GOLDWIND

新疆金风科技股份有限公司

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.*

(A joint stock limited liability company incorporated in the People's Republic of China)

Stock Code: 2208

Innovating for a

Brighter Tomorrow

Interim Report 2012

* For identification purpose only

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Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. Wu Gang *(Chairman)*
Mr. Wang Haibo

Non-executive Directors

Mr. Li Ying *(Vice Chairman)*
Mr. Gao Zhong
Ms. Hu Yang
Ms. Ji Dongmei

Independent Non-executive Directors

Mr. Wang Yousan
Mr. Shi Pengfei
Dr. Tin Yau Kelvin Wong

SUPERVISORS

Mr. Wang Mengqiu
(Chairman of the Supervisory Committee)
Mr. Wang Shiwei
Mr. Luo Jun
Mr. Zheng Chengjiang
Mr. Xiao Zhiping

COMPANY SECRETARY

Ms. Ma Jinru

PLACE OF BUSINESS

In the PRC

No. 107
Shanghai Road
Economic & Technological Development District
Urumqi, Xinjiang

In Hong Kong

Edinburgh Tower, 33/F
The Landmark
15 Queen's Road Central
Hong Kong

LEGAL COUNSEL

Morrison & Foerster

AUDITORS

International Auditor

Ernst & Young

PRC Auditor

Ernst & Young Hua Ming

LISTING PLACES

H Shares:
The Stock Exchange of Hong Kong Limited
Stock name: Goldwind
Stock code: 2208

A Shares:
Shenzhen Stock Exchange
Stock name: Goldwind
Stock code: 002202

SHARE REGISTRARS

H Shares:
ComputerShare Hong Kong Investor Services Limited

A Shares:
China Securities Depository and Clearing Corporation Limited, Shenzhen Branch

PRINCIPAL BANKERS

China Construction Bank Corporation
China Development Bank
Bank of China Limited, Xinjiang Branch
Citibank (China) Co., Ltd., Beijing Branch
Deutsche Bank (China) Co., Ltd., Beijing Branch
Bank of Communications Co., Ltd., Xinjiang Branch
China Merchants Bank, Urumqi Branch,
Jiefang North Road Sub-Branch

COMPANY WEBSITE

www.goldwindglobal.com

The wind power industry of the People's Republic of China (the "**PRC**" or "**China**") entered a period of adjustment in 2011. During a period of intensified market competition, the national government has tightened industry regulations, guiding the industry towards a more sustainable path of development. This trend for the wind power industry has continued into 2012. Several industry policies were introduced in the first half of the year that helped to clarify the path for China's wind power industry, establish a more orderly market, foster a fairer competitive environment, and seek to alleviate the current industry downturn.

I. INDUSTRY REVIEW

i. New Industry Policies

Under China's Eleventh Five-Year Plan (2006-2010), the rapid emergence of China's wind power industry gained global acclaim as the industry took the lead in meeting China's new energy development goals. However, irrational competition resulted in problems that necessitated stricter national regulations. These new regulations have become a guiding force for the development of the industry. In 2011, the National Energy Administration (the "**NEA**") introduced a series of policies that accelerated the establishment of a regulated market, and effectively stimulated the healthy and sustainable development for the wind power industry. In order to better implement China's new energy strategies under the Twelfth Five-Year Plan and ensure the sustainable development of the wind power industry, relevant government agencies introduced the following policies in the first half of 2012:

1. Guidance for Wind Power Development

(1) Specialised Plan for the Development of Wind Power Technology under the Twelfth Five-Year Plan (風力發電科技發展「十二五」專項規劃) (this "**Specialised Plan**")

In April 2012, this Specialised Plan issued by the Ministry of Science and Technology of the PRC stated that over the next five years, China's wind power technology should transition from being quantity-orientated to quality-orientated, and China should transition from being the largest to the most advanced wind power market.

This Specialised Plan also stated that China will continue to focus on large-scale wind farm construction. During the Twelfth Five-Year Plan, China has planned the development of six onshore and two offshore and coastal wind power bases; in addition, China's offshore wind power development has begun, and inter-tidal and coastal wind power will enter a period of rapid and large-scale development.

With regards to wind power equipment design and manufacturing, this Specialised Plan proposed that during the Twelfth Five-Year Plan, China should optimise the design and manufacturing of 3MW~5MW direct-drive wind turbine generators ("**WTGs**") and their components, and begin mass production; acquire the technological capability to design, manufacture, install and operate the 7MW WTG and its components, and begin mass production of large capacity WTGs; achieve breakthroughs in key technologies for the design of the 10MW offshore WTG and its components, and test the operation of super-large capacity offshore WTG prototypes.

(2) *Notice for the Issue of the Second Batch of Wind Farm Project Planned for Approval under the Twelfth Five-Year Plan* (關於印發「十二五」第二批風電項目核准計劃的通知)

Following the issuance of the *Notice of the Schedule for the First Batch of Wind Farm Projects Planned for Approval under the Twelfth Five-Year Plan* (關於「十二五」第一批擬核准風電項目計劃安排的通知) in July 2011, the NEA issued the *Notice for the Issue of the Second Batch of Wind Farm Projects Planned for Approval under the Twelfth Five-Year Plan* (關於印發「十二五」第二批風電項目核准計劃的通知) in March 2012. This second batch included projects with full preliminary preparations and workable grid connection conditions, as well as scheduled distributed wind power projects and wind power grid connection demonstration projects. These projects place a greater emphasis on wind power utilisation, requiring the grid companies to cooperate in order to accelerate grid connections, improve wind power utilisation, and ensure better coordination of wind farm and grid developments. In addition, the 18 distributed wind power projects that are included in the second batch are the first distributed wind power projects to be approved by the government, demonstrating a clear transition from a singular focus on concentrated wind farm development to a broader focus on both concentrated and distributed wind farm development.

2. Policies Supporting Improved Grid Connectivity and Wind Power Utilisation

Along with the rapid increase of China's installed wind power capacity, curtailment of wind power generation has become increasingly problematic in certain areas. This has reduced the profitability of some wind farm operations. As a result, grid connection and curtailment problems have become major obstacles for further development of China's wind power industry. In April 2012, the NEA issued the *Notice of Requirements for Strengthening Wind Power Grid Connection and Utilisation* (關於加強風電並網和消納工作有關要求的通知). This notice proposed requirements to strengthen construction of the wind power industry and operations management, and ensure wind power grid connection and utilisation. This notice also clearly stated that adequate grid capacity will become the key criterion for planning wind power development and project distribution, and areas with significantly lower wind power utilisation rates will not receive permission for further development of wind farms. In addition, the grid companies must prioritise the connection of wind power to the grid, connect and operate concessional projects, purchase all units of electricity generated by concessional projects and avoid limiting the power output of concessional and demonstration projects approved by the NEA, and avoid limiting the power output of existing wind power projects for purposes of prioritising new projects.

The above notice was issued to address China's current low wind power utilisation rate, which has obstructed the development of the industry. This notice requires grid companies to purchase power generated by new energy first, which will stimulate the overall development of the grid, and promote sustainable wind power project construction, grid connection and operation. This should result in better coordination of wind power development and grid construction.

3. *Supplementary Tariff for Renewable Energy*

Building upon the *Interim Measures for the Administration of Collection and Use of the Renewable Energy Development Fund* (可再生能源發展基金徵收使用管理暫行辦法) issued in 2011, the Ministry of Finance along with the National Development and Reform Commission and the NEA jointly issued the *Interim Measures for the Administration of the Renewable Energy Supplementary Tariff Fund* (可再生能源電價附加補助資金管理暫行辦法) in March 2012. These measures established the supplementary tariff standard for power generated to the grid by renewable energy projects, whilst clarifying the appropriate level of supplementary tariff based on power generation to support construction, operations and maintenance costs of grid capacity for renewable power. As such, these measures incentivise grid companies to improve the utilisation of renewable power.

4. *Introduction of the Renewable Portfolio Standard*

In the first half of this year, the eagerly anticipated *Renewable Portfolio Standard Management Guidelines (Discussion Draft)* (可再生能源電力配額管理辦法(討論稿)) was issued to all provinces. It will be officially published and implemented after incorporating suggestions from relevant parties. This discussion draft proposed minimum purchasing quotas for renewable power and defines the responsibilities of power generation companies, grid companies, and local government agencies responsible for energy management. In this discussion draft, grid companies are required to purchase renewable power representing as much as 15% of their total power consumption.

The implementation of the Renewable Portfolio Standard will address the wind power industry's key near-term obstacle, a lack of adequate grid capacity. Furthermore, the Renewable Portfolio Standard should stimulate market demand for wind, solar and biomass power.

ii. Wind Power Manufacturing Industry

1. *Continued Fierce Market Competition*

Following a decrease in the average selling price ("**ASP**") of wind power equipment in 2011, the ASP stabilised and increased slightly in the first half of 2012. However, fierce market competition continues to exist. In recent months, market competition has moved beyond simple pricing competition, whereby customers are increasingly focused on technology, quality and services.

2. *Increase in Product Differentiation*

In order to meet market demand, China's wind power industry pursued further product differentiation in the first half of 2012. Major wind power equipment manufacturers introduced new products and strengthened their existing product lines. In general, the introduction of new products has been fast and concentrated. However, many newly introduced products represent small variations on existing products, and there is significant overlap among product models. In addition to fierce competition in the market for 1.5MW WTGs, competition in the market for wind turbines with a capacity of 2MW or higher has increased. According to our analysis of the second batch of wind power projects, most projects require specialised WTGs, with low wind speed projects accounting for over 60%. This means that research and development ("**R&D**") and production of wind power equipment manufacturers will be increasingly guided by market demand.

3. *Development of Large Capacity WTGs*

The government clarified the development path of offshore wind power in the Twelfth Five-Year Plan. With the support of various national policies, inter-tidal and coastal wind power will enter a period of rapid and large-scale development, and will become a key area of development for China's wind power industry. In 2012, many wind power equipment manufacturers increased investment in the R&D and production of large capacity WTGs in order to meet offshore demand. This will bring new opportunities to the development of the wind power industry.

4. *Raw Materials Pricing Remains Stable*

Continuing the trend of the second half of 2011, the price of rare earths continued to decrease steadily in the first half of 2012. This significantly relieved the cost-side pressures of wind power equipment manufacturers that utilise rare earths. In addition, the prices of copper and steel also decreased, enabling wind power equipment manufacturers to control costs.

II. BUSINESS REVIEW

As a leader in the wind power industry, Xinjiang Goldwind Science & Technology Co., Ltd. (the "**Company**" or "**Goldwind**", and together with its subsidiaries, the "**Group**") actively responded to challenges posed by the market when faced with a complex economic environment and an industry downturn. We have strived to optimise our product quality through our strong R&D capabilities, provide comprehensive wind power solutions and professional technical support to our customers, and strengthen our internal corporate governance and management system. These achievements have laid the foundation for the future development of the Company. The Company's brand reputation, market position and product price have steadily improved under difficult macroeconomic and industry conditions.

i. WTG R&D, Manufacturing and Sales

For the six months ended 30 June 2012, the Company's revenue from sales of WTGs and components was RMB3,187.61 million, a decrease of 37.25% compared with the corresponding period in 2011. Total sales capacity was 721.3MW, a decrease of 42.09% compared with the corresponding period in 2011. The following table sets out the details of our products sold in the first half of 2011 and 2012:

	Six months ended 30 June				
	2012		2011		
	Units Sold	**MW Sold**	Units Sold	MW Sold	% Change in MW Sold
2.5MW	**13**	**32.5**	14	35	(7.14)
1.5MW series	**460**	**688.8**	807	1,210.5	(43.10)
Total	**473**	**721.3**	821	1,245.5	(42.09)

There are 4 units of 1.2MW WTGs included in the data for 1.5MW series. This WTG model is sold by Vensys Energy AG, an overseas subsidiary of the Company, in overseas markets only.

The Company currently has over 800 R&D and technical personnel working in three R&D centres around the world (i.e. Germany, Beijing and Xinjiang). We have a mature and secure technical platform. Backed by Goldwind's strong R&D capabilities, our specialised WTGs designed for challenging operating environments have gained ground in both the domestic and international markets. During the six months ended 30 June 2012, the Company introduced the 1.5MW ultra-low wind speed WTG model (GW93/1500). The prototype of this model was completed in April 2012 and has been installed and connected to the grid. This large rotor diameter model was developed for areas with wind speeds of Class IV or below (an average wind speed of 6.5m/s and less). This model is designed for low wind speed resources and satisfies the load requirements. The key benefit of this design is optimised power generation under ultra-low wind speed conditions through its hardware (longer customised blades) and optimised software (latest version of Goldwind's electronic controls system). Goldwind's internally developed ultra-low wind speed WTGs are suitable for the low wind speed resources that account for 60% of the second batch of approved wind power projects. In addition, Goldwind will complete the prototypes of its 2.5MW onshore WTG model (GW118/2500) and 3.0MW offshore WTG model (GW118/3000) in the second half of 2012. Thanks to the Company's efforts towards market segmentation, Goldwind has developed specialised WTGs suited to different operating environments including high altitude and low wind speed. In recognition of these achievements, Goldwind was named as one of "The 50 Most Innovative Companies" by Massachusetts Institute of Technology's *Technology Review* magazine in 2012, the second year in a row that we have been awarded this recognition.

The *Technological Regulations Regarding the Electrical System Connections of Wind Farms* (風電場接入電力系統技術規定) issued by the government was officially implemented on 1 June 2012. Based on our strong R&D capabilities and the experience of our grid connection research team, Goldwind introduced our "grid-friendly comprehensive solutions" to the market: these solutions can provide various grid-friendly products and solutions including direct-drive permanent magnate ("**DDPM**") WTGs with full power converters that satisfies all grid connection technological standards set by the government, low voltage ride-through ("**LVRT**") solutions for DDPM WTGs, central control systems for wind farms, our Energy Management Platform ("**EMP**"), and power generation forecast systems. These solutions allow wind farms to satisfy all latest national grid connection technological standards and achieve "digitalised" management, adding value for our customers. In recent on-site random testings of LVRT in the north west power grid regions conducted by the State Grid Corporation of China, all of the Company's DDPM WTGs passed testing, once again confirming the grid-friendly characteristics of DDPM WTGs.

During the six months ended 30 June 2012, the Company made progress on offshore projects. The 50MW offshore project in Rudong, Jiangsu province, has currently installed 8 units of 2.5MW WTGs (GW109/2500), and all 20 units are expected to be installed by August 2012.

As at 30 June 2012, the backlog of orders under contract was 4,838.75MW, which included 0.75MW of 750kW WTGs, 3,863.00MW of 1.5MW WTGs, 960.00MW of 2.5MW WTGs, and 15.00MW of 3.0MW WTGs; the total backlog also included 221.25MW of overseas orders. In addition, we also have orders of 2,967.25MW of successful bids that are awaiting final contracts, including 2.25MW of 750kW WTGs, 2,172.00MW of 1.5MW WTGs, 790.00MW of 2.5MW WTGs, and 3.00MW of 3.0MW WTGs. The combined backlog was 7,806.00MW.

ii. Wind Power Services

As a company that provides comprehensive wind power solutions, wind power services have become a key segment for the Company's profitability and operations. The Company continues to improve its service quality. Our comprehensive services incorporate every stage of the wind farm lifecycle, beginning with wind resource assessment and continuing through to project warranty and the operations and maintenance period. As at 30 June 2012, the cumulative number of WTGs that have undergone maintenance exceeded 7,000 units. Since 2008, cumulative sales of the SCADA system and EMP, our definitive information technology products, exceeded 200 and 100 sets, respectively.

During the six months ended 30 June 2012, the Group's wind power services revenue totalled RMB161.88 million, an increase of 261.50% compared with the corresponding period in 2011.

iii. Wind Farm Investment, Development and Sales

During the six months ended 30 June 2012, the Company had 1,362MW of accumulated total installed capacity of completed wind farms and 585.9MW of attributable installed capacity. The total installed capacity of the projects still under construction is 651MW and attributable installed capacity is 522MW. The Company also fully or partly disposed of 3 wind farms with a total attributable installed capacity of approximately 117.5MW.

During the six months ended 30 June 2012, revenue from power generation of wind farms operated by the Company was RMB101.52 million, an increase of 114.27% compared with the corresponding period in 2011. Investment income from sales of wind farms was RMB302.37 million, an increase of 48.07% compared with the corresponding period in 2011.

iv. International Business

During the six months ended 30 June 2012, international operations of the Company achieved gains in both sales of WTGs and wind farm development. The Company achieved international sales revenue of RMB438.20 million, approximately the same compared with the corresponding period in 2011. This represents 12.70% of operating revenue, an increase from 8.66% for the corresponding period in 2011. The Company reached an agreement with the leading European wind power developer Volkswind USA to fully acquire its 20MW Musselshell wind farm project in Montana, USA. This project is expected to be completed before the end of 2012. In addition, Goldwind will cooperate with the internationally renowned new energy developer Mainstream Renewable Power to jointly develop phase one of the Ckani wind farm project in northern Chile. Goldwind will provide 47 units of high altitude DDPM WTGs (GW87/1500) to this project.

During the six months ended 30 June 2012, Goldwind was awarded the "African Wind Project of the Year 2011" as part of Terrapin's annual African Energy Awards in recognition of our advanced DDPM WTGs and the systematic technical solutions provided by the Company to the Adama wind farm project in Ethiopia, as well as the demonstrative effects of this project on the development of Africa's renewable energy industry.

These achievements signal new breakthroughs for Goldwind's international expansion, demonstrating further recognition by the international market of the DDPM technology and highlighting Goldwind's comprehensive ability to develop international partnerships.

v. Major Subsidiaries

The Company has 89 subsidiaries, among which 19 are directly controlled subsidiaries and 70 are indirectly controlled subsidiaries. In addition, we have nine jointly-controlled entities, eight associate companies, and seven joint ventures. The following table sets out the financial details of the principal subsidiaries of the Company (in accordance with the accounting principles of the PRC (the "**PRC GAAP**")):

As at 30 June 2012

Unit: RMB ten thousand

No.	Company Name	Registered Capital	Total Assets	Net Assets	Revenue of Principal Businesses	Net Profits Attributable to the Company
WTG R&D and Manufacturing						
1	Beijing Goldwind Science & Creation Wind Power Equipment Co., Ltd.	99,000.00	650,576.18	129,600.40	156,688.22	(3,409.80)
2	Inner Mongolia Goldwind Science & Technology Co., Ltd.	15,000.00	69,927.86	19,262.04	20,906.61	1,866.91
3	Vensys Energy AG	€5,000,000	99,628.32	57,578.30	31,640.06	3,415.90
4	Gansu Goldwind Wind Power Equipment Manufacture Co., Ltd.	8,860.00	46,160.45	23,423.44	13,090.97	354.31
5	Xi'an Goldwind Wind Power Equipment Manufacture Co., Ltd.	6,000.00	75,544.77	8,870.04	40,894.42	442.78
6	Jiangsu Goldwind Wind Power Equipment Manufacture Co., Ltd.	75,961.00	128,295.33	81,891.01	17,281.68	1,102.78
Components R&D and Manufacturing						
1	Beijing Techwin Electric Co., Ltd.	6,920.00	71,072.07	11,511.93	18,901.92	(1,522.24)
Wind Power Investment						
1	Beijing Tianrun New Energy Investment Co., Ltd.	48,160.00	548,460.16	128,302.57	8,525.11	21,052.78
2	Goldwind Investment Holding Co., Ltd.	100,000.00	148,022.33	103,911.86	3,622.71	675.78
Wind Power Service						
1	Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd.	4,500.00	132,343.26	21,762.72	58,229.83	1,850.13
2	Tianyun Wind Power (Beijing) Logistics Co., Ltd.	1,450.00	7,864.09	5,814.21	1,477.12	(45.90)

vi. Use of Proceeds

1. *Use of H Share Proceeds*

The Company was listed on The Stock Exchange of Hong Kong Limited in October 2010. According to the *Capital Verification Report* issued by Ernst & Young Hua Ming, the net H Share proceeds were the equivalent of RMB6.754 billion in Hong Kong Dollars ("**HKD**"). According to the Company's proceeds investment plan, approximately 64.8% of the proceeds shall be used in the domestic market, and approximately 35.2% shall be used in the international market. As at 30 June 2012, the accumulated used proceeds were the equivalent of RMB4.349 billion in HKD, and the unused proceeds were the equivalent of RMB2.405 billion in HKD. The use of H Share proceeds is as follows:

(Unit: RMB million)

Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Construction of production base and optimisation of business operations	2,715	1,990	725
R&D of WTGs and components	986	164	822
International business	1,972	1,114	858
Bank loan repayment	411	411	–
General working capital	670	670	–
Total	6,754	4,349	2,405

2. *Use of A Share Proceeds*

The Company was listed on the Shenzhen Stock Exchange in December 2007. According to the *Capital Verification Report* issued by WUZHOU SONGDE Accountants Firm on 19 December 2007, the actual net proceeds were RMB1.745 billion. As at 30 June 2012, the accumulated used proceeds were RMB1.599 billion, and the unused proceeds were RMB146 million. The use of A Share proceeds is as follows:

(Unit: RMB million)

Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Capacity Expansion			
Beijing MW-level WTG high technology industrialisation project	150	150	–
Xinjiang MW-level WTG capacity expansion project	461	461	–
Inner Mongolia MW-level DDPM WTG industrialisation project	127	127	–
Nanjing MW-level WTG industrialisation project	25.45	25.45	–
Jiangsu Dafeng Offshore WTG R&D and manufacturing base	89.61	18.26	71.35
R&D Projects			
1.5MW WTG series	128	128	–
2.5MW DDPM WTG	160	160	–
3MW hybrid PM WTG	232	176.36	55.64
6MW DDPM WTG	50	25.55	24.45
Testing laboratory	40	40	–
Wind Farm Development and Sales			
Capital increase to FUHUI wind power for WULATE project	81.60	81.60	–
Tacheng Mayitasi 49.5MW Trial Demonstration Wind Farm	100	100	–
Goldwind Damao National Demonstration Wind Farm	100	100	–
Total	1,744.66	1,598.71	145.95

3. *Use of Corporate Bond Proceeds*

On 6 September 2011, the Company received the *Approval for Public Issuance of Corporate Bonds by Xinjiang Goldwind Science & Technology Co., Ltd. (Zheng Jian Xu Ke [2011] No.1397)* (關於核准新疆金風科技股份有限公司公開發行公司債券的批復(證監許可[2011]1397號)) from the China Securities Regulatory Commission (the "**CSRC**"), approving an issue of corporate bonds with an aggregate principal amount of not more than RMB5 billion ("**Corporate Bonds**") and the first tranche of not exceeding RMB4 billion. On 27 February 2012, the Company issued its first tranche of 3-year Corporate Bonds ("**12金風01**") with an aggregate principal amount of RMB3 billion with a coupon rate of 6.63%. The issuance was an offline offering to institutional investors in the PRC only. The Corporate Bonds were listed on the Shenzhen Stock Exchange on 16 March 2012.

Date of Issuance	Method of Issuance	Total Proceeds	Purpose for Proceeds	Total Proceeds Used During the Reporting Period	Accumulated Total of Used Proceeds	Total Unused Proceeds	Purpose for Unused Proceeds
2012	Corporate Bonds	2,974,720,888.88	Replenish cash flow	2,174,720,888.88	2,174,720,888.88	0	
			Repay bank loans	800,000,000	800,000,000	0	
Total	/			2,974,720,888.88	2,974,720,888.88	0	/

III. OPERATIONS PERFORMANCE AND ANALYSIS

The contents of this section should be read in conjunction with the interim condensed consolidated financial statements of the Group set out in this report (including the relevant notes).

Summary

During the six months ended 30 June 2012, revenue for the Group totalled RMB3,451.01 million, representing a decrease of 33.28% compared with RMB5,172.23 million for the six months ended 30 June 2011. Profit attributable to owners of the Group totalled RMB72.07 million, representing a decrease of 83.03% compared with the corresponding period in 2011. Basic earnings per share of the Group were RMB0.03.

Revenue

Revenue for the Group is generated from three business segments: (i) WTG R&D, manufacturing and sales; (ii) wind power services, and; (iii) wind farm investment, development and sales. Revenue from segment (i) is mainly generated through sales of WTGs and component parts. Revenue from segment (ii) is mainly generated through services such as wind farm Engineering, Procurement and Construction ("**EPC**"), transportation and maintenance. Revenue from segment (iii) is generated through tariffs received for the power produced by our wind farms in operation.

During the six months ended 30 June 2012, the Group's total revenue totalled RMB3,451.01 million, representing a decrease of 33.28% compared with RMB5,172.23 million for the six months ended 30 June 2011. Details are set out below:

Unit: RMB thousand

	Six months ended 30 June		Amount Increase/	
	2012	2011	(Decrease)	% Change
Sales of WTGs and components	**3,187,610**	5,080,075	(1,892,465)	(37.25%)
Wind power services	**161,880**	44,782	117,098	261.48%
Wind power generation	**101,519**	47,375	54,144	114.29%
Total	**3,451,009**	5,172,232	(1,721,223)	(33.28%)

Total revenue decreased mainly due to decreases in the sales of WTGs and components segment. This is mainly due to a decrease in capacity sold caused by delivery delays because of changes in industry policy. The increase in revenue for the wind power services segment was driven by increased demand for wind farm EPC services. Revenue for the wind power generation segment increased due to an increase of operating wind farms and overseas installed capacity.

Cost of Sales

The following table provides a breakdown of our cost of sales by business segments:

Unit: RMB thousand

	Six months ended 30 June		Amount Increase/	
	2012	2011	(Decrease)	% Change
Sales of WTGs and components	**2,833,584**	4,039,999	(1,206,415)	(29.86%)
Wind power services	**108,343**	31,315	77,028	245.98%
Wind power generation	**50,299**	16,253	34,046	209.48%
Total	**2,992,226**	4,087,567	(1,095,341)	(26.80%)

Cost of sales decreased mainly due to the reduction of the Group's total installed capacity sold and a relative decrease in production costs per unit.

Gross Profit

Unit: RMB thousand

	Six months ended 30 June 2012	2011	Amount Increase/ (Decrease)	% Change
Sales of WTGs and components	**354,026**	1,040,076	(686,050)	(65.96%)
Wind power services	**53,537**	13,467	40,070	297.54%
Wind power generation	**51,220**	31,122	20,098	64.58%
Total	**458,783**	1,084,665	(625,882)	(57.70%)

Although the WTG R&D, manufacturing and sales segment still generated a majority of the Company's gross profit, other operating segments made a larger contribution compared with the corresponding period in 2011.

For the six months ended 30 June 2012 and 2011, the Group's overall gross profit margin was 13.29% and 20.97%, respectively, and the gross profit margin for the WTG R&D, manufacturing and sales segment was 11.11% and 20.47%, respectively. The following table sets out the gross profit margins for the Group's 1.5MW series and 2.5MW WTGs (prepared in accordance with PRC GAAP):

Gross Profit Margin	Six months ended 30 June 2012	2011	Gross Profit Margin Increase/ (Decrease)
1.5MW series	**10.77%**	18.52%	(7.75%)
2.5MW	**7.22%**	(6.37%)	13.59%

The gross profit margin for our 1.5MW WTGs decreased from 18.52% for the six months ended 30 June 2011 to 10.77% for the six months ended 30 June 2012. This is mainly due to the decrease in ASP of the Group's 1.5MW WTGs as a result of increasing market competition.

The gross profit margin for our 2.5MW WTGs increased from -6.37% for the six months ended 30 June 2011 to 7.22% for the six months ended 30 June 2012. This is mainly due to a decrease in production cost of the Group's 2.5MW WTGs compared with the corresponding period in 2011 as a result of the small-scale mass production of 2.5MW WTGs.

Other Income and Gains

Other income and gains primarily consist of gains from the sale of wind farms within the wind farm investment, development and sales segment (including gains realised from the sale of wind power equipment upon the sale of wind farms), interest income, insurance compensation for product warranty expenditures, gross rental income, and government grants received as financial subsidies in support of our R&D projects and the upgrading of our production facilities.

For the six months ended 30 June 2012, the Group's total other income and gains totalled RMB459.12 million, representing a 23.77% increase from RMB370.97 million for the corresponding period in 2011. The increase is mainly due to wind farm disposal gains and increased gain on derivative financial instruments.

Selling and Distribution Costs

Selling and distribution costs primarily consist of product warranty provisions, delivery charges, insurance expenses, bidding service fees, labour costs, loading and unloading fees, travel expenses, and other expenses.

Selling and distribution costs of the Group for the six months ended 30 June 2012 totalled approximately RMB253.53 million, a 39.73% decrease compared with RMB420.69 million for the six months ended 30 June 2011. The decrease is mainly attributed to the effects of cost controls and decreased accruals of product warranty provisions as a result of a decrease in sales volumes.

Administrative Expenses

Administrative expenses primarily consist of R&D expenses, labour costs, taxes, depreciation, consultation fees, travel expenses, and other expenses. Administrative expenses increased from RMB256.07 million for the six months ended 30 June 2011 to RMB313.14 million for the six months ended 30 June 2012. The increase is mainly due to an increase in R&D expenses as the Company enhances its R&D capabilities.

Other Expenses

Other expenses primarily consist of impairment provisions accrued in connection with our trade and bills receivables, banking processing fees, and foreign exchange losses. Other expenses for the six months ended 30 June 2012 totalled approximately RMB78.89 million, representing a decrease of 36.32% compared with RMB123.88 million for the six months ended 30 June 2011. Decreased expenses are mainly due to decreased foreign exchange losses.

Finance Costs

Finance costs for the six months ended 30 June 2012 totalled RMB227.72 million, an increase of 242.44% from RMB66.50 million for the six months ended 30 June 2011. The increase is mainly due to a relatively large accounts receivable balance and increase in interest-bearing borrowings as a result of macroeconomic conditions.

Income Tax Expenses

For the six months ended 30 June 2012, the Group's income tax expenses totalled RMB30.71 million, a decrease of 76.53% from RMB130.83 million for the six months ended 30 June 2011. The decrease is primarily attributed to the decrease in profits as a result of the adverse market conditions.

Financial Position

As at 30 June 2012 and 31 December 2011, total assets of the Group totalled RMB31,643.04 million and RMB32,430.19 million, respectively. Current assets of the Group as at 30 June 2012 totalled RMB23,816.38 million, while current assets as at 31 December 2011 totalled RMB25,366.78 million. The percentage of current assets to total assets as at 30 June 2012 was 75.27% (as at 31 December 2011: 78.22%). The non-current assets of the Group as at 30 June 2012 and 31 December 2011 were RMB7,826.65 million and RMB7,063.41 million, respectively.

Total liabilities of the Group as at 30 June 2012 totalled RMB18,507.94 million, compared with RMB19,161.68 million as at 31 December 2011. As at 30 June 2012 and 31 December 2011, current liabilities of the Group totalled RMB11,832.93 million and RMB15,712.90 million, respectively. Non-current liabilities of the Group as at 30 June 2012 and 31 December 2011 were RMB6,675.01 million and RMB3,448.78 million, respectively.

Net current assets and net assets of the Group as at 30 June 2012 totalled RMB11,983.46 million and RMB13,135.10 million, compared with RMB9,653.88 million and RMB13,268.51 million, respectively, as at 31 December 2011.

Cash and cash equivalents of the Group as at 30 June 2012 and 31 December 2011 were RMB5,313.90 million and RMB7,596.92 million, respectively. As at 30 June 2012 and 31 December 2011, total interest-bearing bank and other borrowings of the Group totalled RMB4,048.25 million and RMB8,042.23 million, respectively.

Financial Resources and Liquidity

As at 30 June 2012, cash and cash equivalents of the Group were RMB5,313.90 million (as at 31 December 2011: RMB7,596.92 million). The primary sources of the Group's cash are from operations, proceeds from the issue of corporate bonds in 2011, borrowings from banks and other financial institutions and project financing.

Unit: RMB thousand

Cash Flow Statements

	Six months ended 30 June	
	2012	2011
Net Cash flows (for)/from operating activities	**(140,519)**	(5,716,663)
Net Cash flows for investment activities	**(1,073,248)**	(1,455,669)
Net Cash flows from financing activities	**(1,005,276)**	3,437,773
Net increase/(decrease) in cash and cash equivalents	**(2,219,043)**	(3,734,559)
Cash and cash equivalents at beginning of reporting period	**7,554,630**	9,242,400
Net effect of foreign exchange rate changes	**(21,690)**	21,549
Cash and cash equivalents at end of reporting period	**5,313,897**	5,529,390

1. ***Cash flows (for)/from operating activities***

The Group's net cash flows from operating activities primarily represent profit before tax adjusted for non-cash items, movements in working capital, and other income and gains.

For the six months ended 30 June 2012, the Company reported net cash outflows from operating activities of RMB140.52 million, principally comprised of profit before tax of RMB111.64 million, a decrease in inventories of RMB427.44 million (as a result of enhanced inventory management and control), and a RMB714.07 million increase in trade and bills payables, offset by a RMB1,306.96 million increase in trade and bills receivables (as a result of increased trade receivables that are not yet due for payment).

For the six months ended 30 June 2011, the Company reported net cash outflows from operating activities of RMB5,716.66 million, principally comprised of profit before tax of RMB621.46 million adjusted for a RMB64.43 million impairment of trade and other receivables and a RMB1,814.56 million increase in trade and bills payables. These cash inflows were offset by a RMB1,237.37 million increase in inventories (as a result of increases in our raw materials and finished and semi-finished goods due to increased customer orders), a RMB2,719.98 million increase in trade and bill receivables (as a result of increased sales on which payment had yet to become due under relevant sales contracts), and a RMB1,641.85 million decrease in other payables (as a result of the decrease in advances from customers).

2. ***Cash flow for investment activities***

The net cash flows for investment activities has principally been used for purchases of property, plant and equipment, acquisition of subsidiaries, pledged deposits, non-pledged time deposits with original maturity of three months or more, and the acquisition of investment properties.

For the six months ended 30 June 2012, the Group's net cash flows for investment activities was RMB1,073.25 million, principally due to purchases of property, plant and equipment of RMB1,038.99 million and purchases of intangible assets of RMB104.92 million.

For the six months ended 30 June 2011, the Group's net cash flows for investment activities was RMB1,455.67 million, principally due to purchases of property, plant and equipment of RMB977.57 million and acquisition of subsidiaries of RMB226.15 million.

3. ***Cash flows from financing activities***

The Group used cash flows from financing primarily to repay its bank and other borrowings, whilst cash flows from financing activities were derived from new bank loans and issue of corporate bonds.

For the six months ended 30 June 2012, the Group reported net cash flows from financing activities of RMB1,005.28 million, contributed by proceeds from issue of bonds of RMB2,974.5 million (with 3 years to maturity and a coupon rate of 6.63%) and new bank and other borrowings of RMB1,290.68 million, offset by RMB5,064.94 million used to repay bank and other borrowings.

For the six months ended 30 June 2011, the Group reported net cash flows from financing activities of RMB3,437.77 million, contributed by new bank and other borrowings of RMB4,537.97 million, offset by RMB1,093.50 million used to repay bank and other borrowings, and RMB90.38 million used for interest payments.

Capital Expenditures

Capital expenditure of the Group for the six months ended 30 June 2012 totalled RMB802.73 million, a decrease of 8.56% compared with RMB877.89 million for the six months ended 30 June 2011. Our primary sources of finance for capital expenditure included the proceeds from previous issues of new shares and corporate bonds, bank loans, and cash flow from operations.

Bank Loans and Other Borrowings

As at 30 June 2012, the total amount of outstanding bank loans of the Group was RMB4,048.25 million, including bank loans due within one year of RMB1,132.36 million, bank loans due in the second year of RMB552.24 million, bank loans due between the third and fifth year of RMB555.80 million and bank loans due after five years of RMB1,807.84 million. Details of the relevant loans are set out in note 19 to the financial statements prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

Pledged Assets

As at 30 June 2012, certain assets of the Group have been pledged for securing bank facilities. Details of such pledged assets during the six months ended 30 June 2012 are set out in note 19 to the financial statements prepared in accordance with IFRSs.

Gearing Ratio

As at 30 June 2012, the Group's ratio of net debt divided by total capital was 47.44% (as at 31 December 2011: 42.29%).

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The majority of the Group's assets, liabilities and business transactions were denominated in RMB, HK dollars, US dollars, Euros, and Australian dollars. During the six months ended 30 June 2012, the Group entered into forward currency agreements with Bank of China to manage its exchange rate risks. These forward currency agreements were not designated for hedging purposes and are measured at fair value through profit or loss. Changes in the fair value of these non-hedging currency derivatives totalling RMB0.09 million were credited to profit or loss for the year (during the six months ended 30 June 2011: RMB11.48 million).

Contingent Liabilities

The contingent liabilities of the Group mainly included issued letters of credit, letters of guarantee, and guarantees provided to third parties. As at 30 June 2012, contingent liabilities of the Group totalled RMB7,528.98 million (as at 31 December 2011: RMB7,354.42 million). Details are set out in note 23 to the financial statements.

Disposals of Subsidiaries and Associates

In the first half of 2012, the Group acquired and disposed interests in certain subsidiaries and associates in accordance with the development strategies of the Company based on changes of industry and market environments. Details of the disposals of subsidiaries and associates during the six months ended 30 June 2012 are set out in note 22 to the financial statements.

Event after the Balance Sheet Date

On 25 May 2012, the Company issued an announcement in connection with the disposal of 100% of its equity interests in an indirect wholly-owned subsidiary Tellhow Wind Power Blade Jiangsu Co., Ltd. to Sinomatech Wind Power Blade Co., Ltd.. The transaction was completed in July 2012.

IV. OUTLOOK FOR THE SECOND HALF OF 2012

Looking ahead, based on the significant role of wind power in China's national energy mix and regulatory policies, the outlook for the wind power industry is positive. With further standardisation of wind power grid connection, gradual resolution of the power grid bottleneck and introduction of relevant technical standards, the ASP of WTGs is steadily returning to a more reasonable level and market competition in the wind power industry is increasingly focused on core technologies, product quality and services. These factors, to a certain extent, will increase the pace of industry consolidation and increase the overall technical standard of the industry.

As a world leading WTG manufacturer and provider of comprehensive wind power solutions, despite the current industry pressures faced by the Company, we continue to pursue our operational targets such as to maximise value for our customers, provide excellent services to our customers, and provide high quality products to the market. We will also continue to develop the spirit of innovation through our advanced technology and high quality products, and contribute to the development of the wind power industry.

The Company will continue to face the following challenges during the second half of this year:

i. Slower growth for the industry;

ii. Intense market competition;

iii. Fluctuations in raw materials pricing.

The Company will actively respond to the complex and unfavourable environmental factors through strategies that mainly include:

i. Explore new sources of profitability and growth throughout the industry value chain, increase the pace of product optimisation and upgrades, implement comprehensive cost controls, and maintain the gross profit margin of our WTGs;

ii. Increase the pace of R&D for new products and the optimisation and upgrade of existing products, and optimise the lifetime cost and competitiveness of our WTGs;

iii. Strengthen the collection of receivables and ensure a healthy operating cash flow;

iv. Expand into new international markets, develop global resources, and increase the pace of internationalisation;

v. Focus on customer value and after-sales services, and continue to improve our value-added marketing.

V. ESTIMATED OPERATING RESULTS FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2012

Estimated operating results for the nine months ended 30 September 2012	-50% to -100%
Range of net profits attributable to owners of the Company for January to September 2012 (RMB **ten thousand**)	0 to 30,753.67
Operating results for the nine months ended 30 September 2011 (RMB)	615,073,452.04
Reasons for increase/decrease	(1) Slower growth for the wind power industry; (2) Increase in market competition, and decrease in ASP of WTGs.

INTERESTS AND SHORT POSITIONS IN SHARES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS BY DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

Based on information known to the Company, as at 30 June 2012, directors', supervisors' and chief executive's interests and short positions in shares of the Company are set out as follows:

Name of Director	Type of Equity Interests	Number of Shares	As a % of A Shares	As a % of Total Shares
Wu Gang	beneficial owner	40,167,040	1.83	1.49

Other than as disclosed above, as at 30 June 2012, as far as is known to the Company, none of the directors, supervisors or chief executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

PURCHASE, SALE AND REDEMPTION OF SHARES

During the six months ended 30 June 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities of the Company.

INTERIM DIVIDENDS

The Board of the Company has decided not to recommend payment of interim dividends for the six months ended 30 June 2012.

SHARE CAPITAL STRUCTURE

As at 30 June 2012, the particulars of the issued share capital of the Company are set out as follows:

Share Category	Number of Shares	Percentage of Total (%)
A Shares	2,194,541,200	81.44
H Shares	500,046,800	18.56
Total	2,694,588,000	100.00

SUBSTANTIAL SHAREHOLDERS

As of 30 June 2012, as far as is known to the Company, the following persons had an interest or short position in the shares of the Company that must be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

H Shares:

Name of Shareholder	Share Category	Number of Shares	As a % of H Shares	As a % of Total Shares
Citigroup Global Markets	H Shares	59,294,000 (L)	11.86%	2.20%
Hong Kong Holdings Limited		59,979,000 (S)	11.99%	2.23%
NSSF	H Shares	45,458,800 (L)	9.09%	1.69%
International Finance Corporation	H Shares	32,044,600 (L)	6.41%	1.19%
Liu Yang	H Shares	25,400,000 (L)	5.08%	0.94%

A Shares:

Name of Shareholder	Share Category	Number of Shares	As a % of A Shares	As a % of Total Shares
Xinjiang Wind Power Co., Ltd.	A Shares	375,920,386	17.13%	13.95%
China Three Gorges New Energy Corporation	A Shares	677,516,947	30.87%	25.14%
China Three Gorges Corporation	A Shares	677,516,947	30.87%	25.14%

Notes:

1. China Three Gorges New Energy Corporation ("**China Three Gorges New Energy**", a wholly-owned subsidiary of China Three Gorges Corporation) directly holds 301,596,561 A Shares. China Three Gorges New Energy holds 33.9% of the issued share capital of Xinjiang Wind Power Co., Ltd.. Under the SFO, besides directly holding interests in our Company, China Three Gorges New Energy is deemed to be interested in the 375,920,386 A Shares held by Xinjiang Wind Power Co., Ltd..

2. China Three Gorges Corporation is the holding company of China Three Gorges New Energy. Under the SFO, the 375,920,386 A Shares held by Xinjiang Wind Power Co., Ltd. in which China Three Gorges New Energy is deemed to be interested, and the 301,596,561 A Shares directly held by China Three Gorges New Energy are deemed to be the interests of China Three Gorges Corporation in our Company.

Other than as disclosed above, as at 30 June 2012, as far as is known to the Company, no other persons (excluding directors, supervisors, and chief executive) had an interest or short position in the shares of the Company which would require disclosure under the provisions of Divisions 2 and 3 of Part XV of the SFO.

INFORMATION ON THE NUMBER OF SHAREHOLDERS

As at 30 June 2012, the total number of shareholders of the Company was 293,375, among which the numbers of holders of A Share and H Share were 291,356 and 2,019, respectively.

THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied with all applicable code provisions under the Code on Corporate Governance Practices (for the period of 1 January 2012 to 31 March 2012) and Corporate Governance Code (for the period of 1 April 2012 to 30 June 2012) as set out in Appendix 14 to the Listing Rules, except for a deviation from Code Provision A.2.1 which provides that the roles of chairman and chief executive should be separated and should not be performed by the same person. The Company's Chairman of the Board and President of the Company have been performed by the same person, Mr. Wu Gang, since 23 March 2012 following the resignation of Mr. Guo Jian, the former President, on 23 March 2012. Mr. Wu Gang is a founding member of the Group and has over 20 years of experience in the wind power industry and possesses a thorough knowledge of the operations and management of the Company. Given the current circumstance, the Board believes that vesting the two roles in the same person provides the Company with strong and consistent leadership and facilitates the implementation and execution of the Group's business strategies which is in the best interests of the Company. The Board shall nevertheless review the structure from time to time in light of prevailing circumstances.

THE MODEL CODE

The Company has adopted a code of conduct governing directors' and supervisors' dealings in the Company's securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiries, all directors and supervisors confirmed that they had complied with the provisions of the Model Code during the six months ended 30 June 2012 and up to the date of this report.

REVIEW OF INTERIM RESULTS

As at 30 June 2012, the Audit Committee consisted of two independent non-executive directors, namely Dr. Tin Yau Kelvin Wong ("**Dr. Wong**") and Mr. Wang Yousan, and one non-executive director, namely Mr. Gao Zhong. The chairman of the Audit Committee was Dr. Wong. The Audit Committee has reviewed the unaudited interim results for the six months ended 30 June 2011.

AMENDMENTS TO ARTICLES OF ASSOCIATIONS

The Company proposed to amend the Articles of Association of the Company (the "**Articles**") to comply with the requirements of the *Notice of Further Implementation of Dividend Payment in Cash of Listed Companies (Zheng Jian Fa [2012] No.37)* (關於進一步落實上市公司現金分紅有關事項的通知(證監發[2012]37號)) issued by the CSRC and the *Notice of Implementation of Dividend Payment in Cash of Listed Companies in Xinjiang (Xin Zheng Jian Ju [2012] No.65)* (《關於落實新疆轄區上市公司現金分紅有關事項的通知》(新證監局[2012]65號)) issued by the CSRC Xinjiang Office, as well as the requirements for the Company's operational development.

Other Information (continued)

The proposed amendments to the Articles mainly include that (i) the Company shall distribute dividends in cash, shares or a combination of cash and shares; (ii) conditional upon the Company being profitable and the retained distributable profit being positive as well as the cash flow being able to satisfy the continuing operation and sustainable development of the Company, the Company shall distribute cash dividends; (iii) the accumulated distribution of cash dividends over the latest 3 years shall not be less than 30% of the average distributable profits for the latest 3 years; and (iv) if the operation of the Company is healthy, and the board of directors (the "**Board**") of the Company believes the scale of share capital does not match the operation scale of the Company and dividend payment in shares will be in the interests of all shareholders of the Company, the Company may propose to distribute dividends in shares.

It is also proposed that the Company shall distribute the profit in accordance with the Company's consolidated financial statements or the financial statements of the Company itself, whichever is lower.

The Company shall pay dividends once a year in principle while the Board may propose payment of interim dividends in line with the profitability of the Company.

The Board shall propose the preliminary profit distribution plans, the independent non-executive directors shall provide their independent opinions on the plans, and the shareholders of the Company at the general meeting will make decisions on the plans. Opinions of shareholders (especially medium and small shareholders) and the independent directors shall be heard and considered during the process of formulating and deciding the profit distribution plans.

If the Company is required to make adjustments to the profit distribution policies in line with its production and operation, investment plans and development strategies, the adjusted profit distribution policies shall not violate the relevant regulations of the CSRC and the stock exchanges. The adjustments of the profit distribution policies must be reviewed and approved by the Board, as well as by the shareholders by an affirmative vote of two-thirds or more of all shareholders attending the general meeting.

HUMAN RESOURCES

On 16 December 2011, Mr. Sun Liang resigned as the Chief Financial Officer (the "**CFO**") of the Company, and the Board appointed Mr. Huo Changbao as the CFO of the Company, effective from 1 January 2012, to fill the vacancy. On 23 March 2012, Mr. Cui Xinwei resigned as the chief engineer and the Board appointed Mr. Liu He as the chief engineer of the Company with immediate effect. On 23 March 2012, Mr. Guo Jian resigned as the President of the Company and the Board appointed Mr. Wu Gang as the President with immediate effect.

As at 30 June 2012, the Company had 4,160 employees (including contract workers).

Number of employees	4,160
Retired employees that are the responsibilities of the Company	0

Professions Structure

Category	Number of Employees
Production	1,004
Sales	203
Technical	2,039
Finance	155
Administration	759

Education

Category	Number of Employees
Post Doctorate	3
Doctorate	29
Master's Degree	435
Bachelor's Degree	1,730
College Degree	1,184
Secondary School Qualifications or Below	779

CHANGES TO THE INFORMATION ON DIRECTORS AND SUPERVISORS

On 23 March 2012, Mr. Guo Jian resigned as an executive director of the Company. On 24 April 2012, Mr. Lv Houjun resigned as a non-executive director of the Company. On 20 June 2012, the annual general meeting of the Company for the year of 2011 reviewed and approved Mr. Wang Haibo and Ms. Ji Dongmei to become the executive director and non-executive director, respectively.

On 1 April 2012, Dr. Tin Yau Kelvin Wong was appointed as a director of the Hong Kong Sports Institute Limited. On 17 June 2012, Mr. Wu was appointed as the chairman of Xinjiang New Energy (Group) Co., Ltd., a state-owned company incorporated in the PRC.

As far as is known to the Company, other than disclosed above, during the six months ended 30 June 2012, there were no changes to information that are required to be disclosed by the directors or supervisors of the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

INVESTOR RELATIONS

During the six months ended 30 June 2012, the Company communicated the operating performance of the Company and industry conditions with investors via various channels including analyst conferences and international road-shows, results conference calls, web conferences, analyst strategic conferences, on-site meetings, conference calls, and investor relations hotline call-ins.

Interim Condensed Consolidated Statement of Comprehensive Income

Six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
REVENUE	4	**3,451,009**	5,172,232
Cost of sales		**(2,992,226)**	(4,087,567)
Gross profit		**458,783**	1,084,665
Other income and gains	4	**459,117**	370,964
Selling and distribution costs		**(253,534)**	(420,685)
Administrative expenses		**(313,135)**	(256,065)
Other expenses		**(78,890)**	(123,875)
Finance costs	6	**(227,720)**	(66,495)
Share of profits and losses of:			
Jointly-controlled entities		**24,858**	(748)
Associates		**42,164**	33,699
PROFIT BEFORE TAX	5	**111,643**	621,460
Income tax expense	7	**(30,714)**	(130,832)
PROFIT FOR THE PERIOD		**80,929**	490,628
OTHER COMPREHENSIVE INCOME			
Exchange differences on translation of foreign operations		**(41,055)**	62,168
Others		**–**	2,658
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(41,055)**	64,826
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**39,874**	555,454
Profit attributable to:			
Owners of the Company		**72,069**	424,648
Non-controlling interests		**8,860**	65,980
		80,929	490,628
Total comprehensive income attributable to:			
Owners of the Company		**31,014**	489,474
Non-controlling interests		**8,860**	65,980
		39,874	555,454
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted	9	**RMB0.03**	RMB0.16

Interim Condensed Consolidated Statement of Financial Position

As at 30 June 2012

	Notes	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	10	**5,032,292**	4,579,887
Investment properties		**83,833**	85,281
Prepaid land lease payments		**224,325**	214,788
Goodwill	11	**310,135**	326,225
Other intangible assets		**393,820**	389,918
Investments in jointly-controlled entities		**471,479**	392,625
Investments in associates		**269,572**	253,138
Available-for-sale investments		**258,714**	257,644
Deferred tax assets	12	**495,588**	465,368
Prepayments		**160,372**	65,332
Derivative financial instruments		**126,523**	33,203
Total non-current assets		**7,826,653**	7,063,409
CURRENT ASSETS			
Inventories	13	**4,720,341**	5,148,235
Trade and bills receivables	14	**11,548,417**	10,299,392
Prepayments, deposits and other receivables	15	**2,131,041**	1,623,728
Equity investment at fair value through profit or loss		**–**	94,035
Pledged deposits	16	**102,688**	16,325
Cash and cash equivalents	16	**5,313,897**	7,596,918
		23,816,384	24,778,633
Assets of a disposal group classified as held for sale		**–**	588,144
Total current assets		**23,816,384**	25,366,777
CURRENT LIABILITIES			
Trade and bills payables	17	**8,117,079**	7,580,875
Other payables and accruals	18	**1,671,752**	1,426,167
Derivative financial instruments		**445**	537
Interest-bearing bank and other borrowings	19	**1,132,362**	5,467,483
Tax payable		**100,177**	119,454
Dividend payable		**134,729**	–
Provision		**676,383**	592,562
		11,832,927	15,187,078
Liabilities directly associated with the assets classified as held for sale		**–**	525,819
Total current liabilities		**11,832,927**	15,712,897
NET CURRENT ASSETS		**11,983,457**	9,653,880
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,810,110**	16,717,289

Interim Condensed Consolidated Statement of Financial Position (continued)

As at 30 June 2012

	Notes	30 June 2012 RMB'000 (Unaudited)	31 December 2011 RMB'000 (Audited)
NON-CURRENT LIABILITIES			
Interest-bearing bank and other borrowings	19	**2,915,888**	2,574,745
Deferred tax liabilities	12	**63,149**	44,413
Provision		**579,973**	677,121
Government grants		**141,281**	152,501
Bonds payable		**2,974,721**	–
Total non-current liabilities		**6,675,012**	3,448,780
NET ASSETS		**13,135,098**	13,268,509
EQUITY			
Equity attributable to owners of the Company			
Issued share capital	20	**2,694,588**	2,694,588
Reserves	21	**10,077,363**	10,044,742
Proposed final dividend		**–**	134,729
		12,771,951	12,874,059
Non-controlling interests		**363,147**	394,450
TOTAL EQUITY		**13,135,098**	13,268,509

Wu Gang
Director

Wang Haibo
Director

Interim Condensed Consolidated Statement of Changes in Equity

Six months ended 30 June 2012

	Attributable to owners of the Company									
	Issued share capital (note 20) RMB'000	Capital reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Available-for-sale investment revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Proposed dividend RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 31 December 2011 and 1 January 2012	2,694,588	7,989,649	495,389	1,719,842	948	(161,086)	134,729	12,874,059	394,450	13,268,509
Profit for the period (unaudited)	–	–	–	72,069	–	–	–	72,069	8,860	80,929
Other comprehensive income (unaudited)	–	–	–	–	–	(41,055)	–	(41,055)	–	(41,055)
Final 2011 dividend declared (unaudited)	–	–	–	–	–	–	(134,729)	(134,729)	(22,806)	(157,535)
Capital contribution from non-controlling shareholders (unaudited)	–	–	–	–	–	–	–	–	20,437	20,437
Acquisition of shares from non-controlling shareholders (unaudited)	–	1,607	–	–	–	–	–	1,607	(37,794)	(36,187)
As at 30 June 2012	2,694,588	7,991,256*	495,389*	1,791,911*	948*	(202,141)*	–	12,771,951	363,147	13,135,098
As at 31 December 2010 and 1 January 2011	2,694,588	7,976,999	481,181	1,262,072	–	(42,012)	916,160	13,288,988	341,912	13,630,900
Profit for the period (unaudited)	–	–	–	424,648	–	–	–	424,648	65,980	490,628
Other comprehensive income (unaudited)	–	2,658	–	–	–	62,168	–	64,826	–	64,826
Final 2010 dividend declared (unaudited)	–	–	–	–	–	–	(916,160)	(916,160)	–	(916,160)
Dividend declared to non-controlling shareholders (unaudited)	–	–	–	–	–	–	–	–	(15,974)	(15,974)
Capital contribution from non-controlling shareholders (unaudited)	–	–	–	–	–	–	–	–	84,669	84,669
Acquisition of subsidiaries (unaudited)	–	–	–	–	–	–	–	–	7,499	7,499
Capital withdrawal by non-controlling shareholders (unaudited)	–	–	–	–	–	–	–	–	(43,918)	(43,918)
Derecognition of subsidiaries (unaudited)	–	–	–	–	–	–	–	–	(94,140)	(94,140)
As at 30 June 2011	2,694,588	7,979,657*	481,181*	1,686,720*	–	20,156*	–	12,862,302	346,028	13,208,330

* As at 30 June 2012, these reserve accounts comprised the consolidated reserves of RMB10,077,363,000 (30 June 2011: RMB10,167,714,000) in the condensed consolidated statement of financial position.

Interim Condensed Consolidated Statement of Cash Flows

Six months ended 30 June 2012

	Notes	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**111,643**	621,460
Adjustments for:			
Finance costs	6	**227,720**	66,495
Foreign exchange differences, net		**11,480**	41,642
Bank interest income		**(1,916)**	(12,426)
Share of profits and losses of jointly-controlled entities	3	**(24,858)**	748
Share of profits and losses of associates	3	**(42,164)**	(33,699)
Depreciation	5	**92,548**	67,773
Amortization of prepaid land lease payments	5	**2,407**	2,643
Amortization of other intangible assets	5	**22,268**	30,267
Loss/gain on disposals of items of property, plant and equipment and other intangible assets, net		**(93)**	3,386
Gain on disposals of subsidiaries	4	**(259,500)**	(86,517)
Gain on derecognition of a subsidiary	4	**–**	(92,837)
Gain on disposal of a jointly-controlled entity	4	**(42,912)**	(24,854)
Cancelation of dividend income from associates		**5,094**	–
Loss/gain on derivative financial instruments	4	**(23,735)**	322
Net fair value gain on derivative financial instruments	4	**(92)**	(11,481)
Impairment of trade and other receivables	5	**50,216**	57,707
Government grants		**(19,717)**	(59,110)
		108,389	571,519
Increase/decrease in inventories		**427,437**	(4,216,157)
Increase in trade and bills receivables		**(1,306,957)**	(1,728,130)
Increase in prepayments, deposits and other receivables		**(322,289)**	(747,076)
Increase in trade and bills payables		**714,067**	1,019,507
Decrease in other payables and accruals		**200,323**	(408,429)
Increase in provision		**(13,327)**	168,630
Increase in equity investment through profit or loss		**94,035**	–
Cash generated from operations		**(98,322)**	(5,340,136)
Income tax paid		**(42,197)**	(376,527)
Net cash flows from operating activities		**(140,519)**	(5,716,663)

Interim Condensed Consolidated Statement of Cash Flows (continued)

Six months ended 30 June 2012

	Notes	Six months ended 30 June	
		2012	2011
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(1,038,994)**	(977,572)
Additions of prepaid land lease payments		**(11,944)**	(283)
Additions of other intangible assets		**(104,916)**	(46,584)
Acquisitions of subsidiaries, net of cash acquired (minus cash)		**(40,759)**	(226,148)
Purchase of shareholding in jointly-controlled entities		**(13,260)**	(83,184)
Purchase of shareholding in associates		**(53,915)**	(40,040)
Acquisition of non-controlling interests in subsidiaries		**(1,500)**	(23,150)
Proceeds from disposals of items of property, plant and equipment		**5,014**	785
Disposals of subsidiaries, net of cash disposed	22	**90,345**	(21,753)
Derecognition of a subsidiary, net of cash disposed (minus cash)		**–**	(82,117)
Increase in pledged deposits		**–**	(30,284)
Increase in non-pledged time deposits with original maturity of three months or more when acquired		**–**	56,012
Disposals of shareholding in associates		**16,280**	–
Dividend received		**54,474**	6,421
Interest received		**1,916**	12,430
Proceeds from derivative financial instruments		**10,912**	(202)
Repayment of loans from joint-controlled entities		**5,157**	–
Repayment of loans from associates		**7,942**	–
Net cash flows used in investing activities		**(1,073,248)**	(1,455,669)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		**1,290,682**	4,537,965
Repayment of bank and other borrowings		**(5,064,939)**	(1,093,503)
Interest paid		**(234,910)**	(90,379)
Capital contributions from non-controlling shareholders		**20,330**	83,690
Increase in amount due to the non-controlling shareholder of subsidiaries		**9,061**	–
Proceeds from issue of bonds		**2,974,500**	–
Net cash flows from financing activities		**(1,005,276)**	3,437,773
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(2,219,043)**	(3,734,559)
Cash and cash equivalents at beginning of period		**7,554,630**	9,242,400
Effect of foreign exchange rate changes, net		**(21,690)**	21,549
CASH AND CASH EQUIVALENTS AT END OF PERIOD	16	**5,313,897**	5,529,390

Notes to Interim Condensed Consolidated Financial Statements

Six months ended 30 June 2012 – Unaudited (presented in RMB)

1. CORPORATE INFORMATION

Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") was established as a joint stock limited liability company on 26 March 2001 in the People's Republic of China (the "PRC"). The Company's A shares have been listed on The Shenzhen Stock Exchange (the "SZSE") from 26 December 2007, and the Company's H shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "HKEx") from 8 October 2010. The registered office of the Company is located at 107 Shanghai Road, Economic & Technology Development District, Urumqi, Xinjiang, PRC.

During the reporting period, the Company and its subsidiaries (collectively referred to as the "Group") were involved in the following principal activities:

- Manufacture and sale of wind turbine generators ("WTGs") and wind power components;
- Development and operation of wind farms, consisting of wind power generation services provided by the Group's wind farms as well as sale of wind farms, if appropriate;
- Provision of wind power related consultancy, wind farm construction, maintenance and transportation services.

In the opinion of the directors, the Company has no controlling shareholder.

2. BASIS OF PRESENTATION AND PREPARATION

These unaudited condensed consolidated interim financial statements ("these statements") have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "HKEx Listing Rules") and with International Accounting Standards ("IAS") 34 Interim Financial Reporting. These statements should be read in conjunction with the annual financial statements for the year ended 31 December 2011, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These statements have been prepared under the historical cost convention, except for certain financial assets, which have been measured at fair value. In addition, these statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand, except when otherwise indicated.

The accounting policies adopted for these statements are consistent with those of and described in the annual financial statements for the year ended 31 December 2011.

The IASB has issued a few amendments to International Financial Reporting Standards ("IFRSs") that are first effective for the current accounting period of the Group. None of the developments are relevant to the Group's financial statements. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

(a) The WTG manufacturing and sales segment engages in the research and development ("R&D"), manufacture and sale of WTGs and wind power components;

(b) The wind power services segment provides wind power related consultancy, wind farm construction, maintenance and transportation services; and

(c) The wind farm development segment engages in development of wind farms, which consists of wind power generation service provided by the Group's wind farms as well as sale of wind farms, if appropriate.

Management monitors the operating results of the Group's operating segments separately for the purpose of making decisions about resources allocation and performance assessment. Segment performance is evaluated based on reportable segment profit or loss, which is a measure of adjusted profit or loss before tax. The adjusted profit or loss before tax is measured consistently with the Group's profit or loss before tax.

Intersegment revenues are eliminated on consolidation. Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2012 (unaudited)

	Wind turbine generator manufacturing and sales RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:					
Sales to external customers	3,187,610	161,880	101,519	–	3,451,009
Intersegment sales	946,414	22,595	–	(969,009)	–
Total revenue	4,134,024	184,475	101,519	(969,009)	3,451,009
Segment results:					
Interest income	27,569	515	4,472	–	32,556
Finance costs	(142,301)	(6,057)	(79,362)	–	(227,720)
Other segment information:					
Share of profits and losses:					
Joint-controlled entities	–	–	24,858	–	24,858
Associates	34,801	–	7,363	–	42,164
Depreciation and amortization	83,937	1,590	33,224	(1,528)	117,223
Impairment of trade and other receivables	44,865	–	5,351	–	50,216
Product warranty provision	121,459	–	–	7,263	128,722
Capital expenditure[1]	130,089	474	728,045	(55,877)	802,731
Profit before tax	(84,669)	16,472	139,083	40,757	111,643
As at 30 June 2012					
Segment assets	28,495,648	1,402,350	8,474,476	(6,729,437)	31,643,037
Segment liabilities	15,732,256	1,126,580	5,365,627	(3,716,524)	18,507,939
Other segment information:					
Investments in jointly-controlled entities	14,640	–	495,951	(39,112)	471,479
Investments in associates	147,398	3,200	118,974	–	269,572

3. OPERATING SEGMENT INFORMATION (continued)

Six months ended 30 June 2011 (unaudited)

	Wind turbine generator manufacturing and sales RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:					
Sales to external customers	5,080,440	44,462	47,330	–	5,172,232
Intersegment sales	822,203	79,249	–	(901,452)	–
Total revenue	5,902,643	123,711	47,330	(901,452)	5,172,232
Segment results:					
Interest income	28,744	272	1,004	–	30,020
Finance costs	(48,165)	(766)	(17,564)	–	(66,495)
Other segment information:					
Share of profits and losses:					
Joint-controlled entities	–	–	(748)	–	(748)
Associates	24,037	–	9,662	–	33,699
Depreciation and amortization	79,892	1,494	19,870	(573)	100,683
Impairment/(reversal of impairment) of trade and other receivables	58,326	(619)	–	–	57,707
Product warranty provision	225,436	–	–	(30,023)	195,413
Capital expenditure(1)	185,783	2,155	832,946	(142,991)	877,893
Profit before tax	605,972	20,128	49,903	(54,543)	621,460

(1) Capital expenditure mainly consists of additions of property, plant and equipment, other intangible assets and prepaid land lease payments including assets from the acquisition of subsidiaries.

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) *Revenue from external customers*

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Mainland China	**3,012,813**	4,724,239
Germany	**306,518**	258,051
Other countries	**131,678**	189,942
	3,451,009	5,172,232

The revenue information from continuing operations above is based on the location of the customers.

(b) *Non-current assets*

	As at 30 June 2012	As at 31 December 2011
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Mainland China	**5,243,833**	4,464,991
United States of America	**1,201,327**	1,196,652
Germany	**520,491**	559,758
Other countries	**45,072**	85,793
	7,010,723	6,307,194

The non-current asset information from continuing operations above is based on the location of assets and excludes financial instruments and deferred tax assets.

Information about a major customer

For the six months ended 30 June 2012 and 30 June 2011, no revenue generated from any of the Group's customer had individually accounted for 10% or more of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold, after allowances for returns and trade discounts; and the values of services rendered.

An analysis of the Group's revenue, other income and gains is as follows:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Revenue		
Sale of wind turbine generators and wind power components	**3,187,610**	5,080,075
Wind power services	**161,880**	44,782
Wind power generation	**101,519**	47,375
	3,451,009	5,172,232
Other income		
Bank interest income	**32,556**	30,020
Gross rental income	**1,514**	8,078
Government grants	**57,620**	97,770
Value-added tax refund	**5,918**	369
Insurance compensation on product warranty expenditures	**26,043**	12,346
Others	**7,411**	5,244
	131,062	153,827
Gains		
Gain on disposals of subsidiaries, including wind farm project companies	**259,500**	86,517
Gain on derecognition of a subsidiary, a wind farm project company	**–**	92,837
Gain on disposals a jointly-controlled entity	**42,912**	24,854
Gain on disposals of items of property, plant and equipment and other intangible assets	**232**	125
Net fair value gain on derivative financial instruments	**92**	11,481
Others	**25,319**	1,323
	328,055	217,137
	459,117	370,964

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Notes	Six months ended 30 June 2012 RMB'000 (Unaudited)	2011 RMB'000 (Unaudited)
Cost of inventories sold		**2,852,155**	4,056,252
Depreciation (see note) provided for:			
Property, plant and equipment	10	**91,100**	66,325
Investment properties		**1,448**	1,448
		92,548	67,773
Amortization of prepaid land lease payments		**2,407**	2,643
Amortization of intangible assets		**22,268**	30,267
		24,675	32,910
Impairment/(reversal of impairment) of trade and bills receivables	14	**50,216**	57,652
Impairment/(reversal of impairment) of prepayments, deposits and other receivables	15	**–**	55
		50,216	57,707
Loss on disposals of items of property, plant and equipment and other intangible assets, net		**(93)**	3,386
Minimum lease payments under operating leases of land and buildings		**5,938**	4,486
Employee benefit expenses (including directors' and supervisors' remuneration):			
Wages and salaries		**152,736**	148,352
Pension scheme contributions (defined contribution scheme)		**17,204**	19,338
Welfare and other expenses		**42,163**	38,997
		212,103	206,687
Foreign exchange differences, net		**11,480**	41,642
Research and development costs:			
Staff costs		**43,168**	31,832
Amortization and depreciation		**6,843**	3,839
Materials expenditure and others		**22,900**	13,748
		72,911	49,419
Product warranty provision		**128,722**	195,413

Note:

Depreciation of approximately RMB35,721,000 (for the six months ended 30 June 2011: RMB46,369,000) is included in the cost of sales in the consolidated statements of comprehensive income for the six months ended 30 June 2012.

6. FINANCE COSTS

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Interest on bank loans and other loans repayable		
within five years	**241,260**	64,447
beyond five years	**27,896**	34,151
	269,156	98,598
Less: Interest capitalized (note 10)	**(41,436)**	(32,103)
	227,720	66,495

7. INCOME TAX EXPENSE

Under the relevant *PRC Corporate Income Tax Law* and the respective regulations, except for the Company's overseas subsidiaries and certain preferential treatment available to the Company, the Company's subsidiaries, jointly-controlled entities and associates in the PRC, which were exempted from income tax or taxed at a preferential rate of 15% primarily due to their status as entities engaging in technology development or their involvement in the important public infrastructure investment projects that were supported by the government and development projects in the western region of the PRC, the entities within the Group were subject to corporate income tax at a rate of 25% for the six months end 30 June 2012.

No Hong Kong profits tax has been provided because the Group did not generate any assessable profits in Hong Kong during the reporting period.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The Company has been identified as a "high and new technology enterprise" and was entitled to a preferential income tax rate of 15% for the three years ending 31 December 2014 in accordance with the PRC Corporate Income Tax Law.

7. INCOME TAX EXPENSE (continued)

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current		
– Mainland China	**26,694**	119,274
– Germany	**15,505**	79,692
	42,199	198,966
Deferred (note 12)	**(11,485)**	(68,134)
Tax charge for the period	**30,714**	130,832

The adjustments of the appropriate income taxes of profit before tax calculated by the applicable legal income tax rates and the income taxes calculated by the real income tax rates of the Company are as follows:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Profit before tax	**111,643**	621,460
Income tax charge at the statutory income tax rate of 25%	**27,911**	155,365
Effect of different income tax rates for overseas entities	**(783)**	16,173
Tax exemption	**36,486**	(46,586)
Tax losses not recognized	**13,749**	18,257
Income not subject to tax	**1,274**	–
Expenses not deductible for tax purposes	**245**	162
Additional tax deduction to research and development expenditure	**(1,650)**	(1,309)
Profits and losses attributable to jointly-controlled entities	**(6,214)**	187
Profits and losses attributable to associates	**(10,541)**	(8,425)
Others	**(29,763)**	(2,992)
Tax charge for the year at the effective rate	**30,714**	130,832

8. DIVIDEND

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Dividend per ordinary share		
Final dividend (2011: RMB0.05, 2010: RMB0.34) per ordinary share	**134,729**	916,160
	134,729	916,160

At the annual general meeting held on 20 June 2012, the Company's shareholders approved the payment of the final dividend for the year ended 31 December 2011 of RMB0.05 per share which amounted to RMB134,729,000. Prior to the date of this report, the Group has not fully paid the dividend.

9. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

For the six months ended 30 June 2012, the calculation of basic earnings per share amount is based on the profit attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,694,588,000 (30 June 2011: 2,694,588,000 shares) in issue during the year.

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**72,069**	424,648

	Number of shares Six months ended 30 June	
	2012	2011
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation, after taking into consideration of the issuance of the new shares from the beginning of the year up to the date of these financial statement	**2,694,588,000**	2,694,588,000

As at 30 June 2012, the Company does not have any potential diluted ordinary shares.

10. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June 2012					
	Buildings RMB'000 (unaudited)	Machinery RMB'000 (unaudited)	Vehicles RMB'000 (unaudited)	Electronic equipment and others RMB'000 (unaudited)	Construction in progress RMB'000 (unaudited)	Total RMB'000 (unaudited)
Cost:						
At 1 January 2012	973,195	1,151,146	55,657	167,846	2,515,434	4,863,278
Additions	7,292	11,963	2,925	14,069	727,137	763,386
Disposals	(69)	(5,952)	(654)	(1,666)	–	(8,341)
Disposals of subsidiaries (note 22)	–	–	–	–	(213,945)	(213,945)
Transfers	932	1,464,229	–	320	(1,465,481)	–
Exchange realignment	(2,905)	1,757	(155)	(1,394)	2,676	(21)
At 30 June 2012	978,445	2,623,143	57,773	179,175	1,565,821	5,404,357
Accumulated depreciation and impairment:						
At 1 January 2012	(60,739)	(150,925)	(12,032)	(59,695)	––	(283,391)
Depreciation charge for the year	(14,906)	(59,036)	(3,204)	(13,955)	––	(91,101)
Disposals	3	–	319	580	–	902
Exchange realignment	303	716	64	442	––	1,525
At 30 June 2012	(75,339)	(209,245)	(14,853)	(72,628)	–	(372,065)
Net carrying amount:						
At 30 June 2012	903,106	2,413,898	42,920	106,547	1,565,821	5,032,292
At 1 January 2012	912,456	1,000,221	43,625	108,151	2,515,434	4,579,887

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Year ended 31 December 2011					
	Buildings RMB'000 (audited)	Machinery RMB'000 (audited)	Vehicles RMB'000 (audited)	Electronic equipment and others RMB'000 (audited)	Construction in progress RMB'000 (audited)	Total RMB'000 (audited)
Cost:						
At 1 January 2011	661,988	1,064,711	45,134	112,520	2,080,243	3,964,596
Additions	10,976	71,032	19,588	60,949	2,803,446	2,965,991
Acquisitions of subsidiaries	–	33,797	–	1,162	11,842	46,801
Disposals	(17)	(4,890)	(4,858)	(4,077)	–	(13,842)
Disposals of subsidiaries	–	(1,041,371)	(1,917)	(500)	–	(1,043,788)
Derecognition of a subsidiary	–	(296,852)	(1,568)	(226)	(306,378)	(605,024)
Transfers	306,861	1,334,602	–	842	(1,642,305)	–
Transferred to assets of a disposal group classified as held for sale	–	–	(380)	(65)	(431,470)	(431,915)
Exchange realignment	(6,613)	(9,883)	(342)	(2,759)	56	(19,541)
At 31 December 2011	973,195	1,151,146	55,657	167,846	2,515,434	4,863,278
Accumulated depreciation and impairment:						
At 1 January 2011	(39,722)	(99,528)	(7,585)	(34,994)	–	(181,829)
Depreciation charge for the year	(21,926)	(81,031)	(6,302)	(26,030)	–	(135,289)
Disposals	18	676	1,117	549	–	2,360
Acquisitions of subsidiaries	–	(5,471)	–	(171)	–	(5,642)
Disposals of subsidiaries	–	22,175	409	187	–	22,771
Derecognition of a subsidiary	–	10,531	129	35	–	10,695
Transferred to assets of a disposal group classified as held for sale	–	–	43	7	–	50
Exchange realignment	891	1,723	157	722	–	3,493
At 31 December 2011	(60,739)	(150,925)	(12,032)	(59,695)	–	(283,391)
Net carrying amount:						
At 31 December 2011	912,456	1,000,221	43,625	108,151	2,515,434	4,579,887
At 1 January 2011	622,266	965,183	37,549	77,526	2,080,243	3,782,767

The carrying amounts of machinery and construction in progress of the Group included capitalized interest of approximately RMB41,436,000 (2011: RMB69,552,000) charged for the six months ended 30 June 2012 prior to being transferred to machinery (note 6).

10. PROPERTY, PLANT AND EQUIPMENT (continued)

As at 30 June 2012, the Group was in the process of applying for the title certificates of certain of its buildings with an aggregate net carrying amount of approximately RMB13,827,000. The directors are of the view that the Group is entitled to lawfully and validly occupy and use the above-mentioned buildings. The directors are also of the opinion that the aforesaid matter does not have any significant impact on the Group's financial position as at 30 June 2012.

As at 30 June 2012, certain of the Group's property, plant and equipment with carrying values of approximately RMB1,836,885,000 (31 December 2011: RMB1,543,181,000) were an aggregate pledged to secure certain of the Group's bank loans (note 19).

11. GOODWILL

	Six months ended 30 June 2012 RMB'000 (Unaudited)	Year ended 31 December 2011 RMB'000 (Audited)
Cost and carrying amount at beginning of the year/period	**326,225**	256,823
Acquisitions of subsidiaries	**–**	84,589
Disposed of subsidiaries (note 22)	**(8,891)**	(470)
Exchange realignment	**(7,199)**	(14,717)
Cost and carrying amount at end of the year/period	**310,135**	326,225

Goodwill acquired through business combination in 2008 in the amount of approximately RMB270,968,000 has been allocated to the wind turbine generator manufacturing and sale cash-generating unit, which is a reportable segment, for impairment testing.

The recoverable amount of the wind turbine generator manufacturing and sale cash-generating unit has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a five-year period approved by senior management.

Key assumptions were used in the value in use calculation of the wind turbine generator manufacturing and sale cash-generating unit for 30 June 2012 and 31 December 2011. The following describes each key assumption on which management has based its cash flow projection to undertake impairment testing of goodwill:

Budgeted gross margins – The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budget year, increased for expected efficiency improvements and expected market development.

Discount rate – The discount rate used is before tax and reflects specific risks relating to the relevant unit.

The values assigned to key assumptions reflect past experience of the management.

12. DEFERRED TAX ASSETS AND DEFERRED TAX LIABILITIES

The movements in deferred tax assets and deferred tax liabilities during the period are as follows:

	Six months ended 30 June 2012 RMB'000 (Unaudited)	Year ended 31 December 2011 RMB'000 (Audited)
At beginning of the period/year, net	**420,955**	330,202
Deferred tax credited to profit or loss during the period (note 7)	**11,485**	90,940
Fair value (gain)/loss of available for sales financial assets	**(1)**	(187)
At end of the period/year, net	**432,439**	420,955

The deferred tax assets and deferred tax liabilities are attributed to the following items, which are reflected in the interim condensed consolidated statement of financial position:

	Six months ended 30 June 2012 RMB'000 (Unaudited)	Year ended 31 December 2011 RMB'000 (Audited)
Deferred tax assets:		
Provision for impairment of assets	**67,658**	59,313
Difference in amortization for tax purposes	**22**	1,845
Provisions and accruals	**219,771**	237,377
Government grants received not yet recognized as income	**6,911**	4,625
Unrealized gains arising from intra-group sales	**149,026**	160,383
Others	**52,200**	1,825
Gross deferred tax assets	**495,588**	465,368
Deferred tax liabilities:		
Excess of fair values of identifiable assets and liabilities over carrying values in acquisition of a subsidiary in 2008	**39,662**	43,886
Contingent consideration arising from the transfer of the equity	**23,298**	–
Others	**189**	527
Gross deferred tax liabilities	**63,149**	44,413
Net deferred tax assets	**432,439**	420,955

13. INVENTORIES

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Raw materials	2,877,110	3,047,424
Work in progress	547,962	1,024,936
Finished and semi-finished goods	1,210,764	972,304
Consigned processing materials	28,257	25,106
Low-value consumables and others	56,248	78,465
	4,720,341	5,148,235

14. TRADE AND BILLS RECEIVABLES

	Six months ended 30 June 2012 RMB'000 (Unaudited)	Year ended 31 December 2011 RMB'000 (Audited)
Trade receivables	10,146,554	9,551,962
Bills receivable	368,794	95,735
Retention money receivables	1,474,683	1,043,248
Provision for impairment	(441,614)	(391,553)
	11,548,417	10,299,392

The Group normally allows a credit period of not more than three months to its customers. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade and bills receivables are non-interesting bearing.

14. TRADE AND BILLS RECEIVABLES (continued)

An aged analysis of trade and bills receivables, based on the invoice date and net of provisions, as at the respective reporting dates is as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Within 3 months	**4,779,911**	3,163,549
3 to 6 months	**602,894**	1,640,550
6 months to 1 year	**2,406,278**	1,980,513
1 to 2 years	**3,476,384**	2,928,833
2 to 3 years	**156,196**	433,442
Over 3 years	**126,754**	152,505
	11,548,417	10,299,392

The aged analysis of the trade receivables that are not considered to be impaired is as follows:

	As at 30 June 2012 RMB'000 (Unaudited)
Neither past due nor impaired	**3,559,186**
Less than 3 months past due	**1,244,902**
3 to 6 months past due	**1,091,557**
	5,895,645

Receivables that were neither past due nor impaired relate to a large number of diversified customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, the directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit.

14. TRADE AND BILLS RECEIVABLES (continued)

Movements in the provision for impairment of trade and bills receivables are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
At beginning of the year/period	**391,553**	372,091
Impairment losses recognized (note 5)	**60,981**	250,675
Impairment losses reversed (note 5)	**(10,765)**	(233,868)
Exchange realignment	**(155)**	2,655
At end of the year/period	**441,614**	391,553

The amounts due from Xinjiang Wind Power Company Limited ("Xinjiang Wind Power") (新疆風能有限責任公司), the 13.95%-owned shareholder of the Company, jointly-controlled entities and an associate included in the trade and bills receivables are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
13.95% owned shareholder of the Company	**18,238**	3,226
Jointly-controlled entities	**539,329**	899,660
Associates	**5,910**	6,712
	563,477	909,598

The above amounts are unsecured, non-interest-bearing and repayable on similar credit terms to those offered to other independent customers of the Group.

As at 30 June 2012, the Group's trade receivables amounting to RMB548,308,000 (31 December 2011: RMB1,054,532,000) were pledged to secure certain of the Group's bank loans (note 19).

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Advance to suppliers	**1,027,919**	727,236
Prepayments	**192,593**	96,993
Deposits and other receivables	**1,075,454**	869,425
Provision for impairment	**(4,553)**	(4,594)
	2,291,413	1,689,060
Portion classified as non-current assets	**(160,372)**	(65,332)
Current portion	**2,131,041**	1,623,728

Movements in the provision for impairment of prepayments, deposits and other receivables are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
At beginning of the year/period	**4,594**	4,909
Impairment losses recognized (note 5)	**–**	6
Impairment losses reversed (note 5)	**–**	(258)
Amounts written off as uncollectible	**–**	(189)
Exchange realignment	**(41)**	126
At end of the year/period	**4,553**	4,594

The amounts due from the Group's jointly-controlled entities and associates included in the prepayments, deposits and other receivables are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Jointly-controlled entities	**11,474**	16,353
Associates	**253,244**	183,743
	264,718	200,096

The above amounts are unsecured, non-interest-bearing and repayable on similar credit terms to those offered to other independent customers of the Group.

16. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Cash and bank balances	**4,784,067**	6,461,558
Time deposits	**632,518**	1,151,685
	5,416,585	7,613,243
Less: Pledged time deposits for		
– bank loans (note 19 (f))	**(15,742)**	(16,325)
– uncompleted transaction	**(86,946)**	–
	(102,688)	(16,325)
Cash and cash equivalents in the consolidated financial statements	**5,313,897**	7,596,918
Less: Non-pledged time deposits with original maturity of three months or more when acquired	**–**	(42,288)
Cash and cash equivalents in the consolidated statements of cash flows	**5,313,897**	7,554,630
Cash and cash equivalents and pledged deposits denominated in:		
– RMB	**3,935,369**	6,135,160
– other currencies	**1,481,216**	1,478,083
	5,416,585	7,613,243

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between seven days and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

17. TRADE AND BILLS PAYABLES

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Trade payables	5,589,977	5,294,639
Bills payables	2,527,102	2,286,236
	8,117,079	7,580,875

Trade and bills payables are non-interest-bearing and are normally settled within 90 days.

An aged analysis of the Group's trade and bills payables, based on the invoice date, as at the reporting date is as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Within 3 months	2,477,153	4,795,462
3 to 6 months	2,838,800	861,470
6 months to 1 year	1,151,802	1,339,345
1 to 2 years	1,527,669	556,310
2 to 3 years	115,912	21,752
Over 3 years	5,743	6,536
	8,117,079	7,580,875

The amounts due to the Group's associates included in the trade and bills payables are as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Associates	145,547	64,004
	145,547	64,004

18. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Advances from customers	1,268,544	1,062,648
Accrued salaries, wages and benefits	33,293	98,591
Other taxes payable	12,303	15,522
Others	357,612	249,406
	1,671,752	1,426,167

Other payables are non-interest-bearing and have no fixed terms of repayment.

19. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2012			As at 31 December 2011		
	Effective interest rate (%)	Maturity	RMB'000 (Unaudited)	Effective interest rate (%)	Maturity	RMB'000 (Audited)
Current						
Short term bank loans:						
– Unsecured	6.10-6.65	2012-2013	572,755	1.80-7.54	2012	3,818,898
– Secured	6.31-6.88	2012-2013	394,440	6.15-7.87	2012	1,500,232
Current portion of long term bank loans:						
– Unsecured	3.94-5.60	2012-2013	104,867	3.94-5.60	2012	105,353
– Secured	6.12-6.80	2012-2013	60,300	5.35-7.05	2012	43,000
			1,132,362			5,467,483
Non-current						
Long term bank loans:						
– Unsecured	3.94-6.65	2013-2021	332,257	3.94-6.65	2013-2021	634,025
– Secured	3.20-8.33	2013-2026	2,583,631	3.20-8.33	2013-2026	1,940,720
			2,915,888			2,574,745
			4,048,250			8,042,228
Interest-bearing bank and other borrowings denominated in:						
– RMB			3,037,566			6,481,661
– Euro			25,897			118,922
– United States dollar			984,787			996,856
– Hong Kong dollar			–			284,556
– Australian dollar			–			160,233
			4,048,250			8,042,228

19. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

The maturity profile of the interest-bearing bank and other borrowings as at 30 June 2012 and 31 December 2011 is as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Analyzed into:		
Bank loans repayable		
Within one year	**1,132,362**	5,467,483
In the second year	**552,241**	823,222
In the third to fifth years, inclusive	**555,803**	499,758
Above five years	**1,807,844**	1,251,765
	4,048,250	8,042,228

The Group's bank loans of approximately RMB3,281,126,000 (31 December 2011: RMB3,533,952,000) as at 30 June 2012 were secured or guaranteed as follows:

(a) As at 30 June 2012, certain of the Group's bank loan amounting to approximately RMB1,669,300,000 (31 December 2011: RMB1,008,000,000) were secured by mortgages over certain of the Company's subsidiaries' property, plant and equipment and prepaid land lease payments and rentals and by pledge of these subsidiaries' electricity charges right and their future income thereon. As at 30 June 2012, the aggregate carrying values of the property, plant and equipment amounted to RMB1,768,744,000 (31 December 2011: RMB1,531,754,000) (note 10). As at 30 June 2012, the book value of prepaid land lease payments amounted to RMB15,147,000 (31 December 2011: 15,244,000). As at 30 June 2012, the aggregate carrying values of the receivables under the electricity charge amounted to RMB102,036,000 (31 December 2011: RMB36,752,000) (note 14).

(b) As at 30 June 2012, certain of the Group's bank loan amounting to approximately RMB537,195,000 (31 December 2011: RMB1,500,232,000) were secured by pledge of the Company's subsidiaries' accounts receivable amounting to approximately RMB446,272,000 (31 December 2011: RMB1,017,780,000) (note 14).

(c) As at 30 June 2012, certain of the bank loans of one of the subsidiaries, "Tellhow Jiangsu", amounting to approximately RMB50,000,000 (31 December 2011: RMB nil), were secured by mortgages over certain of its own's property, plant and equipment and prepaid land lease payments of the carrying values amounting to RMB60,271,000 (2011: nil) and RMB32,823,000 (2011: nil), respectively.

(d) As at 30 June 2012, certain of the bank loans of one of the subsidiaries, Tellhow Wind Power Blade Jiangsu Co., Ltd. ("Tellhow Jiangsu"), amounting to approximately RMB50,000,000 (31 December 2011: RMB50,000,000), were guaranteed by the independent third party, Jiangsu Kai Yuan Investment Co., Ltd. (江蘇開源投資發展有限公司).

19. INTEREST-BEARING BANK AND OTHER BORROWINGS (continued)

The Group's bank loans of approximately RMB3,281,126,000 (31 December 2011: RMB3,533,952,000) as at 30 June 2012 were secured or guaranteed as follows: (continued)

(e) As at 30 June 2012, certain of the bank loans of one of the Company's subsidiaries, Goldwind Windenergy GmbH ("Goldwind Windenergy"), amounting to approximately EUR915,000 (equivalent to approximately RMB7,204,000) (2011: EUR1,246,000 (equivalent to approximately RMB10,175,000)) were secured by mortgages over certain of its property, plant and equipment of the carrying values amounting to RMB7,871,000 (31 December 2011: RMB11,427,000).

(f) As at 30 June 2012, certain of the bank loans of one of the Company's subsidiaries, Vensys Windpark Wagenfeld Betriebsgesellschaft mbH & Co. KG, amounting to approximately EUR2,375,000 (equivalent to approximately RMB18,694,000(31 December 2011: EUR2,500,000 (equivalent to approximately RMB20,406,000)) were secured by pledge of certain of the Group's bank deposits amounting to approximately RMB15,742,000(31 December 2011: RMB16,325,000).

(g) As at 30 June 2012, the bank loan of one of the Group's subsidiaries GSG 6, LLC, amounting to USD150,000,000 (equivalent to approximately RMB948,735,000) (31 December 2011: USD150,000,000 (equivalent to approximately RMB945,139,000)), was secured by pledge of the shares held by Tianrun Shady Oaks, LLC in GSG 6, LLC amounting to USD55,000,000 (equivalent to approximately RMB347,869,500).

20. ISSUED SHARE CAPITAL

	30 June 2012		31 December 2011	
	Number of shares '000 (Unaudited)	**Nominal value RMB'000 (Unaudited)**	Number of shares '000 (Audited)	Nominal value RMB'000 (Audited)
Registered, issued and fully paid:				
A shares of RMB1.00 each	**2,194,541**	**2,194,541**	2,194,541	2,194,541
H shares of RMB1.00 each	**500,047**	**500,047**	500,047	500,047
	2,694,588	**2,694,588**	2,694,588	2,694,588

During the year/period, the movements in the share capital were as follows:

	Six months ended 30 June 2012		Year ended 31 December 2011	
	Number of shares '000 (Unaudited)	**Nominal value RMB'000 (Unaudited)**	Number of shares '000 (Audited)	Nominal value RMB'000 (Audited)
At beginning of the year/period	**2,694,588**	**2,694,588**	2,694,588	2,694,588
At end of the year/period	**2,694,588**	**2,694,588**	2,694,588	2,694,588

21. RESERVES

The amounts of the Group's reserves for the current and prior year were fully repaid on page 29 of these financial statements.

22. DISPOSALS OF SUBSIDIARIES

(i) On 31 March 2012, the Group disposed of its 49% shareholding in Shuozhou Pinglu Tianhui wind power Co., Ltd. (朔州市平魯區天匯風電有限公司) to an independent third party for a consideration in the form of cash of RMB158,081,000.

(ii) On 8 June 2012, the Group disposed of its 100% shareholding in Mortons Lane Wind Farm (Holding) Pty Ltd to an independent third party for a consideration in the form of cash of RMB11,171,000.

The net assets of the subsidiaries disposed of during the six months ended 30 June 2012 were as follows:

	Notes	**Six months ended 30 June 2012 RMB'000 (Unaudited)**
Net assets disposed of:		
Property, plant and equipment, net	10	**213,945**
Goodwill	11	**8,891**
Cash and cash equivalents		**4,804**
Trade and bill receivables		**–**
Prepayments, deposits and other receivables		**1,513**
Trade payables		**(64,249)**
Other payables		**(79)**
Interest-bearing bank loans		**(177,727)**
Assets of a disposal group classified as held for sale		**603,823**
Liabilities directly associated with the assets classified as held for sale		**(544,684)**
		46,237
Fair value of net assets not disposed of and remained as investment in a jointly-controlled entity		**(136,485)**
Gain on disposals of subsidiaries		**259,500**
Total consideration		**169,252**
Satisfied by cash		**169,252**

22. DISPOSALS OF SUBSIDIARIES (continued)

An analysis of the net inflow of cash and cash equivalents in respect of the disposals of subsidiaries is as follows:

	Six months ended 30 June 2012 RMB'000 (Unaudited)
Cash consideration	169,252
Cash consideration receivable at year end	(158,103)
Cash and cash equivalents receivable for prior year transactions	84,000
Cash and bank balances disposed of	(4,804)
Net inflow of cash and cash equivalents in respect of the disposals of subsidiaries	90,345

23. CONTINGENT LIABILITIES

As at 30 June 2012 and 31 December 2011, contingent liabilities not provided for in the financial statements were as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Letters of credit issued	238,569	212,527
Letters of guarantee issued	6,990,408	6,863,891
Guarantee given to a bank in connection with a bank loan granted to a third party and a jointly-control entity	300,000	278,000
	7,528,977	7,354,418

The fair value of the guarantee is not significant and therefore the Directors are of the view that no provision for financial guarantee should be made.

24. OPERATING LEASE ARRANGEMENTS

(a) As leaser

The Group and the Company leases its investment properties and certain equipment under operating lease arrangements, with leases negotiated for terms ranging from one to five years. As at 30 June 2012 and 31 December 2011, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Within one year	**9,832**	11,831
In the second to fifth years, inclusive	**5,071**	5,288
	14,903	17,119

(b) As lessee

At 30 June 2012 and 31 December 2011 the Group had the following total future minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Within one year	**6,160**	4,819
In the second to fifth years, inclusive	**4,219**	5,113
Beyond five years	**4,478**	4,576
	14,857	14,508

25. COMMITMENTS

In addition to the operating lease commitments detailed in note 24(b) above, the Group and the Company had the following capital commitments as at 30 June 2012 and 31 December 2011:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (Audited)
Contracted, but not provided for:		
Property, plant and equipment and land use rights	1,381,888	2,773,260
Authorized, but not contracted for:		
Property, plant and equipment and land use rights	63,218	1,853,916
Jointly-controlled entities	–	10,200
	1,445,106	4,637,376

In addition, the Group's share of a jointly-controlled entity's own capital commitments, which is not included in the above, is as follow:

	As at 30 June 2012 RMB'000 (Unaudited)	As at 31 December 2011 RMB'000 (audited)
Contracted, but not provided for:		
Property, plant and equipment	25,004	57,970

26. CONNECTED TRANSACTIONS

(a) The Group had the following significant transactions with connected parties during the reporting period:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Continuing transactions:		
13.95%-owned shareholder of the Company:		
Sales of wind turbine generators and spare parts	**13,522**	–
Associates:		
Purchases of spare parts and processing services	**46,109**	301,758
Sell spare parts and service	**–**	75
Provision of technical services	**1**	–
Processing services	**9,776**	–
Jointly-controlled entities:		
Sales of wind turbine generators	**70,855**	279,714
Processing services	**–**	8,939
Provision of technical services	**3,363**	–

Non-continuing transactions:

The bank loan of one of the Group's jointly-controlled entities, Damao Qi Tianrun, amounting to RMB257,000,000 as at 30 June 2012 was guaranteed by Beijing Tianrun, one of the Company's subsidiaries. The management of the Company plans to release this guarantee before the end of 2012.

In the opinion of the Directors, the transactions between the Group and the related parties were based on prices mutually agreed between the parties after taking into account the market prices.

In the opinion of the Directors, the above connected transactions were conducted in the ordinary course of business.

26. CONNECTED TRANSACTIONS (continued)

(b) Outstanding balances with connected parties

Details of the outstanding balances with connected parties are set out in notes 14, 15 and 17 of these interim financial statements.

(c) Compensation of key management personnel of the Group

For the six months ended 30 June 2012 Directors and other members of key management remuneration are as follows:

	Six months ended 30 June	
	2012	2011
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Short-term employee benefits	**6,179**	6,450
Pension scheme contributions	**162**	411
	6,341	6,861

27. EVENT AFTER THE BALANCE SHEET DATE

On 25 May 2012, the Company issued an announcement in connection with the disposal of 100% of its equity interests in an indirect wholly-owned subsidiary Tellhow Wind Power Blade Jiangsu Co., Ltd. to Sinomatech Wind Power Blade Co., Ltd.. The transaction was completed in July 2012.

28. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED AUDITED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements for the six months ended 30 June 2012 were approved and authorized for issue by the Board on 24 August 2012.