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 2014

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

COMPANY WEBSITE

www.goldwindglobal.com

Management Discussion and Analysis

During the first half of 2014, the global economy continued a modest but uneven recovery. Among developed economies, the U.S. gained momentum, while the Euro zone continued to implement easing measures to encourage growth. Developing countries outside of Europe and Asia also lacked growth momentum. Although the global economy is growing and is expected to fully recover from the economy crisis, it still faces many uncertainties. Accordingly, the International Monetary Fund downgraded this year's forecast for global growth by 0.3 percentage point to 3.4% in the July 2014 update of the World Economic Outlook.

Responding to domestic and international factors, the Chinese government has slowed economic growth in order to implement structural reforms, to steady the pace of growth, and to improve the livelihood of the Chinese people. So far, the transition has been relatively smooth. Structural adjustments have made progress toward transforming and upgrading the economy. According to the National Bureau of Statistics, China's GDP grew by 7.4% year-over-year ("**YoY**") during the first half of 2014.

According to the "Analysis of National Electricity Supply-Demand in the First Half of 2014 and Predictions", a report released by the China Electricity Council, the electricity industry in China achieved balance between supply and demand during the first half of 2014, with electricity demand and consumption both growing at a steady rate of 5.3% YoY. Meanwhile, investment in wind power grew at a faster pace of 48.3% compared to the same period of last year.

I. INDUSTRY REVIEW

i. New Industry Policies

As the third largest energy source in China, wind power has become a strategic solution to meet future energy requirements. Wind power is essential to the development of the energy industry and provides a feasible solution to improve air quality and preserve the environment. However, during the early stages of development, the wind industry faced multiple constraints related to connectivity, curtailment, and other issues. In recent years, industry policy has sought to reduce these constraints by providing fiscal support, improving grid connectivity and wind power consumption, increasing wind power utilization, and encouraging the orderly development of wind power.

Although policy support from the government has reduced wind power curtailment, some issues related to the consumption of new energy still require further clarification. There is an urgent need to speed the construction of associated substations and other equipment, complimentary peak power generation and storage, and trans-regional transmission lines to ensure that the grid can deliver power from distant resources to meet demand.

1. Support for Wind Farm Connection and Wind Power Consumption

In April 2014, the National Energy Administration ("**NEA**") issued the "Notice for Wind Power Grid Connection and Utilization in 2014" (《關於做好2014年風電並網消納工作的通知》). This notice proposed that each relevant region and city shall target a steady increase of the ratio of clean energy, such as wind power, that it consumes as one of its key industrial development goals.

The notice also proposed that provinces with large-scale wind power shall ensure priority dispatch and purchase all available clean energy, such as wind power, in an effort to optimize grid operation and dispatch management of both clean and fossil fuel, and to facilitate peak shaving to better match power supply and demand, further improving the utilization of renewable energy.

As part of a larger initiative to streamline and decentralize project approvals, the NEA has repositioned itself to solve issues related to wind farm construction and operation activities. As such, the NEA will monitor the consumption of wind power closely and publish updated information in a timely manner.

2. *Working Plan to Strengthen Air Pollution Control in the Energy Industry*

In May 2014, the National Development and Reform Commission ("**NDRC**"), NEA and Ministry of Environmental Protection of China jointly released the "Working Plan to Strengthen Air Pollution Control and Treatment in the Energy Industry" (《能源行業加強大氣污染防治工作方案》). The plan proposed to accelerate efforts to control air pollution by developing more clean energy and restructuring the energy mix. The plan also set a target of 150 gigawatts ("**GW**") of total installed wind power by 2017.

To control air pollution in the Beijing, Tianjin and Hebei ("**BTT**") area and to improve wind power utilization in Inner Mongolia, Shanxi and Hebei, the plan proposed that clean energy should represent 10% of power consumed in the BTT area by 2015 and 15% by 2017. To provide adequate supplies of clean energy to the BTT area, the NEA will approve several relevant wind power bases such as Zhangjiakou Phase II (2.87 GW), Chengde Phase II (1.65 GW), Ulanqab and Xilingol.

3. *Benchmark Feed-In Tariffs for Offshore Wind Power*

In June 2014, the NDRC introduced the "Notice for Offshore Wind Power Feed-In Tariffs ("**FITs**")" (《關於海上風電上網電價政策的通知》). For non-bid offshore wind projects beginning prior to 2017, the FIT is RMB0.85/Kwh for near-shore projects and RMB0.75/Kwh for intertidal projects. The FIT for projects beginning during or after 2017 will be decided in the future depending on the progress of offshore wind power technology, changes in project construction costs, and the project concession bidding situation.

The implementation of the offshore FITs demonstrates China's commitment to develop its offshore wind power market. The offshore FIT should promote investment by reducing developers' financial risk.

ii. Wind Power Manufacturing Industry

Public policy has made progress toward addressing curtailment and connectivity issues in order to implement the Twelfth Five-Year Plan for Energy Development, to encourage the transformation of China's energy structure, and to reduce bottlenecks slowing the development of the wind power industry. On another front, the wind power industry has developed under a rational competitive environment, improved and advanced turbine design and stability, and promoted exploration and development of the onshore wind market.

1. Grid Construction

The NEA has proposed constructing dedicated wind power transmission lines to solve curtailment and connectivity issues that have resulted from grid construction delays and to extend the transmission range of wind power. The NEA will keep a close eye on grid planning and construction near wind power bases such as Hami, Jiuquan, Zhangjiakou, Chengde, Ulanqab and Xilingol to ensure timely and smooth connection of these wind projects.

In June of 2014, the NEA introduced the "Notice for the Construction of 12 Transmission Lines for Speeding up the Work Plan for Prevention of Air Pollution (《關於加快推進大氣污染防治行動計畫12條重點輸電通道建設的通知》)." According to the notice, China will construct 12 dedicated trans-regional transmission lines for clean power in order to increase the consumption of power from remote sources and to reduce reliance on coal-fired power plants that worsen air pollution in the eastern and central regions. The first batch of transmission lines is scheduled to be completed in 2016 and will begin operation before 2017, according to the Air Pollution Control and Treatment Working Plan.

The State Grid Corporation of China ("**State Grid**") will be responsible for the construction and operation of 11 of the 12 transmission lines mentioned above and China Southern Power Grid Company will be responsible for the remaining one. Seven of the State Grid's transmission lines, three ultra-high voltage alternating current ("**AC**") transmission lines and four ultra-high voltage direct current ("**DC**") transmission lines, have been included in the Twelfth Five-Year Plan.

The State Grid plans to construct "three vertical and three horizontal" ultra-high voltage AC transmission lines and 11 ultra-high voltage DC transmission lines during the Twelfth Five-Year Plan. In the first half of 2014, the State Grid completed and commenced operation of a ± 800 kV DC transmission line from Xiluodu in Sichuan to Jinhua in Zhejiang. The ultra-high voltage DC transmission line from east Ningxia to Zhejiang has been granted permission to start preliminary work. The State Grid has also launched the construction of the ultra-high voltage transmission system. Together, the dedicated transmission lines should mitigate transmission and connection issues, thus supporting the development of the wind energy industry.

2. Wind Curtailment

The China Electricity Council ("**CEC**") has proposed to expedite the approval and construction of outbound power transmission lines from large-scale wind power bases in order to reduce wind power curtailment in regions with surplus power supply. This proposal is based on the "Analysis Report of Power Demand in First Half of 2014" and in line with the central government's strategies to accelerate adjustments to the electricity structure and shift the direction of electricity development. CEC's proposal seeks to improve the transmission and consumption of power generated by existing and planned power sources with excess supply.

Management Discussion and Analysis

The national average wind curtailment rate has improved significantly due to government support. Wind power curtailment was reduced considerably in severely-affected provinces such as Inner Mongolia and Jilin. According to the "Wind Connectivity and Operation Report in First Half of 2014" published by the NEA, 6.32 GW of wind power capacity was connected during the first half of 2014, increasing the accumulated connected capacity to 82.77 GW. China consumed 76,689 GWh of wind power during the first half of 2014, representing a YoY increase of 8.8%. Wind energy curtailment was 7,225 GWh, a reduction of 3,580 GWh compared to the same period last year. The national average curtailment rate decreased to 8.5% during the first half of 2014, down by 5.14 percentage points YoY.

3. Regional Wind Power Market

In an effort to increase the utilization of wind power projects, China is encouraging wind farm development in regions with both rich wind resources and strong power demand. In addition to strengthening wind power bases located in the resource-rich "Three-North" region, the Chinese government will also emphasize development of low-wind speed projects in areas where wind power consumption is stronger.

In late February of 2014, the NEA announced the fourth list of 27.6 GW of proposed wind projects, more than half of which are located in low-wind speed regions. The NEA has also approved the development of a large-scale wind power base in the Liangshan prefecture of Sichuan province to increase power supply for the central region.

II. BUSINESS REVIEW

During the reporting period, the Group has continued to adhere to a prudent management style. Within the context of a broad industry recovery, the Group will take actions to maintain its competitive advantages, pursue innovative and lean management, and strengthen its research and development ("**R&D**") capabilities. These strategies are designed to fulfil the market-oriented development plan made at the beginning of the year, to satisfy customers' demands, and to meet our obligations to other stakeholders throughout the wind power industrial value chain. In the first half of 2014, the Group's business performance and new orders improved steadily, maintaining a positive trend.

During the six months ended 30 June 2014, revenue from operations for the Group was RMB4,444.46 million, representing an increase of 37.72% compared with RMB3,227.15 million for the six months ended 30 June 2013; profit from operations for the Group was RMB376.84 million, representing an increase of 243.73% compared with RMB109.63 million for the six months ended 30 June 2013; net profit for the Group was RMB344.65 million, representing an increase of 232.00% compared with RMB103.81 million for the six months ended 30 June 2013; and the net profit attributable to owners of the Company was RMB330.69 million, representing an increase of 256.80% compared with RMB92.68 million for the six months ended 30 June 2013.

Management Discussion and Analysis

i. Wind Turbine Generator R&D, Manufacturing and Sales

1. *Product Manufacturing and Sales*

For the six months ended 30 June 2014, the Group's revenue from sales of wind turbine generators ("**WTGs**") and components was RMB3,683.03 million, an increase of 30.03% YoY. Total sales capacity was 942.25 megawatts ("**MW**"), an increase of 42.28% YoY. Goldwind's sales of 2.5MW WTGs increased to 26.53% of total realised sales volumes during the first half of 2014, up from 16.99% during the first half of 2013, demonstrating a shift in market demand towards larger-capacity units. The following table sets out the details of products sold by the Group in the first half of 2014 and 2013:

	Six months ended 30 June				
	2014		2013		
	Units Sold	**Capacity Sold (MW)**	Units Sold	Capacity Sold (MW)	Change in Capacity Sold
2.5MW	**100**	**250.00**	45	112.50	122.22%
1.5MW	**461.5**	**692.25**	366	549.00	26.09%
750kW	**–**	**–**	1	0.75	–
Total	**561.5**	**942.25**	412	662.25	42.28%

2. *Technology R&D and Product Certification*

Reflecting our ongoing commitment to enhancing our core competitiveness, the Group now owns all of the intellectual property rights to the direct-drive permanent magnet ("**DDPM**") technology, which represents the most promising wind power technology. To meet demand from various market segments, the Group has developed and currently offers 1.5MW, 2.0MW, 2.5MW and 3.0MW DDPM WTGs. Each of the above, except for the 2.0MW WTG, represents a product platform with its own series of products designed for application in diverse environmental conditions, including low temperature, high altitude, low wind speed, ultra-low wind speed, and offshore.

The Group launched the 2.0MW DDPM WTG in 2013. This model has the largest windswept area per kilowatt and the strongest power-generating capacity in ultra-low wind speed areas among 2.0MW wind turbines available in the global market. The first prototype was successfully connected to the grid in April of this year. The Group is now determining where to install a prototype of its 6.0MW DDPM WTG, and expects to complete assembly and hoisting within this year.

In addition to focusing on the development of new products, the Group is pursuing the certification of its WTG products. During the first half of 2014, the Group obtained the CE certificate issued by TÜV SÜD for its 1.5MW DDPM WTG, the B design evaluation certificate issued by DNV GL for its GW121/2.5MW DDPM WTG, and the A design evaluation certificate issued by China General Certification Center for its GW115/2.0MW DDPM WTG. In addition, the Gullen Range project located in Australia received the special site design assessment certificate issued by TÜV NORD. These industry standard certifications demonstrate compliance with domestic and international standards, and improve our ability to compete in the global market.

As a leader in the global wind industry, in addition to conducting in-house research and development, the Group is also an active participant in the international wind power standardization research community. As of June 2014, the Group had participated in four research activities organized by the International Energy Agency and played a crucial part in the research and foundation of international regulations for the wind power industry. As the chairman of the National Technical Committee for Standardization of Wind Machinery and the Electrical Equipment Sub-committee of Standardization Administration on Energy, the Group actively participates in high level design of national wind power system standards and the establishment of trade standards for wind power. As of now, the Group has participated in establishing 97 standards in total, including 37 national-level standards, 50 industry standards, five association standards and five local standards. Fifty-one of those standards were drafted under the leadership of the Group.

In pursuit of potential new market demand, the Group has invested in the R&D and construction of a "Smart Micro-grid Demonstration Project" that includes wind power, photovoltaic power, and energy storage. The project was launched successfully in May this year. The Group was the first entity in Beijing to make use of the "Opinions on Distributed Power Grid Connection Services" issued by the State Grid to allow for the sales of surplus distributed electricity supply to the grid. The smart micro-grid system can generate about 2.6 million kWh of clean electricity for the Group annually, saving about 1,040 tons of standard coal equivalents and reducing about 2,592 tons of carbon emissions, which is equivalent to 1,421 cubic meters of reforestation every year.

3. *Business Development*

During the reporting period, the Group's backlog of orders increased steadily along with improving market conditions. Our products continued to be recognized as superior by the market and business development has prospered. As at 30 June 2014, the backlog of orders under contract was 4,972MW, which included 15MW of 750kW WTGs, 4,212MW of 1.5MW, 730MW of 2.5MW, and 15MW of 3MW. In addition, the backlog of orders awaiting final contracts was 3,927.5MW, which included 2,964MW of 1.5MW, 148MW of 2.0MW, 617.5MW of 2.5MW, and 198MW of 3.0MW. The combined backlog of orders was 8,899.5MW.

4. Cost Control

Benefitting from technological development, supply chain optimization, and lean management, the gross profit margins of the 1.5MW WTG and the 2.5MW WTG increased by 10.92 percentage points and 5.49 percentage points, respectively, during the reporting period.

ii. Wind Power Services

By virtue of its ample experience in research and development, manufacturing and wind farm construction, the Group provides customers with high-quality WTGs and diversified services, highlighting its ability to create value for customers. Wind power services, one of the Group's core businesses, has progressed smoothly during the reporting period and has achieved a number of breakthroughs.

Beijing Tianyuan New Energy Technology Limited Company ("**Beijing Tianyuan**"), a wholly owned subsidiary of the Company, passed the wind power operation and maintenance service capability assessment of TÜV NORD, becoming the first enterprise in China to obtain such an assessment. This not only demonstrates that Beijing Tianyuan meets global standards for wind power services, but also enhances Beijing Tianyuan's ability to offer wind power services to customers outside of China. Beijing Tianyuan will continue to cooperate with TÜV NORD to establish standards for wind power operation and maintenance in China. In addition, the State Grid awarded the second place for Advanced Science and Technology to Beijing Tianyuan's intelligent wind power control system.

As of 30 June 2014, the total capacity of WTGs under maintenance by the Group was over 15,000 units located in diverse regions and climates. Beijing Tianyuan's comprehensive service business has flourished. During the reporting period, Beijing Tianyuan received new Engineering, Procurement and Construction ("**EPC**") orders for 150MW of projects, which is in addition to 170MW of projects under construction.

During the reporting period, the Group's revenue from Wind Power Services was RMB241.13 million, an increase of 15.73% YoY.

iii. Wind Farm Investment, Development and Sales

Beijing Tianrun New Energy Investment Co. Ltd. ("**Beijing Tianrun**"), a wholly owned subsidiary of the Company that is mainly focused on wind farm investment, development, construction, operation and technical services. All of Beijing Tianrun's investment projects have been recognized for excellence, thanks to its efficient development team and outstanding engineering management. Beijing Tianrun is now recognized as one of the best wind power developers in China. Beijing Tianrun not only plays an important role in the Group's business model, but has also established a project pipeline in support of market expansion and the consolidation of the Group's leading position.

As at 30 June 2014, the Group had 1,894MW of installed capacity of completed wind farms, of which 1,422MW was attributable installed capacity. The capacity of wind farms still under construction as at 30 June 2014 was 451MW, of which 446MW was attributable capacity.

For the reporting period ended 30 June 2014, the Group's revenue from power generation was RMB520.30 million, an increase of 179.33% YoY.

iv. International Business

International market expansion is a vital part of the Group's development strategy. The Group believes competing in the international market is an important way to enhance our brand and products to meet global standards. During the reporting period, our international business expanded. The Group received an order for 86 units of 2.5MW WTGs, equivalent to 215MW, for a wind farm project in Panama. The Group will also provide long-term operation and maintenance service to this project. Upon completion, the wind farm will connect to Panama's national electricity grid, providing crucial diversification to Panama's energy structure. This project is the Group's biggest overseas WTG order to date. This showed that the reliability and stability our 2.5MW WTGs could satisfy the strict requirement in the overseas market and also laid a solid foundation for the Group's development in the international market.

During the reporting period, the Group's Gullen Range wind farm project ("**GR**") in Australia which was wholly owned by the Company was connected to the electricity grid. As disclosed in the Company's announcement dated 9 July 2014, the GR Project has been transferred to New Gullen Range Wind Farm Pty Ltd, in which the Company indirectly holds a 25% interests. The Group also successfully completed the installation of the WTGs for the Miresa Project in Romania and another project in Pakistan.

During the reporting period, the Group's revenue from international business was RMB627.00 million with an increase of 25.35% YoY, accounting for 14.11% of our revenue from operations.

v. Major Subsidiaries

As at 30 June 2014, the Company had 118 subsidiaries, among which 17 were directly owned subsidiaries and 101 were indirectly owned subsidiaries. In addition, we had 8 joint ventures, 13 associate companies and 12 available-for-sale investments. 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 2014
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	4,232,253,482.03	1,279,025,080.67	650,606,373.97	–24,305,871.09
2	Vensys Energy AG	€5,000,000	1,069,729,078.96	622,866,346.87	357,954,934.51	24,319,652.68
3	Gansu Goldwind Wind Power Equipment Manufacture Co., Ltd.	8,860.00	1,111,198,538.80	189,366,760.85	190,375,273.37	8,540,620.70
4	Jiangsu Goldwind Technology Co., Ltd.	75,961.00	1,671,929,761.67	862,405,019.67	472,328,138.37	17,764,744.11
5	Beijing Techwin Electric Co., Ltd.	10,000.00	1,342,777,320.32	370,395,951.51	824,108,016.09	71,275,459.07
6	Beijing Tianrun New Energy Investment Co., Ltd.	120,000.00	11,500,939,202.22	1,755,434,782.40	428,258,930.85	121,108,287.71
7	Goldwind Investment Holding Co., Ltd.	100,000.00	1,099,020,823.44	1,064,467,227.55	–	7,269,791.87
8	Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd.	20,000.00	1,683,734,896.02	269,116,476.70	292,993,034.60	–1,172,556.02

vi. Use of Proceeds

1. *Use of H Share Proceeds*

The Company conducted the initial public offering of its H shares and listed its H shares 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 2014, the accumulated used proceeds were the equivalent of RMB5.981 billion in HKD, and the unused proceeds were the equivalent of RMB0.773 billion in HKD. The use of the Company’s H share proceeds is as follows:

As at 30 June 2014
Unit: RMB million

Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Construction of production base and optimisation of business operations	2,715	2,505	210
R&D of WTGs and components	986	441	545
International business	1,972	1,954	18
Bank loan repayment	411	411	–
General working capital	670	670	–
Total	6,754	5,981	773

2. *Use of A Share Proceeds*

The Company conducted the initial public offering of its A shares and listed its A shares 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 2014, all proceeds have been used.

3. *Use of Proceeds of the Corporate Bonds*

The Company conducted an offline issue of 3-year corporate bonds (the first tranche) to institutional investors in the PRC on 27 February 2012 and listed those bonds on the Shenzhen Stock Exchange on 16 March 2012, with a coupon rate of 6.63%. The net proceeds of the corporate bonds offering were RMB2.975 billion. As at 30 June 2014, all proceeds have been used.

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 announcement.

Summary

During the six months ended 30 June 2014, revenue from operations for the Group was RMB4,444.46 million, representing an increase of 37.72% compared with RMB3,227.15 million for the six months ended 30 June 2013. Net profit attributable to owners of the Company was RMB330.69 million, representing an increase of 256.80% compared with RMB92.68 million for the six months ended 30 June 2013. The Company reported basic earnings per share of RMB0.12.

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 2014, revenue from operations for the Group was RMB4,444.46 million, representing an increase of 37.72% compared with RMB3,227.15 million for the six months ended 30 June 2013. Details are set out below:

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2014	2013	Change	Change
WTG R&D, Manufacturing and Sales	**3,683,028**	2,832,525	850,503	30.03%
Wind Power Services	**241,134**	208,352	32,782	15.73%
Wind Farm Investment, Development and Sales	**520,296**	186,269	334,027	179.33%
Total	**4,444,458**	3,227,146	1,217,312	37.72%

Revenue from operations increased due to: (i) an increase in WTG sales volume YoY as a result of the recovery of the Chinese wind energy industry and the Group's strong reputation in the market; and (ii) an increase in generation revenue attributed to the increase in operating wind farms capacity.

Cost of Sales

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

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2014	2013	Change	Change
WTG R&D, Manufacturing and Sales	**2,719,530**	2,380,459	339,071	14.24%
Wind Power Services	**215,169**	183,866	31,303	17.02%
Wind Farm Investment, Development and Sales	**160,588**	63,701	96,887	152.10%
Total	**3,095,287**	2,628,026	467,261	17.78%

Cost of sales increased mainly due to the increase in revenue from operation of the Group for the six months ended 30 June 2014.

Gross Profit

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2014	2013	Change	Change
WTG R&D, Manufacturing and Sales	**963,498**	452,066	511,432	113.13%
Wind Power Services	**25,965**	24,486	1,479	6.04%
Wind Farm Investment, Development and Sales	**359,708**	122,568	237,140	193.48%
Total	**1,349,171**	599,120	750,051	125.19%

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

For the six months ended 30 June 2014 and 2013, our comprehensive gross profit margins were 30.36% and 18.56%, respectively, and the gross profit margins for WTG R&D, Manufacturing and Sales were 26.16% and 15.96%, 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 **2014**	2013	Change (percentage points)
2.5MW	**24.56%**	19.07%	5.49%
1.5MW	**25.27%**	14.35%	10.92%
750kW	**–**	(16.57)%	–

Gross profit margin for our 1.5MW WTGs increased to 25.27% for the six months ended 30 June 2014 from 14.35% for the six months ended 30 June 2013. This was attributed to lower cost of sales from improved cost controls and lean management.

Gross profit margin for our 2.5MW WTGs increased to 24.56% for the six months ended 30 June 2014 from 19.07% for the six months ended 30 June 2013. This was mainly attributed to a decrease in production costs of 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 the Wind Farm Investment, Development and Sales business segment (including 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 2014 was RMB143.88 million, representing a 45.87% decrease compared to RMB265.79 million for the corresponding period in 2013. This was mainly because the Group received no income from the disposal of wind farms 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 2014 was RMB429.30 million, representing a 61.51% increase compared to RMB265.80 million for the corresponding period in 2013. This was mainly attributed to an increase of WTG warranty insurance expenses and transportation costs due to the increase in sales volumes of WTGs during the reporting period.

Administrative Expenses

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

Administrative expenses of the Group for the six months ended 30 June 2014 was RMB425.49 million, representing a 22.20% increase compared to RMB348.18 million for the corresponding period in 2013. This was mainly attributed to the increase of the operation scale of the Group, number of employees and 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 2014 was RMB60.55 million, representing a 29.03% decrease compared to RMB85.31 million for the corresponding period in 2013. This was mainly attributed to the decrease of impairment provisions due to the improvement of the asset quality during the reporting period.

Finance Costs

Finance costs of the Group for the six months ended 30 June 2014 was RMB238.87 million, representing a 60.63% increase compared to RMB148.71 million for the corresponding period in 2013. This was mainly attributed to wind farm projects transferred from construction in progress into fixed assets, which caused related bank loan interest to be expensed as finance cost during the reporting period instead of being capitalized.

Income Tax Expenses

Income tax expenses of the Group for the six months ended 30 June 2014 was RMB32.19 million, representing a 452.14% increase compared to RMB5.83 million for the corresponding period in 2013. This was mainly attributed to an increase of profit before tax due to the increase of sales during the reporting period.

Financial Position

As at 30 June 2014 and 31 December 2013, total assets of the Group were RMB38,224.70 million and RMB35,344.85 million, respectively, current assets of the Group were RMB23,820.38 million and RMB20,268.01 million, respectively, percentages of current assets to total assets of the Group were 62.32% and 57.34%, respectively, and non-current assets of the Group were RMB14,404.32 million and RMB15,076.84 million, respectively.

As at 30 June 2014 and 31 December 2013, total liabilities of the Group were RMB24,355.90 million and RMB21,551.91 million, respectively, current liabilities of the Group were RMB17,397.31 million and RMB12,513.00 million, respectively, and non-current liabilities of the Group were RMB6,958.59 million and RMB9,038.91 million, respectively.

Management Discussion and Analysis

As at 30 June 2014 and 31 December 2013, net current assets of the Group were RMB6,423.07 million and RMB7,755.01 million, respectively, and net assets of the Group were RMB13,868.80 million and RMB13,792.94 million, respectively.

As at 30 June 2014 and 31 December 2013, cash and cash equivalents of the Group were RMB3,583.78 million and RMB4,320.75 million, respectively, and total interest-bearing bank and other borrowings of the Group were RMB11,217.12 million and RMB7,964.80 million, respectively.

Financial Resources and Liquidity

Cash Flow Statements Unit: RMB thousand

	Six months ended 30 June	
	2014	2013
Net Cash flows used in operating activities	**(2,713,156)**	(1,220,910)
Net Cash flows used in investment activities	**(739,157)**	(1,885,933)
Net Cash flows from financing activities	**2,750,996**	672,050
Net decrease in cash and cash equivalents	**(701,317)**	(2,434,793)
Cash and cash equivalents at beginning of reporting period	**4,276,301**	6,604,328
Net effect of foreign exchange rate changes	**4,431**	(40,845)
Cash and cash equivalents at end of reporting period	**3,579,415**	4,128,690

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 2014, the Group reported net cash flows used in operating activities of RMB2,713.16 million. Cash inflows were principally comprised of profit before tax of RMB376.84 million. These cash inflows were offset by a RMB1,682.47 million decrease in trade and bills payables (due to increased purchasing payments) and a RMB1,775.81 increase in inventories (in preparation of anticipated deliveries scheduled during the second half of 2014).

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 decrease of RMB1,242.84 million in trade and bills payables, due to increased purchasing payments, and an increase of RMB835.41 in inventories, in preparation of anticipated deliveries scheduled during the second half of 2013.

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 2014, the Group reported net cash flows used in investment activities of RMB739.16 million, principally due to purchases of property, plant and equipment and additions of other intangible assets in the amount of RMB790.52 million and purchases of equity in joint-ventures in the amount RMB59.73 million. Net cash flows used in investment activities is offset by the profit from the sale of subsidiaries in the amount of RMB81.45 million and sales of assets in the amount of RMB40.29 million.

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 and additions of other intangible assets in the amount of RMB1,784.59 million.

3. *Cash flows from financing activities*

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

For the six months ended 30 June 2014, the Group reported net cash flows from financing activities of RMB2,751.00 million. Cash inflows were principally contributed by new bank of RMB3,604.54 million. These cash inflows were offset by RMB437.14 million used to repay bank and other borrowings and RMB402.41 million used to pay interest expenses.

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 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 expenses.

Capital Expenditure

Capital expenditures of the Group for the six months ended 30 June 2014 was RMB697.79 million. 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 2014, the total amount of outstanding bank loans and other borrowings of the Group was RMB11,217.12 million, including bank loans and corporate bond repayable within one year of RMB6,157.96 million, in the second year of RMB342.30 million, in the third to fifth year of RMB1,364.92 million, and above five years of RMB3,351.93 million. Details are set out in note 21 to the Financial Statements.

Restricted Assets

As at 30 June 2014, the following assets of the Group with a total carrying value of RMB8,345.98 million were restricted as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB744.56 million, trade and bills receivables of RMB1,611.12 million, property, plant and equipment of RMB5,957.42 million, and prepaid land lease payments of RMB32.88 million. During the reporting period, certain mortgaged and pledged assets were re-categorised under assets of a disposal group classified as held for sale.

As at 31 December 2013, the following assets of the Group with a total carrying value of RMB5,490.33 million were restricted as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB400.58 million, trade and bills receivables of RMB379.36 million, property, plant and equipment of RMB4,687.35 million, and prepaid land lease payments of RMB23.04 million. Within the year, certain mortgaged and pledged assets were re-categorised under assets of a disposal group classified as held for sale.

Gearing Ratio

As at 30 June 2014 and 31 December 2013, the Group's gearing ratios, defined as net debt divided by total capital, were 56.94% and 52.10%, 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. 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 2014 and 31 December 2013, contingent liabilities of the Group were RMB8,621.50 million and RMB7,538.11 million, respectively. Details are set out in note 22 to the Financial Statements.

Acquisitions and Disposals of Subsidiaries and Associates

No subsidiaries and interests were acquired and disposed by the Group during the reporting period.

IV. OUTLOOK FOR THE SECOND HALF OF 2014

Facing increasingly prominent environmental problems worldwide, many countries are pursuing the strategic development of clean energy. The Chinese government has designated environmental protection and energy structure reform as important objectives for sustainable development. In recent years, the increasing government support and incentives for new energy development has opened many opportunities for wind power manufacturing enterprises and wind power project developers. After undergoing a transition phase, China's wind power industry has embarked upon a new and more sustainable stage of growth and development.

In January 2014, the NEA issued the "Notice for Issuance of Work Guidance for Energy in 2014" (《關於印發2014年能源工作指導意見的通知》). This notice proposed to push forward with the development of hydro, wind, solar and other renewable energies while maintaining broader focuses on both concentrated and distributed development. It provided continued support for the development of large wind power bases and related power grid construction, the clarification of relevant parameters for wind power consumption, and the improvement of wind curtailment problems. In addition, the notice also proposed to introduce, improve, and implement administration rules relating to the renewable portfolio standard and purchase of renewable power, gradually lowering the cost of wind power to achieve price parity with thermal power by 2020. The NEA announced a target of 18GW for China's newly installed wind power capacity in 2014.

According to a report published by the Global Wind Energy Council ("**GWEC**") in April 2014, 47.30GW of new wind power capacity was installed globally in 2014, representing an increase of 34% compared to 2013. GWEC forecasts 51GW of newly installed wind power capacity in 2015, and further growth of 55.7GW in 2016 and 60.2GW in 2017. According to GWEC's forecast, accumulated installed capacity is forecast to reach 365.5GW in 2014 and 596.4GW in 2018.

Corporate Competitive Advantages

i. Market Position

Goldwind is one of the oldest WTG manufacturers in China. After more than ten years of development, we have gradually matured into a leading domestic manufacturer and 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 manufacturing industry and is also the largest DDPM manufacturer in the world. We have sustained our market leadership for many years.

ii. Products and Technology

Goldwind's DDPM WTGs are known for their superior performance that include high efficiency, low operations and maintenance costs, grid-friendly features, and high availability. Our products are widely recognised by our customers and are a guiding force for the development of global wind power technology. We have major R&D centres in Germany and Beijing and nearly a thousand seasoned R&D personnel with extensive industry experience, contributing to the advancement of our products and technology. We have developed a diversified product portfolio, including specialised WTGs for different geological and climatic conditions to satisfy the diverse demands of our customers. We are preparing our 6.0MW DDPM WTG model for the nascent offshore market. The development and marketing of these products have secured our market coverage. We currently have a substantial backlog of orders, providing enhanced revenue visibility and demonstrating that the market recognizes the superior quality of our products and services.

iii. Brand Awareness

After several years of brand development, Goldwind has successfully established our brand and continued to improve awareness of our products' advanced technology, superior quality, high efficiency, and excellent after-sales services. We have gained substantial recognition from the government, our customers, business partners, and investors.

iv. Comprehensive Wind Power Solutions

Goldwind continued to consolidate its position as a leading comprehensive wind power solutions provider through our advanced technology, products, and our extensive experience in wind farm development, operations, and maintenance. In addition to our sales of WTGs, we continued to expand alternative sources of profit such as wind farm development and sales and wind power services. Over the past few years, these businesses have become highly profitable and an important complement to our core business. We successfully overcame the challenges posed by the market, strengthened our overall competitiveness, and improved our diversified competitive advantages.

v. Internationalisation

Goldwind was one of China's first wind power manufacturers to expand overseas and we have continued to pursue our internationalisation strategy. Through our principle of "internationalisation through localisation", we achieved several breakthroughs in key target markets that include the Americas, Australia and Europe, and we continued to make progress in other emerging markets such as Africa and Asia. Our overseas projects are distributed across six continents. Our superior WTGs have been recognised by our customers at home and abroad and have laid a solid foundation for our future business development.

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 2014, 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%

Notes:

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 2014, 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 2014, 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 2014.

SHARE CAPITAL STRUCTURE

The particulars of the issued share capital of the Company as at 30 June 2014 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 2014, 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 Hong Kong Holdings Limited	H Shares	59,294,000 (L)	11.90%	2.20%
		59,979,000 (S)	12.00%	2.23%
Schroders Plc	H Shares	39,482,800 (L)	7.90%	1.47%
International Finance Corporation	H Shares	32,044,600 (L)	6.41%	1.19%
JP Morgan Chase & Co.	H Shares	35,135,020 (L)	7.03%	1.30%
		34,925,820 (P)	6.98%	1.30%
Norges Bank	H Shares	25,835,368 (L)	5.17%	0.96%

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	664,766,085	30.29%	24.67%
China Three Gorges Corporation	A Shares	664,766,085	30.29%	24.67%

Notes:

1. China Three Gorges New Energy Corporation ("**China Three Gorges New Energy**", a wholly-owned subsidiary of China Three Gorges Corporation) directly holds 288,845,699 A Shares. China Three Gorges New Energy and China Three Gorges Corporation hold 43.33% 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 288,845,699 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 2014, 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 2014, the total number of shareholders ("**Shareholders**") of the Company was 214,003, among which the numbers of holders of A Share and H Share were 212,150 and 1,853, 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.

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 2014 and up to the date of this report.

REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2014, 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 2014.

CHANGES TO INFORMATION ON DIRECTORS AND SUPERVISORS

As far as is known to the Company, during the six months ended 30 June 2014, 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 published in the Shenzhen Stock Exchange and released in the Hong Kong Stock Exchange as overseas regulatory announcement on 21 March 2014, the Board appointed Mr. Zhou Yunzhi as a vice president of the Company. And as disclosed in the Company's announcement published in the Shenzhen Stock Exchange and released in the Hong Kong Stock Exchange as overseas regulatory announcement on 25 April 2014, Mr. Wang Xiangming resigned as a vice president of the Company.

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 2014, the Group had a total of 4,405 employees.

Other Information

CHANGES TO THE INFORMATION ON DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

On 5 April 2014, Mr. Li Ying resigned as the chairman of the board of Ningde City Dagang Hydropower Station Development Co., Ltd., which is a private company. On 7 July 2014, Mr. Luo Zhenbang was appointed as independent non-executive director of Glory Properties Limited, a company whose securities are listed on the main board of the Hong Kong Stock Exchange.

As far as is known to the Company, other than disclosed above, during the six months ended 30 June 2014, there was no other changes to information that are required to be disclosed by the directors, supervisors or chief executive of the Company pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

INVESTOR RELATIONS

The Company is committed to protecting the interests of its investors. The Company adheres to strict disclosure principles and strives to ensure that the information disclosed in its announcements, circulars and periodic reports are true, accurate and complete, and disclosures are made in a timely manner. In addition, the Company encourages regular communication and interaction with its investors and potential investors in order to allow them to better understand the wind power industry, the Company, and its long-term development strategies. The Company had established the Investor Relations division within its Office of Secretary of the Board which is responsible for organising investor visits and conferences, responding to queries from the Investor Relations Hotline, attending to the Investor Relations email inbox and SZSE's investor interactive platform, analysing information contained in the Company's disclosure documents and assisting investors with related queries, and updating the "Investor Relations" section on the Company's website in a timely manner.

During the six months ended 30 June 2014, the Company strictly complied with its disclosure obligations, improved its communications with investors, and strived to provide investors with a fair and transparent investment environment. During the same period, the Company's Investor Relations division organised one results announcement road show, two results announcement telephone conferences, and one online Q&A investor interactive session, and accommodated 31 investor visits. In addition, the Company organized 15 investor receptions, attended four analyst conferences during the reporting period. The Company hosted a total of 555 investors through such events.

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 2014 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 these 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 condensed consolidated financial statements 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
22 August 2014

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2014

	Notes	For the six months ended 30 June 2014 (Unaudited) RMB'000	 2013 (Unaudited) RMB'000
REVENUE	4	**4,444,458**	3,227,146
Cost of sales		**(3,095,287)**	(2,628,026)
Gross profit		**1,349,171**	599,120
Other income and gains	4	**143,882**	265,794
Selling and distribution expenses		**(429,298)**	(265,798)
Administrative expenses		**(425,487)**	(348,176)
Other expenses		**(60,550)**	(85,312)
Finance costs	6	**(238,865)**	(148,708)
Share of profits and losses of:			
Joint ventures		**22,749**	70,780
Associates		**15,236**	21,933
PROFIT BEFORE TAX	5	**376,838**	109,633
Income tax expense	7	**(32,192)**	(5,828)
PROFIT ROF THE PERIOD		**344,646**	103,805
Attributable to:			
Owners of the Company		**330,692**	92,682
Non-controlling interests		**13,954**	11,123
		344,646	103,805

Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2014

	Notes	For the six months ended 30 June 2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		**61,657**	(89,921)
Net (loss)/gain on available-for-sale financial assets		**(67,625)**	143,143
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**(5,968)**	53,222
Item not to be reclassified to profit or loss in subsequent periods:			
Net (loss)/gain on cash flow hedges		**(18,081)**	28,882
Net other comprehensive income not being reclassified to profit or loss in subsequent period		**(18,081)**	28,882
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**(24,049)**	82,104
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**320,597**	185,909
Attributable to:			
Owners of the Company		**306,643**	174,786
Non-controlling interests		**13,954**	11,123
		320,597	185,909
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted	9	**RMB0.12**	RMB0.03

Interim Condensed Consolidated Statement of Financial Position

30 June 2014

	Notes	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**9,137,520**	10,349,292
Investment properties		**78,041**	79,489
Prepaid land lease payments		**145,099**	123,861
Goodwill		**267,174**	311,674
Other intangible assets		**349,774**	369,226
Investments in joint ventures		**573,859**	506,529
Investments in associates		**354,981**	350,624
Available-for-sale investments	11	**801,648**	865,162
Derivative financial instruments	12	**2,503**	–
Deferred tax assets	13	**762,295**	714,170
Trade receivables	15	**1,129,597**	928,834
Prepayments, deposits and other receivables	16	**516,492**	211,739
Pledged deposits	17	**285,333**	266,240
Total non-current assets		**14,404,316**	15,076,840
CURRENT ASSETS			
Inventories	14	**4,780,805**	3,002,477
Trade and bills receivables	15	**9,870,561**	9,804,087
Prepayments, deposits and other receivables	16	**2,718,452**	2,095,790
Derivative financial instruments	12	**–**	116,840
Pledged deposits	17	**459,224**	134,337
Cash and cash equivalents	17	**3,583,775**	4,320,749
		21,412,817	19,474,280
Assets of a disposal group classified as held for sale	18	**2,407,566**	793,729
Total current assets		**23,820,383**	20,268,009
CURRENT LIABILITIES			
Trade and bills payables	19	**7,398,674**	9,066,852
Other payables and accruals	20	**2,455,445**	1,555,806
Interest-bearing bank loans and other borrowing	21	**6,157,964**	570,705
Tax payable		**63,348**	125,188
Dividends payable		**215,567**	–
Provision		**526,720**	627,041
		16,817,718	11,945,592
Liabilities directly associated with the assets classified as held for sale	18	**579,596**	567,406
Total current liabilities		**17,397,314**	12,512,998
NET CURRENT ASSETS		**6,423,069**	7,755,011
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,827,385**	22,831,851

Interim Condensed Consolidated Statement of Financial Position

30 June 2014

	Notes	30 June 2014 (Unaudited) RMB'000	31 December 2013 (Audited) RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**20,827,385**	22,831,851
NON-CURRENT LIABILITIES			
Trade payables	19	**485,472**	397,206
Other payables	20	**39,803**	10,292
Derivative financial instruments	12	**–**	363
Interest-bearing bank loans	21	**5,059,154**	7,394,091
Deferred tax liabilities	13	**27,388**	31,558
Provision		**1,106,687**	970,889
Government grants		**240,086**	234,516
Total non-current liabilities		**6,958,590**	9,038,915
Net assets		**13,868,795**	13,792,936
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		**2,694,588**	2,694,588
Reserves		**10,742,544**	10,457,371
Proposed final dividend	8	**–**	215,567
		13,437,132	13,367,526
Non-controlling interests		**431,663**	425,410
Total equity		**13,868,795**	13,792,936

Wu Gang
Director

Wang Haibo
Director

Interim Condensed Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2014

	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 2014	**2,694,588**	**7,992,612**	**–**	**586,166**	**1,845,996**	**18,081**	**266,815**	**(252,299)**	**215,567**	**13,367,526**	**425,410**	**13,792,936**
Profit for the period	**–**	**–**	**–**	**–**	**330,692**	**–**	**–**	**–**	**–**	**330,692**	**13,954**	**344,646**
Other comprehensive income for the period:												
Changes in fair value of available-for-sale investment, net of tax	**–**	**–**	**–**	**–**	**–**	**–**	**(67,625)**	**–**	**–**	**(67,625)**	**–**	**(67,625)**
Cash flow hedges, net of tax	**–**	**–**	**–**	**–**	**–**	**(18,081)**	**–**	**–**	**–**	**(18,081)**	**–**	**(18,081)**
Exchange differences on translation of foreign operations	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**61,657**	**–**	**61,657**	**–**	**61,657**
Total comprehensive income for the period	**–**	**–**	**–**	**–**	**330,692**	**(18,081)**	**(67,625)**	**61,657**	**–**	**306,643**	**13,954**	**320,597**
Capital contributions from non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2,380**	**2,380**
Acquisition of non-controlling interests	**–**	**(27,730)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(27,730)**	**(6,245)**	**(33,975)**
Disposal to non-controlling interests	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**3,750**	**3,750**
Final 2013 dividend declared	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(215,567)**	**(215,567)**	**–**	**(215,567)**
Dividend declared to non-controlling shareholders	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(7,586)**	**(7,586)**
Transfer to special reserve	**–**	**–**	**14,942**	**–**	**–**	**–**	**–**	**–**	**–**	**14,942**	**–**	**14,942**
Special reserve utilised	**–**	**–**	**(8,682)**	**–**	**–**	**–**	**–**	**–**	**–**	**(8,682)**	**–**	**(8,682)**
At 30 June 2014 (Unaudited)	**2,694,588**	***7,964,882**	***6,260**	***586,166**	***2,176,688**	***–**	***199,190**	***(190,642)**	**–**	**13,437,132**	**431,663**	**13,868,795**
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 30 June 2014, these reserve accounts comprised the consolidated reserves of RMB10,742,544,000 (30 June 2013: RMB10,234,650,000) in the interim condensed consolidated statement of financial position.

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	Notes	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
		For the six months ended 30 June	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**376,838**	109,633
Adjustments for:			
Finance costs	6	**238,865**	148,708
Bank interest income		**(2,953)**	–
Share of profits and losses of joint ventures		**(22,749)**	(70,780)
Share of profits and losses of associates		**(15,236)**	(21,933)
Depreciation	5	**163,605**	74,923
Amortisation of prepaid land lease payments	5	**1,576**	1,242
Amortisation of other intangible assets	5	**29,054**	25,948
Loss/(gain) on disposals of items of property, plant and equipment and other intangible assets, net		**1,830**	(245)
Gain on disposal of subsidiaries	4	**–**	(118,022)
Gain on disposals of joint ventures	4	**–**	(15,833)
Gain on disposal of available-for-sale investments	4	**(19,210)**	(45,643)
Dividend income from available-for-sale investments	4	**(1,155)**	(770)
Gain on other investments		**(4,574)**	(2,266)
Net fair value loss/(gain) on derivative financial instruments	5	**22,585**	(1,733)
Impairment of trade and other receivables	5	**14,662**	64,953
Write-back of inventories to net realisable value	5	**–**	(1,033)
Government grants		**(2,915)**	(1,964)
		780,223	145,185
Increase in inventories		**(1,775,807)**	(835,407)
(Increase)/decrease in trade and bills receivables		**(285,172)**	272,874
Increase in prepayments, deposits and other receivables		**(605,557)**	(68,967)
Decrease in trade and bills payables		**(1,682,468)**	(1,242,835)
Increase in other payables and accruals		**896,896**	468,787
Increase in provision		**35,477**	94,068
Increase in government grants		**7,740**	3,150
Cash generated from operations		**(2,628,668)**	(1,163,145)
Income tax paid		**(84,488)**	(57,765)
Net cash flows used in operating activities		**(2,713,156)**	(1,220,910)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	For the six months ended 30 June	
	2014	2013
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment and additions of other intangible assets	**(790,524)**	(1,784,584)
Additions of prepaid land lease payments	**(22,814)**	(13,481)
Acquisitions of subsidiaries, net of cash acquired	**–**	(13,106)
Acquisitions of non-controlling interests in subsidiaries	**(33,970)**	–
Purchases of shareholding in joint ventures	**(59,730)**	–
Purchases of shareholding in associates	**–**	(2,400)
Purchases of available-for-sale investments	**–**	(56,072)
Purchase of other long term assets	**(35,020)**	(51,000)
Disposal of shareholding in joint ventures and other entities	**–**	79,041
Disposal of interests in subsidiaries to a non-controlling shareholder	**1,500**	–
Proceeds from disposals of items of property, plant and equipment, prepaid land lease payments and other intangible assets	**1,105**	12,500
Disposals of subsidiaries, net of cash disposed of	**81,446**	18,838
Disposals of assets held for sale	**40,288**	–
Cash and cash equivalents included in assets held for sale	**(8,129)**	(75,696)
Repayments of loans from joint ventures	**–**	20
Repayments of loans to joint ventures	**–**	(316)
Increase in pledged deposits	**–**	4,110
Increase/(decrease) in non-pledged time deposits with original maturity of three months or more when acquired	**40,088**	(59,061)
Bank interest income	**2,953**	–
Dividend received from joint ventures and associates	**19,235**	7,085
Gain on disposal of available-for-sale investments	**19,210**	43,564
Gain on other investments	**5,205**	4,625
Net cash flows used in investing activities	**(739,157)**	(1,885,933)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2014

	Note	For the six months ended 30 June 2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans		**3,604,544**	1,209,265
Repayment of bank loans		**(437,140)**	(188,692)
Increase/(decrease) in payables to the non-controlling shareholders of subsidiaries		**960**	(2,254)
Interest paid		**(402,406)**	(301,458)
Capital contributions from non-controlling shareholders		**2,380**	–
Dividend paid to non-controlling shareholders		**(7,573)**	(8,601)
Deposits for borrowings		**(9,769)**	–
Up-front fees for syndicated loan		**–**	(36,210)
Net cash flows from financing activities		**2,750,996**	672,050
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(701,317)**	(2,434,793)
Cash and cash equivalents at beginning of the period		**4,276,301**	6,604,328
Effect of foreign exchange rate changes, net		**4,431**	(40,845)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	17	**3,579,415**	4,128,690

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 CHANGES TO THE ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months period ended 30 June 2014 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 2013.

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 CHANGES TO THE 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 2013, except for the adoption of the new and revised International Financial Reporting Standards ("IFRSs") as of 1 January 2014.

The nature and the impact of each new standard or amendment is described below:

Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)

These amendments provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under IFRS 10 Consolidated Financial Statements. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss. These amendments have no impact to the Group, since none of the entities in the Group qualifies to be an investment entity under IFRS 10.

Offsetting Financial Assets and Financial Liabilities – Amendments to IAS 32

These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These amendments have no impact on the Group.

Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39

These amendments provide relief from discontinuing hedge accounting when novation of a derivative
designated as a hedging instrument meets certain criteria. These amendments have no impact to the Group as the Group has not novated its derivatives during the current or prior periods.

Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36

These amendments remove the unintended consequences of IFRS 13 Fair Value Measurement on the
disclosures required under IAS 36 Impairment of Assets. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which an impairment loss has been recognised or reversed during the period.

2. BASIS OF PREPARATION AND CHANGES TO THE ACCOUNTING POLICIES (continued)

2.2 Impact of amended International Financial Reporting Standards (continued)

IFRIC 21 Levies

IFRIC 21 is effective for annual periods beginning on or after 1 January 2014 and is applied retrospectively. It is applicable to all levies imposed by governments under legislation, other than outflows that are within the scope of other standards (e.g., IAS 12 Income Taxes) and fines or other penalties for breaches of legislation.

The interpretation clarifies that an entity recognises a liability for a levy no earlier than when the activity that triggers payment, as identified by the relevant legislation, occurs. It also clarifies that a levy liability is accrued progressively only if the activity that triggers payment occurs over a period of time, in accordance with the relevant legislation. For a levy that is triggered upon reaching a minimum threshold, no liability is recognised before the specified minimum threshold is reached. The interpretation requires these same principles to be applied in interim financial statements.

2.3 Issued but not yet effective IFRSs

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

IFRS 9	*Financial Instruments*[2]
IFRS 11 Amendments	*Accounting for Acquisitions of Interests in Joint Operations*[3]
IFRS 14	*Regulatory Deferral Accounts*[3]
IFRS 15	*Revenue from Contracts with Customers*[4]
IAS 19 Amendments	Amendments to IAS 19 *Employee Benefits – Defined Benefit Plans: Employee Contributions*[1]
Annual Improvements 2010-2012 Cycles	Amendments to a number of IFRSs[1]
Annual Improvements 2011-2013 Cycles	Amendments to a number of IFRSs[1]

1 Effective for annual periods beginning on or after 1 July 2014
2 Effective for annual periods beginning on or after 1 January 2018
3 Effective for annual periods beginning on or after 1 January 2016
4 Effective for annual periods beginning on or after 1 January 2017

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application.

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 2014 and 2013, respectively:

For the six months ended 30 June 2014

	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	3,683,028	241,134	520,296	–	4,444,458
Intersegment sales	285,922	50,021	–	(335,943)	–
Total revenue	3,968,950	291,155	520,296	(335,943)	4,444,458
Segment results:	405,964	6,133	267,848	(81,902)	598,043
Interest income	15,340	55	2,265	–	17,660
Finance costs	(114,298)	–	(124,567)	–	(238,865)
Profit before tax	307,006	6,188	145,546	(81,902)	376,838
Other segment information:					
Share of profits and losses of:					
Joint ventures	–	–	22,749	–	22,749
Associates	9,960	(557)	5,833	–	15,236
Depreciation and amortisation	72,185	1,171	132,621	(11,742)	194,235
Impairment of trade and other receivables	78,847	16,390	21,466	–	116,703
Reversal of impairment of trade and other receivables	(96,934)	(5,107)	–	–	(102,041)
Product warranty provision	132,451	–	–	–	132,451
Investments in joint ventures	57,108	–	675,052	(158,301)	573,859
Investments in associates	234,255	6,802	150,239	(36,315)	354,981
Capital expenditure[1]	76,223	2,296	726,729	(107,463)	697,785

3. OPERATING SEGMENT INFORMATION (continued)

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:					
Joint ventures	–	–	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 joint ventures	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

(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 2014 and 31 December 2013:

	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 2014 (Unaudited)	**29,720,716**	**1,026,577**	**17,584,522**	**(10,107,116)**	**38,224,699**
31 December 2013 (Audited)	29,344,232	699,728	16,105,217	(10,804,328)	35,344,849
Segment liabilities					
30 June 2014 (Unaudited)	**15,329,145**	**471,322**	**13,722,561**	**(5,167,124)**	**24,355,904**
31 December 2013 (Audited)	14,781,679	380,676	12,372,106	(5,982,548)	21,551,913

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Mainland China	**3,817,463**	2,726,939
Overseas	**626,995**	500,207
	4,444,458	3,227,146

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 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Mainland China	**9,489,088**	9,177,394
United States of America	**314,686**	318,316
Germany	**552,714**	528,065
Australia	**55,742**	1,448,871
Others	**904,253**	702,672
	11,316,483	12,175,318

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 2014, revenue of RMB451,421,000 generated from one of the Group's customers individually accounted for 10% or more of the Group's total revenue (six months ended June 2013: Nil).

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:

	For the six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Revenue		
Sale of wind turbine generators and wind power components	**3,683,028**	2,832,525
Wind power services	**241,134**	208,352
Wind power generation	**520,296**	186,269
	4,444,458	3,227,146
Other income		
Bank interest income	**17,660**	20,123
Dividend income from an available-for-sale investment	**1,155**	770
Gross rental income	**2,282**	1,790
Government grants	**46,858**	21,454
Value-added tax refund	**5,189**	1,617
Insurance compensation on product warranty expenditures	**18,229**	22,166
Others	**11,963**	6,731
	103,336	74,651
Gains		
Gain on disposals of subsidiaries, including wind farm project companies	**–**	118,022
Gain on disposals of investments in joint ventures	**–**	15,833
Gain on disposals of available-for-sale investments	**19,210**	45,643
Gain on disposals of items of property, plant and equipment	**57**	355
Net fair value gain on derivative financial instruments – transactions not qualifying as hedges	**–**	1,733
Gains on foreign exchange difference	**15,977**	–
Others	**5,302**	9,557
	40,546	191,143
	143,882	265,794

5. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June 2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Cost of inventories sold		**2,851,145**	2,375,061
Depreciation provided for:			
Property, plant and equipment	10	**162,157**	73,475
Investment properties		**1,448**	1,448
		163,605	74,923
Amortisation of prepaid land lease payments		**1,576**	1,242
Amortisation of other intangible assets		**29,054**	25,948
		30,630	27,190
Impairment of trade and bills receivables	15	**95,236**	78,094
Reversal of impairment of trade and bills receivables	15	**(102,041)**	(13,137)
Impairment of prepayments, deposits and other receivables	16	**21,467**	–
Reversal of impairment of prepayments, deposits and other receivables	16	**–**	(4)
		14,662	64,953
Write-back of inventories to net realisable value		**–**	(1,033)
Loss on disposals of items of property, plant and equipment		**1,887**	110
Minimum lease payments under operating leases of land and buildings		**6,483**	8,731
Auditors' remuneration		**1,545**	1,887
Employee benefit expenses (including directors', supervisors' and the chief executive's remuneration):			
Wages and salaries		**275,690**	233,473
Pension scheme contributions (defined contribution scheme)		**32,093**	17,233
Welfare and other expenses		**61,831**	45,806
		369,614	296,512

5. PROFIT BEFORE TAX (continued)

	For the six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Research and development costs:		
Staff costs	**73,527**	61,910
Amortisation and depreciation	**10,605**	16,234
Materials expenditure and others	**58,664**	14,440
	142,796	92,584
Government grants	**(46,858)**	(21,454)
Product warranty provision:		
Additional provision	**132,451**	83,338
Reversal of unutilised provision	**–**	(69,492)
	132,451	13,846
Insurance compensation on product warranty expenditures	**(18,229)**	(22,166)
Foreign exchange differences, net	**(15,977)**	4,583
Net fair value loss/(gain) on derivate financial instruments – transactions not qualifying as hedges	**22,585**	(1,733)
Bank interest income	**(17,660)**	(20,123)
Gain on disposals of subsidiaries, including wind farm project companies	**–**	(118,022)
Gain on disposals of available-for-sale investments	**(19,210)**	(45,643)
Gain on disposals of investments in joint ventures	**–**	(15,833)
Gain on disposals of items of property, plant and equipment	**(57)**	(355)

6. FINANCE COSTS

	For the six months ended 30 June	
	2014 **(Unaudited)** **RMB'000**	2013 (Unaudited) RMB'000
Interest on bank loans and other borrowing wholly repayable:		
Within five years	**229,510**	176,657
Above five years	**87,270**	41,912
	316,780	218,569
Less: Interest capitalised	**(77,915)**	(69,861)
	238,865	148,708

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, 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	
	2014 **(Unaudited)** **RMB'000**	2013 (Unaudited) RMB'000
Current		
– Hong Kong	**11,751**	4,843
– Mainland China	**59,006**	42,521
– Elsewhere	**13,730**	10,401
	84,487	57,765
Deferred (note 13)	**(52,295)**	(51,937)
Tax charge for the period	**32,192**	5,828

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	
	2014 **(Unaudited)** **RMB'000**	2013 (Unaudited) RMB'000
Profit before tax	**376,838**	109,633
Income tax charge at the statutory income tax rate of 25%	**94,209**	27,408
Effect of different income tax rates for overseas entities	**(1,518)**	(1,849)
Effect of different income tax rates for domestic entities	**(64,797)**	(31,138)
Tax losses not recognised	**23,672**	5,019
Expenses not deductible for tax purposes	**2,850**	4,036
Profits and losses attributable to joint ventures	**(5,687)**	(17,695)
Profits and losses attributable to associates	**(3,809)**	(5,483)
Others	**(12,728)**	25,530
Tax charge for the period at the effective rate	**32,192**	5,828

8. DIVIDENDS

The proposed final dividend for the year ended 31 December 2013 was approved by the Company's shareholders on 20 May 2014 of RMB0.08 per share which amounted to RMB215,567,000.

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: 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 2014 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 2013: 2,694,588,000) in issue during the period.

	For the six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Earnings		
Profit for the period attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**330,692**	92,682

	Number of shares For the six months ended 30 June	
	2014 (Unaudited)	2013 (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 2014					
	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 2014	844,228	2,512,245	69,284	241,251	7,132,270	10,799,278
Additions	1,816	58,244	3,545	15,077	409,844	488,526
Disposals	–	(5,960)	(614)	(2,709)	–	(9,283)
Transfers	7,045	4,091,465	–	6,239	(4,104,749)	–
Transferred to assets of a disposal group classified as held for sale	–	–	–	(1,022)	(1,551,202)	(1,552,224)
Exchange realignment	(227)	7,390	81	88	8,789	16,121
At 30 June 2014	852,862	6,663,384	72,296	258,924	1,894,952	9,742,418
Accumulated depreciation and impairment:						
At 1 January 2014	(75,588)	(242,433)	(20,115)	(111,850)	–	(449,986)
Depreciation charge for the period (note 5)	(10,870)	(133,796)	(4,492)	(12,999)	–	(162,157)
Disposals	–	3,649	413	1,699	–	5,761
Transferred to assets of a disposal group classified as held for sale	–	–	–	903	–	903
Exchange realignment	35	441	100	5	–	581
At 30 June 2014	(86,423)	(372,139)	(24,094)	(122,242)	–	(604,898)
Net carrying amount:						
At 30 June 2014	766,439	6,291,245	48,202	136,682	1,894,952	9,137,520
At 1 January 2014	768,640	2,269,812	49,169	129,401	7,132,270	10,349,292

10. PROPERTY, PLANT AND EQUIPMENT (continued)

	Year ended 31 December 2013					
	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 2013	807,308	1,593,933	58,028	182,643	3,039,028	5,680,940
Additions	15,353	45,992	15,926	55,722	5,810,592	5,943,585
Disposals	–	(3,673)	(3,233)	(815)	–	(7,721)
Disposals of subsidiaries	–	–	–	–	(1,511)	(1,511)
Transfers	20,499	1,514,326	85	4,462	(1,539,372)	–
Transferred to assets of a disposal group classified as held for sale (note 18)	–	(624,702)	(1,265)	(729)	–	(626,696)
Exchange realignment	1,068	(13,631)	(257)	(32)	(176,467)	(189,319)
At 31 December 2013	844,228	2,512,245	69,284	241,251	7,132,270	10,799,278
Accumulated depreciation and impairment:						
At 1 January 2013	(52,573)	(167,451)	(13,698)	(80,797)	–	(314,519)
Depreciation charge for the year	(22,905)	(110,584)	(8,225)	(31,840)	–	(173,554)
Disposals	–	4,073	1,397	467	–	5,937
Transferred to assets of a disposal group classified as held for sale (note 18)	–	31,380	377	220	–	31,977
Exchange realignment	(110)	149	34	100	–	173
At 31 December 2013	(75,588)	(242,433)	(20,115)	(111,850)	–	(449,986)
Net carrying amount:						
At 31 December 2013	768,640	2,269,812	49,169	129,401	7,132,270	10,349,292
At 1 January 2013	754,735	1,426,482	44,330	101,846	3,039,028	5,366,421

11. AVAILABLE-FOR-SALE INVESTMENTS

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Listed equity investment, at fair value:		
– Hong Kong	**384,840**	448,354
Unlisted equity investments, at cost	**416,808**	416,808
	801,648	865,162

12. DERIVATIVE FINANCIAL INSTRUMENTS

		As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Assets			
Interest rate swap		**2,503**	–
Forward currency contract	(i)	**–**	18,444
Forward contract	(ii)	**–**	98,396
		2,503	116,840
Portion classified as non-current assets		**(2,503)**	–
Current portion		**–**	116,840
Liabilities			
Non-current liabilities:			
Interest rate swap	(i)	**–**	363

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

12. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(i) The foreign currency forward contract is designated as a hedging instrument in respect of future bank loans of a wind farm settled in Australian dollars to which the Group has firm commitments. The foreign currency forward contract balances vary with the levels of the expected foreign bank loans and changes in foreign exchange forward rates.

The interest rate swap contract is designated as a hedging instrument in respect of future interest on bank loans at BBSY interest rates to which the Group has firm commitments. The interest rate swap contract balances vary with the levels of expected interest for the bank loans and changes in the BBSY interest rates.

The terms of the foreign currency forward contract and the interest rate swap contract match the terms of the commitments. The cash flow hedge relating to the expected future bank loans and expected future interest for the bank loans were assessed to be highly effective.

The foreign currency forward contract and the interest rate swap were classified as held for sale in the interim condensed consolidated statement of financial position as at 30 June 2014. Details are included in note 18.

(ii) In 2012, Beijing Tianrun New Energy Investment Co., Ltd. ("Beijing Tianrun"), a subsidiary of the Company, entered into an agreement with Ping An Trust and Investment Company Limited to dispose of its 49% shareholding in Shuozhou Pinglu Tianhui Wind Power Co., Ltd.("Pinglu Tianhui"). According to the agreement, in addition to the fixed selling price, Beijing Tianrun shall receive a variable price, which is determined based on a measurement index of wind volume at the area surrounding Pinglu Tianhui. As at 30 June 2014, the forward contract was settled with the amount of RMB102,970,000 according to the index of wind volume. The gain of RMB4,574,000 was recognised in profit.

13. DEFERRED TAX

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

Six months ended 30 June 2014

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 2014	96,544	46,326	308,684	4,194	247,815	10,607	714,170
Deferred tax credited/(charged) to profit or loss (note 7)	96	27,387	(20,084)	191	42,097	(1,562)	48,125
Deferred tax assets at 30 June 2014	96,640	73,713	288,600	4,385	289,912	9,045	762,295

Deferred tax liabilities

	Excess of fair values of identifiable assets and liabilities over carrying values in the acquisition of a subsidiary (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 1 January 2014	31,558	–	31,558
Deferred tax (credited)/charged to profit or loss (note 7)	(5,018)	848	(4,170)
Deferred tax liabilities at 30 June 2014	26,540	848	27,388

13. DEFERRED TAX (continued)

Year ended 31 December 2013

Deferred tax assets

	Provision for impairment of assets RMB'000	Tax losses RMB'000	Provisions and accruals RMB'000	Government grants received not yet recognised as income RMB'000	Unrealised gains arising from intra–group sales RMB'000	Others RMB'000	Total RMB'000
At 1 January 2013	76,947	5,550	261,660	948	166,306	4,954	516,365
Deferred tax credited to profit or loss	19,597	40,776	47,024	3,246	81,509	5,653	197,805
Deferred tax assets at 31 December 2013	96,544	46,326	308,684	4,194	247,815	10,607	714,170

Deferred tax liabilities

	Excess of fair values of identifiable assets and liabilities over carrying values in the acquisition of a subsidiary RMB'000
At 1 January 2013	38,801
Deferred tax credited to profit or loss	(7,556)
Exchange differences	313
Deferred tax liabilities at 31 December 2013	31,558

14. INVENTORIES

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Raw materials	**2,322,809**	1,766,523
Work in progress	**1,661,128**	767,616
Finished and semi-finished goods	**779,488**	445,785
Low-value consumables and others	**17,380**	22,553
	4,780,805	3,002,477

15. TRADE AND BILLS RECEIVABLES

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Trade receivables	**10,105,824**	10,074,916
Bills receivable	**1,394,392**	1,164,621
Provision for impairment	**(500,058)**	(506,616)
	11,000,158	10,732,921
Portion classified as non-current assets	**(1,129,597)**	(928,834)
Current portion	**9,870,561**	9,804,087

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.

15. TRADE AND BILLS RECEIVABLES (continued)

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 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Within 3 months	**3,366,359**	4,531,027
3 to 6 months	**944,558**	1,248,321
6 months to 1 year	**3,301,178**	1,053,429
1 to 2 years	**1,827,138**	1,987,176
2 to 3 years	**847,556**	1,081,378
Over 3 years	**713,369**	831,590
	11,000,158	10,732,921

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

	For the six months ended 30 June 2014 (Unaudited) RMB'000	2013 (Audited) RMB'000
At beginning of the period/year	**506,616**	436,939
Impairment losses recognised (note 5)	**95,236**	145,614
Impairment losses reversed (note 5)	**(102,041)**	(75,702)
Amounts written off as uncollectible	**–**	(154)
Exchange realignment	**247**	(81)
At end of the period/year	**500,058**	506,616

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB197,638,000 (31 December 2013: RMB159,505,000) with a carrying amount before provision of RMB565,580,000 (31 December 2013: RMB851,440,000).

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.

15. TRADE AND BILLS RECEIVABLES (continued)

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

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Neither past due nor impaired	**5,167,923**	4,891,444
Less than 3 months past due	**1,630,453**	1,271,030
3 to 6 months past due	**385,042**	1,082,892
	7,183,418	7,245,366

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

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

The 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, joint ventures and associates included in the trade and bills receivables are as follows:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
A shareholder holding a 13.95% interest in the Company	**19,627**	28,782
Joint ventures	**56,869**	113,454
Associates	**78,082**	132,982
	154,578	275,218

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

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Advance to suppliers	**1,012,080**	605,140
Prepayments	**446,516**	119,077
Deposits and other receivables	**1,817,464**	1,602,962
Provision for impairment	**(41,116)**	(19,650)
	3,234,944	2,307,529
Portion classified as non-current assets	**(516,492)**	(211,739)
Current portion	**2,718,452**	2,095,790

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

	For the six months ended 30 June 2014 (Unaudited) RMB'000	2013 (Audited) RMB'000
At beginning of the period/year	**19,650**	3,643
Impairment losses recognised (note 5)	**21,467**	16,055
Impairment losses reversed (note 5)	**–**	(4)
Amounts written off as uncollectible	**–**	(46)
Exchange realignment	**(1)**	2
At end of the period/year	**41,116**	19,650

16. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

The amounts due from the Group's joint ventures and associates included in the prepayments, deposits and other receivables are as follows:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Joint ventures	**12,275**	6,512
Associates	**236,094**	61,649
	248,369	68,161

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

17. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

		As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Cash and bank balances		**3,657,527**	3,727,880
Time deposits		**670,805**	993,446
		4,328,332	4,721,326
Less: Pledged time deposits for			
– Bank loans		**(13,112)**	(14,144)
– Uncompleted transaction		**(6,197)**	(87,525)
– Letters of credit		**(31,752)**	(31,463)
– Guarantee issued		**(408,163)**	(1,205)
– Provision of risk	(i)	**(285,333)**	(266,240)
		(744,557)	(400,577)
Cash and cash equivalents in the consolidated statement of financial position		**3,583,775**	4,320,749
Less: Non-pledged time deposits with original maturity of three months or more when acquired		**(4,360)**	(44,448)
Cash and cash equivalents in the consolidated statement of cash flows		**3,579,415**	4,276,301
Pledged deposits		**744,557**	400,577
Portion classified as non-current assets		**(285,333)**	(266,240)
Current portion		**459,224**	134,337
Cash and cash equivalents and pledged deposits denominated in:			
– RMB		**3,693,108**	3,777,965
– Other currencies		**635,224**	943,362
		4,328,332	4,721,327

(i) Details of pledged time deposits for provision of risk are included in note 22.

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

On 24 April 2014, one of the subsidiaries of the Company, Beijing Tianrun, entered into a disposal agreement with an independent third party, Zhejiang Zhengtai New Energy Development Co., Ltd. (浙江正泰新能源開發有限公司), to dispose of its 100% equity interest in Guazhou Guangyuan Photovoltaic Power Co., Ltd. ("Guazhou Guangyuan") (瓜州縣光源光伏發電有限公司) and Dunhuang Tianrun New Energy Co., Ltd. ("Dunhuang Tianrun") (敦煌市天潤新能源有限公司). The assets and liabilities of Guazhou Guangyuan and Dunhuang Tianrun were classified as held for sale in the interim condensed consolidated statement of financial position as at 30 June 2014.

As at 30 June 2014, one of the subsidiaries of the Company, Goldwind International Holdings (HK) Limited is planned to dispose of certain of assets and liabilities of Gullen Range Wind Farm Pty Ltd ("GRWF") to an associate, New Gullen Range Wind Farm (Holding) Pty Ltd. Such assets and liabilities of GRWF were classified as held for sale in the interim condensed consolidated statement of financial position as at 30 June 2014. The transaction was completed on 10 July 2014.

On 26 June 2013, one of the subsidiaries of the Company, Beijing Tianrun, 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. 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 2014 and the consolidated statement of financial position as at 31 December 2013.

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, Guazhou Guangyuan, Dunhuang Tianrun and GRWF classified as held for sale as at 30 June 2014 and 31 December 2013, respectively, are as follows:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Assets		
Property, plant and equipment	**2,130,762**	594,719
Goodwill	**44,399**	–
Other intangible assets	**19**	19
Investment in a joint venture	**45,871**	45,871
Inventories	**7,826**	52
Trade receivables	**87,065**	62,572
Prepayments, deposits and other receivables	**53,371**	60,372
Cash and cash equivalents	**38,253**	30,124
Assets of a disposal group classified as held for sale	**2,407,566**	793,729
Liabilities		
Trade payables	**(3,599)**	–
Other payables and accruals	**(5,235)**	(4,166)
Derivative financial instruments	**(19,252)**	–
Interest-bearing bank loans	**(551,510)**	(563,240)
Liabilities directly associated with the assets classified as held for sale	**(579,596)**	(567,406)
Net assets directly associated with the disposal group	**1,827,970**	226,323

19. TRADE AND BILLS PAYABLES

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Trade payables	**5,811,512**	4,975,287
Bills payable	**2,072,634**	4,488,771
	7,884,146	9,464,058
Portion classified as non-current liabilities	**(485,472)**	(397,206)
Current portion	**7,398,674**	9,066,852

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 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Within 3 months	**3,402,563**	3,551,580
3 to 6 months	**1,974,669**	3,294,350
6 months to 1 year	**1,473,659**	1,257,958
1 to 2 years	**434,583**	770,564
2 to 3 years	**247,102**	377,820
Over 3 years	**351,570**	211,786
	7,884,146	9,464,058

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 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Associates	**1,071,222**	1,425,103

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 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Advances from customers	**1,994,232**	810,548
Accrued salaries, wages and benefits	**93,400**	156,828
Other taxes payable	**27,273**	154,502
Others	**380,343**	444,220
	2,495,248	1,566,098
Portion classified as non-current liabilities	**(39,803)**	(10,292)
Current portion	**2,455,445**	1,555,806

The amounts due to the Group's joint ventures and associates included in other payables and accruals are as follows:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Joint ventures	**1,740**	718
Associates	**747**	836
	2,487	1,554

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 2014			As at 31 December 2013		
	Effective Interest rate (%)	**Maturity**	**(Unaudited) RMB'000**	Effective Interest rate (%)	Maturity	(Audited) RMB'000
Current						
Short-term bank loans:						
– Unsecured	**4.40-6.00**	**2014-2015**	**1,212,525**	2.94-4.32	2014	272,915
– Secured	**3.25-6.88**	**2014-2015**	**579,636**	2.11	2014	88,405
Current portion of long-term bank loans:						
– Unsecured	**six-month LIBOR+3.5**	**2014-2015**	**3,692**	six-month LIBOR+3.5	2014	3,658
– Secured	**3.25-6.55**	**2014-2015**	**1,368,431**	3.25-8.33	2014	205,727
Corporate bond (i):						
– Unsecured	**6.63**	**2015**	**2,993,680**	–	–	–
			6,157,964			570,705
Non-current						
Long-term bank loans:						
– Unsecured	**six-month LIBOR+3.5**	**2015-2021**	**23,996**	six-month LIBOR+3.5	2015-2021	25,607
– Secured	**2.85-8.33**	**2015-2031**	**5,035,158**	2.85-8.33	2015-2026	4,379,544
Corporate bond (i):						
– Unsecured	**–**	**–**	**–**	6.63	2015	2,988,940
			5,059,154			7,394,091
			11,217,118			7,964,796
Interest-bearing bank loans and other borrowing denominated in:						
– RMB			**9,677,905**			6,445,488
– Euro			**30,508**			53,755
– United States dollar			**463,921**			387,263
– Australian dollar			**1,044,784**			1,078,290
			11,217,118			7,964,796

(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 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 2014 and 31 December 2013 are as follows:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Analysed into:		
Bank loans repayable		
Within one year	**3,164,284**	570,705
In the second year	**342,303**	344,497
In the third to fifth years, inclusive	**1,364,923**	1,790,121
Above five years	**3,351,928**	2,270,533
	8,223,438	4,975,856
Corporate bond repayable		
Within one year	**2,993,680**	–
In the second year	**–**	2,988,940
	2,993,680	2,988,940
	11,217,118	7,964,796

22. CONTINGENT LIABILITIES

At 30 June 2014, contingent liabilities not provided for in the interim condensed consolidated financial statements were as follows:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Letters of credit issued	**172,826**	412,000
Letters of guarantee issued	**6,781,020**	5,224,620
Guarantees given to a bank in connection with a bank loan granted to:		
A joint venture	**200,000**	212,000
A third party	**390,786**	384,045
Compensation arrangement in connection with the bank loans of the Group's customers (i)	**1,084,718**	1,305,440
	8,629,350	7,538,105

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.

(i): 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 a 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 2014, three overseas wind farm project companies were involved into the risk compensation arrangement mentioned above. As at 30 June 2014, the bank loan balance of these companies amounted to RMB1,084,718,000.

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 rights, and/or its shareholder's equity interests in them.

23. 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 2014 and 31 December 2013, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Within one year	**644**	5,451
In the second year to fifth years, inclusive	**–**	975
	644	6,426

(b) As lessee

At 30 June 2014 and 31 December 2013, 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 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Within one year	**1,997**	1,396
In the second to fifth years, inclusive	**1,859**	1,434
Beyond five years	**1,314**	4,100
	5,170	6,930

24. COMMITMENTS

In addition to the operating lease commitments detailed in note 23(b) above, the Group had the following capital commitments as at 30 June 2014 and 31 December 2013:

	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Contracted, but not provided for	**829,482**	866,453
Authorised, but not contracted for	**544,101**	344,797
	1,373,583	1,211,250

25. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Continuing transactions		
A shareholder holding a 13.95% interest in the Company:		
Sales of spare parts	**79**	684
Associates:		
Sales of wind turbine generators and spare parts	**2,143**	125,830
Purchases of spare parts	**755,531**	692,605
Purchases of processing services	**6,818**	21,640
Provision of technical services	**20**	–
Joint ventures:		
Sales of wind turbine generators	**5,567**	30,449
Provision of technical services	**8,963**	693

25. RELATED PARTY TRANSACTIONS (continued)

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

Non-continuing transaction:

The bank loan of one of the Group's joint ventures, Damao Qi Tianrun Wind Power Co., Ltd.,（達茂旗天潤風電有限公司）amounting to RMB200,000,000 as at 30 June 2014 (31 December 2013: RMB212,000,000) 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.

(b) Commitments with related parties

The amount of total transactions with related parties for the period is included in note 25(a) to the interim condensed consolidated financial statements. The Group expects total transactions with related parties are as follows:

	The second half of 2014 (Unaudited) RMB'000	2015 (Unaudited) RMB'000
Continuing transactions		
Associates:		
Sales of wind turbine generators and spare parts	3,419	–
Purchases of spare parts	1,569,624	50,335
Joint ventures:		
Sales of wind turbine generators and spare parts	77	–
Provision of technical services	7,000	–

(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.

25. RELATED PARTY TRANSACTIONS (continued)

(d) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2014 (Unaudited) RMB'000	2013 (Unaudited) RMB'000
Short term employee benefits	**6,585**	5,973
Pension scheme contributions	**209**	192
	6,794	6,165

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.

26. 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 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000
Financial assets		
Financial assets at fair value through profit or loss:		
Designated as such upon initial recognition:		
Derivative financial instruments	**2,503**	98,396
Loans and receivables:		
Trade and bills receivables	**11,000,158**	10,732,921
Financial assets included in prepayments, deposits and other receivables	**728,006**	663,454
Pledged deposits	**744,557**	400,577
Cash and cash equivalents	**3,583,775**	4,320,749
	16,056,496	16,117,701
Available-for-sale financial assets:		
Available-for-sale investments	**801,648**	865,162
Derivatives designated as hedging instruments:		
Derivative financial instruments	**–**	18,444
	16,860,647	17,099,703
Financial liabilities		
Derivatives designated as hedging instruments:		
Derivative financial instruments	**–**	363
Financial liabilities at amortised cost:		
Trade and bills payables	**7,884,146**	9,464,058
Financial liabilities included in other payables and accruals	**380,343**	444,220
Interest-bearing bank loans and other borrowing	**11,217,118**	7,964,796
Dividends payable	**215,567**	–
	19,697,174	17,873,074
	19,697,174	17,873,437

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Fair values

The carrying amounts and fair values of the financial instruments, other than these with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	As at 30 June 2014 (Unaudited) RMB'000	As at 31 December 2013 (Audited) RMB'000	**As at 30 June 2014 (Unaudited) RMB'000**	As at 31 December 2013 (Audited) RMB'000
Financial assets				
Pledged deposits	**285,333**	266,240	**285,333**	266,240
Available-for-sale investments	**384,840**	448,354	**384,840**	448,354
Derivative financial instruments	**2,503**	116,840	**2,503**	116,840
Trade receivables	**1,129,597**	928,834	**1,140,327**	930,044
Other receivables	**106,456**	127,115	**106,456**	127,115
	1,908,729	1,887,383	**1,919,459**	1,888,593
Financial liabilities				
Derivative financial instruments	**–**	363	**–**	363
Interest-bearing bank loans and other borrowing	**5,059,154**	7,394,091	**4,958,977**	7,423,870
Trade payables	**485,472**	397,206	**489,586**	400,815
Other payables	**39,803**	10,292	**39,803**	10,292
	5,584,429	7,801,952	**5,488,366**	7,835,340

Management has assessed that 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.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair values (continued)

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 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 include 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 2014, the marked to market value of the derivatives is net of credit/debit valuation adjustment attributable to derivative counterparty default risk.

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	**Significant observable inputs (Level 2) RMB'000**	**Significant unobservable inputs (Level 3) RMB'000**	**Total RMB'000**
Available-for-sale investment:				
Listed equity investment	**384,840**	**–**	**–**	**384,840**
Derivative financial instruments:				
Interest rate swap	**–**	**2,503**	**–**	**2,503**
	384,840	**2,503**	**–**	**387,343**

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Available-for-sale investment:				
Listed equity investment	448,354	–	–	448,354
Derivative financial instruments:				
Forward contract	–	–	98,396	98,396
Forward currency contract	–	18,444	–	18,444
	448,354	18,444	98,396	565,194

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

The movement in the financial assets and liabilities included in Level 3 fair value hierarchy for the six months ended 30 June 2014 is as follows:

	As at 1 January 2014 (Audited) RMB'000	Total gains recognised in profit or loss (Unaudited) RMB'000	Settled (Unaudited) RMB'000	As at 30 June 2014 (Unaudited) RMB'000
Financial assets:				
Forward contract	98,396	4,574	(102,970)	–

Note: Details of gains recognised in profit are included in note 12(ii).

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 30 June 2014.

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Derivative financial instruments:				
Interest rate swap	–	363	–	363

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Assets for which fair values are disclosed:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Pledged deposits, non-current portion	–	285,333	–	285,333
Trade receivables	–	1,140,327	–	1,140,327
Other receivables	–	106,456	–	106,456
	–	1,532,116	–	1,532,116

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Pledged deposits, non-current portion	–	266,240	–	266,240
Trade receivables	–	930,044	–	930,044
Other receivables	–	127,115	–	127,115
	–	1,323,399	–	1,323,399

27. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 30 June 2014 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank loans and other borrowing	–	4,958,977	–	4,958,977
Trade payable	–	489,586	–	489,586
Other payable	–	39,803	–	39,803
	–	5,488,366	–	5,488,366

As at 31 December 2013 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Interest-bearing bank loans and other borrowing	–	7,423,870	–	7,423,870
Trade payable	–	400,815	–	400,815
Other payable	–	10,292	–	10,292
	–	7,834,977	–	7,834,977

28. 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 22 August 2014.