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 2013

* For identification purpose only

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Li Ying *(Vice Chairman)*
Ms. Hu Yang
Mr. Yu Shengjun

Independent Non-executive Directors

Dr. Tin Yau Kelvin Wong
Mr. Yang Xiaosheng
Mr. Luo Zhenbang

SUPERVISORS

Mr. Wang Mengqiu
(Chairman of the Supervisory Committee)
Mr. Wang Shiwei
Mr. Luo Jun
Ms. Zhang Xiaotao
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 LLP

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
Agricultural Bank of China Limited, Xinjiang Branch
Industrial and Commercial Bank of China Limited, Xinjiang Branch
Bank of Communications Co., Ltd., Xinjiang Branch
China Merchants Bank Co., Ltd., Urumqi Branch, Jiefang North Road Sub-Branch

COMPANY WEBSITE

www.goldwindglobal.com

Management Discussion and Analysis

The difficult global economic environment continued into the first half of 2013. Despite promising signs of improvement, such as the gradual economic recovery in the United States and relative stability in the Euro Zone, the global economy remains volatile with risks of further decline. In July 2013, the International Monetary Fund revised its 2013 global economic growth projection to 3.1% in its *World Economic Outlook*, down by 0.2 percentage point from April's projection of 3.3%. Despite the complex global economic environment, the economy of the People's Republic of China (the "**PRC**" or "**China**") remained relatively stable, as did overall demand and supply and key economic indicators including investment and industry growth continued to be healthy.

According to statistics published by the China Electricity Council, China's investment in wind power and utilisation hours of wind power equipment increased during the first half of 2013. Investment in wind power increased by 5.3% compared with the corresponding period in 2012 (hereinafter referred to as "**YoY**"). Newly connected wind power capacity was 4.1 gigawatts ("**GW**"), bringing China's accumulated connected wind power capacity to 66.18GW as at 30 June 2013, an increase of 25.9% YoY. China's wind power generation increased by 39.3% YoY. The national average for utilisation hours of wind power equipment rose to 1,101 hours, an increase of 91 hours YoY.

During the Twelfth Five-Year Plan, the State Grid Corporation of China planned to invest and construct the "3 vertical and 3 horizontal" ultra-high voltage AC (alternating current) transmission grid and 11 ultra-high voltage DC (direct current) transmission lines. Two of these transmission lines were completed during the first half of 2013 and expected to begin operations within this year. Another three of these transmission lines are planned to begin operations in 2014. In addition, the government accelerated grid construction projects in 2013, approving and commencing construction of three more ultra-high voltage transmission lines so far this year.

I. INDUSTRY REVIEW

i. New Industry Policies

In 2013, China entered the third year of the Twelfth Five-Year Plan's new energy plan. Wind power is China's fastest growing renewable energy source. China's accumulated installed wind power capacity is now the largest in the world and it has generated more than 100 billion kilowatt-hours of power. Wind power has become the third largest energy source in China after coal power and hydropower. In order to support further implementation of the Twelfth Five-Year Plan's new energy plan, the government has introduced policy reforms and industry standards to further support the development of the wind power industry. These policies and standards have resulted in new opportunities for wind power manufacturers.

1. Restructure of Responsibilities, Push for Reformation

In March 2013, the first meeting of the twelfth session of the National People's Congress proposed the *Scheme on Restructuring and Function Transformation of the Institutions of State Council*（國務院機構改革和職能轉變方案）. This plan seeks to coordinate and further stimulate the development and reform of the energy industry, strengthen its regulation and management, and adapt to the strategic demands of a huge global energy consumer. This plan proposed to restructure the National Energy Administration ("**NEA**") and dissolve State Electricity Regulatory Commission. The primary responsibilities of the restructured NEA include drafting and executing energy industry development strategies, plans and policies, conducting research and recommending systematic reforms, and regulating and managing the energy industry.

Management Discussion and Analysis

2. *Decentralisation of Approvals, New Environment and Opportunities*

In May 2013, the State Council issued the *Decision to Abolish and Decentralise a Batch of Administrative Approval Items*（關於取消和下放一批行政審批項目等事項的決定）. It was decided that the approval authority for investment in wind power stations by wind power companies, corporate investment for construction of AC grids under 330 kilovolts, and construction projects for non-international and non-interprovincial (regions and cities) 500 kilovolt AC grids that are under state planning have been decentralised from the National Development and Reform Commission ("**NDRC**") to the investment department of local governments. The NDRC's responsibilities of establishing electricity supply business districts, reforming approval procedures and issuing electricity supply licenses, and the NEA's responsibility of issuing electricity business licenses have been decentralised to local energy regulatory authorities.

3. *Policy Support for Grid Connection*

In March 2013, the NEA issued the *Notice regarding Wind Power Grid Connection and Utilisation in 2013*（關於做好2013年風電並網和消納相關工作的通知）in order to address severe wind power curtailment in certain regions caused by inadequate grid construction and development. This notice emphasises that relevant state agencies and energy corporations shall focus on wind power consumption and utilisation and set it as a key performance indicator, thoroughly investigate and analyse reasons for wind power curtailment and eliminate the problems, strengthen research and planning for consumption in resource-rich regions to ensure the steady growth of wind power installations, and strengthen grid construction and wind power grid connection services in support of wind power development.

4. *Supplementary Tariffs to Assist Development of Renewable Energy*

In accordance with 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）jointly issued by the Ministry of Finance, NDRC and NEA in 2011, a development fund was established primarily to support the development of renewable energy industries including wind power, solar power and bioenergy. Currently, China's Ministry of Finance has issued four batches of projects included in the "List of Renewable Energy Projects for Supplementary Tariffs on Electricity Prices"（可再生能源電價附加資金補助目錄）, including 1,134 wind power projects with over 63.8GW of capacity.

In March 2013, the Ministry of Finance issued the *Notice for Advanced Payment of the Supplementary Tariff on Electricity Prices for Renewable Energy*（關於預撥可再生能源電價附加補助資金的通知）. This notice required provincial grid companies and independent regional grid companies to use designated funds to pay in advance for relevant expenditures including the purchase of power generated by renewable energy in areas covered by each grid company and from renewable energy projects that are included in the abovementioned list. Supplementary tariffs paid to each province in advance totalled RMB14,811.39 million, which included tariffs for wind power, solar power and bioenergy, of which tariffs for wind power was the highest, totalling RMB9,314.48 million.

ii. Wind Power Manufacturing Industry

1. Increasing Focus on Quality

Following a period of rapid development in China's wind power industry and assisted by market demand for rational competition, wind turbine generator ("**WTG**") manufacturers have become more clearly differentiated by their technological and research and development ("**R&D**") capabilities, product quality, resource allocation, and business model. Customers are increasingly focused on quality and their understanding of WTG technologies have improved. WTGs with higher quality, stability, reliability and efficiency may demand a premium price. The wind power manufacturing industry has experienced and welcomed the transition from price competition to competition on product quality.

2. Technological Advancement led by Market Segmentation

Currently, due to fierce competition and rapid wind farm development in China's wind-rich Three-North region, that region's wind power curtailment is increasingly severe and further development is increasingly difficult. Wind power manufacturers strengthened their R&D and introduced WTGs suited to various operating environments including low wind speed and high altitude regions in order to develop alternative wind power markets. This market segmentation has stimulated the optimisation of the industry's technology and products.

II. BUSINESS REVIEW

Although the wind power industry showed signs of recovery in the first half of 2013, the competitive environment remained fierce. Our extensive industry experience and unique diversified profit model provided strong support for the profitability of Xinjiang Goldwind Science & Technology Co., Ltd. (the "**Company**" or "**Goldwind**", and together with its subsidiaries, the "**Group**"). We firmly believe in our principle of maximising value for our customers and continued to introduce WTGs that satisfy our customers' demands and are suited to a variety of operating environments. This has helped us strengthen our competitive advantage and market-leading position. During the reporting period (the six months ended 30 June 2013), the Company achieved promising results in terms of our business development and operating performance.

Management Discussion and Analysis

i. WTG R&D, Manufacturing and Sales

1. *Product Manufacturing and Sales*

For the six months ended 30 June 2013, the Company's revenue from sales of WTGs and components was RMB2,832.53 million, a decrease of 11.14% YoY. Total sales capacity was 662.25 megawatts ("**MW**"), a decrease of 8.19% YoY. Goldwind's sales of 2.5MW WTGs increased to 16.99% of total realised sales volumes during the first half of 2013, up from 4.51% during the first half of 2012, demonstrating a shift in market demand towards larger capacity units. The following table sets out the details of products sold by the Company in the first half of 2012 and 2013:

	Six months ended 30 June				
	2013		2012		
	Units Sold	**Capacity Sold (MW)**	Units Sold	Capacity Sold (MW)	Change in Capacity Sold
2.5MW	**45**	**112.50**	13	32.50	246.15%
1.5MW	**366**	**549.00**	460	688.80	(20.30%)
750kW	**1**	**0.75**	0	0.00	–
Total	**412**	**662.25**	473	721.30	(8.19%)

2. *Technology R&D and Product Certification*

In order to strengthen our products' competitiveness and respond to the changes in the market, the Company successfully developed the GW109/2500 (IIA) and GW121/2500 (IIIB – low wind speed) WTGs in 2013 based on our current 2.5MW product line, targeting onshore low wind speed regions. Prototypes are currently being assembled. The GW109/2500 (IIA) WTG was granted the Design Assessment certification from Germany's TüV Nord and the GW121/2500 (IIIB – low wind speed) WTG was granted the Design Approval certification by China General Certification Centre in Beijing (CGC), demonstrating that the design of these models satisfies national and international standards.

The GW93/1500 ultra-low wind speed WTG, which was introduced in 2012, has begun mass production, helping our customers to further explore and develop the ultra-low wind speed market.

During the reporting period, the Company's 1.5MW low wind speed model and 2.5MW series models suited to various operating environments were granted ETL Safety certifications, demonstrating that our main products and corresponding series models satisfy safety standards of the United States and Canada. In addition to the generator, our R&D capabilities for key components were further tested and proven as the full power converter and permanent magnet alternator developed by the Company were also granted ETL Safety certifications.

The Company's 1.5MW direct-drive permanent magnet ("**DDPM**") WTG successfully passed the on-site Electromagnetic Compatibility ("**EMC**") testing conducted by the international certification centre TÜV Rheinland. This demonstrates our 1.5MW DDPM WTG's electrical components are not affected by electromagnetic waves and can continue to operate efficiently, whilst helping to assure the health and safety of operations and maintenance personnel. The Company was the first manufacturer in China to successfully pass the EMC testing.

In addition, the Company's 2.5MW series models were granted CE certifications, demonstrating that our products comply with the main requirements of the relevant provisions of the European Directive and may be sold in the European Union. We will continue to push forward our "technology and product internationalisation" and further expand our international operations.

During the reporting period, the Company continued to work on certifications for our WTGs and achieved several successes. This has laid a solid foundation for further optimisation of our R&D capabilities, R&D strategies for our WTGs going forward, and our continued internationalisation.

3. *Quality Control*

As our customers become increasingly focused on product quality, we continued to strengthen our quality controls. During the reporting period, the Company utilised quality controls, cost controls and lean management and set the performance excellence model as our evaluation standard, we established and optimised our quality controls and safety management that covers every phase of a product's life cycle, strengthening our brand as the quality leader in the domestic wind power industry. During the reporting period, the Company was awarded the "Quality Award" by the Government of Xinjiang Uygur Autonomous Region of China in recognition of Goldwind's extensive contributions towards the development of the region's new energy industry.

4. *Business Development*

During the reporting period, the Company's backlog of orders increased steadily along with improving market conditions. Our products continued to be recognised in the market and business development has continued successfully. As at 30 June 2013, the backlog of orders under contract was 4,550.25MW, which included 17.25MW of 750kW WTGs, 3,537.00MW of 1.5MW WTGs, 975.00MW of 2.5MW WTGs, and 21.00MW of 3.0MW WTGs. In addition, the backlog of orders that are awaiting final contract was 3,538.50MW, which included 3,111.00MW of 1.5MW WTGs and 427.50MW of 2.5MW WTGs. The combined backlog of orders was 8,088.75MW.

5. *Cost Control*

In 2013, the Company implemented lean management, strengthened our foundations whilst exploring new opportunities, and implemented comprehensive cost controls. The Company has gradually decreased our product costs whilst maintaining high standards of quality. During the reporting period, the gross profit margin of our WTGs improved. The gross profit margin of our 1.5MW WTG increased by 3.58 percentage points YoY. The gross profit margin of our 2.5MW WTG increased substantially from 12.60% for the year of 2012 to 19.07% during the reporting period.

ii. Wind Power Services

Wind Power Services has long been one of the Group's key business segments. Backed by our extensive experience in WTG manufacturing and wind farm technical services, the Group has established a comprehensive services system that covers the entire lifecycle of a wind farm. As at 30 June 2013, the cumulative number of WTGs that have undergone maintenance by the Group exceeded 10,000 units. In addition, EPC (Engineering, Procurement and Construction) projects have become the most mature and a key business for our Wind Power Services. In the first half of 2013, the Group has won 300MW of EPC projects.

Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd. ("**Beijing Tianyuan**"), a wholly-owned subsidiary of the Company, was granted the Accreditation on Laboratory by China National Accreditation Service for Conformity Assessment ("**CNAS**"), becoming the first wind power services provider to receive the Accreditation on Laboratory for vibration testing. The testing centre of Beijing Tianyuan has been included in CNAS's list of accredited institutions, signifying it has the technical capability to conduct testing in accordance with international standards and testing results are recognised by accreditation bodies in countries that have signed mutual recognition arrangements.

During the reporting period, revenue from the Group's Wind Power Services was RMB208.35 million, an increase of 28.71% YoY.

iii. Wind Farm Investment, Development and Sales

As at 30 June 2013, the Group had 981.50MW of installed capacity of completed wind farms, of which 605.30MW was attributable installed capacity (attributable installed capacity represents the Group's equity ownership in wind farms). The installed capacity of projects still under construction was 1,362.50MW, of which 1,252.90MW was attributable installed capacity. The Group also fully or partly disposed of 2 wind farms during the first half of 2013 with a combined attributable installed capacity of approximately 134.70MW.

During the reporting period, revenue from wind farms operated by the Group was RMB186.27 million, an increase of 83.48% YoY. Investment income from sales of wind farms was RMB133.86 million, a decrease of 55.74% YoY.

iv. International Business

The Company continued to push forward our internationalisation strategy whilst maintaining our focus on R&D and product optimisation. During the reporting period, the Company achieved successes in Thailand, Panama, Romania, Turkey and other nations by winning sales orders for WTGs and making steady progress on wind farm development projects. The Group has successfully completed the installation of WTGs for our first project in Thailand and the wind farm has been connected to Thailand's PEA electricity grid. Not only is this wind farm equipped with Thailand's largest capacity WTG to date, but is also the first commercially operated wind farm to be connected to the national PEA electricity grid. In addition, the Group's Gullen Range wind farm project in Australia was granted a project financing facility of AUD247 million by a bank group that included the National Australia Bank, guaranteeing the financing for the construction of the Group's largest wind farm project in Australia.

In the first half of 2013, deliveries for international projects achieved a record high, totalling 77 units of 1.5MW and 2.5MW WTGs, equivalent to 162.50MW of capacity. These were delivered to countries including Australia, Romania, Pakistan, Chile, and Panama. During the same period, revenue from international sales increased 14.15% YoY to RMB500.21 million, representing 15.50% of our revenue from operations, an increase of 2.80 percentage points YoY.

v. Major Subsidiaries

As at 30 June 2013, the Company had 105 subsidiaries, among which 18 were directly owned subsidiaries and 87 were indirectly owned subsidiaries. In addition, we had 7 jointly-controlled entities, 10 associate companies and 11 joint ventures. These subsidiaries were categorised into four general categories of WTG R&D and manufacturing companies, wind power investment companies, wind power services companies, and component R&D and manufacturing companies. The following table sets out major financial information of the principal subsidiaries of the Company (reported in accordance with China Accounting Standards for Business Enterprise (the "**PRC GAAP**")):

As at 30 June 2013
Unit: RMB

No.	Company Name	Registered Capital (RMB ten thousand)	Total Assets	Net Assets	Revenue from Operations	Net Profits Attributable to the Company
1	Beijing Goldwind Science & Creation Wind Power Equipment Co., Ltd.	99,000.00	4,856,004,649.28	1,276,606,913.11	1,063,894,995.10	(25,175,391.26)
2	Vensys Energy AG	€5,000,000	919,880,167.82	620,430,182.19	303,654,731.04	31,939,359.46
3	Gansu Goldwind Wind Power Equipment Manufacture Co., Ltd.	8,860.00	687,246,124.88	165,180,211.80	146,231,700.92	5,311,789.06
4	Jiangsu Goldwind Wind Power Equipment Manufacture Co., Ltd.	75,961.00	1,317,183,460.80	840,179,847.78	104,752,564.12	2,401,275.23
5	Beijing Techwin Electric Co., Ltd.	10,000.00	1,132,887,890.49	168,972,268.60	732,039,627.74	5,738,891.86
6	Beijing Tianrun New Energy Investment Co., Ltd.	48,160.00	8,483,897,632.94	1,321,276,898.17	148,742,846.48	57,155,026.31
7	Goldwind Investment Holding Co., Ltd.	100,000.00	1,087,881,420.55	1,052,540,447.98	–	12,430,523.35
8	Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd.	4,500.00	1,914,342,803.04	242,390,256.08	333,558,177.59	(2,830,703.40)

vi. Use of Proceeds

1. *Use of H Share Proceeds*

The Company conducted the initial public offering of its H shares and have its H shares listed on the main board of The Stock Exchange of Hong Kong Limited in October 2010. According to the *Capital Verification Report* issued by Ernst & Young Hua Ming, the net proceeds of the H shares offering were the equivalent of RMB6.754 billion in Hong Kong Dollars ("**HKD**"). According to the proposed use of the H shares offering proceeds, 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 2013, the accumulated used proceeds were the equivalent of RMB5.734 billion in HKD, and the unused proceeds were the equivalent of RMB1.020 billion in HKD. The use of the Company's H share proceeds is as follows:

As at 30 June 2013
(Unit: RMB million)

Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Construction of production base and optimisation of business operations	2,715	2,444	271
R&D of WTGs and components	986	265	721
International business	1,972	1,944	28
Bank loan repayment	411	411	–
General working capital	670	670	–
Total	6,754	5,734	1,020

2. Use of A Share Proceeds

The Company conducted the initial public offering of its A shares and have its A shares listed on the Small and Medium-sized Enterprise Board of the Shenzhen Stock Exchange in December 2007. According to the *Capital Verification Report* issued by Wuzhou Songde Accountants Firm on 19 December 2007, the net proceeds of the A shares offering were RMB1.745 billion. As at 30 June 2013, the accumulated used proceeds were RMB1.719 billion, and the unused proceeds were RMB25.45 million. The use of the Company's A share proceeds is as follows:

As at 30 June 2013
(Unit: RMB million)

Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Capacity Expansion			
Beijing MW-level WTG high technology industrialisation project	150.00	150.00	–
Xinjiang MW-level WTG capacity expansion project	461.00	461.00	–
Inner Mongolia MW-level DDPM WTG industrialisation project	127.00	127.00	–
Nanjing MW-level WTG industrialisation project	0.00	0.00	–
Jiangsu Dafeng Offshore WTG R&D and manufacturing base	89.61	89.61	–
R&D Projects			
1.5MW WTG series	128.00	128.00	–
2.5MW DDPM WTG	160.00	160.00	–
3MW hybrid PM WTG	232.00	232.00	–
6MW DDPM WTG	75.45	50.00	25.45
Testing laboratory	40.00	40.00	–
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	100.00	100.00	–
Goldwind Damao National Demonstration Wind Farm	100.00	100.00	–
Total	1,744.66	1,719.21	25.45

Management Discussion and Analysis

III. OPERATIONS PERFORMANCE AND ANALYSIS

The contents of this section should be read in conjunction with the interim condensed consolidated financial statements, including the relevant notes, of the Group prepared in accordance with International Financial Reporting Standards (the "**Financial Statements**") set out in this report.

Summary

During the six months ended 30 June 2013, revenue from operations for the Group was RMB3,227.15 million, representing a decrease of 6.49% compared with RMB3,451.01 million for the six months ended 30 June 2012. Net profit attributable to owners of the Company was RMB92.68 million, representing an increase of 28.60% compared with RMB72.07 million for the six months ended 30 June 2012. The Company reported basic earnings per share of 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 WTG R&D, Manufacturing and Sales is mainly generated through sales of WTGs and components. Revenue from Wind Power Services is mainly generated through services such as wind farm EPC, transportation, and maintenance. Revenue from Wind Farm Investment, Development and Sales is generated from the sale of power produced by our operating wind farms.

During the six months ended 30 June 2013, revenue from operations for the Group was RMB3,227.15 million, representing a decrease of 6.49% compared with RMB3,451.01 million for the six months ended 30 June 2012. Details are set out below:

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2013	2012	Change	Change
WTG R&D, Manufacturing and Sales	**2,832,525**	3,187,610	(355,085)	(11.14%)
Wind Power Services	**208,352**	161,880	46,472	28.71%
Wind Farm Investment, Development and Sales	**186,269**	101,519	84,750	83.48%
Total	**3,227,146**	3,451,009	(223,863)	(6.49%)

Revenue from operations decreased due to lower revenue generated in the WTG R&D, Manufacturing and Sales segment. The decrease in revenue for WTG R&D, Manufacturing and Sales was mainly attributed to lower sales volumes and decrease in average selling price of our 1.5MW WTGs and lower revenue generated from sales of WTG components. The increase in revenue for Wind Power Services was mainly attributed to RMB79.88 million of revenue generated from the new solar power business of Beijing Tianyuan, a subsidiary of the Company that provides wind power services. The increase in revenue for Wind Farm Investment, Development and Sales was mainly attributed to an increase of operating wind farms and 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 2013	2012	Amount Change	Percentage Change
WTG R&D, Manufacturing and Sales	**2,380,459**	2,833,584	(453,125)	(15.99%)
Wind Power Services	**183,866**	108,343	75,523	69.71%
Wind Farm Investment, Development and Sales	**63,701**	50,299	13,402	26.64%
Total	**2,628,026**	2,992,226	(364,200)	(12.17%)

Cost of sales decreased mainly due to the decrease in our total sales volume and the reduction in cost per unit of WTG manufacturing due to lower costs of raw materials.

Gross Profit

Unit: RMB thousand

	Six months ended 30 June 2013	2012	Amount Change	Percentage Change
WTG R&D, Manufacturing and Sales	**452,066**	354,026	98,040	27.69%
Wind Power Services	**24,486**	53,537	(29,051)	(54.26%)
Wind Farm Investment, Development and Sales	**122,568**	51,220	71,348	139.30%
Total	**599,120**	458,783	140,337	30.59%

Although WTG R&D, Manufacturing and Sales still generated the majority of our gross profit, Wind Farm Investment, Development and Sales made a larger contribution YoY.

For the six months ended 30 June 2013 and 2012, our comprehensive gross profit margins were 18.56% and 13.29%, respectively, and the gross profit margins for WTG R&D, Manufacturing and Sales were 15.96% and 11.11%, respectively. The following table sets out the gross profit margins for our WTGs including the 750kW, 1.5MW series and 2.5MW WTGs (prepared in accordance with PRC GAAP):

Gross Profit Margin	Six months ended 30 June **2013**	2012	Change (percentage points)
2.5MW	**19.07%**	7.22%	11.85
1.5MW	**14.35%**	10.77%	3.58
750kW	**(16.57%)**	–	–

Gross profit margin for our 1.5MW WTGs increased to 14.35% for the six months ended 30 June 2013 from 10.77% for the six months ended 30 June 2012. This was attributed to our improved cost controls that led to lower cost of sales.

Gross profit margin for our 2.5MW WTGs increased to 19.07% for the six months ended 30 June 2013 from 7.22% for the six months ended 30 June 2012. This was mainly attributed to a decrease in production costs of the 2.5MW WTGs YoY due to economies of scale resulting from an increase in production volume.

Other Income and Gains

Our other income and gains primarily consist of gains from the sale of wind farms from Wind Farm Investment, Development and Sales (including previously unrealised gains resulting from the sale of wind power equipment installed in these wind farms), interest income, insurance compensation for product warranty expenditures, total rental income, and government subsidies received for our R&D projects and upgrades of our production facilities.

Other income and gains of the Group for the six months ended 30 June 2013 was RMB265.79 million, representing a 42.11% decrease compared to RMB459.12 million for the corresponding period in 2012. This was mainly attributed to lower income from disposal of wind farms and government subsidies during the reporting period.

Selling and Distribution Costs

Our selling and distribution costs primarily consist of product warranty provisions, transportation costs, insurance expenses, bidding service fees, labour costs, loading and unloading fees, and travel expenses.

Selling and distribution costs of the Group for the six months ended 30 June 2013 was RMB265.80 million, representing a 4.84% increase compared to RMB253.53 million for the corresponding period in 2012. This was mainly attributed to higher transportation costs and WTG warranty insurance expenses during the reporting period.

Administrative Expenses

Our administrative expenses primarily consist of R&D expenses, labour costs, taxes, depreciation, consultation fees, travel expenses, and other expenses.

Administrative expenses of the Group for the six months ended 30 June 2013 was RMB348.18 million, representing an 11.19% increase compared to RMB313.14 million for the corresponding period in 2012. This was mainly attributed to higher R&D expenses during the reporting period.

Other Expenses

Our other expenses primarily consist of banking administration fees, foreign exchange losses, and impairment provisions accrued in connection with our trade and bills receivables.

Other expenses of the Group for the six months ended 30 June 2013 was RMB85.31 million, representing an 8.14% increase compared to RMB78.89 million for the corresponding period in 2012. This was mainly attributed to higher provisions for impairment of trade and bills receivables during the reporting period.

Finance Costs

Finance costs of the Group for the six months ended 30 June 2013 was RMB148.71 million, representing a 34.70% decrease compared to RMB227.72 million for the corresponding period in 2012. This was mainly attributed to lower interest-bearing borrowings during the reporting period.

Income Tax Expenses

Income tax expenses of the Group for the six months ended 30 June 2013 was RMB5.83 million, representing an 81.02% decrease compared to RMB30.71 million for the corresponding period in 2012. This was mainly attributed to the fact that the majority of profit before tax during the reporting period was investment gains generated from our share in profits of associate companies and jointly-controlled entities, and such investment gains were tax-free.

Financial Position

As at 30 June 2013 and 31 December 2012, total assets of the Group were RMB32,372.46 million and RMB32,396.50 million, respectively, current assets of the Group were RMB21,884.47 million and RMB23,573.34, respectively, percentages of current assets to total assets of the Group were 67.60% and 72.77%, respectively, and non-current assets of the Group were RMB10,487.99 million and RMB8,823.15 million, respectively.

As at 30 June 2013 and 31 December 2012, total liabilities of the Group were RMB19,057.57 million and RMB19,110.87 million, respectively, current liabilities of the Group were RMB12,656.25 million and RMB12,266.40 million, respectively, and non-current liabilities of the Group were RMB6,401.31 million and RMB6,844.47 million, respectively.

As at 30 June 2013 and 31 December 2012, net current assets of the Group were RMB9,228.22 million and RMB11.306.94 million, respectively, and net assets of the Group were RMB13,314.89 million and RMB13,285.63 million, respectively.

As at 30 June 2013 and 31 December 2012, cash and cash equivalents of the Group were RMB4,301.32 million and RMB6,817.93 million, respectively, and total interest-bearing bank and other borrowings of the Group were RMB6,516.58 million and RMB6,105.12 million, respectively.

Financial Resources and Liquidity

Cash Flow Statements Unit: RMB thousand

	Six months ended 30 June	
	2013	2012
Net Cash flows used in operating activities	**(1,220,910)**	(140,519)
Net Cash flows used in investment activities	**(1,885,933)**	(1,073,248)
Net Cash flows from/(used in) financing activities	**672,050**	(1,005,276)
Net decrease in cash and cash equivalents	**(2,434,793)**	(2,219,043)
Cash and cash equivalents at beginning of reporting period	**6,604,328**	7,554,630
Net effect of foreign exchange rate changes	**(40,845)**	(21,690)
Cash and cash equivalents at end of reporting period	**4,128,690**	5,313,897

1. Cash flows used in operating activities

Net cash flows of the Group used in 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 2013, the Group reported net cash flows used in operating activities of RMB1,220.91 million. Cash inflows were principally comprised of profit before tax of RMB109.63 million. These cash inflows were offset by a RMB1,242.84 million decrease in trade and bills payables (due to increased purchasing payments) and a RMB835.41 increase in inventories (in preparation to meet anticipated deliveries scheduled during the second half of 2013).

For the six months ended 30 June 2012, the Group reported net cash flows used in operating activities of RMB140.52 million. Cash inflows were principally comprised of profit before tax of RMB111.64 million, adjusted for a RMB427.44 million decrease in inventories (as a result of stricter inventory management and control), and a RMB714.07 million increase in trade and bills payables. These cash inflows were 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).

2. *Cash flow used in investment activities*

Net cash flows of the Group used in 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 2013, the Group reported net cash flows used in investment activities of RMB1,885.93 million, principally due to purchases of property, plant and equipment in the amount of RMB1,609.11 million and purchases of intangible assets in the amount of RMB175.48 million.

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

3. *Cash flows from/(used in) financing activities*

Net cash flows of the Group used in financing activities has principally been used for repayment of our bank and other borrowings. Net cash flows of the Group from financing activities were principally derived from new bank loans.

For the six months ended 30 June 2013, the Group reported net cash flows from financing activities of RMB672.05 million. Cash inflows were principally contributed by new bank and other borrowings of RMB1,209.27 million. These cash inflows were offset by RMB188.69 million used to repay bank and other borrowings and RMB301.46 million used to pay interest expense.

For the six months ended 30 June 2012, the Group reported net cash flows used in financing activities of RMB1,005.28 million. Cash inflows were principally contributed by proceeds from issue of bonds of RMB2,974.50 million (with 3-year maturity and a coupon rate of 6.63%) and new bank and other borrowings of RMB1,290.68 million. These cash inflows were offset by RMB5,064.94 million used to repay bank and other borrowings.

Capital Expenditure

Capital expenditures of the Group for the six months ended 30 June 2013 was RMB2,026.12 million, representing a 152.40% increase compared to RMB802.73 million for the six months ended 30 June 2012. Our primary sources of finance for capital expenditure included bank loans and cash flows from operations of the Group.

Bank Loans and Other Borrowings

As at 30 June 2013, the total amount of outstanding bank loans and other borrowings of the Group was RMB6,516.58 million, including bank loans repayable within one year of RMB1,035.87 million, in the second year of RMB3,182.20 million, in the third to fifth year of RMB806.26 million, and above five years of RMB1,492.25 million. Details are set out in note 21 to the Financial Statements.

Pledged Assets

As at 30 June 2013, the following assets of the Group with a total carrying value of RMB3,480.00 million were pledged as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB57.52 million, trade and bills receivables of RMB286.61 million, property, plant and equipment of RMB3,117.19 million, and prepaid land lease payments of RMB18.68 million.

As at 31 December 2012, the following assets of the Group with a total carrying value of RMB2,961.52 million were pledged as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB56.89 million, trade and bills receivables of RMB268.33 million, property, plant and equipment of RMB2,622.97 million, and prepaid land lease payments of RMB13.33 million.

Gearing Ratio

As at 30 June 2013 and 31 December 2012, the Group's gearing ratios, defined as net debt divided by total capital, were 48.63% and 41.73%, respectively.

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The Group primarily operates its businesses in China. Over 80% of the Group's revenue, expenditure, and financial assets and liabilities are denominated in RMB. The exchange rate of the RMB against foreign currencies does not have a significant impact on the Group's businesses. During the six months ended 30 June 2013, the Group entered into certain currency forward agreements with the National Australia Bank to mitigate currency risks. The Group's foreign exchange exposure associated with such transactions (except for the functional currency of the relevant operating entities) maintained at a relatively low level. The currency translation difference incurred by the Group in respect of the long-term equity investment by our subsidiaries incorporated outside China was recorded under the translation reserve.

Contingent Liabilities

Our contingent liabilities primarily consist of issued letters of credit, letters of guarantee, guarantees provided to third parties, and compensation arrangements.

As at 30 June 2013 and 31 December 2012, contingent liabilities of the Group were RMB7,978.78 million and RMB6,709.51 million, respectively. Details are set out in note 23 to the Financial Statements.

Acquisitions and Disposals of Subsidiaries and Associates

The Group disposed certain subsidiaries and interests in certain associates during the reporting period in accordance with our development strategies based on changes of the industry and market environments. Details are set out in note 22 to the Financial Statements.

IV. OUTLOOK FOR THE SECOND HALF OF 2013

Backed by strong policy support from the government for new energy, there continues to be plenty of room for the future development of the domestic wind power industry. In accordance with the Twelfth Five-Year Plan's new energy plan, China's wind power industry will shift its focus from the "construction of large bases and connection to large-scale electricity grids" to a "broader focus on both concentrated and distributed development".

China's wind power manufacturing industry has welcomed a new era, transitioning from focusing on speed and size to quality and performance. The industry is becoming more rational despite the continuing fierce competitive environment. It is transitioning from "made in China" to "created in China". This is the process that China must experience in order to transition from a quantity-orientated to a quality-orientated manufacturing centre.

As a leading global WTG manufacturer and provider of comprehensive wind power solutions, the Company will maintain steady management of our operations and continue to improve our overall competitiveness through innovation, technology, product quality and lean management. We will strive to provide better products to our customers, better results to our shareholders, and better returns to our society.

Corporate Competitive Advantages

1. Leading Market Position

Goldwind is the oldest WTG manufacturer in China. After more than ten years of development, we have gradually matured into a leading WTG manufacturer in China and a leading global comprehensive wind power solutions provider. Our 1.5MW and 2.5MW DDPM WTG models, for which we own the intellectual property rights, represent the most promising technology in the global wind power industry. Goldwind ranks first in China's wind power equipment manufacturing industry and is also the largest DDPM WTG manufacturer in the world. We have sustained our industry leading position for many years.

2. Advanced Products and Technology

Goldwind's DDPM WTGs are known for their excellent performance, including high power generation efficiency, low maintenance and operating costs, are grid-friendly and have a high availability rate. Our products have been widely welcomed and recognised by our customers and have been a guiding force for the development of global wind power technology. We have two major R&D centres in Germany and Beijing and nearly a thousand seasoned R&D personnel with extensive industry experience. We have developed a diversified product portfolio, including specialised WTGs for different geological and climatic conditions to satisfy the diversified needs of our customers. The quality of our products is widely recognised by the market.

Management Discussion and Analysis

3. Excellent Brand Name and Reputation

Backed by our products' advanced technology, high quality, high efficiency, and excellent after-sales services, Goldwind has established an excellent brand name and gained a certain level of influence in the industry following several years of industry slowdown. We have been acclaimed by the government, our customers, business partners, and investors.

4. Comprehensive Wind Power Solutions Provider

Backed by our advanced technology, products and extensive experience in wind farm development, construction, operation and maintenance, we have successively become a leading comprehensive wind power solutions provider. In addition to our sales of WTGs, we will continue to expand other sources of revenue that include Wind Farm Investment, Development and Sales, and Wind Power Services. With several years of operation in the industry, our businesses have proved to be successful and became important complimentary profit channels for us. We have successfully faced the challenges of the market and improved our comprehensive and diversified competitive advantages.

5. Successful Internationalisation

As the first domestic wind power enterprise to enter the international markets, Goldwind has continued the pursuit of our internationalisation strategy over the years. Maintaining our principle of "internationalisation through localisation", we achieved several breakthroughs in our key target markets that include the Americas, Australia and Europe, and we have also proactively explored emerging markets that include Africa and Asia, achieving very encouraging results. So far, our projects are distributed in 20 countries, across six continents.

Other Information

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 directors ("**Directors**") of the Company, as at 30 June 2013, the interests and short positions of the Company's Directors, supervisors ("**Supervisors**") and the chief executive ("**Chief Executive**") in shares of the Company are set out as follows:

Name	Type of Equity Interests	Share Category	Number of Shares	As a Percentage of A Shares	As a Percentage of Total Shares
Mr. Wu Gang	Beneficial owner	A Shares	40,167,040	1.83%	1.49%
Mr. Cao Zhigang	Beneficial owner	A Shares	9,368,024	0.43%	0.35%
Mr. Yu Shengjun	Beneficial owner	A Shares	6,500	0.00%	0.00%
	Interest of spouse	A Shares	8,600(1)	0.00%	0.00%
Ms. Zhang Xiaotao	Interest of spouse	A Shares	18,850,400(2)	0.86%	0.70%

Note:

1. These shares are held by Mr. Yu Shengjun's spouse. Mr. Yu Shengjun is deemed to be interested in the 8,600 A shares pursuant to Part XV of the *Securities and Futures Ordinance* ("**SFO**")).

2. These shares are held by Ms. Zhang Xiaotao's spouse. Ms. Zhang Xiaotao is deemed to be interested in the 18,850,400 A shares pursuant to Part XV of the SFO.

Other than as disclosed above, as at 30 June 2013, as far as is known to the Company, none of the Directors, Supervisors or the Chief Executive 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 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 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities of the Company.

Other Information

INTERIM DIVIDENDS

The board of directors (the "**Board**") of the Company has decided not to recommend payment of interim dividends for the six months ended 30 June 2013.

SHARE CAPITAL STRUCTURE

The particulars of the issued share capital of the Company as at 30 June 2013 are set out as follows:

Share Category	Number of Shares	As a Percentage of Total Shares
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 at 30 June 2013, as far as known to the Directors, the following persons had an interest or short position in shares of the Company which would require disclosure 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 Percentage of H Shares	As a Percentage 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	30,500,000 (L)	6.10%	1.13%
JP Morgan Chase & Co.	H Shares	26,790,397 (L)	5.36%	0.99%
FIL Limited	H Shares	25,666,200 (L)	5.13%	0.95%
Norges Bank	H Shares	25,417,547 (L)	5.08%	0.94%

Other Information

A Shares:

Name of Shareholder	Share Category	Number of Shares	As a Percentage of A Shares	As a Percentage 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 and China Three Gorges Corporation hold 43.3% 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 2013, as far as is known to the Directors, no other persons (excluding Directors, Supervisors, and the Chief Executive) had an interest or short position in shares of the Company which would require disclosure under the provisions of Divisions 2 and 3 of Part XV of the SFO.

NUMBER OF SHAREHOLDERS

As at 30 June 2013, the total number of shareholders ("**Shareholders**") of the Company was 255,747, among which the numbers of holders of A Share and H Share were 253,829 and 1,918, respectively.

Other Information

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

During the reporting period, the Company has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules, except for a deviation from Code Provision A.2.1 for a very short period from 1 January 2013 to 8 January 2013. Code Provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same person. During the period from 23 March 2012 to 8 January 2013, the roles of chairman of the Board and president ("**President**") of the Company have been performed by the same person, Mr. Wu Gang, following the resignation of Mr. Guo Jian, the former President, on 23 March 2012. Mr. Wu Gang is a founding member of the Group, has over 20 years of experience in the wind power industry, and possesses thorough knowledge of the operations and management of the Company. Given the circumstances at that time, the Board believed 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. On 9 January 2013, Mr. Wang Haibo, an executive Director and vice president of the Company, was promoted to be the President for the strengthening of our corporate governance and the further development of the Company.

COMPLIANCE WITH 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 by the Company, all Directors and Supervisors have confirmed that they had complied with the provisions of the Model Code during the six months ended 30 June 2013 and up to the date of this report.

REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2013, the audit committee of the Company (the "**Audit Committee**") consisted of two independent non-executive Directors, namely Dr. Tin Yau Kelvin Wong ("**Dr. Wong**") and Mr. Luo Zhenbang, and one non-executive Director, namely Mr. Yu Shengjun. The chairman of the Audit Committee was Dr. Wong. The Audit Committee and the Company's auditor, Ernst & Young, have reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2013.

Other Information

AMENDMENTS TO ARTICLES OF ASSOCIATIONS

As disclosed in the Company's announcement dated 8 January 2013, in order to comply with relevant requirements of the *Notice Regarding Further Implementation of Cash Dividends Distribution of Listed Companies* (《關於進一步落實上市公司現金分紅有關事項的通知》) (CSRC 2012, No. 37) issued by the China Securities Regulatory Commission (the "**CSRC**"), the *Notice of Implementation of Cash Dividends Distribution of Listed Companies in Xinjiang* (《關於落實新疆轄區上市公司現金分紅有關事項的通知》) (CSRC Xinjiang 2012, No. 65) issued by the CSRC Xinjiang Office, and for the further development of the Company's business, the Company has amended relevant provisions regarding the dividend distribution policy in the Articles of Association (the "**Articles**") of the Company, for which the Shareholders' approval was obtained at the first 2013 extraordinary general meeting of the Company held on 8 January 2013. Details of the amendments were disclosed in the Company's announcement and circular dated 24 August 2012 and 16 November 2012, respectively.

Other than the aforementioned amendments, there were no significant changes to the Company's Articles during the reporting period. The latest version of the Articles is available on the websites of the Stock Exchange and the Company.

CHANGES TO INFORMATION ON DIRECTORS AND SUPERVISORS

The term of office of the fourth session of the Board expired on 24 March 2013. In accordance with the laws of the People's Republic of China (the "**PRC**"), the Directors of the fourth session of the Board remained in office and performed their duties until the fifth session of the Board was elected by the Shareholders at the annual general meeting of the Company for the year of 2012 (the "**2012 AGM**") held on 25 June 2013.

The Shareholders at the 2012 AGM approved the re-election of Mr. Wu Gang (武鋼先生) and Mr. Wang Haibo (王海波先生) as executive Directors, Mr. Li Ying (李熒先生), Ms. Hu Yang (胡陽女士) and Mr. Yu Shengjun (于生軍先生) as non-executive Directors, and Dr. Tin Yau Kelvin Wong (黃天祐博士) as an independent non-executive Director. In addition, Mr. Cao Zhigang (曹志剛先生) was elected at the 2012 AGM as an executive Director, and Mr. Yang Xiaosheng (楊校生先生) and Mr. Luo Zhenbang (羅振邦先生) were elected as independent non-executive Directors. The term of office of the fifth session of the Board shall expire on 25 June 2016.

The term of office of the fourth session of the supervisory committee (the "**Supervisory Committee**") of the Company expired on 24 March 2013. In accordance with the PRC laws, the Supervisors of the fourth session of the Supervisory Committee remained in office and performed their duties until the fifth session of the Supervisory Committee was elected by the Shareholders at the 2012 AGM on 25 June 2013.

Other Information

The Shareholders at the 2012 AGM approved the re-election of Mr. Wang Mengqiu (王孟秋先生), Mr. Wang Shiwei (王世偉先生) and Mr. Luo Jun (洛軍先生) as Supervisors. In accordance with the Articles and the relevant laws, regulations and rules of the PRC, the re-election of Ms. Zhang Xiaotao (張曉濤女士) and Mr. Xiao Zhiping (肖治平先生) was considered and approved by the employees of the Company as employee representative Supervisors for the fifth session of the Supervisory Committee on 25 April 2013. The term of office of the fifth session of the Supervisory Committee shall expire on 25 June 2016.

On 12 July 2013, Dr. Tin Yau Kelvin Wong resigned as an independent non-executive director and ceased to be the chairman and member of the audit committee of China Metal International Holdings Inc., a company listed on the main board of the Stock Exchange.

As far as is known to the Company, other than disclosed above, during the six months ended 30 June 2013, there were no changes to information that were required to be disclosed by the Directors or Supervisors pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

HUMAN RESOURCES

As disclosed in the Company's announcement dated 26 June 2013, the fifth session of the Board re-appointed Mr. Wang Haibo as the President, Ms. Ma Jinru as the secretary of the Board and Mr. Huo Changbao as the chief financial officer, and appointed Mr. Cao Zhigang and Mr. Wu Kai as executive vice presidents, Mr. Wang Xiangming, Mr. Yang Hua and Mr. Liu Wei as vice presidents, and Mr. Liu He as the chief engineer of the Company. Their term of offices shall expire on 25 June 2016.

Goldwind provides management personnel and employees with on-the-job education, training and other opportunities to improve their skills and knowledge. We sign individual employment contracts with our employees, covering, among other items, salaries, benefits, training, workplace health and safety, confidentiality obligations relating to trade secrets, and grounds for termination. Remuneration packages offered to our employees are consistent with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be rewarded to employees taking into consideration the Group's performance and performance of individual employees. Goldwind provides pension to our employees as a certain percentage of their applicable salary in accordance with relevant laws and regulations of the PRC and abroad, as well as other benefits such as medical insurance and rent discounts.

As at 30 June 2013, the Group had a total of 3,795 employees.

INVESTOR RELATIONS

During the six months ended 30 June 2013, the Company communicated the operating performance of the Company and industry conditions with investors via various channels including road shows, conference calls, web conferences, investor conferences, on-site meetings, the interactive investors' platform, investor relations email contact, and calls to the investor relations hotline.

Report on Review of Interim Condensed Consolidated Financial Statements

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To the shareholders of Xinjiang Goldwind Science & Technology Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2013 and the interim condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34") issued by the International Accounting Standards Board.

The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on this interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Report on Review of Interim Condensed Consolidated Financial Statements

To the shareholders of Xinjiang Goldwind Science & Technology Co., Ltd.
(Incorporated in the People's Republic of China with limited liability)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Ernst & Young
Certified Public Accountants
Hong Kong
23 August 2013

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

	Notes	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
REVENUE	4	**3,227,146**	3,451,009
Cost of sales		**(2,628,026)**	(2,992,226)
Gross profit		**599,120**	458,783
Other income and gains	4	**265,794**	459,117
Selling and distribution expenses		**(265,798)**	(253,534)
Administrative expenses		**(348,176)**	(313,135)
Other expenses		**(85,312)**	(78,890)
Finance costs	6	**(148,708)**	(227,720)
Share of profits and losses of:			
Jointly-controlled entities		**70,780**	24,858
Associates		**21,933**	42,164
PROFIT BEFORE TAX	5	**109,633**	111,643
Income tax expense	7	**(5,828)**	(30,714)
PROFIT FOR THE PERIOD		**103,805**	80,929
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**(89,921)**	(41,055)
Net gain on available-for-sale financial assets		**143,143**	–
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**53,222**	(41,055)
Item not to be reclassified to profit or loss in subsequent periods:			
Net gain on cash flow hedges		**28,882**	–
Net other comprehensive income not being reclassified to profit or loss in subsequent period		**28,882**	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**82,104**	(41,055)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**185,909**	39,874

continued/...

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

		For the six months ended 30 June	
	Note	**2013 (Unaudited) RMB'000**	2012 (Unaudited) RMB'000
Profit attributable to:			
Owners of the Company		**92,682**	72,069
Non-controlling interests		**11,123**	8,860
		103,805	80,929
Total comprehensive income attributable to:			
Owners of the Company		**174,786**	31,014
Non-controlling interests		**11,123**	8,860
		185,909	39,874
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted	9	**RMB0.03**	RMB0.03

Interim Condensed Consolidated Statement of Financial Position

30 June 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**6,563,219**	5,366,421
Investment properties		**80,937**	82,385
Prepaid land lease payments		**120,641**	108,402
Goodwill		**303,232**	310,848
Other intangible assets		**410,357**	428,736
Investments in jointly-controlled entities		**481,250**	485,098
Investments in associates		**380,719**	364,065
Available-for-sale investments	11	**709,617**	544,246
Derivative financial instruments	12	**96,960**	94,830
Deferred tax assets	13	**564,755**	516,365
Trade receivables	15	**356,129**	304,747
Prepayments, deposits and other receivables	16	**420,174**	217,011
Total non-current assets		**10,487,990**	8,823,154
CURRENT ASSETS			
Inventories	14	**4,348,695**	3,511,626
Trade and bills receivables	15	**9,464,920**	10,114,634
Prepayments, deposits and other receivables	16	**2,521,904**	1,790,450
Derivative financial instruments	12	**28,485**	–
Pledged deposits	17	**383,189**	143,832
Cash and cash equivalents	17	**4,301,316**	6,817,928
		21,048,509	22,378,470
Assets of a disposal group classified as held for sale	18	**835,961**	1,194,874
Total current assets		**21,884,470**	23,573,344
CURRENT LIABILITIES			
Trade and bills payables	19	**8,171,494**	8,504,996
Other payables and accruals	20	**1,847,279**	1,346,352
Interest-bearing bank loans	21	**1,035,868**	389,211
Tax payable		**37,877**	57,817
Dividends payable		**148,202**	–
Provision		**790,197**	671,205
		12,030,917	10,969,581
Liabilities directly associated with the assets classified as held for sale	18	**625,337**	1,296,822
Total current liabilities		**12,656,254**	12,266,403
NET CURRENT ASSETS		**9,228,216**	11,306,941
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,716,206**	20,130,095

continued/...

Interim Condensed Consolidated Statement of Financial Position

30 June 2013

	Notes	30 June 2013 (Unaudited) RMB'000	31 December 2012 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**19,716,206**	20,130,095
NON-CURRENT LIABILITIES			
Trade payables	19	**241,412**	244,656
Interest-bearing bank loans and other borrowing	21	**5,480,714**	5,715,906
Deferred tax liabilities	13	**35,254**	38,801
Provision		**481,583**	683,941
Government grants		**162,351**	161,166
Total non-current liabilities		**6,401,314**	6,844,470
Net assets		**13,314,892**	13,285,625
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**2,694,588**	2,694,588
Reserves		**10,234,650**	10,059,864
Proposed final dividend	8	**–**	148,202
		12,929,238	12,902,654
Non-controlling interests		**385,654**	382,971
Total equity		**13,314,892**	13,285,625

Wu Gang
Director

Wang Haibo
Director

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Attributable to owners of the Company											
	Issued share capital RMB'000	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Cash flow hedging reserve RMB'000	Available-for-sale investment revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Proposed final dividend RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2013	**2,694,588**	**7,991,256**	**–**	**532,871**	**1,687,212**	**–**	**(2,961)**	**(148,514)**	**148,202**	**12,902,654**	**382,971**	**13,285,625**
Profit for the period	**–**	**–**	**–**	**–**	**92,682**	**–**	**–**	**–**	**–**	**92,682**	**11,123**	**103,805**
Other comprehensive income for the period:												
Changes in fair value of available-for-sale investment, net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**143,143**	**–**	**–**	**143,143**	**–**	**143,143**
Cash flow hedges, net of tax	**–**	**–**	**–**	**–**	**–**	**28,882**	**–**	**–**	**–**	**28,882**	**–**	**28,882**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(89,921)**	**–**	**(89,921)**	**–**	**(89,921)**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**92,682**	**28,882**	**143,143**	**(89,921)**	**–**	**174,786**	**11,123**	**185,909**
Final 2012 dividend declared	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(148,202)**	**(148,202)**	**–**	**(148,202)**
Dividend declared to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,440)**	**(8,440)**
Transfer to special reserve	**–**	**–**	**8,061**	**–**	**–**	**–**	**–**	**–**	**–**	**8,061**	**–**	**8,061**
Special reserve utilised	**–**	**–**	**(8,061)**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,061)**	**–**	**(8,061)**
At 30 June 2013 (Unaudited)	**2,694,588**	***7,991,256**	***–**	***532,871**	***1,779,894**	***28,882**	***140,182**	*** (238,435)**	**–**	**12,929,238**	**385,654**	**13,314,892**
As at 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	–	–	–	–	72,069	–	–	–	–	72,069	8,860	80,929
Other comprehensive income for the period:												
Exchange differences on translations of foreign operations	–	–	–	–	–	–	–	(41,055)	–	(41,055)	–	(41,055)
Total comprehensive income for the period	–	–	–	–	72,069	–	–	(41,055)	–	31,014	8,860	39,874
Final 2011 dividend declared	–	–	–	–	–	–	–	–	(134,729)	(134,729)	–	(134,729)
Dividend declared to non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	(22,806)	(22,806)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	–	20,437	20,437
Acquisition of shares from non-controlling shareholders	–	1,607	–	–	–	–	–	–	–	1,607	(37,794)	(36,187)
As at 30 June 2012 (Unaudited)	2,694,588	*7,991,256	* –	*495,389	*1,791,911	*–	*948	*(202,141)	–	12,771,951	363,147	13,135,098

* As at 30 June 2013, these reserve accounts comprised the consolidated reserves of RMB10,234,650,000 (30 June 2012: RMB10,077,363,000) in the interim condensed consolidated statement of financial position.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	Note	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Net cash flows used in operating activities		**(1,220,910)**	(140,519)
Net cash flows used in investing activities		**(1,885,933)**	(1,073,248)
Net cash flows from/(used in) financing activities		**672,050**	(1,005,276)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(2,434,793)**	(2,219,043)
Cash and cash equivalents at beginning of period		**6,604,328**	7,554,630
Effect of foreign exchange rate changes, net		**(40,845)**	(21,690)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17	**4,128,690**	5,313,897

1. CORPORATE INFORMATION

Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") was established as a joint stock company with limited liability 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 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 "Hong Kong Stock Exchange") from 8 October 2010. The registered office of the Company is located at 107 Shanghai Road, Economic & Technology Development District, Urumqi, Xinjiang, the PRC.

During the 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 and wind power components
- Development and operation of wind farms, consisting of wind power generation service provided by the Group's wind farms as well as the 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 PREPARATION AND ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months period ended 30 June 2013 have been prepared in accordance with International Accounting Standard ("IASs") 34 *Interim Financial Reporting* and the disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange ("Listing Rules").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2012.

The interim condensed consolidated financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand, except when otherwise indicated.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Impact of amended International Financial Reporting Standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 December 2012, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") as of 1 January 2013, noted below:

IAS 1 *Presentation of Items of Other Comprehensive Income* – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income ("OCI"). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

IAS 1 *Clarification of the requirement for comparative information* (Amendment)

The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional voluntarily comparative information does not need to be presented in a complete set of financial statements.

An opening statement of financial position (known as the 'third statement of financial position') must be presented when an entity applies an accounting policy retrospectively, makes retrospective restatements, or reclassifies items in its financial statements, provided that any of those changes has a material effect on the statement of financial position at the beginning of the preceding period. The amendment clarifies that a third statement of financial position does not have to be accompanied by comparative information in the related notes. Under IAS 34, the minimum items required for interim condensed financial statements do not include a third statement of financial position.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Impact of amended International Financial Reporting Standards (continued)

IAS 32 *Tax effects of distributions to holders of equity instruments* (Amendment)

The amendment to IAS 32 Financial Instruments: Presentation clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes. The amendment removes existing income tax requirements from IAS 32 and requires entities to apply the requirements in IAS 12 to any income tax arising from distributions to equity holders. The amendment did not have an impact on the interim condensed consolidated financial statements for the Group, as there is no tax consequences attached to cash or non-cash distribution.

IAS 34 *Interim financial reporting and segment information for total assets and liabilities* (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker. The amendment does not have an impact on the Group.

IAS 19 Amendments *Employee Benefits*

IAS 19 Amendments include a number of amendments to the accounting for defined benefit plans, including actuarial gains and losses that are now recognised in other comprehensive income ("OCI") and permanently excluded from profit and loss; and expected returns on plan assets that are no longer recognised in profit or loss. Instead, there is a requirement to recognise interest on the net defined benefit liability (asset) in profit or loss, calculated using the discount rate used to measure the defined benefit obligation, and; unvested past service costs are now recognised in profit or loss at the earlier of occurrence of the amendment and the recognition of the related restructuring or termination costs. Other amendments include new disclosures, such as quantitative sensitivity disclosures. The transition to IAS 19 Amendments had no impact on the Group.

IFRS 7 *Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities* – Amendments to IFRS 7

The amendments require an entity to disclose information about rights to set-off financial instruments and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognised financial instruments that are set off in accordance with IAS 32. The disclosures also apply to recognised financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether the financial instruments are set off in accordance with IAS 32. As the Group is not setting off financial instruments in accordance with IAS 32 and does not have relevant offsetting arrangements, the amendments do not have an impact on the Group.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Impact of amended International Financial Reporting Standards (continued)

IFRS 10 *Consolidated Financial Statements* and IAS 27 *Separate Financial Statements*

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the parts of previously existing IAS 27 *Consolidated and Separate Financial Statements* that dealt with consolidated financial statements and SIC-12 *Consolidation – Special Purpose Entities*. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over an investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investor's returns. IFRS 10 had no impact on the consolidation of investments held by the Group.

IFRS 11 *Joint Arrangements* and IAS 28 *Investment in Associates and Joint Ventures*

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly-controlled Entities – Non-monetary Contributions* by Venturers. IFRS 11 removes the option to account for jointly controlled entities ("JCEs") using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The application of this new standard had no impact on the Group.

IFRS 12 *Disclosure of Interests in Other Entities*

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements is applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period require that they are provided. Accordingly, the Group has not made such disclosures.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.2 Impact of amended International Financial Reporting Standards (continued)

IFRS 13 *Fair Value Measurement*

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 *Financial Instruments: Disclosures*. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group.

In addition to the above-mentioned amendments and new standards, IFRS 1 *First-time Adoption of International Financial Reporting Standards* was amended with effect for reporting periods starting on or after 1 January 2013. The Group is not a first-time adopter of IFRS, therefore, this amendment is not relevant to the Group. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2.3 Issued but not yet effective International Financial Reporting Standards

The Group has not applied the following new and revised IFRSs, that have been issued but are not yet effective, in these interim condensed consolidated financial statements.

IFRS 9	*Financial Instruments*[2]
IFRS 10, IFRS 12 and IAS 27 (Revised) Amendments	Amendments to IFRS 10, IFRS 12 and IAS 27 (Revised) – *Investment Entities*[1]
IAS 32 Amendments	Amendments to IAS 32 *Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities*[1]
IAS 36 Amendments	Amendments to IAS 36 *Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets*[1]
IAS 39 Amendments	Amendments to IAS 39 *Novation of Derivatives and Continuation of Hedge Accounting*[1]
IFRIC 21	*Levies*[1]

1 Effective for annual periods beginning on or after 1 January 2014
2 Effective for annual periods beginning on or after 1 January 2015

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. So far, the Group considers that these new and revised IFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

3. OPERATING SEGMENT INFORMATION

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

(a) The wind turbine generator manufacturing and sale segment engages in the research and development, manufacture and sale of wind turbine generators 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 the development of wind farms, which consists of wind power generation service provided by the Group's wind farms as well as the 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 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)

The following tables present revenue and profit information about the Group's operating segments for the six months ended 30 June 2013 and 2012, respectively:

For the six months ended 30 June 2013

	Wind turbine generator manufacturing and sale (Unaudited) RMB'000	Wind power services (Unaudited) RMB'000	Wind farm development (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue:					
Sales to external customers	2,832,525	208,352	186,269	–	3,227,146
Intersegment sales	1,261,914	10,039	–	(1,271,953)	–
Total revenue	4,094,439	218,391	186,269	(1,271,953)	3,227,146
Segment results:	189,945	(11,089)	77,284	(17,922)	238,218
Interest income	47,052	177	3,140	(30,246)	20,123
Finance costs	(109,825)	–	(69,129)	30,246	(148,708)
Profit before tax	127,172	(10,912)	11,295	(17,922)	109,633
Other segment information:					
Share of profits and losses of:					
Jointly-controlled entities	–	–	70,780	–	70,780
Associates	14,822	–	7,111	–	21,933
Depreciation and amortisation	65,161	1,396	42,776	(7,220)	102,113
Write-down of inventories to net realisable value	(1,033)	–	–	–	(1,033)
Impairment of trade and other receivables	61,083	17,011	–	–	78,094
Reversal of impairment of trade and other receivables	(13,141)	–	–	–	(13,141)
Product warranty provision	41,269	–	–	(27,423)	13,846
Investments in jointly-controlled entities	15,181	–	409,736	56,333	481,250
Investments in associates	250,402	3,200	130,981	(3,864)	380,719
Capital expenditure[1]	84,823	383	1,944,958	(4,049)	2,026,115

3. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2012

	Wind turbine generator manufacturing and sale (Unaudited) RMB'000	Wind power services (Unaudited) RMB'000	Wind farm development (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) 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:	30,063	22,014	213,973	40,757	306,807
Interest income	27,569	515	4,472	–	32,556
Finance costs	(142,301)	(6,057)	(79,362)	–	(227,720)
Profit before tax	(84,669)	16,472	139,083	40,757	111,643
Other segment information:					
Share of profits and losses of:					
Jointly-controlled entities	–	–	24,858	–	24,858
Associates	34,801	–	7,363	–	42,164
Depreciation and amortisation	83,937	1,590	33,224	(1,528)	117,223
Impairment of trade and other receivables	55,630	–	5,351	–	60,981
Reversal of impairment of trade and other receivables	(10,765)	–	–	–	(10,765)
Product warranty provision	49,903	–	–	(7,263)	42,640
Investments in jointly-controlled entities	14,640	–	495,951	(39,112)	471,479
Investments in associates	147,398	3,200	118,974	–	269,572
Capital expenditure(1)	130,089	474	728,045	(55,877)	802,731

(1) Capital expenditure mainly consists of additions to property, plant and equipment, other intangible assets and prepaid land lease payments.

3. OPERATING SEGMENT INFORMATION (continued)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2013 and 31 December 2012:

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Eliminations RMB'000	Total RMB'000
Segment assets					
30 June 2013 (Unaudited)	**28,087,583**	**1,967,891**	**12,661,892**	**(10,344,906)**	**32,372,460**
31 December 2012 (Audited)	27,064,040	1,571,906	13,228,770	(9,468,218)	32,396,498
Segment liabilities					
30 June 2013 (Unaudited)	**15,239,362**	**1,670,960**	**9,431,072**	**(7,283,826)**	**19,057,568**
31 December 2012 (Audited)	14,166,294	1,273,674	10,097,678	(6,426,773)	19,110,873

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Mainland China	**2,726,939**	3,012,813
Overseas	**500,207**	438,196
	3,227,146	3,451,009

The revenue information above is based on the locations of the customers.

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information (continued)

(b) Non-current assets

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Mainland China	**6,768,526**	6,241,942
United States of America	**314,819**	271,465
Germany	**514,692**	532,333
Australia	**772,665**	142,496
Others	**265,894**	174,730
	8,636,596	7,362,966

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

Information about major customers

For the six months ended 30 June 2013 and 2012, respectively, no revenue generated from any of the Group's customers 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, comprises the net invoiced value of goods sold, after allowances for returns and trade discounts; an appropriate proportion of contract revenue of construction contracts; and the values of services rendered.

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

	Note	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Revenue			
Sale of wind turbine generators and wind power components		**2,832,525**	3,187,610
Wind power services		**208,352**	161,880
Wind power generation		**186,269**	101,519
		3,227,146	3,451,009
Other income			
Bank interest income		**20,123**	32,556
Gross rental income		**1,790**	1,514
Government grants		**21,454**	57,620
Value-added tax refund		**1,617**	5,918
Insurance compensation on product warranty expenditures		**22,166**	26,043
Others		**7,501**	7,411
		74,651	131,062
Gains			
Gain on disposals of subsidiaries, including wind farm project companies	22	**118,022**	259,500
Gain on disposals of investments in jointly-controlled entities		**15,833**	42,912
Gain on disposals of available-for-sale investments		**45,643**	–
Gain on disposals of items of property, plant and equipment		**355**	232
Net fair value gain on derivative financial instruments – transactions not qualifying as hedges		**1,733**	92
Others		**9,557**	25,319
		191,143	328,055
		265,794	459,117

5. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Cost of inventories sold		**2,375,061**	2,852,155
Depreciation provided for:			
Property, plant and equipment	10	**73,475**	91,100
Investment properties		**1,448**	1,448
		74,923	92,548
Amortisation of prepaid land lease payments		**1,242**	2,407
Amortisation of other intangible assets		**25,948**	22,268
		27,190	24,675
Impairment of trade and bills receivables	15	**78,094**	60,981
Reversal of impairment of trade and bills receivables	15	**(13,137)**	(10,765)
Reversal of impairment of prepayments, deposits and other receivables	16	**(4)**	–
		64,953	50,216
Write-down of inventories to net realisable value		**(1,033)**	–
Gain on disposals of items of property, plant and equipment and other intangible assets, net		**(245)**	(93)
Minimum lease payments under operating leases of land and buildings		**8,731**	5,938
Auditors' remuneration		**1,887**	–
Employee benefit expenses (including directors', supervisors' and the chief executive's remuneration):			
Wages and salaries		**233,473**	152,736
Pension scheme contributions (defined contribution scheme)		**17,233**	17,204
Welfare and other expenses		**45,806**	42,163
		296,512	212,103

5. PROFIT BEFORE TAX (continued)

	Note	For the six months ended 30 June 2013 (Unaudited) RMB'000	 2012 (Unaudited) RMB'000
Research and development costs:			
Staff costs		**61,910**	43,168
Amortisation and depreciation		**16,234**	6,843
Materials expenditure and others		**14,440**	22,900
		92,584	72,911
Government grants		**(21,454)**	(57,620)
Product warranty provision:			
Additional provision		**83,338**	131,253
Reversal of unutilised provision		**(69,492)**	(88,613)
		13,846	42,640
Insurance compensation on product warranty expenditures		**(22,166)**	(26,043)
Foreign exchange differences, net		**4,583**	11,480
Net fair value gain on derivate financial instruments – transactions not qualifying as hedges		**(1,733)**	(92)
Bank interest income		**(20,123)**	(32,556)
Gain on disposals of subsidiaries, including wind farm project companies	22	**(118,022)**	(259,500)
Gain on disposal of an available-for-sale investment		**(45,643)**	–
Gain on disposals of investments in jointly-controlled entities		**(15,833)**	(42,912)
Gain on disposals of items of property, plant and equipment		**(355)**	(232)

6. FINANCE COSTS

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank loans and other borrowing wholly repayable:		
Within five years	**176,657**	241,260
Above five years	**41,912**	27,896
	218,569	269,156
Less: Interest capitalised	**(69,861)**	(41,436)
	148,708	227,720

7. INCOME TAX EXPENSE

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

The Company's certain subsidiaries in Mainland China, 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 important public infrastructure investment projects that were supported by the government or development projects in the western region of the PRC.

Except for certain preferential treatment available to certain subsidiaries of the Company and the Company as mentioned above, the entities within the Group in Mainland China were subject to corporate income tax at a rate of 25%.

Profits tax for Hong Kong has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the 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.

7. INCOME TAX EXPENSE (continued)

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current		
– Hong Kong	**4,843**	–
– Mainland China	**42,521**	26,694
– Elsewhere	**10,401**	15,505
	57,765	42,199
Deferred (note 13)	**(51,937)**	(11,485)
Tax charge for the period	**5,828**	30,714

A reconciliation of the income tax expense applicable to profit before tax at the statutory income tax rate applicable to the Company to the income tax expense at the Group's effective income tax rate is as follows:

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit before tax	**109,633**	111,643
Income tax charge at the statutory income tax rate of 25%	**27,408**	27,911
Effect of different income tax rates for overseas entities	**(1,849)**	(783)
Effect of different income tax rates for domestic entities	**(31,138)**	26,752
Tax losses not recognised	**5,019**	13,749
Income not subject to tax	**(193)**	–
Expenses not deductible for tax purposes	**4,036**	245
Additional tax deduction for research and development expenditure	**–**	(1,650)
Profits and losses attributable to jointly-controlled entities	**(17,695)**	(6,214)
Profits and losses attributable to associates	**(5,483)**	(10,541)
Others	**25,723**	(18,755)
Tax charge for the period at the effective rate	**5,828**	30,714

8. DIVIDENDS

The proposed final dividend for the year ended 31 December 2012 was approved by the Company's shareholders on 25 June 2013 of RMB0.055 per share which amounted to RMB148,202,000.

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2013 (six months ended 30 June 2012: Nil).

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

The calculation of the basic earnings per share amounts for the period is based on the profit for the six months ended 30 June 2013 attributable to ordinary equity holders of the Company, and the weighted average number of ordinary shares of 2,694,588,000 (six months ended 30 June 2012: 2,694,588,000) in issue during the period.

	For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**92,682**	72,069

	Number of shares For the six months ended 30 June	
	2013	2012
	(Unaudited)	(Unaudited)
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**2,694,588,000**	2,694,588,000

The Company did not have any dilutive potential ordinary shares during the period.

10. PROPERTY, PLANT AND EQUIPMENT

	Six months ended 30 June 2013					
	Buildings (Unaudited) RMB'000	Machinery (Unaudited) RMB'000	Vehicles (Unaudited) RMB'000	Electronic equipment and others (Unaudited) RMB'000	Construction in progress (Unaudited) RMB'000	Total (Unaudited) RMB'000
Cost:						
At 1 January 2013	807,308	1,593,933	58,028	182,643	3,039,028	5,680,940
Additions	2,013	4,702	6,152	31,808	1,870,544	1,915,219
Disposals	–	(899)	(1,774)	(547)	–	(3,220)
Transfers	3,704	503,638	–	97	(507,439)	–
Transferred to assets of a disposal group classified as held for sale (note 18)	–	(326,256)	(1,265)	(729)	(245,123)	(573,373)
Exchange realignment	(2,784)	(8,391)	(412)	(1,323)	(77,938)	(90,848)
At 30 June 2013	810,241	1,766,727	60,729	211,949	4,079,072	6,928,718
Accumulated depreciation and impairment:						
At 1 January 2013	(52,573)	(167,451)	(13,698)	(80,797)	–	(314,519)
Depreciation charge for the period (note 5)	(11,208)	(45,283)	(3,617)	(13,367)	–	(73,475)
Disposals	–	721	1,230	368	–	2,319
Transferred to assets of a disposal group classified as held for sale (note 18)	–	18,061	134	80	–	18,275
Exchange realignment	287	964	116	534	–	1,901
At 30 June 2013	(63,494)	(192,988)	(15,835)	(93,182)	–	(365,499)
Net carrying amount:						
At 30 June 2013	746,747	1,573,739	44,894	118,767	4,079,072	6,563,219
At 1 January 2013	754,735	1,426,482	44,330	101,846	3,039,028	5,366,421

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Year ended 31 December 2012					
	Buildings (Audited) RMB'000	Machinery (Audited) RMB'000	Vehicles (Audited) RMB'000	Electronic equipment and others (Audited) RMB'000	Construction in progress (Audited) RMB'000	Total (Audited) RMB'000
Cost:						
At 1 January 2012	973,195	1,151,146	55,657	167,846	2,515,434	4,863,278
Additions	56,972	12,759	14,064	30,746	2,664,617	2,779,158
Acquisition of a subsidiary	–	–	760	54	5,666	6,480
Disposals	(44,637)	(6,957)	(14,616)	(14,955)	–	(81,165)
Disposals of subsidiaries (note 22)	(302,706)	(186,905)	(4,399)	(28,795)	(214,555)	(737,360)
Transfers	122,565	1,774,492	6,440	27,001	(1,930,498)	–
Transferred to assets of a disposal group classified as held for sale (note 18)	–	(1,152,224)	–	–	–	(1,152,224)
Exchange realignment	1,919	1,622	122	746	(1,636)	2,773
At 31 December 2012	807,308	1,593,933	58,028	182,643	3,039,028	5,680,940
Accumulated depreciation and impairment:						
At 1 January 2012	(60,739)	(150,925)	(12,032)	(59,695)	–	(283,391)
Depreciation charge for the year	(24,031)	(116,063)	(6,908)	(36,570)	–	(183,572)
Acquisition of a subsidiary	–	–	(60)	(22)	–	(82)
Disposals	2,903	579	3,106	4,290	–	10,878
Disposals of subsidiaries (note 22)	29,368	72,377	2,237	11,485	–	115,467
Transferred to assets of a disposal group classified as held for sale (note 18)	–	26,801	–	–	–	26,801
Exchange realignment	(74)	(220)	(41)	(285)	–	(620)
At 31 December 2012	(52,573)	(167,451)	(13,698)	(80,797)	–	(314,519)
Net carrying amount:						
At 31 December 2012	754,735	1,426,482	44,330	101,846	3,039,028	5,366,421
At 1 January 2012	912,456	1,000,221	43,625	108,151	2,515,434	4,579,887

11. AVAILABLE-FOR-SALE INVESTMENTS

		As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Listed equity investment, at fair value:			
– Hong Kong		**327,041**	188,612
Unlisted equity investments, at cost	(i)	**382,576**	355,634
		709,617	544,246

(i) The unlisted equity investments are equity securities issued by private entities established in the PRC. They are measured at cost less impairment at 30 June 2013 because the range of reasonable fair value estimates is so significant that the directors are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of them in the near future.

12. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Interest rate swap contract	**397**	–
Foreign currency option	**28,485**	–
Forward contract	**96,563**	94,830
	125,445	94,830
Portion classified as non-current:		
Interest rate swap contract	**397**	–
Forward contract	**96,563**	94,830
	96,960	94,830
Current portion	**28,485**	–

The carrying amounts of the derivative financial instruments are the same as their fair values.

13. DEFERRED TAX

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

Six months ended 30 June 2013

Deferred tax assets

	Provision for impairment of assets (Unaudited) RMB'000	Tax losses (Unaudited) RMB'000	Provisions and accruals (Unaudited) RMB'000	Government grants received not yet recognised as income (Unaudited) RMB'000	Unrealised gains arising from intra-group sales (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 1 January 2013	76,947	5,550	261,660	948	166,306	4,954	516,365
Deferred tax credited/(charged) to profit or loss (note 7)	11,271	28,202	(20,047)	2,388	29,019	(2,443)	48,390
Deferred tax assets at 30 June 2013	88,218	33,752	241,613	3,336	195,325	2,511	564,755

Deferred tax liabilities

	Excess of fair values of identifiable assets and liabilities over carrying values in the acquisition of a subsidiary (Unaudited) RMB'000
At 1 January 2013	38,801
Deferred tax credited to profit or loss (note 7)	(3,547)
Deferred tax liabilities at 30 June 2013	35,254

13. DEFERRED TAX (continued)

Year ended 31 December 2012

Deferred tax assets

	Provision for impairment of assets (Audited) RMB'000	Tax losses (Audited) RMB'000	Provisions and accruals (Audited) RMB'000	Government grants received not yet recognised as income (Audited) RMB'000	Unrealised gains arising from intra-group sales (Audited) RMB'000	Others (Audited) RMB'000	Total (Audited) RMB'000
At 1 January 2012	59,313	–	237,377	4,625	160,383	3,670	465,368
Deferred tax credited to profit or loss	17,634	5,550	24,283	2,252	5,923	1,284	56,926
Deferred tax assets at 31 December 2012	76,947	5,550	261,660	6,877	166,306	4,954	522,294

The following is an analysis of the deferred tax assets of the Group for financial reporting purposes:

Deferred tax assets recognised in the consolidated statement of financial position	522,294
Deferred tax assets included in the disposal group (note 22)	(5,929)
	516,365

13. DEFERRED TAX (continued)

Year ended 31 December 2012

Deferred tax liabilities

	Excess of fair values of identifiable assets and liabilities over carrying values in the acquisition of a subsidiary (Audited) RMB'000	Fair value gains in respect of available-for-sale investments (Audited) RMB'000	Others (Audited) RMB'000	Total (Audited) RMB'000
At 1 January 2012	43,886	187	340	44,413
Deferred tax credited to profit or loss	(6,320)	–	(340)	(6,660)
Deferred tax credited to other comprehensive income	–	(187)	–	(187)
Exchange differences	1,235	–	–	1,235
Deferred tax liabilities at 31 December 2012	38,801	–	–	38,801

14. INVENTORIES

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Raw materials	**2,152,664**	2,432,917
Work in progress	**1,389,116**	464,660
Finished and semi-finished goods	**673,788**	547,860
Consigned processing materials	**18,335**	15,461
Low-value consumables and others	**114,792**	50,728
	4,348,695	3,511,626

15. TRADE AND BILLS RECEIVABLES

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Trade receivables	**8,244,697**	9,142,495
Bills receivable	**785,782**	455,696
Retention money receivables	**1,292,349**	1,258,129
Provision for impairment	**(501,779)**	(436,939)
	9,821,049	10,419,381
Portion classified as non-current assets	**(356,129)**	(304,747)
Current portion	**9,464,920**	10,114,634

The Group normally allows a credit period of not more than three months to its customers. For retention money receivables, the due dates usually range from one to three years after the completion of commissioning for wind turbines. 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. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade and bills receivables are non-interest-bearing.

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

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Within 3 months	**2,788,589**	3,922,219
3 to 6 months	**770,710**	1,539,220
6 months to 1 year	**2,554,787**	1,031,709
1 to 2 years	**2,457,816**	2,398,382
2 to 3 years	**1,058,348**	1,145,655
Over 3 years	**190,799**	382,196
	9,821,049	10,419,381

15. TRADE AND BILLS RECEIVABLES (continued)

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

	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Audited) RMB'000
At beginning of the period/year	**436,939**	391,553
Impairment losses recognised (note 5)	**78,094**	165,093
Impairment losses reversed (note 5)	**(13,137)**	(116,552)
Amounts written off as uncollectible	**(82)**	(382)
Exchange realignment	**(35)**	(2,773)
At end of the period/year	**501,779**	436,939

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB191,883,000 (31 December 2012: RMB185,703,000) with a carrying amount before provision of RMB1,561,595,000 (31 December 2012: RMB3,095,787,000).

The individually impaired trade receivables relate to customers that were default in principal payments and only a portion of the receivables is expected to be recovered.

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

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Neither past due nor impaired	**3,316,005**	2,880,895
Less than 3 months past due	**1,921,350**	1,256,505
3 to 6 months past due	**618,070**	944,363
	5,855,425	5,081,763

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.

15. TRADE AND BILLS RECEIVABLES (continued)

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 amounts due from Xinjiang Wind Power Company Limited ("Xinjiang Wind Power") (新疆風能有限責任公司), the largest shareholder, who holds a 13.95% interest in the Company, jointly-controlled entities and associates included in the trade and bills receivables are as follows:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Unaudited) RMB'000
A shareholder holding a 13.95% interest in the Company	**5,924**	10,400
Jointly-controlled entities	**250,469**	494,591
Associates	**125,124**	27,407
	381,517	532,398

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

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Advance to suppliers	**1,260,424**	789,929
Prepayments	**323,381**	256,615
Deposits and other receivables	**1,361,905**	964,560
Provision for impairment	**(3,632)**	(3,643)
	2,942,078	2,007,461
Portion classified as non-current assets	**(420,174)**	(217,011)
Current portion	**2,521,904**	1,790,450

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

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

	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Audited) RMB'000
At beginning of the period/year	**3,643**	4,594
Impairment losses reversed (note 5)	**(4)**	–
Amounts written off as uncollectible	**–**	(3)
Exchange realignment	**(7)**	(948)
At end of the period/year	**3,632**	3,643

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 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Jointly-controlled entities	**10,837**	10,837
Associates	**124,297**	108,092
	135,134	118,929

The above amounts are unsecured, non-interest-bearing and repayable on similar credit terms to those offered to the independent third parties.

17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Cash and bank balances	**3,867,072**	5,180,562
Time deposits	**817,433**	1,781,198
	4,684,505	6,961,760
Less: Pledged time deposits for		
– Bank loans	**(13,087)**	(13,516)
– Uncompleted transaction	**(86,946)**	(86,946)
– Letters of credit	**(773)**	(786)
– Guarantee issued	**(43,664)**	(42,584)
– Risk compensation fund	**(238,719)**	–
	(383,189)	(143,832)
Cash and cash equivalents in the consolidated statement of financial position	**4,301,316**	6,817,928
Less: Non-pledged time deposits with original maturity of three months or more when acquired	**(200,000)**	(213,600)
Add: Pledged time deposits with original maturity within three months when acquired	**27,374**	–
Cash and cash equivalents in the consolidated statement of cash flows	**4,128,690**	6,604,328
Cash and cash equivalents and pledged deposits denominated in:		
– RMB	**3,914,983**	5,669,594
– Other currencies	**769,522**	1,292,166
	4,684,505	6,961,760

18. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

On 26 June 2013, one of the subsidiaries of the Company, Beijing Tianrun New Energy Investment Co., Ltd. ("Beijing Tianrun") (北京天潤新能投資有限公司), entered into a disposal agreement with an independent third party, Chifeng Jinneng New Energy Investment Co., Ltd. (赤峰市金能新能源有限責任公司), to dispose of its 90% equity interest in Chifeng Tianrun Xinneng New Energy Investment Co., Ltd. ("Chifeng Xinneng") (赤峰市天潤鑫能新能源有限公司). In addition, on 26 June 2013, Beijing Tianrun entered into a disposal agreement with two independent persons, Yanjun Li (李延軍) and Shuyan Zhao (趙書彥), to dispose of its 51% equity interest in Jilin Tongli Wind Power Co., Ltd. ("Jinlin Tongli") (吉林同力風力發電有限公司). As the transaction is expected to be completed in the second half of 2013, the assets and liabilities of Chifeng Xinneng and the Group's investment in Jinlin Tongli were classified as held for sale in the interim condensed consolidated statement of financial position as at 30 June 2013.

On 21 November 2012, one of the subsidiaries of the Company, Goldwind International SO Limited, entered into a disposal agreement with an independent third party, Algonquin Power Fund (America) Inc., to dispose of its 100% equity interest in Shady Oaks Holding, LLC ("Shady Oaks Holding"). The assets and liabilities of Shady Oaks Holding were classified as held for sale in the consolidated statement of financial position as at 31 December 2012. The transaction was completed on 10 January 2013. Further details of the disposal are included in note 22.

18. ASSETS AND LIABILITIES OF A DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (continued)

The investment in Jinlin Tongli, the assets and liabilities of Chifeng Xinneng and Shady Oaks Holding classified as held for sale as at 30 June 2013 and 31 December 2012, respectively, are as follows:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Assets		
Property, plant and equipment (note 10)	**555,098**	1,125,423
Goodwill	**–**	310
Other intangible assets	**19**	–
Investment in an jointly-controlled entity	**41,608**	–
Derivative financial instrument	**–**	32,355
Other long-term assets	**18,357**	–
Inventories	**52**	–
Trade receivables	**75,837**	7,187
Prepayments, deposits and other receivables	**69,294**	707
Cash and cash equivalents	**75,696**	28,892
Assets of a disposal group classified as held for sale	**835,961**	1,194,874
Liabilities		
Trade payables	**(20,741)**	(7,200)
Other payables and accruals	**(32,976)**	(26,153)
Interest-bearing bank loans	**(571,620)**	(920,984)
Governments grants	**–**	(342,485)
Liabilities directly associated with the assets classified as held for sale	**(625,337)**	(1,296,822)
Net assets/(liabilities) directly associated with the disposal group	**210,624**	(101,948)

19. TRADE AND BILLS PAYABLES

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Trade payables	**5,846,472**	4,901,196
Bills payable	**2,566,434**	3,848,456
	8,412,906	8,749,652
Portion classified as non-current liabilities	**(241,412)**	(244,656)
Current portion	**8,171,494**	8,504,996

Trade and bills payables are non-interest-bearing and are normally settled between 60 and 180 days. For the retention money payables in respect of warranties granted by the suppliers, the due dates usually range from one to three years after the completion of the preliminary acceptance of goods.

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

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Within 3 months	**2,442,027**	3,970,391
3 to 6 months	**2,023,531**	3,125,915
6 months to 1 year	**2,440,832**	763,524
1 to 2 years	**988,280**	541,910
2 to 3 years	**487,126**	335,257
Over 3 years	**31,110**	12,655
	8,412,906	8,749,652

19. TRADE AND BILLS PAYABLES (continued)

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

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Associates	**520,443**	298,751

The above amounts are repayable on similar credit terms to those offered by the Group's related parties to their major customers.

20. OTHER PAYABLES AND ACCRUALS

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Advances from customers	**1,489,489**	714,593
Accrued salaries, wages and benefits	**70,538**	111,774
Other taxes payable	**30,227**	157,741
Others	**257,025**	362,244
	1,847,279	1,346,352

The amounts due to Xinjiang Wind Power, a 13.95%-owned shareholder of the Company, and the Group's jointly-controlled entities and associates included in other payables and accruals are as follows:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
13.95%-owned shareholder of the Company	**1,047**	231
Jointly-controlled entities	**108**	8,123
Associates	**1,517**	302
	2,672	8,656

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

21. INTEREST-BEARING BANK LOANS AND OTHER BORROWING

	As at 30 June 2013			As at 31 December 2012		
	Effective interest rate (%)	Maturity	(Unaudited) RMB'000	Effective interest rate (%)	Maturity	(Audited) RMB'000
Current						
Short term bank loans:						
– Unsecured	4.20-6.87	2013-2014	593,189	4.20-6.87	2013	260,000
– Secured	2.11-6.00	2013-2014	304,241	5.60-6.56	2013	24,940
Current portion of long term bank loans:						
– Unsecured	3.91-6.55	2013-2014	15,707	4.01	2013	3,771
– Secured	3.25-8.33	2013-2014	122,731	5.76-7.05	2013	100,500
			1,035,868			389,211
Non-current						
Long term bank loans:						
– Unsecured	3.91-6.55	2014-2021	86,573	4.01-6.40	2014-2021	31,170
– Secured	3.25-8.33	2014-2027	2,409,941	3.25-8.33	2014-2026	2,705,275
Corporate bond (i):						
– Unsecured	6.63	2015	2,984,200	6.63	2015	2,979,461
			5,480,714			5,715,906
			6,516,582			6,105,117
Interest-bearing bank loans and other borrowing denominated in:						
– RMB			6,015,257			6,045,428
– Euro			23,359			25,747
– United States dollar			194,753			33,942
– Australian dollar			283,213			–
			6,516,582			6,105,117

(i) In February 2012, the Company issued a domestic corporate bond in an aggregate principal amount of RMB3 billion, which is repayable in February 2015 and its applicable interest rate is 6.63% per annum. The domestic corporate bond has been issued in the denomination of RMB100 each. The issue price for each of the domestic corporate bond is RMB100. Subsequent to completion of the issue of the corporate bond, on 16 March 2012, the corporate bond was listed on the Shenzhen Stock Exchange.

21. INTEREST-BEARING BANK LOANS AND OTHER BORROWING (continued)

The maturity profile of the interest-bearing bank loans and other borrowing as at 30 June 2013 and 31 December 2012 is as follows:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Analysed into:		
Bank loans repayable		
Within one year	**1,035,868**	389,211
In the second year	**198,008**	177,221
In the third to fifth years, inclusive	**806,257**	825,614
Above five years	**1,492,249**	1,733,610
	3,532,382	3,125,656
Corporate bond repayable		
In the second year	**2,984,200**	–
In the third to fifth years, inclusive	**–**	2,979,461
	2,984,200	2,979,461
	6,516,582	6,105,117

22. DISPOSALS OF SUBSIDIARIES

(i) On 10 January 2013, the Group disposed of its 100% shareholding in Shady Oaks Holding to an independent third party for a consideration in the form of cash of RMB18,838,000.

(ii) On 31 March 2012, the Group disposed of its 49% shareholding in Pinglu Tianhui to an independent third party for a consideration in the form of cash of RMB158,080,000.

(iii) On 8 June 2012, the Group disposed of its 100% shareholding in Morton's Lane Holding, Co. to an independent third party for a consideration in the form of cash of AUD1,760,000.

(iv) On 1 July 2012, the Group disposed of its 100% shareholding in Tellhow Wind Power Blade Jiangsu Co., Ltd. ("Tellhow Jiangsu") (天和風電葉片江蘇有限公司) to an independent third party for a consideration in the form of cash of RMB191,266,000.

(v) On 31 August 2012, the Group disposed of its 80% shareholding in Inner Mongolia Goldwind Science & Technology Co., Ltd. ("Inner Mongolia Goldwind") (內蒙古金風科技有限公司) to an independent third party for a consideration in the form of cash of RMB149,576,000.

(vi) On 31 October 2012, the Group disposed of its 80% shareholding in Xi'an Goldwind Science & Technology Co., Ltd. ("Xi'an Goldwind") (西安金風科技有限公司) to an independent third party for a consideration in the form of cash of RMB64,800,000. Xi'an Goldwind was renamed as Xi'an Yongdian Goldwind Science & Technology Co., Ltd. (西安永電金風科技有限公司) subsequently.

Xi'an Goldwind, Inner Mongolia Goldwind and Tellhow Jiangsu were engaged in the manufacture and sale of wind power equipment and accessories; Shady Oaks Holding was engaged in investment holding; other subsidiaries disposed of during the six months ended 30 June 2013 and the year ended 31 December 2012 were engaged in wind farm operation.

22. DISPOSALS OF SUBSIDIARIES (continued)

The net assets of the subsidiaries disposed of during the six months ended 30 June 2013 and the year ended 31 December 2012 were as follows:

	Notes	**For the six months ended 30 June 2013 (Unaudited) RMB'000**	2012 (Audited) RMB'000
Property, plant and equipment	10	–	621,893
Prepaid land lease payments		–	103,708
Goodwill		–	8,891
Other intangible assets		–	4,137
Deferred tax assets	13	–	5,929
Inventories		–	515,484
Trade and bills receivables		–	282,075
Prepayments, deposits and other receivables		–	65,099
Cash and cash equivalents		–	54,138
Assets of a disposal group classified as held for sale	(i)	**1,226,391**	603,823
Trade and bills payables		–	(728,477)
Other payables and accruals		–	(142,661)
Interest-bearing bank loans		–	(277,727)
Tax payable		–	(4,401)
Liabilities directly associated with the assets classified as held for sale	(i)	**(1,325,575)**	(544,684)
Government grants		–	(68,350)
		(99,184)	498,877
Goodwill		–	21,840
		(99,184)	520,717
Fair value of net assets not disposed of which remained as investment in a jointly-controlled entity		–	(136,484)
Fair value of net assets not disposed of which remained as investment in an associate		–	(53,420)
Gain on disposals of subsidiaries	4	**118,022**	244,080
Total consideration		**18,838**	574,893
Satisfied by cash		**18,838**	574,893

22. DISPOSALS OF SUBSIDIARIES (continued)

(i) The assets and liabilities of the disposal group disposed of during the six months ended 30 June 2013 and the year ended 31 December 2012 were as follows:

	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Audited) RMB'000
Assets of a disposal group classified as held for sale:		
Property, plant and equipment	**1,155,363**	458,549
Derivative financial instrument	**33,090**	–
Goodwill	**317**	–
Trade receivables	**7,350**	7,869
Prepayments, deposits and other receivables	**723**	75,688
Cash and cash equivalents	**29,548**	61,717
	1,226,391	603,823
Liabilities directly associated with the assets classified as held for sale:		
Trade payables	**7,364**	93,446
Other payables and accruals	**176,758**	10,738
Interest-bearing bank loans	**791,192**	440,500
Government grants	**350,261**	–
	1,325,575	544,684

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

	For the six months ended 30 June 2013 (Unaudited) RMB'000	2012 (Audited) RMB'000
Cash consideration	**18,838**	574,893
Cash consideration received in the prior year	**–**	(158,080)
Cash consideration receivable at period/year end	**–**	(14)
Cash and cash equivalents received for prior year transactions	**–**	84,000
Cash and cash equivalents disposed of	**–**	(54,138)
Net inflow of cash and cash equivalents in respect of the disposals of subsidiaries	**18,838**	446,661

23. CONTINGENT LIABILITIES

At 30 June 2013, contingent liabilities not provided for in the interim condensed consolidated financial statements were as follows:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Letters of credit issued	**465,147**	205,762
Letters of guarantee issued	**6,159,548**	5,950,182
Guarantees given to a bank in connection with a bank loan granted to a jointly-controlled entity	**224,000**	235,000
Compensation arrangement in connection with the bank loans of the Group's customers (note)	**1,130,086**	318,565
	7,978,781	6,709,509

The directors are of the view that the fair value of the guarantees is not significant and therefore no provision for financial guarantees was made.

Note: Pursuant to the agreement entered into between the Company with a bank ("Bank"), a risk compensation arrangement in connection with the loans of the Group's overseas customers, i.e. the wind farm project companies, was made as follows: (1) the Company deposited with the Bank provisions in cash as risk compensation fund at 10% of loan borrowings provided by the Bank to the wind farm project companies. If the wind farm project companies fail to make due payments to the Bank, the Bank is entitled to deduct the amounts from the provisions made by the Company at the designated account. If the wind farm project companies subsequently repaid the amounts due, the Bank will transfers the amounts to the Company's risk compensation fund account; (2) If the wind farm project companies fail to make due payments to the Bank in two consecutive interest periods, the Company shall repay all the outstanding borrowings to the Bank on behalf of the wind farm project companies, then the Bank will transfer its receivables due from the wind farm project companies to the Company.

Up to 30 June 2013, three overseas wind farm project companies were involved into the risk compensation arrangement which mentioned above. As at 30 June 2013, the bank loan balance of these companies amounted to RMB1,130,086,000, including the bank loan of the GSG6, LLC amounted to RMB772,337,000. GSG6, LLC is a wholly-owned subsidiary of Shady Okas Holdings, LLC, which has been disposed of by the Group on 10 January 2013.

The bank loans of these overseas wind farm project companies were secured by mortgages over their property, plant and equipment and by the pledge of the electricity charge right, and/or its shareholder's equity interests in them.

24. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties and certain equipment under operating lease arrangements, with leases negotiated for terms ranging from one to five years. At 30 June 2013 and 31 December 2012, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Within one year	**3,068**	2,255
In the second year to fifth years, inclusive	**973**	908
	4,041	3,163

(b) As lessee

At 30 June 2013 and 31 December 2012, 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 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Within one year	**5,321**	5,643
In the second to fifth years, inclusive	**3,997**	2,546
Beyond five years	**4,194**	4,291
	13,512	12,480

25. COMMITMENTS

In addition to the operating lease commitments detailed in note 24(b) above, the Group had the following capital commitments as at 30 June 2013 and 31 December 2012:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Contracted, but not provided for:		
Property, plant and equipment and land use rights	**5,078,092**	4,241,332
Authorised, but not contracted for:		
Property, plant and equipment and land use rights	**946,089**	2,063,129
Capital contribution payable to jointly-controlled entities	**–**	1,932
	6,024,181	6,306,393

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

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Contracted, but not provided for:		
Property, plant and equipment	**12,671**	24,554

26. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Continuing transactions		
A shareholder holding a 13.95% interest in the Company:		
Sales of spare parts	**684**	13,522
Associates:		
Sales of wind turbine generators	**125,830**	–
Purchases of spare parts and processing services	**692,605**	46,109
Purchases of processing services	**21,640**	9,776
Provision of technical services	**–**	1
Jointly-controlled entities:		
Sales of wind turbine generators	**30,449**	70,855
Provision of technical services	**693**	3,363

Non-continuing transaction:

The bank loan of one of the Group's jointly-controlled entities, Damao Qi Tianrun Wind Power Co., Ltd., (達茂旗天潤風電有限公司) amounting to RMB224,000,000 (31 December 2012: RMB235,000,000) as at 30 June 2013 was guaranteed by Beijing Tianrun, one of the Company's subsidiaries.

In the opinion of the directors, the transactions between the Group and the related parties were based on prices mutually agreed between the parties.

In the opinion of the directors, the above related party transactions were conducted in the ordinary course of business.

26. RELATED PARTY TRANSACTIONS (continued)

(b) Commitments with related parties

The amount of total transactions with related parties for the period is included in note 26(a) to the interim condensed consolidated financial statements. The Group expects total transactions with related parties in the second half of 2013 are as follows:

	The second half of 2013 (Unaudited) RMB'000
Continuing transactions	
A shareholder holding a 13.95% interest in the Company:	
Sales of software systems	**1,162**
Associates:	
Purchases of spare parts	**1,994,690**
Jointly-controlled entities:	
Sales of wind turbine generators and spare parts	**15,593**
Provision of technical services	**7,137**

(c) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 15, 16, 19 and 20 to these interim condensed consolidated financial statements.

(d) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2013 (Unaudited) RMB'000	2012 (Unaudited) RMB'000
Short term employee benefits	**5,973**	6,179
Pension scheme contributions	**192**	162
	6,165	6,341

The related party transactions with the shareholder holding a 13.95% interest in the Company above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

27. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000
Financial assets		
Financial assets at fair value through profit or loss:		
Designated as such upon initial recognition:		
Derivative financial instruments	**96,563**	94,830
Loans and receivables:		
Trade and bills receivables	**9,821,049**	10,419,381
Financial assets included in prepayments, deposits and other receivables	**724,889**	507,944
Pledged deposits	**383,189**	143,832
Cash and cash equivalents	**4,301,316**	6,817,928
	15,230,443	17,889,085
Available-for-sale financial assets:		
Available-for-sale investments	**709,617**	544,246
Derivatives designated as hedging instruments	**28,882**	–
	16,065,505	18,528,161
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and bills payables	**8,412,906**	8,749,652
Financial liabilities included in other payables and accruals	**257,025**	362,244
Dividends payable	**148,202**	–
Interest-bearing bank loans and other borrowing	**6,516,582**	6,105,117
	15,334,715	15,217,013

28. FAIR VALUE AND FAIR VALUE HIERARCHY

Fair values

The carrying amounts and fair values of the financial instruments are as follows:

	Carrying amounts		Fair values	
	As at 30 June 2013 (Unaudited) RMB'000	As at 31 December 2012 (Audited) RMB'000	**As at 30 June 2013 (Unaudited) RMB'000**	As at 31 December 2012 (Audited) RMB'000
Financial assets				
Available-for-sale investments	**709,617**	544,246	**709,617**	544,246
Derivative financial instruments	**125,445**	94,830	**125,445**	94,830
Trade and bills receivables	**9,821,049**	10,419,381	**9,821,049**	10,419,381
Financial assets included in prepayments, deposits and other receivables	**724,889**	507,944	**724,889**	507,944
Pledged deposits	**383,189**	143,832	**383,189**	143,832
Cash and cash equivalents	**4,301,316**	6,817,928	**4,301,316**	6,817,928
	16,065,505	18,528,161	**16,065,505**	18,528,161
Financial liabilities				
Trade and bills payables	**8,412,906**	8,749,652	**8,412,906**	8,749,652
Financial liabilities included in other payables	**257,025**	362,244	**257,025**	362,244
Dividends payable	**148,202**	–	**148,202**	–
Interest-bearing bank loans and other borrowing	**6,516,582**	6,105,117	**6,516,085**	6,113,480
	15,334,715	15,217,013	**15,334,218**	15,225,376

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of cash and cash equivalents, pledged deposits, the current portion of trade and bills receivables, the current portion of trade and bills payables, the current portion of financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, dividends payable and the current portion of interest-bearing bank loans and other borrowing approximate to their carrying amounts largely due to the short term maturities of these instruments.

28. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair values (continued)

The fair values of the non-current portion of trade and bills receivables, the non-current portion of trade and bills payables, the non-current portion of financial assets included in prepayments, deposits and other receivables and the non-current portion of interest-bearing bank loans and other borrowing have been calculated by discounting the expected future cash flows using rates currently available for instruments on similar terms, credit risk and remaining maturities.

The fair values of listed equity investments are based on quoted market prices.

The Group enters into derivative financial instruments with a financial institution and a third party. Derivative financial instruments, including a foreign currency forward contract, an interest rate swap and a forward contract. The foreign currency forward contract and the interest rate swap are measured using valuation techniques similar to forward pricing and swap models, using present value calculations, the models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves. The forward contract is measured using value techniques with some inputs, e.g., a measurement index of wind volume at area surrounding the wind farm, distribution pattern and confidence interval. The carrying amounts of the foreign currency forward contract, interest rate swap and forward contract are the same as their fair values.

As at 30 June 2013, the marked to market value of the derivatives is net of credit/debit valuation adjustment attributable to derivative counterparty default risk.

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair values of financial instruments:

Level 1: fair values measured based on quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: fair values measured based on valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: fair values measured based on valuation techniques for which any inputs which have a significant effect on the recorded fair value are not based on observable market data (unobservable inputs)

28. FAIR VALUE AND FAIR VALUE HIERARCHY (continued)

Fair value hierarchy (continued)

As at 30 June 2013, the Group held the following classes of financial instruments measured at fair value:

Financial assets measured at fair value:

	30 June 2013			
	Level 1 (Unaudited) RMB'000	Level 2 (Unaudited) RMB'000	Level 3 (Unaudited) RMB'000	Total (Unaudited) RMB'000
Available-for-sale investments:				
Listed equity investments	**327,041**	**–**	**–**	**327,041**
Derivative financial instruments:				
Forward contract	**–**	**–**	**96,563**	**96,563**
Interest rate swap contract	**–**	**397**	**–**	**397**
Foreign currency forward contract	**–**	**28,485**	**–**	**28,485**
	327,041	**28,882**	**96,563**	**452,486**

The movement in the financial assets and liabilities included in Level 3 fair value hierarchy for the six months ended 30 June 2013 is as follows:

	As at 1 January 2013 (Audited) RMB'000	Total gains recognised in profit or loss (Unaudited) RMB'000	As at 30 June 2013 (Unaudited) RMB'000
Financial assets:			
Forward contract	94,830	1,733	96,563

For recurring fair value measurement catagorised within Level 3, there were no realised gains/losses recorded during the period.

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3.

29. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 23 August 2013.