing in addition to the cash generated from the Company's operations. The Company's main source of financing is loan capital, which has led to a high level of debt to asset ratio and further limited the Company's ability to continue debt financing. As a result, the Company needs to raise capital through Rights Issue, so as to replenish operating capital to support its future business development and lower its debt to asset ratio and enhance its financial condition.

### Use of Proceeds

The gross proceeds from the Rights Issue will not exceed RMB5,000 million. The net proceeds after deducting the cost of issuance will be used for the 527.5MW Stockyard Hill Wind Farm Project, the 150MW Moorabool North Wind Farm Project, replenishment of working capital, the repayment of interest bearing debts, including the long-term bank loans, the short-term bank loans and the medium-term notes due within one year from the date of the Board meeting on 23 March 2018, as follows:

*Unit: RMB ten thousand*

No.	Project Name	Total Planned Investment Amount	Proposed Use of Proceeds
1	527.5MW Stockyard Hill Wind Farm Project	518,261.06	165,000.00
2	150MW Moorabool North Wind Farm Project	180,339.81	35,000.00
3	Replenishment of working capital	–	150,000.00
4	Repayment of interest bearing debts	–	150,000.00
<b>Total</b>			<b>500,000.00</b>

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## LETTER FROM THE BOARD

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If the net proceeds raised are less than the amount of proceeds proposed to be invested in the above projects, the shortfall shall be raised by the Company on its own. On the condition that these projects are not changed, the Board of the Company may make appropriate adjustments to the sequence and amount of proceeds for the above projects with reference to their actual requirements. From the approval of the plan of the Rights Issue by the Board meeting of the Company up to when the proceeds raised are available for use, the Company shall, in accordance with the operational condition and development plan, invest in such projects using other internal capital resources which will be replaced with the proceeds when they are in place, according to the procedures stipulated by relevant laws and regulations.

### **Qualified H Shareholders**

The Company will send the H Share Rights Issue Prospectus to the Qualified H Shareholders (and to the Excluded Shareholders for information purposes only).

To be qualified for the H Share Rights Issue, a Shareholder must:

- (i) be registered as an H Shareholder of the Company on the H Share Registration Date; and
- (ii) not be an Excluded Shareholder.

Before the commencement of the H Share Rights Issue, the Company will announce the date by which the H Shareholders must lodge any transfers of existing H Shares (together with the relevant H Share certificates) with the Company's Hong Kong Share registrar, in order for the transferee to be registered as an H shareholder of the Company on or before the H Share Registration Date.

The Company has made enquiries and were advised that the PRC Southbound Trading Investors may participate in the Rights Issue through ChinaClear.

### **H Share Registration Date**

The H Share Registration Date and the trading arrangements for the nil-paid H Rights Shares will be fixed by the Board later and once so fixed, a further announcement will be made by the Company afterward. The H Share Rights Issue is subject to the fulfillment of the conditions set out in the section headed "Conditions of the H Share Rights Issue". The H Share Registration Date shall not precede the date of the General Meetings or the date on which relevant PRC governmental and regulatory approvals have been granted to the Company in relation to the Rights Issue.

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## LETTER FROM THE BOARD

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### **Trading of the H Rights Shares**

Dealings in the H Rights Shares in both their nil-paid and fully-paid forms registered with the Company's Hong Kong Share registrar will be subject to the payment of stamp duty in Hong Kong. A further announcement will be made by the Company regarding the trading arrangements for the H Rights Shares (in both forms) after such arrangements have been finalised by the Board.

### **Status of the H Rights Shares**

The H Rights Shares, when allotted and fully paid, will rank pari passu in all respects with the H Shares then in issue. Holders of such fully-paid H Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment and issue of the H Rights Shares.

### **Rights of Overseas Shareholders**

The H Share Rights Issue Prospectus will not be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. The Company will make enquiries regarding the feasibility of extending the H Share Rights Issue to any Overseas Shareholders. If, based on advice received from the relevant legal advisers, the Board considers that it is necessary or expedient not to offer the H Rights Shares to certain Overseas Shareholders (that is, those Overseas Shareholders who are the Excluded Shareholders) on account either of the legal restrictions under the laws of the place of his/her/their registered address(es) or the requirements of the relevant regulatory body or stock exchange in that place, the H Share Rights Issue will not be made available to the Excluded Shareholders.

The Company will send copies of the H Share Rights Issue Prospectus to the Excluded Shareholders for information purposes only, but the Company will not send any provisional allotment letters or excess application forms (if applicable) to the Excluded Shareholders. Arrangements will be made for the H Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders, to be sold in the market in their nil-paid form as soon as practicable after the commencement of the dealings in the nil-paid H Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses, will be paid on a pro rata basis to the Excluded Shareholders, provided that the Company will pay individual amounts of more than HK\$100 to the relevant Excluded Shareholders in Hong Kong dollars and will retain individual amounts of HK\$100 or less for its own benefit.



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## LETTER FROM THE BOARD

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### **Application for Excess H Rights Shares**

Qualified H Shareholders may apply, by way of excess application, for any H Rights Shares to which unsold entitlements of the Excluded Shareholders relate and for any H Rights Shares provisionally allotted to the Qualified H Shareholders but not accepted.

Application for excess H Rights Shares may be made by completing the excess application form to be despatched to the Qualified H Shareholders together with the H Share Rights Issue Prospectus and lodging the same with a separate remittance for such excess H Rights Shares. The Board will allocate the excess H Rights Shares at its discretion on a fair and equitable basis but will give preference to topping-up odd lots to whole board lots.

### **Conditions of the Successful H Share Rights Issue**

It is expected that the H Share Rights Issue is conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the 2017 Annual General Meeting;
- (ii) the approval of the Rights Issue at the 2018 First A Shareholders Class Meeting and the 2018 First H Shareholders Class Meeting, respectively;
- (iii) the approval of the CSRC for the Rights Issue;
- (iv) the Listing Committee of the Hong Kong Stock Exchange agreeing to grant the listing of, and permission to deal in, the H Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any) by no later than the date of posting of the H Share Rights Issue Prospectus; and
- (v) the delivery to the Hong Kong Stock Exchange all documents in relation to the H Share Rights Issue and filing and registration of such documents as required by law to be filed by and registered with the Registrar of Companies in Hong Kong.

None of the above conditions for completion of the H Share Rights Issue may be waived by the Company or has been satisfied. If the conditions are not fulfilled, the H Share Rights Issue will not proceed.

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## LETTER FROM THE BOARD

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### **Conditions of the Successful A Share Rights Issue**

It is expected that the A Share Rights Issue is conditional upon the fulfilment of the following matters:

- (i) the approval of the Rights Issue by the Shareholders at the 2017 Annual General Meeting;
- (ii) the approval of the Rights Issue at the 2018 First A Shareholders Class Meeting and the 2018 First H Shareholders Class Meeting, respectively;
- (iii) the approval of the CSRC for the Rights Issue;
- (iv) the fulfillment of the Undertaking to be made prior to the convening of the General Meetings; and
- (v) the subscription of the A Rights Shares by the A Shareholders being at least 70% of the A Share Rights Issue.

None of the above conditions for completion of the A Share Rights Issue may be waived by the Company or has been satisfied. If the conditions are not fulfilled, the A Share Rights Issue will not proceed.

The H Share Rights Issue and the A Share Rights Issue are not inter-conditional upon each other. If the conditions for completion of the A Share Rights Issue are not fulfilled, the H Share Rights Issue will proceed so long as the conditions for completion of the H Share Rights Issue are fulfilled and vice versa.

### **Shareholders Approvals for the Rights Issue**

Resolutions will be proposed at the 2017 Annual General Meeting, the 2018 First H Shareholders Class Meeting and the 2018 First A Shareholders Class Meeting to be convened on 12 June 2018, respectively, to obtain such approvals as set out in the notices to such meetings. The notices convening the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting are set out on pages 36 to 40 and pages 45 to 47, respectively, of this circular. No Shareholder is required to abstain from voting in respect of any of the resolutions to be proposed at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting.

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## LETTER FROM THE BOARD

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### **Registered Capital and Amendments to the Articles of Association**

Upon completion of the proposed Rights Issue (assuming the Rights Issue is conducted on the basis of two (2) Rights Shares for every ten (10) existing Shares with full subscription for the Rights Shares and assuming no change in the issued share capital of the Company between the Latest Practicable Date and the Share Registration Date), the total number of shares of the Company will be increased to 4,267,443,960 (780,073,008 H Shares and 3,487,370,952 A Shares), both the registered capital and paid-in capital will be RMB4,267,443,960.

Upon completion of the proposed Rights Issue (assuming the Rights Issue is conducted on the basis of two (2) Rights Shares for every 10 existing Shares with 70% subscription level for the A Rights Shares and full subscription for the H Rights Shares and assuming no change in the issued share capital of the Company between the Latest Practicable Date and the Share Registration Date), the total number of shares of the Company will be increased to 4,093,075,413 (780,073,008 H Shares and 3,313,002,405 A Shares), both the registered capital and paid-in capital will be RMB4,093,075,413.

As a result of the completion of the Rights Issue, the registered capital and the total number of shares of the Company will increase and certain amendments will be made to the Articles of Association of the Company in relation to such increase in the registered capital and the total number of shares of the Company. The Company will duly comply with the relevant PRC laws and regulations and the requirements as set out under the Hong Kong Listing Rules in respect of such amendments to the Articles of Association of the Company. Details of such amendments will be provided to the Shareholders in a further announcement to be issued by the Company in due course.

### **Underwriting**

The Company intends to proceed with the H Share Rights Issue on a fully underwritten basis in accordance with Rule 7.19(1) of the Hong Kong Listing Rules and such underwriting will be conducted in accordance with the requirements of the Hong Kong Listing Rules. Details of the underwriting arrangement in relation to the Rights Issue will be provided to the Shareholders in a further announcement on the Rights Issue to be issued by the Company in due course. However, the A Share Rights Issue will proceed on a non-fully-underwritten basis as required under the applicable PRC laws and regulations. Under the applicable PRC laws and regulations and as classified by the CSRC, the A Share Rights Issue may only proceed if the subscription level of the A Rights Shares is at least 70% of the A Share Rights Issue. The rights to subscribe for the A Shares which are not taken up will lapse and no new A Shares will be issued or allotted pursuant to such rights.

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## LETTER FROM THE BOARD

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### **Further Announcement and Issue of H Share Rights Issue Prospectus in relation to the Rights Issue**

Prior to the commencement of the H Share Rights Issue, the Company will make a further announcement and issue the H Share Rights Issue Prospectus, which will contain all relevant details of the Rights Issue, including the definitive basis on which the Rights Shares are to be offered, the maximum number of Rights Shares to be issued, the Subscription Price, the period of closure of the register of members and the Share Registration Date, trading arrangements of the H Rights Shares, the arrangements for excess H Rights Shares, the underwriting arrangements and the expected timetable of the Rights Issue.

### **Shareholding Structure of the Company**

The following tables set out the Company's current shareholding structure and its possible shareholding structures upon completion of the Rights Issue, assuming the Rights Issue is conducted on the basis of two (2) Rights Shares for every ten (10) existing Shares and no change in the issued Share capital of the Company between the Latest Practicable Date and the Share Registration Date, and assuming:

- (i) full subscription for the Rights Shares;
- (ii) full subscription by all Qualified H Shareholders and 70% subscription in the A Share Rights Issue;
- (iii) full subscription by all Qualified H Shareholders and less than 70% subscription in the A Share Rights Issue;
- (iv) no subscription by all Qualified H Shareholders and full subscription in the A Share Rights Issue;
- (v) no subscription by all Qualified H Shareholders and 70% subscription in the A Share Rights Issue; and

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## LETTER FROM THE BOARD

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(vi) no subscription by all Qualified H Shareholders and less than 70% subscription in the A Share Rights Issue.:

Table under assumption (i):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming full subscription for the Rights Shares	
	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>
<b>Core Connected Persons</b>	1,395,728,424	39	1,674,874,107	39
– Xinjiang Wind Power Co., Ltd. <i>(Note 1, Note 3)</i>	488,696,502	13.74	586,435,802	13.74
– China Three Gorges New Energy Co., Ltd. <i>(Note 1, Note 3)</i>	373,957,073	10.52	448,748,487	10.52
– Anbang Insurance Group Co., Ltd. <i>(Note 2, Note 3)</i>	22,247,680	0.63	26,697,216	0.63
– Anbang Life Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	278,904,260	7.84	334,685,112	7.84
– Hexie Health Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	147,222,544	4.14	176,667,052	4.14
– Anbang Annuity Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	31,109,165	0.87	37,330,998	0.87
– Anbang Asset Management (Hong Kong) Co. Limited <i>(Note 2, Note 4)</i>	53,591,200	1.51	64,309,440	1.51
<b>Public A Shareholders</b>	1,564,005,236	43.98	1,876,806,283	43.98
<b>Public H Shareholders</b>	596,469,640	16.77	715,763,568	16.77
<b>Total</b>	3,556,203,300	100.00	4,267,443,958	100.00

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## LETTER FROM THE BOARD

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Table under assumption (ii):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming full subscription by all Qualified H Shareholders and 70% subscription in the A Share Rights Issue	
	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>
<b>Core Connected Persons</b>	1,395,728,424	39	1,674,874,107	41
– Xinjiang Wind Power Co., Ltd. <i>(Note 1, Note 3)</i>	488,696,502	13.74	586,435,802	14.33
– China Three Gorges New Energy Co., Ltd. <i>(Note 1, Note 3)</i>	373,957,073	10.52	448,748,487	10.96
– Anbang Insurance Group Co., Ltd. <i>(Note 2, Note 3)</i>	22,247,680	0.63	26,697,216	0.65
– Anbang Life Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	278,904,260	7.84	334,685,112	8.18
– Hexie Health Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	147,222,544	4.14	176,667,052	4.32
– Anbang Annuity Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	31,109,165	0.87	37,330,998	0.91
– Anbang Asset Management (Hong Kong) Co. Limited <i>(Note 2, Note 4)</i>	53,591,200	1.51	64,309,440	1.57
<b>Public A Shareholders</b>	1,564,005,236	43.98	1,702,437,738	41.59
<b>Public H Shareholders</b>	596,469,640	16.77	715,763,568	17.49
<b>Total</b>	3,556,203,300	100.00	4,093,075,413	100.00

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## LETTER FROM THE BOARD

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Table under assumption (iii):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming full subscription by all Qualified H Shareholders and less than 70% subscription in the A Share Rights Issue	
	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>
<b>Core Connected Persons</b>	1,395,728,424	39	1,406,446,664	38
– Xinjiang Wind Power Co., Ltd. <i>(Note 1, Note 3)</i>	488,696,502	13.74	488,696,502	13.26
– China Three Gorges New Energy Co., Ltd. <i>(Note 1, Note 3)</i>	373,957,073	10.52	373,957,073	10.15
– Anbang Insurance Group Co., Ltd. <i>(Note 2, Note 3)</i>	22,247,680	0.63	22,247,680	0.60
– Anbang Life Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	278,904,260	7.84	278,904,260	7.57
– Hexie Health Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	147,222,544	4.14	147,222,544	3.99
– Anbang Annuity Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	31,109,165	0.87	31,109,165	0.84
– Anbang Asset Management (Hong Kong) Co. Limited <i>(Note 2, Note 4)</i>	53,591,200	1.51	64,309,440	1.74
<b>Public A Shareholders</b>	1,564,005,236	43.98	1,564,005,236	42.43
<b>Public H Shareholders</b>	596,469,640	16.77	715,763,568	19.42
<b>Total</b>	3,556,203,300	100.00	3,686,215,468	100.00

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## LETTER FROM THE BOARD

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Table under assumption (iv):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming no subscription by all Qualified H Shareholders and full subscription in the A Share Rights Issue	
	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>
<b>Core Connected Persons</b>	1,395,728,424	39	1,664,155,867	39
– Xinjiang Wind Power Co., Ltd. <i>(Note 1, Note 3)</i>	488,696,502	13.74	586,435,802	13.74
– China Three Gorges New Energy Co., Ltd. <i>(Note 1, Note 3)</i>	373,957,073	10.52	448,748,487	10.52
– Anbang Insurance Group Co., Ltd. <i>(Note 2, Note 3)</i>	22,247,680	0.63	26,697,216	0.63
– Anbang Life Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	278,904,260	7.84	334,685,112	7.84
– Hexie Health Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	147,222,544	4.14	176,667,052	4.14
– Anbang Annuity Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	31,109,165	0.87	37,330,998	0.87
– Anbang Asset Management (Hong Kong) Co. Limited <i>(Note 2, Note 4)</i>	53,591,200	1.51	53,591,200	1.26
<b>Public A Shareholders</b>	1,564,005,236	43.98	1,876,806,283	43.98
<b>Public H Shareholders</b>	596,469,640	16.77	596,469,640	13.98
<b>Underwriters</b>	0	0	130,012,168	3.05
<b>Total</b>	3,556,203,300	100.00	4,267,443,958	100.00



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## LETTER FROM THE BOARD

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Table under assumption (v):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming no subscription by all Qualified H Shareholders and 70% subscription in the A Share Rights Issue	
	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>	<i>Number of Shares</i>	<i>Approximate % of total share capital</i>
<b>Core Connected Persons</b>	1,395,728,424	39	1,664,155,867	41
– Xinjiang Wind Power Co., Ltd. <i>(Note 1, Note 3)</i>	488,696,502	13.74	586,435,802	14.33
– China Three Gorges New Energy Co., Ltd. <i>(Note 1, Note 3)</i>	373,957,073	10.52	448,748,487	10.96
– Anbang Insurance Group Co., Ltd. <i>(Note 2, Note 3)</i>	22,247,680	0.63	26,697,216	0.65
– Anbang Life Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	278,904,260	7.84	334,685,112	8.18
– Hexie Health Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	147,222,544	4.14	176,667,052	4.32
– Anbang Annuity Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	31,109,165	0.87	37,330,998	0.91
– Anbang Asset Management (Hong Kong) Co. Limited <i>(Note 2, Note 4)</i>	53,591,200	1.51	53,591,200	1.31
<b>Public A Shareholders</b>	1,564,005,236	43.98	1,702,437,738	41.59
<b>Public H Shareholders</b>	596,469,640	16.77	596,469,640	14.57
<b>Underwriters</b>	0	0	130,012,168	3.18
<b>Total</b>	3,556,203,300	100.00	4,093,075,413	100.00

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## LETTER FROM THE BOARD

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Table under assumption (vi):

Shareholders	As at the Latest Practicable Date		Immediately after completion of the Rights Issue assuming no subscription by all Qualified H Shareholders and less than 70% subscription in the A Share Rights Issue	
	Number of Shares	Approximate % of total share capital	Number of Shares	Approximate % of total share capital
<b>Core Connected Persons</b>	1,395,728,424	39	1,395,728,424	38
– Xinjiang Wind Power Co., Ltd. <i>(Note 1, Note 3)</i>	488,696,502	13.74	488,696,502	13.26
– China Three Gorges New Energy Co., Ltd. <i>(Note 1, Note 3)</i>	373,957,073	10.52	373,957,073	10.15
– Anbang Insurance Group Co., Ltd. <i>(Note 2, Note 3)</i>	22,247,680	0.63	22,247,680	0.60
– Anbang Life Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	278,904,260	7.84	278,904,260	7.57
– Hexie Health Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	147,222,544	4.14	147,222,544	3.99
– Anbang Annuity Insurance Co., Ltd. <i>(Note 2, Note 3)</i>	31,109,165	0.87	31,109,165	0.84
– Anbang Asset Management (Hong Kong) Co. Limited <i>(Note 2, Note 4)</i>	53,591,200	1.51	53,591,200	1.45
<b>Public A Shareholders</b>	1,564,005,236	43.98	1,564,005,236	42.43
<b>Public H Shareholders</b>	596,469,640	16.77	596,469,640	16.18
<b>Underwriters</b>	0	0	130,012,168	3.53
<b>Total</b>	3,556,203,300	100.00	3,686,215,468	100.00

Notes:

- Xinjiang Wind Power Co., Ltd. and China Three Gorges New Energy Co., Ltd. are considered a group of Core Connected Persons of the Company.
- Anbang Insurance Group Co., Ltd., Anbang Life Insurance Co., Ltd., Hexie Health Insurance Co., Ltd., Anbang Annuity Insurance Co., Ltd., and Anbang Asset Management (Hong Kong) Co. Limited are considered a group of Core Connected Persons of the Company.

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## LETTER FROM THE BOARD

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3. As at the Latest Practicable Date, all Shares held by Xinjiang Wind Power Co., Ltd., China Three Gorges New Energy Co., Ltd., Anbang Insurance Group Co., Ltd., Anbang Life Insurance Co., Ltd., Hexie Health Insurance Co., Ltd., and Anbang Annuity Insurance Co., Ltd. in the Company are A Shares.
4. As at the Latest Practicable Date, all Shares held by Anbang Asset Management (Hong Kong) Co. Limited in the Company are H Shares.

As of the Latest Practicable Date, the public shareholding of the Company was approximately 60.75% (approximately 16.77% of the total issued shares was held by public H Shareholders and approximately 43.98% of the total issued shares was held by public A Shareholders). Upon completion of the Rights Issue, the Company will continue to comply with the minimum public float requirement as set out under Rule 8.08(1) of the Hong Kong Listing Rules.

As at the Latest Practicable Date, the Company has no outstanding options, convertible securities or warrants which confer the right to subscribe for the new Shares.

### **3. AUTHORISATION FOR THE RIGHTS ISSUE OF A SHARES AND H SHARES**

The Board proposes to request the 2017 Annual General Meeting and the 2018 First H Shares Class Meeting to authorize the Board to further authorize the chairman of the Board to take full charge of the matters relating to the Rights Issue, including but not limited to:

- (1) To engage an intermediary such as a sponsor (lead underwriter) and provide the same with relevant information, and to sign, amend, supplement and perform any agreement or instrument related to the Rights Issue, including, but not limited to, any intermediary, underwriting, or sponsor agreement, or any material contract or filing in relation to the use of proceeds;
- (2) To implement a specific plan for the Rights Issue covering all aspects relating to issuance, including the Rights Issue period, ratio, quantity and pricing, starting and ending dates, and actual size of proceeds, be formulated and implemented pursuant to relevant general meeting resolutions and with reference to actual circumstances, to such extent as the relevant laws, regulations and rules would allow;
- (3) To make any necessary adjustments to the Rights Issue, including, but not limited to, changing the projects in which the proceeds from the Rights Issue are to be used, the amount of proceeds to be invested therein and the schedule thereof, or changing the Rights Issue ratio, quantity and pricing, according to any forthcoming requirements, guidelines or policies implemented by the state or a securities regulator, market conditions or any actual need of the Company and continue the issuance in the best interest of the Company and for the

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## LETTER FROM THE BOARD

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purpose of the Rights Issue, to the extent not required to be considered at a general meeting pursuant to the relevant laws, regulations or rules or the Articles of Association of the Company;

- (4) To make, amend, or submit any filing in relation to the Rights Issue as a securities regulator may require;
- (5) To open a dedicated account for the proceeds from the Rights Issue;
- (6) To amend the Articles of Association of the Company regarding registered capital and outstanding shares, arrange for capital verification, modify the business registration of the Company and make relevant filings accordingly following the Rights Issue;
- (7) To register the shares having been issued in the Rights Issue and arrange for listing on the Shenzhen Stock Exchange and the Hong Kong Stock Exchange;
- (8) To repay any subscriber an amount equivalent to the issuing price together with any bank interest accrued thereon in the event of a failed Rights Issue due to the controlling shareholder's failure to subscribe the shares allotted thereto as agreed or the shares subscribed by existing shareholders at the end of the Rights Issue period representing less than 70% of the A Shares to be allotted;
- (9) To make a budget plan in relation to the Rights Issue;
- (10) To make any other arrangements in relation to the Rights Issue;
- (11) The authorizations under Items 6, 7, and 8 above will take effect from the date of their adoption by the General Meetings and continue during the existence of the relevant matters, and the other authorizations will be effective for 12 months from the date of their adoption by the General Meetings.

#### **4. SATISFACTION OF CONDITIONS FOR PUBLIC ISSUE OF SECURITIES THROUGH THE RIGHTS ISSUE**

A special resolution will be proposed at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting to approve the Company's satisfaction of conditions for public issue of securities through the Rights Issue. Please refer to details in Appendix I to this circular.

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## **LETTER FROM THE BOARD**

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**5. FEASIBILITY ANALYSIS REPORT WITH RESPECT TO THE TARGET PROJECTS FOR INVESTMENT WITH THE PROCEEDS FROM THE COMPANY'S RIGHTS ISSUE IN 2018**

A special resolution will be proposed at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting to approve the feasibility analysis report with respect to the target projects for investment with the proceeds from the Company's Rights Issue in 2018. Please refer to details in Appendix II to this circular.

**6. REPORT ON THE USE OF PREVIOUS PROCEEDS**

A special resolution will be proposed at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting to approve the report on the use of previous proceeds. Please refer to details in Appendix III to this circular.

**7. PROPOSAL ON REMINDER OF THE RISK OF DILUTION OF IMMEDIATE RETURNS BY RIGHTS ISSUE TO EXISTING SHAREHOLDERS, REMEDIAL MEASURES AND THE RELEVANT PARTIES' UNDERTAKING**

A special resolution will be proposed at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting to approve the proposal on reminder of the risk of dilution of immediate returns by Rights Issue to existing shareholders, remedial measures and the relevant parties' undertaking. Please refer to details in Appendix IV to this circular.

**8. PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Reference is made to the announcement of the Company dated 23 March 2018 regarding the proposed amendments to the Articles of Association of the Company.

The Board proposed to amend to the Articles of Association. Details of the proposed amendments are as follows:

**(1) Article 8.41:**

When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights according to the number of shares with voting rights represented by them. Each share shall carry one voting right.

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## LETTER FROM THE BOARD

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Shares of the Company held by the Company do not have voting rights, and such portion of shares shall not be calculated into the total number of shares with voting rights represented at the shareholders' general meeting.

**is proposed to be amended to:**

When shareholders (including proxies) vote at a shareholders' general meeting, they shall exercise their voting rights according to the number of shares with voting rights represented by them. Each share shall carry one voting right.

Shares of the Company held by the Company do not have voting rights, and such portion of shares shall not be calculated into the total number of shares with voting rights represented at the shareholders' general meeting.

**Voting for medium and small investors shall be separately counted for major events of deliberation of shareholders' meeting affecting profits of medium and small investors. The results of separate counting shall be public disclosure in time.**

**The board of directors, independent directors and shareholders satisfying related specified conditions can collect voting right of shareholders publicly. Information of specific voting intention shall be fully disclosed to the collected for collection of voting rights from shareholders. It's forbidden to collect voting rights of shareholders in way of compensation or disguised compensation. The company cannot propose minimum free space of shareholding percentage to collection of voting rights.**

**(2) Article 8.45:**

The list of candidates for Directors and Supervisors shall be proposed to the shareholders' general meetings for deliberation. The Board shall announce to the shareholders the curriculum vitae ("CV") and basic information of candidates for Directors and Supervisors.

- (1) Candidates for Directors and Supervisors that are not employee representatives of the Company can be nominated by the Board and the Supervisory Committee, respectively;

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## LETTER FROM THE BOARD

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- (2) Shareholders that individually or jointly hold more than 3% of shares shall have the right to nominate candidates for directors and supervisors that are not employee representatives. Written notice concerning the shareholders' proposed nominations of candidates for Directors and Supervisors as described above shall be sent to the Board as a single motion no later than 7 days prior to the shareholders' general meeting is convened, together with the detailed information of the candidates for Directors and Supervisors as required under Article 8.19 of these Articles. The total number of candidates for Directors and Supervisors nominated by each shareholder shall be no more than the total number of vacancies of Directors and Supervisors. The Board shall verify the relevant information of candidates under the provisions of Article 8.19 of these Articles within 2 days after receiving such nominations submitted by the shareholders as described above in accordance with the provisions. For the nominations of qualified candidates for Directors and Supervisors, the Board shall submit as a provisional motion to the shareholders' general meeting and publish a timely announcement or supplementary circular; for the nominations of unqualified candidates for Directors and Supervisors, the Board shall provide a timely explanation to the nominator; The Board shall evaluate whether it is necessary to postpone the shareholders' general meeting at which the nominated director candidates as described above shall be elected, in order to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or the supplementary circular.
- (3) Supervisors that are employee representatives shall be democratically elected through the association of employee representatives of the Company;
- (4) The cumulative voting system shall be used for the election of Directors and Supervisors at the shareholders' general meeting.

The term "cumulative voting system" used in the previous provision refers to during the election of Directors and Supervisors at the shareholders' general meeting, voting rights of each share shall be the same as the number of candidates for Directors or Supervisors. Shareholders with voting rights may cast all votes to one candidate.

**is proposed to be amended to:**

The list of candidates for Directors and Supervisors shall be proposed to the shareholders' general meetings for deliberation. The Board shall announce to the shareholders the curriculum vitae ("CV") and basic information of candidates for Directors and Supervisors.

- (1) Candidates for Directors and Supervisors that are not employee representatives of the Company can be nominated by the Board and the Supervisory Committee, respectively;

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## LETTER FROM THE BOARD

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- (2) Shareholders that individually or jointly hold more than 3% of shares shall have the right to nominate candidates for directors and supervisors that are not employee representatives. Written notice concerning the shareholders' proposed nominations of candidates for Directors and Supervisors as described above shall be sent to the Board as a single motion no later than 7 days prior to the shareholders' general meeting is convened, together with the detailed information of the candidates for Directors and Supervisors as required under Article 8.19 of these Articles. The total number of candidates for Directors and Supervisors nominated by each shareholder shall be no more than the total number of vacancies of Directors and Supervisors. The Board shall verify the relevant information of candidates under the provisions of Article 8.19 of these Articles within 2 days after receiving such nominations submitted by the shareholders as described above in accordance with the provisions. For the nominations of qualified candidates for Directors and Supervisors, the Board shall submit as a provisional motion to the shareholders' general meeting and publish a timely announcement or supplementary circular; for the nominations of unqualified candidates for Directors and Supervisors, the Board shall provide a timely explanation to the nominator; The Board shall evaluate whether it is necessary to postpone the shareholders' general meeting at which the nominated director candidates as described above shall be elected, in order to give shareholders at least 10 business days to consider the relevant information disclosed in the announcement or the supplementary circular.
- (3) Supervisors that are employee representatives shall be democratically elected through the association of employee representatives of the Company;
- (4) The cumulative voting system shall be used for the election of two or more Directors and Supervisors at the shareholders' general meeting.**

The term "cumulative voting system" used in the previous provision refers to during the election of Directors and Supervisors at the shareholders' general meeting, voting rights of each share shall be the same as the number of candidates for Directors or Supervisors. Shareholders with voting rights may cast all votes to one candidate.

**Shareholders' meeting shall abide by the following rules when electing directors and supervisors by cumulative voting:**

- (I) The number of director or supervisor candidates can be larger than the number to be elected in shareholders' meeting, but the candidate number voted by each shareholder cannot exceed the number of director or supervisor to be elected in shareholders' meeting. The summation of allocated votes cannot exceed vote owned by shareholders; otherwise, the vote shall be cancelled;**



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## LETTER FROM THE BOARD

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- (II) Separate voting shall be implemented for independent directors and non-independent directors. When electing independent directors, the vote that every shareholder has the right to obtain shall equal to product of stock number held by themselves multiplying the number of independent directors to be elected, which can be only voted to candidates of independent directors of the company. When electing non-independent directors, the vote that every shareholder has the right to obtain shall equal to product of stock number held by themselves multiplying the number of non-independent directors to be elected, which can be only voted to candidates of non-independent directors of the company.
- (III) The final elect shall be determined on votes of director or supervisor candidates, but the least votes of each elect must exceed half of sum of shares held by shareholders attending shareholders' meeting (including shareholder agents). Where the elected directors or supervisors are less than the number of directors or supervisors that shareholders' meeting plans to elect, additional voting shall be taken for all director and supervisor candidates with insufficient votes on gaps; if it remains insufficient, by-election shall be taken on the next shareholders' meeting of the company. If more than two director or supervisor candidates get same votes but only part of them can be elected due to limit of planned number, separate vote and election needs taking again for the director and supervisor candidates with same votes.

### 9. APPLICATION FOR THE WHOLLY-OWNED SUBSIDIARY, GOLDWIND NEW ENERGY (HK) INVESTMENT LIMITED TO ISSUE OVERSEAS PERPETUAL BONDS AND THE PROVISION OF GUARANTEE BY THE COMPANY

Reference is made to the announcement of the Company dated 23 March 2018 regarding the proposed application for the wholly-owned subsidiary, Goldwind New Energy (HK) Investment Limited, to issue overseas perpetual bonds and the provision of guarantee by the Company.

In order to further optimize the financial structure, reduce asset-liability ratio and meet the needs for operation and growth, the Board proposes to request the Shareholders at the 2017 Annual General Meeting to consider and approve the application. Details of the application are as follows:

- (1) **Issue plan for the Current Overseas Perpetual Bonds:**
- i. Issuer: Goldwind New Energy (HK) Investment Limited;
  - ii. Issue Size: the current overseas perpetual bonds to be issued shall not exceed the equivalent of 700 million US Dollars. The final amount of issuance shall be subject to the amount filed and recorded with the National Development and Reform Commission;

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## LETTER FROM THE BOARD

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- iii. Currency: it shall be determined according to the market situation, the fund needs of the Company and the regulatory requirements;
  - iv. Issue method: the issuance may be made once for all or by installment, subject to the market situation, the fund needs of the Company and the regulatory requirements;
  - v. Term: the term of the current overseas perpetual bonds to be issued shall be 3+N years (or 5+N years). There shall be no specific maturity limitations. At the end of the third year (or at the end of the fifth year) after the bonds have been issued, the Company shall have the right to redeem such bonds;
  - vi. Issue interest rate: the interest rate with respect to the current issuance of the overseas perpetual bonds to be issued shall be determined according to the market situation;
  - vii. Use of Proceeds: the fund so raised shall be applied towards paying off the existing debts so as to optimize the debt structure, project investment and as general operational capital;
  - viii. Place to list: The Stock Exchange of Hong Kong Limited or other overseas exchanges;
  - ix. Guarantor: Xinjiang Goldwind Science & Technology Co., Ltd. The Company shall provide an unconditional and irrevocable guarantee for the full payment obligations of the issuer under the overseas bonds, and the guarantee shall have the same term as the bond.
- (2) **Proposal to the Shareholders at the 2017 Annual General Meeting to authorize the Board, and the Board to further authorize the chairman of the Board, Mr. Wu Gang, to complete the relevant matters with respect to the issuance of the Current Overseas Perpetual Bonds, including but not limited:**
- i. to determine the specific plan, specific terms and conditions and relevant matters with respect to the current issuance of the overseas perpetual bonds according to the requirements of the Company and the market conditions, including but not limited to the specific date, amount, interest rate and the specific application of the fund so raised with respect to such issuance;
  - ii. to make corresponding adjustments with respect to the specific plan of the current issuance according to regulatory opinions when any changes occur to regulatory policies and market conditions, except such matters involving laws, rules and regulations or those having to be voted again at the general meeting of the Company;

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## LETTER FROM THE BOARD

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- iii. to execute all legal documents necessary for the current issuance of the overseas perpetual bonds and authorize any other person of the Company to execute any necessary legal documents and all transaction documents related to the issuance of the overseas bonds, including but not limited to the underwriting agreement, intermediary authorization agreement, subscription agreement, deed of trust, guarantee agreement and other supporting documents related to the issuance of bonds overseas as well as the disclosure document of relevant information according to applicable regulatory rules.
- iv. to decide to engage any intermediaries required for the issuance of the overseas perpetual bonds;
- v. to decide on any other matters related to overseas perpetual bonds issuance.

### **(3) Consideration and Decision-Making Procedures**

Issue Plan for the Current Overseas Perpetual Bonds had been considered and approved by the Board meeting of the Company dated 23 March 2018 and is subject to the approval by the Shareholders at the 2017 Annual General Meeting.

### **10. PROPOSAL ON SHAREHOLDERS' RETURN PLAN FOR THE THREE YEARS OF 2018-2020**

Reference is made to the announcement of the Company dated 23 March 2018 regarding the proposal on Shareholders' return plan for the three years of 2018-2020 (the "**Plan**").

The Board proposes to request the Shareholders at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting to consider and approve the proposed Plan. Details of the proposed Plan are as follows:

#### **(1) Principles of the Plan**

The Plan was formulated in accordance with relevant laws, regulations and provisions regarding profit distribution in the Articles of Association. This Plan places great importance on a fair return on shareholders' investment, as well as taking into consideration the sustainable development of the Company and the continuity and stability of the profit distribution policy of the Company.

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## LETTER FROM THE BOARD

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### **(2) Factors Considered in Formulating the Plan**

The Plan aims to establish a sustainable and stable system of investment return to the shareholders after having taken full considerations of factors including the Company's current and future profitability, cash flow, current development stage, funding requirements of project investment, bank credit, debt financing conditions, the Company's operations and development, cost of social funds and financing market environment.

### **(3) Shareholders' Return Plan For The Three Years of 2018 to 2020**

Over the three years of 2018 to 2020, the Company shall distribute dividends in cash, shares or a combination of cash and shares. And the Company shall take cash distribution as a preferable way of profit distribution.

Conditional upon the Company being profitable and cash flow being able to satisfy the continuing operation and sustainable development of the Company, the Company shall actively distribute cash dividends and value the importance of shareholders return.

Over the three years of 2018 to 2020, when proposing distribution of dividends, the Board shall take into account, the features of the industries where the Company operates, its development stage, business model, profit level and whether it has any significant capital expenditure plans and formulate profits distribution proposals in accordance with the provisions set out below and procedures provided in the Articles of Association:

- i. if the Company is at the mature stage of development and has no significant capital expenditure plan, the proportion of cash dividends shall be at least 80% in the profit distribution;
- ii. if the Company is at the mature stage of development and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 40% in the profit distribution; and
- iii. if the Company is at the growing stage and has a significant capital expenditure plan, the proportion of cash dividends shall be at least 30% in the profit distribution. If it is difficult to determine the Company's stage of development.

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## LETTER FROM THE BOARD

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### **11. THE 2017 ANNUAL GENERAL MEETING AND THE 2018 FIRST H SHAREHOLDERS CLASS MEETING**

The notices convening the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting to be held at Conference Room, No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC at 1:30 p.m. on Tuesday, 12 June 2018 are set out in this circular.

In order to determine the Shareholders of the H Shares who are entitled to attend the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting, the share registrar for H Shares will be closed from Saturday, 12 May 2018 to Tuesday, 12 June 2018, both days inclusive, during which period no transfer of H Shares will be effected. The holders of H Shares who intend to attend the 2017 Annual General Meeting and/or the 2018 First H Shareholders Class Meeting, must deposit transfer documents together with the relevant share certificates no later than 4:30 p.m. on Friday, 11 May 2018, with the share registrar for H Shares, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

In order to determine the Shareholders of the H Shares who are entitled to receive the 2017 cash dividends, the share registrar for H Shares will be closed from Monday, 18 June 2018 to Sunday, 24 June 2018, both days inclusive, during which period no transfer of H Shares will be effected. The holders of H Shares who intend to receive the 2017 cash dividends, must deposit transfer documents together with the relevant share certificates no later than 4:30 p.m. on Friday 15 June 2018, with the share registrar for H Shares, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.

Reply slips and proxy forms for use at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting are enclosed and are also published on the website of the Hong Kong Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)). The holders of H Shares who intend to attend the 2017 Annual General Meeting and/or the 2018 First H Shareholders Class Meeting by proxy should complete and return the enclosed proxy form(s) to Computershare Hong Kong Investor Services Limited by not less than 24 hours before the time fixed for holding the 2017 Annual General Meeting and/or the 2018 First H Shareholders Class Meeting. Completion and return of the proxy form(s) will not preclude Shareholders from attending the 2017 Annual General Meeting and/or the 2018 First H Shareholders Class Meeting and voting in person if you so wish. Holders of H Shares who intend to attend the meeting in person or by proxy should complete and return the reply slip on or before Tuesday, 22 May 2018 to the Company (at No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC). This reply slip may be delivered by hand, post or fax (fax No. +86 10-67511985).

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## LETTER FROM THE BOARD

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### **12. VOTING METHOD AT THE 2017 ANNUAL GENERAL MEETING AND THE 2018 FIRST H SHAREHOLDERS CLASS MEETING**

For holders of H Shares, resolutions at the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting will be taken by way of registered poll.

### **RECOMMENDATION**

The Board considers that the proposals mentioned above are in the interests of the Company and all the Shareholders. Accordingly, the Board recommends that Shareholders to vote in favour of the relevant resolutions on the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting.

Yours faithfully,

By order of the Board

**Xinjiang Goldwind Science & Technology Co., Ltd**

**Ma Jinru**

*Company Secretary*

26 April 2018

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## NOTICE OF THE 2017 ANNUAL GENERAL MEETING

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**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**

### NOTICE OF 2017 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** by the Xinjiang Goldwind Science & Technology Co., Ltd (“**the Company**”) that the 2017 Annual General Meeting will be convened at Conference Room, No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC at 1:30 p.m. on Tuesday, 12 June 2018, to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, the capitalised terms used in this notice shall have the same meaning as those defined in the circular of the Company regarding the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting dated 12 June 2018.

#### **AS SPECIAL RESOLUTIONS:**

1. To consider and approve the proposal on the amendment of the Company’s Articles of Association;
2. To consider and approve the proposal on the Company’s satisfaction of conditions for public issue of securities through the Rights Issue;
3. To consider and approve the proposal on the Company’s 2018 plan for public issue of securities through the Rights Issue;
  - 3.1 Type and nominal value of Rights Shares;
  - 3.2 Method of Rights Issue;
  - 3.3 Basis, proportion and number of Shares to be issued;
  - 3.4 Subscription Price and the basis for price determination;
  - 3.5 Target subscribers;

\* *For identification purpose only*

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## NOTICE OF THE 2017 ANNUAL GENERAL MEETING

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- 3.6 Distribution plan for the accumulated undistributed profits of the Company prior to the Rights Issue;
  - 3.7 Issue period;
  - 3.8 Underwriting arrangement;
  - 3.9 Use of Proceeds;
  - 3.10 Effective period of the resolution; and
  - 3.11 Listing of Rights Shares
4. To consider and approve the proposal on the feasibility analysis report with respect to the target projects for investment with the proceeds from the Company's Rights Issue in 2018 ;
  5. To consider and approve the report on the use of previous proceeds ;
  6. To consider and approve the proposal on reminder of the risk of dilution of immediate returns by Rights Issue to existing shareholders, remedial measures and the relevant parties' undertaking ;
  7. To consider and approve the authorizations for the Rights Issue of A Shares and H Shares; and
  8. To consider and approve the application for the wholly-owned subsidiary, Goldwind New Energy (HK) Investment Limited to issue overseas perpetual bonds and the provision of guarantee by the Company.

### AS ORDINARY RESOLUTIONS:

1. To consider and approve the following continuing connected transactions according to the requirements under The Rules Governing Listing of Stocks on Shenzhen Stock Exchange and the respective annual caps for the year of 2018 (please refer to Appendix for details), specific content as follows:
  - 1.1 Continuing connected transactions with Xinjiang Wind Power Co., Ltd. and the relevant estimated annual cap for 2018;



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## NOTICE OF THE 2017 ANNUAL GENERAL MEETING

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- 1.2 Continuing connected transactions with China Three Gorges New Energy Co., Ltd. and the relevant estimated annual cap for 2018;and
- 1.3 Continuing connected transactions with Xinjiang New Energy (Group) Co., Ltd. and the relevant estimated annual cap for 2018.
2. To consider and approve the report of the board of directors of the Company (the “**Board**”) for the year of 2017;
3. To consider and approve the report of the supervisory committee of the Company (the “**Supervisory Committee**”) for the year of 2017;
4. To consider and approve the report of the auditors for the year ended 31 December 2017;
5. To consider and approve the dividend distribution plan for the year ended 31 December 2017;
6. To consider and approve the annual report of the Company for the year of 2017;
7. To consider and approve the proposed applications to banks by the Company for credit facilities with an aggregate principal amount of not more than RMB160 billion for the period from the date of passing of this resolution until the day of the annual general meeting of the Company held in the year of 2019, and authorize the legal representative of the authorized agent appointed by the legal representative to sign any documents and do any acts for and on behalf of the Company necessary in relation thereto;
8. To consider and approve the provision by the Company for the benefit of its subsidiaries and certain associates of guarantees with a total amount of not more than RMB10 billion and a period from the date of passing of this resolution until the day of the annual general meeting of the Company held in the year of 2019;
9. To consider and approve the proposed provision of new guarantees by the Company for its wholly-owned subsidiaries and controlling subsidiaries with a total amount of not more than RMB7 billion during the period from the date of passing of this resolution until the day of annual general meeting of the Company to be held in the year of 2019, and authorize the chairman of the Board, Mr. Wu Gang, to sign any agreements and/or documents on behalf of the Company necessary in relation thereto;

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## NOTICE OF THE 2017 ANNUAL GENERAL MEETING

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10. To consider and approve the proposed operation of foreign exchange hedging business with a total amount of not more than USD1.6 billion during the period from the date of passing this resolution until the day of annual general meeting of the Company to be held in the year of 2019, and authorize the chairman of the Board, Mr. Wu Gang, to approve routine foreign exchange hedging business plans and sign any agreements and/or documents on behalf of the Company necessary in relation thereto;
11. To consider and approve the appointment of Ernst & Young Hua Ming LLP as the PRC auditor of the Company and Ernst & Young as the international auditor of the Company to hold office for one year, and authorize the Board to determine their remunerations, respectively; and
12. To consider and approve the Proposal on Shareholders' Return Plan for the Three Years of 2018-2020.

Yours faithfully,

By order of the Board

**Xinjiang Goldwind Science & Technology Co., Ltd**

**Ma Jinru**

*Company Secretary*

26 April 2018

*As at the date of this notice, the executive directors of the Company are Mr. Wu Gang, Mr. Wang Haibo, Mr. Cao Zhigang; the non-executive directors of the Company are Mr. Zhao Guoqing, Mr. Feng Wei and Mr. Gao Jianjun; and the independent non-executive directors of the Company are Mr. Yang Xiaosheng, Mr. Luo Zhenbang and Dr. Tin Yau Kelvin Wong.*

*Notes:*

1. Each shareholder entitled to attend and vote at the AGM shall have the right to appoint one or more proxies to attend and vote on his/her/its behalf at the AGM. A proxy needs not be a shareholder or member of the Company. A proxy of a shareholder may vote on a poll. The shareholder shall have one vote for each share that they hold.
2. The register of members of the Company will be closed from Saturday, 12 May 2018 to Tuesday, 12 June 2018 (both days inclusive) for the purpose of determining the shareholders entitled to attend the AGM. During the above mentioned period no share transfer will be registered. Holders of H Shares whose names appear on the register of members of the Company as at the close of business on Friday, 11 May 2018 are entitled to attend the AGM. In order to attend and vote at the AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 May 2018.

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## NOTICE OF THE 2017 ANNUAL GENERAL MEETING

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3. For the purpose of ascertaining shareholders' entitlement to the final dividends (including the cash dividend) for the year ended 31 December 2017, the Company's H Share register of members will be closed from Monday, 18 June 2018 to Sunday, 24 June 2018 (both days inclusive). During the above mentioned period no share transfer will be registered. Holders of H Shares whose names appear on the register of members of the Company as at the close of business on Friday, 15 June 2018 are entitled to the final dividends. In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong no later than 4:30 p.m. on Friday, 15 June 2018.
4. The instruments appointing a proxy must be in writing under the hand of a shareholder or duly authorized in writing by his/her attorney. If the shareholder is a corporation, that instrument must be either under the company seal or under the hand of its director or duly authorized attorney. If that instrument is signed by an attorney of the shareholder, the power of attorney or other authorization documents authorizing that attorney to sign must be notarized.
5. The proxy form together with the power of attorney or other authorization documents (if any) must be deposited at the Company's Office of Secretary of the Board at the address as stated in Note 7 below for holders of the A Shares and at the H Share registrar, Computershare Hong Kong Investor Services Limited, at the address as stated in Note 2 above for holders of the H Shares not less than 24 hours before the time appointed for holding the AGM (i.e. 1:30 p.m.(Hong Kong time) on Monday, 11 June 2018) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting or any adjourned meeting should you so wish.
6. Shareholders who intend to attend the AGM in person or by proxy should return the reply slip to the Company's Office of Secretary of the Board at the address as stated in Note 7 below on or before 5:00 p.m. on Tuesday, 22 May 2018 by hand, by post or by fax.
7. The contact details of the Company's Office of Secretary of the Board are as follows:  
  
No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC  
  
Telephone No. : +86 10-67511996  
  
Facsimile No. : +86 10-67511985
8. The AGM is expected to last for half a day. Shareholders (in person or by proxy) attending the meeting shall be responsible for their own transportation and accommodation expenses.

**1. CONNECTED TRANSACTION OVERVIEW**

In accordance with The Rules Governing Listing of Stocks on the Shenzhen Stock Exchange (“SZSE Listing Rules”) and possible continuing connected transactions between the Company and connected persons in 2018, the thirteenth meeting of the sixth session of the board of the Company considered and approved the Resolution regarding the Estimated Annual Cap for Continuing Connected Transactions (A Share) of Xinjiang Goldwind Science & Technology Co., Ltd. for 2018. Directors Mr. Wu Gang, Mr. Zhao Guoqing and Mr. Gao Jianjun abstained from voting due to his/her connected relations with the relevant companies. This resolution shall be submitted to the AGM for consideration. Material contents of the connected transactions are as follows:

	<i>Unit: RMB million</i>	
	<b>January to September 2017 Actual Figures</b>	<b>2018 Forecast Figures</b>
<b>Continuing Connected Transactions</b>		
<b>Xinjiang Wind Power Co., Ltd.</b>		
Product Sales	0.62	311.32
<b>China Three Gorges New Energy Corporation</b>		
Including: Product Sales	129.02	2,956.62
Purchase of Components	22.64	125.64
Service Provision	0.03	340.00
<b>Xinjiang New Energy (Group) Co., Ltd.</b>		
Product Sales	4.15	1,141.96

**2. CONNECTED PERSONS****2.1 Xinjiang Wind Power Co., Ltd.****(1) Basic Information**

Date of Incorporation: 13 October 2005

Registered Capital: RMB90,000,000

Primary Businesses: wind power generation, solar power generation, goods and technology import and export business, development and sales of computer software, sales of power generation equipment, mineral products, chemical products and development, research and marketing services of new energy technology.

**(2) *Connected Relations to the Company***

It holds 488,696,502 shares of A Shares of the Company, accounting for 13.74% of the total share capital of the Company.

**(3) *Contract Fulfilment Analysis***

The operations of Xinjiang Wind Power Co., Ltd. are normal, financial position is sound, and it possesses the capability to fulfil its contracts.

**2.2 China Three Gorges New Energy Corporation**

**(1) *Basic Information***

Legal Representative: Mr. Fan Jianjun  
Date of Incorporation: 5 September 1985  
Registered Capital: RMB13,051,430,000

Primary Businesses: development and investment of wind and solar power; investment of clean energy, hydro works, hydro power, power generation, water supply, desilting, coastal reclamation, environmental works, agriculture, livestock, and tourism; investment consulting; asset management and investment consulting; manufacturing and sales of mechanical equipment sets and components; domestic hydro works and power generation project and international tendering contracting; technical and information consulting services related to the above areas.

**(2) *Connected Relations to the Company***

It holds 373,957,073 shares of A Shares of the Company, accounting for 10.52% of the total share capital of the Company.

***(3) Contract Fulfilment Analysis***

The operations of China Three Gorges New Energy Corporation are normal, financial position is sound, and it possesses the capability to fulfil its contracts.

**2.3 Xinjiang New Energy (Group) Co., Ltd.*****(1) Basic Information***

Legal Representative: Wu Gang

Registered Capital: RMB1,000,000,000

Business Scope: wind power investment and asset management

***(2) Connected Relations to the Company***

The Chairman of the Board, Mr. Wu Gang, was appointed as the chairman of the board of Xinjiang New Energy (Group) Co., Ltd. in June 2012, and as a result, it is a connected person of the Company in accordance with the SZSE Listing Rules.

***(3) Contract Fulfilment Analysis***

The operations of Xinjiang New Energy (Group) Co., Ltd. are normal, and it possesses the capability to fulfil its contracts.

**3. MATERIAL CONTENTS OF THE CONNECTED TRANSACTIONS****3.1 Pricing Terms and Principles**

Connected transactions between the Company and connected persons will be fairly priced based on the market price. The sale of WTGs by the Company to connected persons will be mainly determined through the public tender bidding process, and the price will be the market price. The price available to connected persons for connected transactions with the Company shall be no more favorable than that available to independent third parties, and there is no harm to the interests of the Company and other shareholders.

**3.2 Contract Information**

The Company entered into framework agreements with the connected persons. In addition, according to future needs of the Company and in line with respective market prices, the Company may enter into other individual contracts with such connected persons and conduct such transactions accordingly.

**4. REASONS FOR THE CONNECTED TRANSACTIONS AND IMPLICATIONS FOR  
THE LISTED COMPANY**

The primary continuing connected transactions between the Company and connected persons are product sales and purchase of components. These are beneficial to the expansion of the Company's sales and purchasing channels. Every transaction abides by the market price principle and there is no harm to the interests of the Company and shareholders as a whole, especially minority shareholders. The Company is not reliant on its connected persons, and such transactions will not affect the independence of the Company.

**5. OPINIONS OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

The independent opinions of the independent non-executive directors of the Company, Mr. Yang Xiaosheng, Mr. Luo Zhenbang, and Dr. Tin Yau Kelvin Wong are as follows:

The transactions between the Company and its connected persons are in the usual and ordinary course of business. Such transactions were open, fair and equal, pricing were fair and reasonable, and there was no harm to the interests of the Company. The continuing connected transactions described above are beneficial to the Company's further consolidating its leading position in the industry and continued development.

The Company's estimated annual cap for transactions with connected persons for the year of 2018 is in line with the current and estimated business needs of the Company, abides by the market price principle, and there is no harm to the interests of the Company and shareholders who are not connected persons, and does not affect the independence of the Company.

Directors that are connected persons have abstained from voting during the board meeting in accordance with relevant regulations. This proposal will also be submitted to the AGM for consideration, and such procedures are compliant with relevant regulations. We vote in favour of this resolution.

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## NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

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**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**

### NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

NOTICE IS HEREBY GIVEN by the Xinjiang Goldwind Science & Technology Co., Ltd (“the Company”) that the 2018 first class meeting for holders of H Shares (the “**2018 First H Shareholders Class Meeting**”) of the Company will be convened on at Conference Room, No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC at 1:30 p.m. on Tuesday, 12 June 2018, to consider and, if thought fit, to pass the following resolutions. Unless otherwise indicated, the capitalized terms used in this notice shall have the same meaning as those defined in the circular regarding the 2017 Annual General Meeting and the 2018 First H Shareholders Class Meeting of the Company dated 12 June 2018.

#### AS SPECIAL RESOLUTIONS:

1. To consider and approve the proposal on the Company’s satisfaction of conditions for public issue of securities through the Rights Issue ;
2. To consider and approve the proposal on the Company’s 2018 plan for public issue of securities through the Rights Issue ;
  - 2.1 Type and nominal value of Rights Shares ;
  - 2.2 Method of Rights Issue;
  - 2.3 Basis, proportion and number of Shares to be issued;
  - 2.4 Subscription Price and the basis for price determination;
  - 2.5 Target subscribers;
  - 2.6 Distribution plan for the accumulated undistributed profits of the Company prior to the Rights Issue;

\* For identification purpose only



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## NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

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- 2.7 Issue period;
  - 2.8 Underwriting arrangement;
  - 2.9 Use of Proceeds;
  - 2.10 Effective period of the resolution; and
  - 2.11 Listing of Rights Shares
- 3. To consider and approve the proposal on the feasibility analysis report with respect to the target projects for investment with the proceeds from the Company's Rights Issue in 2018;
  - 4. To consider and approve the report on the use of previous proceeds;
  - 5. To consider and approve the proposal on reminder of the risk of dilution of immediate returns by Rights Issue to existing shareholders, remedial measures and the relevant parties' undertaking; and
  - 6. To consider and approve the authorizations for the Rights Issue of A Shares and H Shares.

### AS ORDINARY RESOLUTION:

- 1. To consider and approve the Proposal on Shareholders' Return Plan for the Three Years of 2018-2020.

Yours faithfully,  
By order of the Board

**Xinjiang Goldwind Science & Technology Co., Ltd**

**Ma Jinru**  
*Company Secretary*

26 April 2018

*As at the date of this notice, the executive directors of the Company are Mr. Wu Gang, Mr. Wang Haibo, Mr. Cao Zhigang; the non-executive directors of the Company are Mr. Zhao Guoqing, Mr. Feng Wei and Mr. Gao Jianjun; and the independent non-executive directors of the Company are Mr. Yang Xiaosheng, Mr. Luo Zhenbang and Dr. Tin Yau Kelvin Wong.*

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## NOTICE OF THE 2018 FIRST H SHAREHOLDERS CLASS MEETING

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*Notes:*

1. Each shareholder entitled to attend and vote at the 2018 First H Shareholders Class Meeting shall have the right to appoint one or more proxies to attend and vote on his/her/its behalf at the 2018 First H Shareholders Class Meeting. A proxy needs not be a shareholder of the Company. A proxy of a shareholder may vote on a poll. The shareholders shall have one vote for each share that they hold.
2. The register of members of the Company will be closed from Saturday, 12 May 2018 to Tuesday, 12 June 2018 (both days inclusive) for the purpose of determining the shareholders entitled to attend 2018 First H Shareholders Class Meeting. During the above mentioned period, no share transfer will be registered. Holders of H Shares whose names appear on the register of members of the Company as at the close of business on Friday, 11 May 2018 are entitled to attending the 2018 First H Shareholders Class Meeting. In order to attend and vote at the 2018 First H Shareholders Class Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 11 May 2018.
3. The instruments appointing a proxy must be in writing under the hand of a shareholder or duly authorized in writing by his/her attorney. If the shareholder is a corporation, that instrument must be either under the company seal or under the hand of its director or duly authorised attorney. If that instrument is signed by an attorney of the shareholder, the power of attorney or other authorisation documents authorising that attorney to sign must be notarized.
4. The proxy form together with the power of attorney or other authorisation document (if any) must be deposited at the Company's Office of Secretary of the Board at the address as stated in Note 6 below for holders of the A Shares and at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at the address as stated in Note 2 above for holders of the H Shares not less than 24 hours before the time respectively appointed for holding the 2018 First H Shareholders Class Meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meetings (i.e. at 1:30 p.m. Hong Kong time on Tuesday, 12 June 2018) or any adjourned meeting should you so wish.
5. Shareholders who intend to attend the 2018 First H Shareholders Class Meeting in person or by proxy should return the reply slip to the Company's Office of Secretary of the Board at the address as stated in Note 6 below on or before 5:00 p.m. on Tuesday, 22 May 2018 by hand, by post or by fax.
6. The contact details of the Company's Office of Secretary of the Board are as follows:  
  
No.8 Boxing Yi Road, Economic & Technological Development District, Beijing, PRC  
Telephone No. : +86 10-67511996  
Facsimile No. : +86 10-67511985
7. The 2018 First H Shareholders Class Meeting together are expected to last for half a day. Shareholders (in person or by proxy) attending the meeting shall be responsible for their own transportation and accommodation expenses.

**XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.**

To meet its business development and capital requirement and enhance its competitiveness, Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") proposed the rights issue of A shares and H shares to its existing shareholders (the "Rights Issue"). Pursuant to the Company Law of the People's Republic of China (the "Company Law"), the Securities Law of the People's Republic of China (the "Securities Law") and the Administrative Measures for the Issue of Securities by Listed Companies (the "Administrative Measures") and other relevant laws, regulations and normative documents, after careful internal examination of each item, the Board, by reference to the requirements of relevant qualifications and conditions for Rights Issue by listed companies, believes that the Company complies with the provisions and requirements on Rights Issue by listed companies as stipulated in the relevant laws, regulations and normative documents and meets the qualifications and conditions for applying for Rights Issue. The particulars are as follows:

**I. THE COMPANY COMPLIES WITH THE RELEVANT PROVISIONS UNDER THE SECURITIES LAW****(I) The Company's issue of shares through Rights Issue complies with the following requirements as set forth in Article 13 of the Securities Law:**

1. A sound and well-operated organization;
2. A sustainable profit-making ability and a sound financial status;
3. No false statements in its financial and accounting documents for the recent three years, and no other material violations of laws; and
4. Other requirements as prescribed by the securities regulatory authority under the State Council.

**(II) The Company has not failed to correct any unauthorized alteration of the purpose of proceeds, or any such alteration has failed to be approved by the shareholders' general meeting, which complies with Article 15 of the Securities Law.**

**II. THE COMPANY COMPLIES WITH THE RELEVANT PROVISIONS OF THE ADMINISTRATIVE MEASURES****(I) The Company has a sound and well-operated organization, which complies with Article 6 of the Administrative Measures:**

1. Its Articles of Association are lawful and effective, and it has sound systems with respect to shareholders' general meeting, board of directors, board of supervisors and independent directors, who are able to effectively perform their respective duties and functions in accordance with the law;
2. The Company has a sound internal control system, which can effectively ensure the Company's operating efficiency, its compliance with laws and regulations, and the reliability of its financial reports. There are no serious defects with regard to the completeness, reasonableness and validity of the internal control system;
3. The current directors, supervisors and officers are qualified for their posts and can faithfully and diligently perform their duties. None of them has committed any act in violation of Article 147 or Article 148 of the Company Law, or has received any administrative punishment by China Securities Regulatory Commission ("CSRC") within the recent 36 months, or has been publicly condemned by the stock exchange within the recent 12 months;
4. The Company has no actual controller, is separates from its shareholder entities in personnel, assets, financial affairs, organs and business, and can carry out its business operations and management independently;
5. The Company has not provided any illegal guaranty to any others within the recent 12 months.

**(II) The Company has a sustainable profit-making ability, which complies with Article 7 of the Administrative Measures:**

1. The Company has been profitable for the last three fiscal years on a consecutive basis (with the lesser between the net profits after deduction of the nonrecurring profits and losses and the net profits before such deduction being used as the basis of calculation);
2. The Company has relatively stable sources of business and profit and it does not substantially rely on its substantial shareholders;

3. The Company can continue its existing principal business or investment on a sustainable basis. It has a sound business operation model and investment plan, and the market prospects of its main products or services are good. There is no imminent or foreseeable material adverse change in the business operation environment or market demand of the industry;
4. The officers and the core technicians are stable and have seen no material adverse changes in the recent 12 months;
5. The Company's important assets, core technologies or other important interests have been obtained lawfully, and can be continuously utilized, and there is no imminent or foreseeable material adverse change therein;
6. There is no guaranty, lawsuit, arbitration or any other important matter that is likely to seriously affect the continuous business operations of the Company;
7. The Company has not publicly issued any securities within the recent 24 months, there is no such circumstance where the Company's operating profits for the year of issue decrease by 50% or more from the previous year.

**(III) The Company has a good financial status, which complies with Article 8 of the Administrative Measures:**

1. The Company's basic accounting work meets the standard and is in strictly compliance with the unified accounting system of the state;
2. With respect to the financial statements for the recent three years and one period, no certified public accountant has issued an audit report with qualified opinions or negative opinions, or has been unable to give an opinion;
3. The assets are of good quality;
4. The Company's business outcomes are genuine and its cash flows are normal. It has strictly complied with the relevant accounting standards of the state in the recognition of its business incomes, costs and expenses. It has made full and reasonable provisions for asset impairment in the recent three years and has never manipulated its operating results;
5. The profits which it has accumulatively distributed in cash in the recent three years are not less than 30% of the average annual distributable profits realized in the recent three years.

**(IV) The Company has made no false statement in its financial and accounting documents within the recent 36 months and has not committed any of the following serious illegal acts as stipulated in Article 9 of the Administrative Measures:**

1. The Company has received any administrative punishment by CSRC or has been given any criminal punishment due to its violation of any securities law, administrative regulation or rule;
2. The Company has received any administrative punishment, of which the circumstances are serious, or has been given any criminal punishment due to its violation of any industry and commerce, tax, land, environmental protection or customs law, administrative regulation or rule;
3. Acts in violation of other laws or administrative regulations of the state, of which the circumstances are serious.

**(V) The amount and use of the proceeds from the proposed Rights Issue by the Company comply with Article 10 of the Administrative Measures:**

1. The amount of proceeds does not exceed the amount required by the project;
2. The project in which the proceeds will be invested is in line with the industrial policies of the state as well as the laws and administrative regulations on environmental protection and land management;
3. The proceeds from the proposed Rights Issue will not be used for holding transactional financial assets or financial assets available for sale, or for lending to others or entrusted wealth management or other financial investments, and will not be directly or indirectly invested in any company which mainly engages in the buying and selling securities;
4. The Company has no actual controller, the use of proceeds from the proposed Rights Issue and the implementation of the target projects for investment will not result in the Company's competition with its controlling shareholder or the actual controller, or affect the Company's independence in production and business operations;
5. The Company has made rules on the special deposition of proceeds, and proceeds must be deposited in the special account as decided by the Board of the Company.

**(VI) The Company has committed no serious violations of laws and regulations as listed  
Article 11 of the Administrative Measures:**

1. The application documents for the issue contain any false statement, misleading statement or serious omission;
2. The Company has changed the purposes of the proceeds from its previous public issue of securities without authorization, and failed to make a correction;
3. The Company has ever been publicly condemned by the stock exchange within the recent 12 months;
4. The Company and its substantial shareholders have failed to perform their public commitments to investors within the recent 12 months;
5. The Company or any of its current directors and officers has been the subject of any investigation by the judicial authority due to any suspected crime or any investigation by CSRC due to any suspected violation of laws and regulations;
6. Other circumstances where the legitimate rights and interests of investors or public interests are severely impaired.

**(VII) The proposed Rights Issue by the Company complies with Article 12 of the  
Administrative Measures:**

1. The number of shares to be issued by the Company does not exceed 30% of the total shares prior to the Rights Issue;
2. The substantial shareholders of the Company have publicly undertaken to subscribe for the number of shares to be issued to them;
3. The A shares to be issued by the Company this time will be issued on a non-fully-underwritten basis as stipulated in the Securities Law.

In conclusion, the Board believes that, as the Company has a sound and well-operated organization, its profit-making ability is sustainable and its financial status is sound, there is no false statement in the Company's financial and accounting documents, the amount and use of its proceeds comply with the relevant regulations, and it has committed no material violation of laws, the Company complies with the provisions and requirements on Rights Issue by listed companies as stipulated in the relevant laws and, regulations, and it meets the qualifications and conditions for applying for Rights Issue.

The Board  
**Xinjiang Goldwind Science & Technology Co., Ltd.**

23 March 2018



**XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.****I. PLAN FOR THE USE OF PROCEEDS FROM THIS RIGHTS ISSUE**

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

No.	Name of Project	<i>Unit: RMB'0,000</i>	
		<b>Total amount planned to be invested in the projects</b>	<b>Amount of proceeds planned to be used</b>
1	527.5MW Stockyard Hill Wind Farm Project	518,261.06	165,000.00
2	150MW Moorabool North Wind Farm Project	180,339.81	35,000.00
3	Supplementation of working capital	–	150,000.00
4	Repayment of interest-bearing liabilities	–	150,000.00
	<b>Total</b>		<b>500,000.00</b>

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

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

## II. BASIC INFORMATION ABOUT THE TARGET PROJECTS

### (I) 527.5MW Stockyard Hill Wind Farm Project

#### 1. Project Constructor

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

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

## 2. *Content of Project Construction*

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

## 3. *Location of Project*

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



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

## 4. *Project Construction Period*

The planned construction period of the project is 27 months from the receipt of project proposal approval to the completion of the project for full commercial operation. The periods required for project proposal approval, design and development, installation and commissioning, and connection to the grid have been comprehensively considered in formulating the construction schedule, and the goal is for the project to start operation with power turned on by the end of 2019.

**5. Total Investment in Project**

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

The estimated investment in this project is as follows:

<b>Items</b>	<i>Unit: AU\$'0,000</i> <b>Amount of Investment</b>
Construction costs	78,427.30
Other construction costs	22,211.90
Financing costs	<u>5,766.80</u>
<b>Total</b>	<b><u><u>106,406.00</u></u></b>

**6. Project Approval and Filing***(1) Land for Project Construction*

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

*(2) Project Approval*

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

## **7. Analysis of the Project's Economic Benefits**

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

### **(II) 150MW Moorabool North Wind Farm Project**

#### **1. Project Constructor**

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

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

#### **2. Content of Project Construction**

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

**3. Location of Project**

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

**4. Project Construction Period**

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

**5. Total Investment in Project**

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

The estimated investment in this project is as follows:

<b>Items</b>	<i>Unit: AU\$'0,000</i> <b>Amount of Investment</b>
Construction costs	31,855.00
Other construction costs	3,973.61
Financing costs	1,197.59
<b>Total</b>	<b>37,026.20</b>

**6. Project Approval and Filing****(1) Land for Project Construction**

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

**(2) Project Approval**

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

**7. Analysis of the Project's Economic Benefits**

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

**(III) Feasibility and Necessity of Investment in and Development of Wind Farm Projects****1. Necessity****(1) The Company's Strategic Need for Active Expansion in International Market**

Investing in overseas wind farms is the important content of Goldwind Science & Technology's overseas wind power strategy. After a decade of development, Goldwind Science & Technology has become the largest non-state-owned wind farm developer in China and laid a solid foundation in the development and exploitation of wind power resources, the operation of wind farm assets, and wind power and community development. As China's power enterprises go global at an increasing speed, investing in overseas wind farms to enable Goldwind Science & Technology's industrial capital to go global accords with China's "Belt and Road" strategy and is Goldwind Science & Technology's inevitable choice for it to achieve strategic development abroad.

(2) *Strategic Need for Strengthening Linkage among Business Segments*

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

**2. Feasibility**

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **(IV) Supplementation of Working Capital**

##### ***1. Particular Amount to Be Used to Supplement Working Capital***

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

##### ***2. Necessity to Supplement Working Capital***

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

The Company's business in all segments is advancing smoothly; its promotion of new products is proceeding in an orderly way; the number of its orders in hand is growing stably; and it has scored remarkable achievements in tapping the international market. The Company has been actively exploring a better cooperation model for its wind farm investment and development business so as to give full play to its strengths in brand, products, technology and funds, to build a resources integration platform, to make use of local governments' support and its status as a private company, and to provide integrated solutions. The Guiding Opinions on Energy Tasks for 2018 published by the National Energy Administration propose to pay more attention to green and low-carbon development, stick to the strategic direction towards green and low-carbon development, accelerate the optimization of energy structure, strengthen the clean energy industry, steadily promote the large-scale development of renewable energy, enhance the wind power generation investment monitoring and warning mechanism, control the size of new projects to be constructed in the areas where the abandonment of wind farms is serious, and ensure both the quantity and percentage of wind power abandoned will drop. To steadily push forward the construction of wind power projects, it is planned that the capacity of the new projects to be commenced in the year will be about 25,000,000kW, and the increase in installed capacity will be about 20,000,000kW. Front-end work for wind power projects in some areas will be pushed forward in a down-to-earth way, and the capacity of such projects is about 20,000,000kW. Active and solid efforts will be made to push forward the construction of offshore wind power projects, to explore and promote the construction of pilot wind power projects in remote sea areas of Shanghai, and to accelerate and promote distributed wind power development.

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

The characteristics and operating model of the industry in which the Company operates require the Company to have adequate working capital to guarantee the Company's normal production and operation and satisfy the need for funds required for the Company's continuous development.

Meanwhile, because the Company's asset to liability ratio is high as a result of the growth of the Company's operating income and the continuous expansion of the size of its assets, the Company needs to supplement its working capital through equity financing in order to maintain its stable and healthy growth.

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

#### **(V) Repayment of Interest-bearing Liabilities**

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

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

##### ***2. Necessity to Repay Interest-bearing Liabilities***

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

The Company's current asset to liability ratio is high and the Company is under a high pressure to repay debts in the short term. As of the ends of 2015, 2016 and 2017, the total amounts of the Company's liabilities were respectively RMB35,181,797,000, RMB43,738,370,700 and RMB49,312,838,300; the percentages of current liabilities in total liabilities were respectively 59.57%, 56.39% and 60.03%; the asset to liability ratios (consolidated) were respectively 66.92%, 67.88% and 67.75%. Generally speaking, the Company's asset to liability ratio is high.

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

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

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

The Company is of the view that the list of comparable listed companies in the table above is fair and representative based on the following reasons: (1) Wind Info is a widely-used financial database in the PRC. (2) The Company and its comparable companies listed above may differ in various aspects, such as development stages, business focus and etc, The Company lists the asset to liability ratios of all the companies under the industry category of “heavy electric equipment”, including those that differ significantly to the Company, so as to avoid distortion of the industry average due to exclusion of such companies.

**2. The data source is Wind Info.**

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

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

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

Items	<i>Unit: RMB yuan</i>		
	2017	2016	2015
Interest expenses	86,536.30	71,772.24	64,558.15
Operating profit	350,868.09	328,869.20	305,088.32
Percentage in operating profit	24.66%	21.82%	21.16%

From the table above, it can be seen that the percentages of the Company's interest expenses in its operating profits in 2015, 2016 and 2017 were respectively 21.16%, 21.82% and 24.66%. If the Company maintains a large size of bank loans, it will have to bear high interest expenses, which



has certain negative impact on the growth of the Company's profitability. Therefore, the Company needs to reduce the size of its bank loans urgently so as to reduce its interest expenses and increase its profitability.

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

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

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

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

#### ***(II) Impact on the Company's Financial Position***

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

**IV. Conclusion of Feasibility Analysis with Respect to the Proceeds**

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

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

March 23, 2018

**XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.****Report about Attestation of the Use of Previous Proceeds****December 31, 2017**

An Yong Hua Ming (2018) Zhuan Zi No. 60794011\_A06

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

We have attested the attached Report about the Use of Previous Proceeds as of December 31, 2017 (the “Report about the Use of Previous Proceeds”) of Xinjiang Goldwind Science & Technology Co., Ltd. (“you”) as entrusted by you. Preparing the Report about the Use of Previous Proceeds in accordance with the China Securities Regulatory Commission’s Regulations on Reports about the Use of Previous Proceeds (Zheng Jian Fa Xing Zi [2007] No. 500) and ensuring its content is true, accurate, complete and free of misstatements, misleading representations and material omissions are the responsibility of the Board of Directors of Xinjiang Goldwind Science & Technology Co., Ltd. Our responsibility is to express an attester’s opinion on the Report about the Use of Previous Proceeds on the basis of our attestation.

We conducted our attestation in accordance with the Standard on Other Assurance Engagements for Certified Public Accountants of China No. 3101 – Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform the attestation to obtain reasonable assurance about whether the Report about the Use of Previous Proceeds is free of material misstatements. During the attestation, we performed understanding, sampling, checking and other procedures that we considered as necessary. We believe that our attestation provides a reasonable basis for our opinion.

We believe the Report about the Use of Previous Proceeds of Goldwind Science and Technology Co., Ltd. was prepared in all material aspects in accordance with China Securities Regulatory Commission’s Regulations on Reports about the Use of Previous Proceeds (Zheng Jian Fa Xing Zi [2007] No. 500) and reflects Xinjiang Goldwind Science & Technology Co., Ltd.’s use of its previous proceeds as of December 31, 2017.

This Report is provided only for Xinjiang Goldwind Science & Technology Co., Ltd. to apply for placing shares and publicly issuing securities, and may not be used for other purposes without our written consent.

Ernst & Young Hua Ming LLP  
Beijing, China

Certified Public Accountant of China: Wang Ning  
Certified Public Accountant: Lai Xiaojuan  
March 23, 2018

**XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.****1. INFORMATION ABOUT PREVIOUS PROCEEDS**

After obtaining the approval from the China Securities Regulatory Commission (“CSRC”) with Zheng Jian Xu Ke [2015] No. 1232 Official Reply on Approval of Private Share Issue by Xinjiang Goldwind Science & Technology Co., Ltd., the Company privately issued 40,953,000 RMB-denominated ordinary shares (A shares) (with the par value per share being RMB1.00) to particular investors and applied for increasing its registered capital by RMB40,953,000.00 to RMB2,735,541,000.00 after the change.

In accordance with the Regulations on Reporting the Use of Previous Proceeds (Zheng Jian Fa Xing Zi [2007] No. 500), the Company hereby reports the use of its proceeds from the previous issue (the “Previous Proceeds”) as of December 31, 2017 as follows:

**(1) Amount of Previous Proceeds and Date of Receipt**

As of August 3, 2015, the total amount of the Proceeds of Non-Public Issue was RMB346,871,910.00; after deducting RMB10,000,000.00 as underwriting and sponsor fees, Guotai Junan Securities Co., Ltd., the lead underwriter, transferred RMB336,871,910.00 to the Company’s special account for proceeds on August 3, 2015. After RMB561,000.00 was deducted from the total amount of proceeds received to cover the outstanding legal fees and other issue expenses, the net proceeds was RMB336,310,910.00. Ernst & Young Hua Ming LLP has verified the Company’s receipt of the proceeds, and issued EY Hua Ming (2015) Yan Zi No. 60794011\_A02 Capital Verification Report.

**(2) Deposition of Previous Proceeds in Special Account**

In order to regulate the management and use of proceeds and protect the interests of investors, in accordance with CSRC’s Guideline No. 2 for Regulating Listed Companies-Regulatory Requirements for Listed Companies’ Management and Use of Proceeds (CSRC Announcement [2012] No. 44) and Shenzhen Stock Exchange’s Guidelines on Regulated Operation of Companies Listed on Small and Medium-sized Enterprises Board of Shenzhen Stock Exchange, the Company has formulated the Measures of Xinjiang Goldwind Science & Technology Co., Ltd. for Management of Proceeds. The Company has opened a special account for proceeds with Bank of Hangzhou Beijing Daxing Sub-branch. On August 20, 2015, the Company, the sponsor Guotai

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**APPENDIX III                      REPORT ABOUT ATTESTATION OF THE USE OF PREVIOUS PROCEEDS**

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Junan Securities Co., Ltd., and the said bank entered into a Tripartite Agreement for Supervising the Deposition of Proceeds in Special Account, which is not significantly different from the Memorandum No. 31 concerning Information Disclosure on Small and Medium-sized Enterprises Board – Sample Tripartite Agreement for Supervising Proceeds, and the Company and the other parties have performed their respective responsibilities and duties in accordance with the relevant provisions of the agreement.

The balance in the account of proceeds as of December 31, 2017 is as set forth in the table below:

Bank	Account No.	Initial Amount Deposited (Note 1)	Balance as of December 31, 2017	<i>Unit: RMB yuan</i>
				In which: Interest Income (after deduction of service charges)
Bank of Hangzhou Beijing Daxing Sub-branch	1101040160000115468	336,871,910.00	The account was closed on March 15, 2017	Not applicable

*Note 1:* The initial amount deposited includes other outstanding issue expenses amounting to RMB561,000,000.00.

## **2. ACTUAL USE OF PREVIOUS PROCEEDS**

### **(1) Statement of the Use of Previous Proceeds**

In accordance with the resolution made at the 10th meeting of the 5th Board of Directors held on September 2, 2014 and the proposals passed by resolutions made at the 2nd extraordinary general meeting for 2014, the 1st class meeting of A shareholders for 2014 and the 1st class meeting of H shareholders for 2014 held on November 11, 2014, the Previous Proceeds are intended to supplement working capital.

As of December 31, 2017, the amount of proceeds the Company has actually used is RMB336,310,910.00. For details, see Schedule 1 “Statement of the Use of Previous Proceeds”.

### **(2) Changes in the Project(s) in Which the Previous Proceeds Are Actually Invested**

The Company has not made any changes in the projects in which the Previous Proceeds are actually invested.

**(3)    Upfront Investment in the Target Project(s) for Investment with the Previous Proceeds, and Reimbursement of Such Investment**

The Company has made no upfront investment in the target project(s) for investment with the Previous Proceeds, and made no reimbursement of such investment.

**(4)    Information about the Use of Idle Proceeds to Temporarily Supplement Working Capital**

The purpose of the Company's Previous Proceeds is to supplement working capital.

**(5)    Use of the Surplus of the Previous Proceeds**

There is no surplus in the Company's Previous Proceeds.

**(6)    Use of Excess Funds**

The Company's Previous Proceeds are not in excess.

**3.    PERFORMANCE OF THE TARGET PROJECT(S) FOR INVESTMENT WITH PREVIOUS PROCEEDS**

For details, see Schedule 2 "Statement of the Performance of the Target Project(s) for Investment with Previous Proceeds".

**4.    USE OF PROCEEDS AFTER CHANGE OF THE TARGET PROJECT(S) FOR INVESTMENT WITH PREVIOUS PROCEEDS**

The Company has not made any changes of the target project(s) for investment with the Previous Proceeds.

**5.    COMPARISON BETWEEN THE ACTUAL USE OF THE PREVIOUS PROCEEDS AND THE RELEVANT INFORMATION DISCLOSED IN THE COMPANY'S REGULAR REPORTS**

The actual use of the Previous Proceeds as of December 31, 2017 as disclosed in this report is consistent with the relevant information about the use of such proceeds as disclosed in the Company's regular reports.

**6. CONCLUSION**

We believe that the Company has used the Previous Proceeds in accordance with the plan for application of proceeds as disclosed in the prospectus for the previous issue. In accordance with CSRC's Regulations on Reporting the Use of Previous Proceeds (Zheng Jian Fa Xing Zi [2017] No. 500), the Company has performed its obligation to disclose the investment of the Previous Proceeds and the progress thereof accurately.

All directors of the Company warrant this report contains no false statements, misleading representations or material omissions, and they are jointly and severally liable for its truthfulness, accuracy and completeness.

Board of Directors

**Xinjiang Goldwind Science & Technology Co., Ltd.**

**Schedule 1: Statement of the Use of Previous Proceeds***Unit: RMB yuan*

Net amount of proceeds (after deduction of underwriting commission and other issue expenses):

	336,310,910.00	Net aggregate amount of proceeds used:	336,310,910.00
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Net amount of proceeds used in each year:

	2015:	2016:	2017:
	-	-	-

Amount of proceeds used not for specified purposes:  
 Percentage of the amount of proceeds used not for specified purposes:

	Changed project(s), including partially changed project(s) (if any)	Committed total amount of investment with proceeds	Adjusted total amount of investment (1)	Amount of investment in current year	Aggregate amount of investment as of end of period (2)	Progress of investment as of end of period (%) (3)=(2)/(1) available as expected	Date when project(s) become available as expected	Performance in current year	Whether expected performance is achieved or not	Whether there is any material change in feasibility of project(s)
To supplement working capital	N/A	336,310,910.00	336,310,910.00	0.00	336,310,910.00	100%	N/A	N/A	N/A	N/A
<b>Total</b>		336,310,910.00	336,310,910.00	0.00	336,310,910.00					



**Schedule 2: Statement of the Performance of the Target Project(s) for Investment with Previous Proceeds**

	<i>Unit: RMB yuan</i>	
Net amount of proceeds (after deduction of underwriting commission and other issue expenses):	336,310,910.00	Total amount of proceeds invested:
Failure to achieve planned progress or expected return and the reasons (by projects)	No	336,310,910.00
Description of material changes in feasibility of project(s)	No	
Amount and use of excess proceeds and progress of use	No	
Changes in the location(s) of the target project(s) for investment with the proceeds and changes in the manner of implementation	No	
Upfront investment in the target project(s) for investment with the proceeds and reimbursement of such investment	No	
Use of idle proceeds to temporarily supplement working capital	No	
Amount and reason of surplus in proceeds occurring in project implementation	No	
Purposes and whereabouts of unused proceeds	N/A	
Problems or other issues occurring in the use and disclosure of proceeds	N/A	

**XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.**

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 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 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
<b>Before Nonrecurring Losses and Profits</b>			
Net profit attributable to owners of parent ( <i>RMB'0,000</i> )	305,465.69	305,465.69	305,465.69
Basic earnings per share ( <i>RMB/share</i> )	0.8390	0.8390	0.7627
Dilution of earnings per share ( <i>RMB/share</i> )	0.8390	0.8390	0.7627
Weighted average return on equity	15.04%	15.04%	14.78%
<b>After Nonrecurring Losses and Profits</b>			
Net profit attributable to owners of parent after nonrecurring losses and profits ( <i>RMB'0,000</i> )	287,046.44	287,046.44	287,046.44
Basic earnings per share after nonrecurring losses and profits ( <i>RMB/share</i> )	0.7872	0.7872	0.7156
Dilution of earnings per share after nonrecurring losses and profits ( <i>RMB/share</i> )	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:

<b>Key Financial Indicators</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Current ratio ( <i>times</i> )	1.12	1.34	1.21
Quick ratio ( <i>times</i> )	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 RMB1,291,182,000; 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