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

Annual Report 2015

INNOVATING FOR A Brighter Tomorrow

* For identification purpose only

// Company Profile

Goldwind was established in Urumqi, Xinjiang, the PRC in 1998, became a joint stock limited liability company in 2001, and its ordinary shares were listed on the Small and Medium-sized Enterprise Board of SZSE in December 2007 (SZSE: 002202) and the main board of the Stock Exchange in October 2010 (HK: 2208).

Goldwind is one of China's earliest manufacturers in the wind power industry. Our core technical and management personnel have more than 20 years of experience in this industry. We have established ourselves as a global leader in manufacturing WTGs and providing comprehensive wind power solutions. We have three primary business segments of WTG Manufacturing, Wind Power Services, and Wind Farm Investment and Development that provide us with diversified sources of profitability. Drawing from our extensive experience in R&D and manufacture of WTGs and wind farm development, we are able to provide our customers with high quality WTGs as well as comprehensive solutions which include wind power services and wind farm development, allowing us to meet our customers' demands in multiple segments of the wind power industry's value chain.

The WTG Manufacturing business segment achieved a clear breakthrough in 2015. The Chinese Wind Energy Association reported that Goldwind installed more than 7GW of new wind power capacity in China, making the Company the largest WTG manufacturer in China for the fifth consecutive year. According to Bloomberg New Energy Finance, Goldwind also ranked number one in the world with newly installed capacity of 7.8GW in 2015.

//Contents

Definitions

In this annual report, the following expressions have the following meanings unless the context requires otherwise:

"A Shares"	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the SZSE and traded in RMB;
" A Shareholders"	the holders of the A Shares;
"AC"	alternating current, being electricity that changes direction periodically;
"AGM"	annual general meeting of the Company;
"Articles"	the Articles of Association of the Company, as amended, modified or otherwise supplemented from time to time;
"associate"	has the meaning as ascribed in the Listing Rules;
"attributable capacity"	represents the capacity attributed to the Group calculated by multiplying the Group's percentage ownership in a power project by the total capacity of such power project;
"availability rate"	a percentage calculated by dividing the amount of time for that a WTG is not experiencing technical defaults over a certain period by the amount of time in such period;
"Beijing Tianrun"	Beijing Tianrun New Energy Investment Co., Ltd. (北京天潤新能投資有限公司), a company incorporated under the laws of the PRC on 11 April 2007 and a wholly owned subsidiary of the Company;
"Beijing Tianyuan"	Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd. (北京天源科創風電技術有限責任公司), a company incorporated under the laws of the PRC on 29 September 2005 and a wholly owned subsidiary of the Company;
"Board"	the board of directors of the Company;
"Board Committees"	specialised committees of the Board established by the Board and include members of the Board, namely the Audit Committee, Nomination Committee, Remuneration and Assessment Committee, and Strategic Committee;
"CASBE"	China Accounting Standards for Business Enterprises;
"CEO"	the chief executive officer of the Company;
"Chairman"	the chairman of the Board;
"chief executive"	has the meaning as ascribed in the Listing Rules;

"China" or "PRC"	the People's Republic of China. References in this annual report to the PRC exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"China Three Gorges"	China Three Gorges Corporation (中國長江三峽集團公司), a company incorporated under the laws of the PRC and the parent company of China Three Gorges New Energy;
"China Three Gorges New Energy"	China Three Gorges New Energy Co., Ltd. (中國三峽新能源有限公司), a company incorporated under the laws of the PRC, a wholly-owned subsidiary of China Three Gorges, and a substantial shareholder of the Company;
"Company"	Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司), a joint stock limited liability company incorporated in the PRC on 26 March 2001;
"connected person"	has the meaning as ascribed in the Listing Rules;
"Connected Persons Group"	a group of connected persons of the Company comprising China Three Gorges New Energy, Xinjiang Wind Power, and their respective associates;
"Corporate Governance Code"	Corporate Governance Code and Corporate Governance Report, as set out in Appendix 14 of the Listing Rules;
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會);
"DC"	direct current, being electricity that flows in one direction through the conductor;
"DDPM"	direct-drive permanent magnet, a technology that combines a) a drive-train concept in which the need for a gearbox is eliminated and the turbine rotor directly drives the generator rotor; and b) a synchronous generator in which permanent magnet is used on the generator;
"Directors"	the directors of the Company;
"EGM"	extraordinary general meeting of the Company;
"EPC"	Engineering, Procurement and Construction, a construction arrangement where a company that is contracted to construct the project will be responsible for the design, procurement and construction of such project, and will deliver such project to the owner after completion of the project construction and passing of the final acceptance inspection;

Definitions

"Financial Statements"	the audited consolidated financial statements of the Group for the financial year ended 31 December 2015, prepared in accordance with IFRSs;
"gearing ratio"	net debt divided by the sum of capital and net debt;
"Group", "Goldwind", "us" or "we"	the Company and its subsidiaries;
"GW"	gigawatt, a unit of power, 1GW equals 1,000MW;
"Haitong Asset Management"	上海海通證券資產管理有限公司 (Shanghai Haitong Securities Asset Management Co., Ltd);
"Haitong-Goldwind Asset Management Plan I"	a plan established and managed by Haitong Asset Management pursuant to the agreements between Haitong Asset Management and certain members of senior management and employees of the Group in connection with subscription of 17,140,000 New A Shares;
"Haitong-Goldwind Asset Management Plan II"	a plan established and managed by Haitong Asset Management pursuant to the agreements between Haitong Asset Management and certain members of senior management and employees of the Group in connection with subscription of 19,563,000 New A Shares;
"H Shares"	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the Stock Exchange and traded in HKD;
"H Shareholders"	the holders of the H Shares;
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"IFRSs"	International Financial Reporting Standards;
"independent shareholders"	has the meaning as ascribed in the Listing Rules;
"Individual Subscribers"	Mr. Wang Haibo, Mr. Cao Zhigang, Mr. Wu Kai, Mr. Huo Changbao, Ms. Ma Jinru, Mr. Liu Wei, Mr. Zhou Yunzhi and Mr. Yanghua;
"kV"	kilovolt, a unit of potential difference between two terminals, 1kV equals 1,000 volts;

"kW"	kilowatt, a unit of power, 1kW equals 1,000 watts;
"kWh"	kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kWh is the work completed by a kilowatt generator running continuously for one hour at the rated output capacity;
"Latest Practicable Date"	13 April 2016, being the latest practicable date prior to printing this annual report for ascertaining certain information contained in this report;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules;
"MW"	megawatt, a unit of power, 1MW equals 1,000kW;
"NEA"	National Energy Administration of the PRC (中國國家能源局);
"New A Shares"	an aggregate of 40,953,000 new A Shares to be subscribed for by the Subscribers and issued by the Company pursuant to the Subscription Agreements;
"NDRC"	National Development and Reform Commission of the PRC (中國國家發展和改革委員會);
"President"	the president of the Company;
"R&D"	research and development;
"RMB"	Renminbi, the lawful currency of the PRC;
"Senior Management"	the members of the senior management of the Company, their profiles as at the Latest Practicable Date are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on page 47 of this annual report;
"SFC"	the Securities and Futures Commission of Hong Kong;
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;
"Shareholders"	shareholders of the Company;
"State Council"	the State Council of the PRC (中國國務院);

"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subscribers"	the Individual Subscribers and Haitong Asset Management;
"Subscription"	subscription of the New A Shares by the Subscribers pursuant to the Subscription Agreements;
"Subscription Agreement"	the subscription agreement dated 2 September 2014 entered into between the Company and each of the Subscribers, collectively, the Subscription Agreements;
"Subscription Prices"	the subscription price of RMB8.47 per New A Share;
"subsidiary"	has the meaning as ascribed in the Listing Rules;
"Supervisors"	the supervisors of the Company;
"Supervisory Committee"	the supervisory committee of the Company;
"SZSE"	Shenzhen Stock Exchange;
"Three-North region"	China's Three-North region, which includes northeast, northwest and northern China;
"Vice Chairman"	the vice chairman of the Board;
"Wind Farm Investment and Development"	the Group's Wind Farm Investment and Development segment, one of the three primary business segments of the Group;
"Wind Power Services"	the Group's Wind Power Services business segment, one of the three primary business segments of the Group;
"WTG"	wind turbine generator;
"WTG Manufacturing"	the Group's WTG R&D, Manufacturing and Sales business segment, the core business of the Group and one of the three primary business segments of the Group;
"Xinjiang"	the Xinjiang Uyghur Autonomous Region of the PRC;
"Xinjiang Wind Power"	Xinjiang Wind Power Co., Ltd. (新疆風能有限責任公司), a state-owned enterprise incorporated under the laws of the PRC and a substantial shareholder of the Company;

"XJ New Wind"	Xinjiang New Wind Kegongmao Co., Ltd. (新疆新風科工貿有限責任公司), a company incorporated under the laws of the PRC on 17 February 1998 and the predecessor of the Company;
"YoY"	year-over-year, a method of evaluating two or more measured events to compare the results at one time period with those from another time period on an annualised basis; and
"%"	percent, in this annual report, calculations of percentage shall be based on the financial data contained in the Financial Statements including the relevant notes (where applicable).

Corporate Information

As at the Latest Practicable Date, relevant details are as follows:

BOARD OF DIRECTORS

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

Non-executive Directors
Mr. Li Ying *(Vice Chairman)*
Mr. Yu Shengjun
Mr. Zhao Guoqing

Independent Non-executive Directors
Dr. Tin Yau Kelvin Wong
Mr. Yang Xiaosheng
Mr. Luo Zhenbang

SUPERVISORS

Mr. Wang Mengqiu *(President of Supervisory Committee)*
Mr. Wang Shiwei
Mr. Luo Jun
Ms. Zhang Xiaotao
Mr. Lu Min

COMPANY SECRETARY

Ms. Ma Jinru

AUTHORISED REPRESENTATIVES

Mr. Wu Gang
Ms. Ma Jinru

AUDIT COMMITTEE

Dr. Tin Yau Kelvin Wong
Mr. Luo Zhenbang
Mr. Yu Shengjun

NOMINATION COMMITTEE

Mr. Luo Zhenbang
Mr. Yang Xiaosheng
Mr. Wu Gang

REMUNERATION AND ASSESSMENT COMMITTEE

Mr. Yang Xiaosheng
Dr. Tin Yau Kelvin Wong
Mr. Luo Zhenbang
Mr. Wu Gang
Mr. Li Ying

STRATEGIC COMMITTEE

Mr. Wu Gang
Mr. Wang Haibo
Mr. Cao Zhigang
Mr. Yu Shengjun
Mr. Yang Xiaosheng

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
Bank of China Limited, Xinjiang Branch
Bank Construction Bank Corporation, Xinjiang Branch
Agricultural Bank of China Limited, Xinjiang Branch
Industrial and Commercial Bank of China Limited, Xinjiang Branch
Export-import Bank of China, 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
China CITIC Bank Corporation Limited, Urumqi Branch
Shanghai Pudong Development Bank Co., Ltd., Urumqi Branch

COMPANY WEBSITE

www.goldwindglobal.com

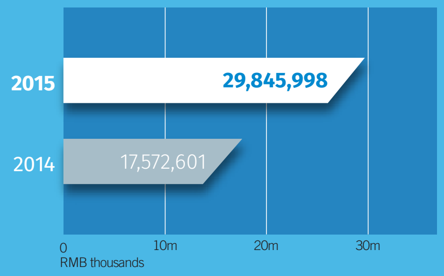
Financial Highlights

SUMMARY OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

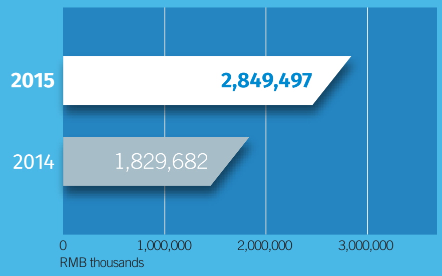
(Except share data, all amounts in RMB thousands)

	Year ended 31 December 2015	2014	Percentage Change
REVENUE	**29,845,998**	17,572,601	69.84%
PROFIT BEFORE TAX	**3,246,830**	2,108,986	53.95%
Income tax expense	**(371,439)**	(255,473)	45.39%
PROFIT FOR THE YEAR	**2,875,391**	1,853,513	55.13%
Profit attributable to:			
Owners of the Company	**2,849,497**	1,829,682	55.74%
Non-controlling interests	**25,894**	23,831	8.66%
OTHER COMPREHENSIVE INCOME, NET OF TAX	**(71,650)**	(183,665)	-60.99%
TOTAL COMPREHENSIVE INCOME	**2,803,741**	1,669,848	67.90%
EARNINGS PER SHARE:			
Basic and diluted (RMB/share)	**1.05**	0.68	54.41%

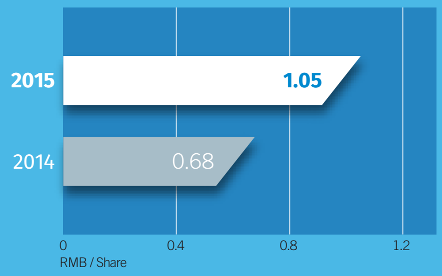
Revenue



Profit attributable to Owners of the Company



Earnings per Share



SUMMARY OF SEGMENT REVENUE

(All amounts in RMB thousands)

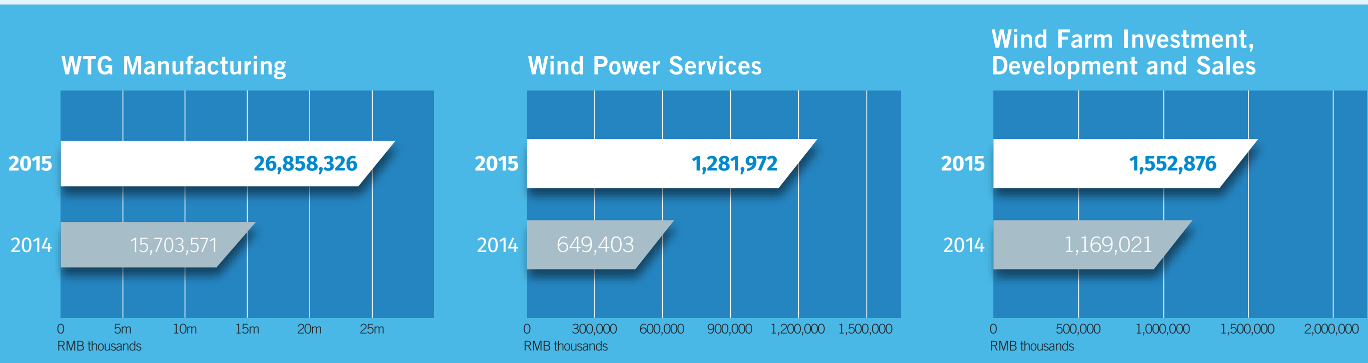
	Year ended 31 December 2015	2014	Amount Change	Percentage Change
WTG Manufacturing	**26,858,326**	15,703,571	11,154,755	71.03%
Wind Power Services	**1,281,972**	649,403	632,569	97.41%
Wind Farm Investment, Development and Sales	**1,552,876**	1,169,021	383,855	32.84%
Other	**152,824**	50,606	102,218	201.99%
Total	**29,845,998**	17,572,601	12,273,397	69.84%

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(All amounts in RMB thousands)

	As at 31 December 2015	2014	Percentage Change
Total assets	**52,572,401**	45,777,326	14.84%
Total liabilities	**(35,181,797)**	(30,550,317)	15.16%
NET ASSETS	**17,390,604**	15,227,009	14.21%
Equity attributable to owners of the Company	**16,761,446**	14,767,789	13.50%
Non-controlling interests	**629,158**	459,220	37.01%

SUMMARY OF SEGMENT REVENUE



SUMMARY OF CONSOLIDATED STATEMENT OF CASH FLOWS

(All amounts in RMB thousands)

	Year ended 31 December 2015	2014
Net cash flows from operating activities	**4,766,128**	2,829,384
Net cash flows from investment activities	**(7,245,171)**	(1,674,741)
Net cash flows from/(used in) financing activities	**(969,812)**	4,134,920
Net increase/(decrease) in cash and cash equivalents	**(3,438,855)**	5,289,563

Chairman's Letter

Dear Shareholders,

On behalf of the Board, I present to you Goldwind's *2015 Annual Report*.

In 2015, China's government undertook a major adjustment to its energy structure, introducing additional policy support for the development of renewable energy resources, with an emphasis on wind energy. China's wind power industry achieved rapid growth in 2015. According to the Global Wind Energy Council, China's newly installed capacity hit a record high of 30,500MW in 2015, representing 48.4% of global newly installed capacity – the largest wind power market in the world.

Goldwind provides products and services that support China's historical shift toward clean power. Goldwind views manufacturing as its foundation, customer service as its guiding principal, and technological innovation as its path forward and potential to add value along the industry value chain. As a leading global provider of comprehensive wind power solutions, Goldwind achieved a breakthrough in operating performance and growth in 2015, extending our leading position. Goldwind's revenue from operations increased 69.84% YoY to RMB29,846.00 million, profit attributable to owners of the Company increased 55.74% YoY to RMB2,849.50 million, total assets increased 14.84% to RMB52,572.40 million. Our three primary business segments of WTG Manufacturing, Wind Power Services and Wind Farm Investment and Development all achieved significant growth in 2015.

The WTG Manufacturing business segment was a key driver of growth for the Group as it has been our core business for many years. Sales revenue from that segment increased 71.03% YoY to RMB26,858.33 million and net profit increased 55.13% YoY to RMB2,875.39 million. In 2015, Goldwind installed more than 7 GW of new wind capacity in China. This was the fifth consecutive year that we ranked first in China. According to Bloomberg New Energy Finance, Goldwind was also number one in the world with newly installed capacity of 7.8GW. As at 31 December 2015, our combined backlog of WTG orders reached 11,908MW thanks to the exceptional value that we offer to our customers. Our focus on delivering value to customers will provide the basis for our continued development in 2016 and beyond.

During 2015, Goldwind diversified its product & service offerings and strengthened its technological advantages in response to changes in the wind energy market. Goldwind rounded out its product lines, implemented technology improvements and strengthened its R&D team. Goldwind provides customized products and solutions for diverse operating environments to meet all of its customers' needs. In 2015, the Group gained market share by improving its product coverage. For example, the Group launched the 1.5VP WTG, commercialized the 2.0MW WTG and expanded the number of models within that product platform, designed and developed high temperature and high altitude models within the 2.5MW WTG series, produced and shipped onshore 3.0MW WTGs, and connected a prototype offshore 3.0MW WTG. Goldwind received over 20 independent product certifications for models within its 1.5MW, 2.0MW and 2.5MW product platforms from both domestic and international certification agencies. Goldwind's R&D team also won several awards. The "High Wind Speed Algorithm Application Project", which seeks to improve control of power output, won the Beijing Science and Technology Second Prize for 2014 and "The 2.5MW Direct Drive Permanent Magnet WTG Research, Development and Industrialization Project" won the Zhejiang Province Science and Technology Second Prize for 2014.

In the wind after-sales service market, Goldwind's service team covers over 17,000 WTG units and 500 wind farms in China and abroad. Among those WTGs, over 12,000 units are also connected to Goldwind's supervisory control and data acquisition (SCADA) system. Based on our SCADA data, the Group has leveraged big data, cloud computing, and the internet-of-things to further automate and optimize its service operations. Goldwind launched a wind power and weather service platform, FreeMeso, and a wind resource database and simulation platform, WindUnified in the domestic market. Going forward, Freemeso and WindUnified will improve WTG operations and maintenance through digital management of wind farms located in China and overseas.

The Wind Farm Investment and Development business segment, made strong progress and generated revenue of RMB1,552.88 million in 2015. The Group's newly approved capacity reached a new high of 1,353.5MW, representing an increase of 44.8%. In response to wind power curtailment, the Group explored new business models for its wind farms, such as the production of hydrogen from wind power. Goldwind demonstrated that it can improve wind farm utilization through technological innovation and the Group won approval to develop 200MW of wind farm projects with hydrogen production.

Chairman's Letter

Outside of China, Goldwind played a role in the One Belt One Road strategy. The Group was the first to offer DDPM WTGs in South Africa and we won a bid for 120MW in that market. Due to the success of its first projects in Pakistan, over the next two years Goldwind will ship over 400MW of additional capacity, which will comprise one-third of planned wind capacity in Pakistan. The Group has active operations in many overseas markets, including R&D, WTG sales, and wind power project development. Goldwind has made great progress toward its targets for geographic diversification of its capital resources and sales. Furthermore, we have strived to employ personnel and offer technological solutions that facilitate our success in overseas markets. As at 31 December 2015, Goldwind's global newly and accumulated installed capacity were 189.25MW and 864.25MW respectively, spreading across six continents in 16 countries, such as the United States of America, Australia, Panama, Romania, Pakistan, and Thailand.

Goldwind issued 40,953,000 of new A shares as part of a non-public subscription offering in 2015. The shares were listed on the Shenzhen Stock Exchange. Senior management and other core employees participated in the subscription offering, demonstrating their strong faith in the future of the Group. Goldwind also completed the issue of bonds, with the amount of USD300,000,000 outside of China. The USD bonds were the first Green Bonds to be issued by a Chinese company.

Goldwind is a public company listed on the Shenzhen Stock Exchange and Hong Kong Stock Exchange. As such, the Group pursues managerial integrity and standardization of its operations in order to achieve strong corporate governance and internal controls. The Board won the Directors of the Year Award (Board Category) from the Hong Kong Institute of Directors. Goldwind is the first ever awardee from China's new energy industry. Goldwind was also awarded a certificate of excellence in investor relations by IR Magazine in 2015 – the only new energy company to receive that honor in the greater China region.

The Thirteenth Five-Year Plan is a critical period for the transformation of China's energy structure, with a strong focus on the healthy and sustainable development of renewable energy such as wind power. Statistics from The Action Plan for the Energy Development Strategy issued

by the State Council of China, target primary energy use from non-fossil fuel sources of at least 15% by the end of Thirteenth Five-Year Plan in 2020. The proportion of primary energy from renewable sources should increase dramatically in order to meet that target. As a result, we expect that renewable energy, such as wind power, will undergo a transition from alternative to mainstream energy resources.

Despite the remaining challenges that we face, China's wind power industry has entered a stable period in 2016. Goldwind will play an important role in the adjustment of China's energy structure. We have strong faith in the future development of the wind power industry. Goldwind will embrace the opportunities at hand and pursue a long-term strategy to strengthen its core wind business. We will transform from providing products to delivering value, and from manufacturing goods to creating smart new products and services. Goldwind will also expand in other segments of the wind value chain and consider entering other areas of renewable energy and environmental protection. While strengthening our capacity for independent innovation and profitability, we will continue to allocate resources efficiently and strengthen team management, which are core competitive advantages. Goldwind is dedicated to clean energy, energy conservation and environment protection in China and throughout the world.

On behalf of the Board, I would like to express my gratitude to our Shareholders and business partners for your continued support in 2015, and to each of Goldwind's employees for your efforts and outstanding achievements.

Wu Gang
Chairman

Beijing, 29 March 2016

Milestones of 2015

FEBRUARY

Goldwind's "R&D and Usage of Large-Capacity WTG Wind Peak Algorithm" won the second prize for Beijing Scientific Technology, making the Group the only institution to receive such an award within the new energy industry.

APRIL

The Group won its first South African wind turbine order for 120 MW. Goldwind will be the first DDPM wind turbine provider in the South Africa market.

MAY

Goldwind launched new product-1.5VP (Value Plus), flexible tower technology and hybrid tower technology.

JUNE

Xia County Phase I 49.5MW wind farm of Beijing Tianrun in Shanxi, has earned the 2015 China Power Quality Engineering Award, which is the highest honor for project quality within China's power construction industry.

JULY

Goldwind completed USD300,000,000 of bonds outside of China. The USD bonds were the first Green Bonds to be issued by a Chinese company.

AUGUST

Goldwind issued 40,953,000 of new A shares as part of a non-public subscription offering. The shares were listed on the Shenzhen Stock Exchange. Senior management and other core employees participated in the subscription offering, demonstrating their strong faith in the future of the Group.

SEPTEMBER

Beijing Tianyuan was certified by TÜV Rheinland for its wind power operation and maintenance service capacities, which proved that the Group is completely qualified to provide WTG service solutions under international unified standards in global WTG services market.

OCTOBER

The GW121/2500 WTG was certified by DNV-GL, an international certification agency. Goldwind is the first Chinese wind power industry to get the certification.

Our Chairman Mr. Wu Gang was selected as the vice president of World Wind Energy Association ("WWEA"), to be the first Chinese entrepreneur in WWEA.

NOVEMBER

The GW115/2000 units obtained the type certificates from China General Certification Center.

DECEMBER

The Board won the Directors of the Year Award (Board Category) from the Hong Kong Institute of Directors. Goldwind is the first ever awardee from China's new energy industry.

Goldwind was also awarded a certificate of excellence in investor relations by IR Magazine in 2015 – the only new energy company to receive that honor in the greater China region.

Management Discussion and Analysis

// In 2015, China's wind power industry maintained strong growth momentum. Newly installed wind power capacity reached a new high. Installations in low wind speed areas and offshore areas accelerated, causing wind farm developers to seek out more advanced wind turbine models.

The global economy experienced a more pronounced divergence of economic growth rates during 2015. Developed nations continued a modest, but uneven economic recovery. Economic conditions in the United States, the Eurozone and Japan improved, while the other developed economies deteriorated. Emerging market countries experienced pressure from a general economic slowdown. According to the World Economic Outlook released by the International Monetary Fund (IMF) in early 2016, the global economic growth rate in 2015 was estimated at 3.1%, which is 0.3% lower than in 2014. China's economic growth rate was among the world's highest and contributed 25% to global economic growth in 2015.

The Chinese economy grew at a reasonable pace in 2015, making progress toward China's goals for economic transformation, promotion and structural adjustment. In addition, China accelerated the process of opening its economy, creating more space for future growth and development. The *National Economy Operational Status of 2015*, published by the State Statistical Bureau, reported that China's GDP grew 6.9% in 2015, which was in-line with that year's economic growth target of approximately 7%.

According to the NEA, the wind power industry experienced another year of strong growth in 2015. As of the end of 2015, wind power generating capacity reached 129 GW, accounting for 8.6% of total electricity generating capacity in China, and 1.6% higher than at the end of 2014. China generated 186.3 billion kWh of electricity from wind energy in 2015, accounting for 3.3% of total electricity, 0.5% more than in 2014.

The Global Wind Energy Council reported that 63,013MW of new wind power capacity was installed globally in 2015, up 22% compared to 2014. China achieved a historic high for newly installed wind power capacity with 30,500MW, comprising 48.4% of global newly installed capacity, making China the largest wind power market in the world. The United States and Germany, ranked second and third, accounting for 13.6% and 9.5% of the global newly installed capacity in 2015.

I. INDUSTRY REVIEW

During China's 12th Five-Year Plan (2010-2015), China achieved remarkable progress on the transformation of its energy structure. Clean energy experienced rapid growth, and wind power, in particular, grew significantly with installed capacity four times higher at the end of the period. Support for wind power also improved during the period. Although China achieved strong progress with regard to renewable energy, it has been a challenge to fully utilize newly installed renewable energy, and that issue must be resolved. In 2015, China introduced a number of policies to promote optimization of its power system, to improve coordination of development for multiple energy sources, and to continue to lay a solid foundation for future large-scale development of renewable energy, such as wind power.

i. Policy Review

1. Encourage Renewable Energy Consumption

On 5 February 2016, the NEA issued the "Notice Related to Works for Renewable Energy Consumption in Three-North Region", which seeks to promote consumption of wind, solar and other renewable power generated in the "Three-North", which includes the Northwest, the Northeast, and Huabei regions. The notice seeks to encourage the utilization of renewable energy and ancillary services in areas that are rich in renewable power resources. Through the introduction of a policy that supports wind power heating and related pilot projects, the NEA has made efforts to reduce the curtailment of wind power and to balance development of multiple power sources that can also meet heating demand.

// 30,500 MW
China's newly installed capacity

// 186.3 billion kWh
China's power generated by wind power

On 28 December 2015, the NEA issued a draft policy, "Management Measures for the Full Purchase of Renewable Energy", outlining another means of addressing the curtailment problem. The draft policy proposed minimum wind utilization levels. For any wind power output above that minimum level, wind farm operators would be encouraged to trade that power in the competitive market, where wind power may have an advantage due to its low marginal cost.

2. Wind Power Is Confirmed as Alternative Energy

On 22 December 2015, the NDRC issued the "Notice for the Improvement of Onshore Wind Power and Solar Benchmark Feed-in Tariffs". The feed-in tariff for the first three energy categories and the fourth energy category will be reduced by RMB2 cents and RMB1 cent respectively for new projects approved starting in 2016; and will be further reduced by RMB3 cents and RMB2 cents. The move aims to promote rational investment in wind power in order to encourage healthy and orderly development of the wind power industry, and also to strike a balance between new energy growth and the cost of related subsidies.

On 29 January 2016, the NEA issued a draft of its 13th Five-Year Plan for wind power. In that the draft plan, China sets a target of 250 GW of accumulated connected wind capacity by 2020 as a means to reach China's commitment to source at least 15% of its primary energy from non-fossil fuels by 2020 and 20% by 2030. As a result of continued large-scale development, wind power will no longer be considered an alternative energy source, but instead it will become a mainstream energy source, providing essential additional power source for the next five years.

On 15 January 2016, the Ministry of Finance introduced the "Notice for the Increase of the Supplementary Tariff on Electricity for Renewable Energy". Starting on 1 January 1 2016, the levy for provinces and autonomous regions other than Xinjiang and Tibet will be increased from RMB1.5 cents to RMB1.9 cents per kWh, strengthening collections for the renewable energy development fund.

3. Promote the Energy Internet

On 13 July 2015, the NEA issued "Guidance on Promoting New Energy Micro-grid Demonstration Project Construction", which urged to accelerate the construction of new energy micro-grid demonstration projects, in order to create a favorable environment and encourage new energy micro-grid development by helping the industry to gain experience.

On 24 February 2016, the NDRC, the NEA and the Ministry of Industry and Information Technology jointly issued "Guidance on Promoting Internet Plus Smart Energy Development" to encourage the construction of new energy micro-grids, and determine its place within the infrastructure of the energy internet. Smart micro-grids may serve as a basis for the development of distributed renewable energy that combine multiple power systems, such as wind, solar and energy storage.

ii. Industry Developments

In 2015, China's wind power industry maintained strong growth momentum. Newly installed wind power capacity reached a new high. Installations in low wind speed areas and offshore areas accelerated, causing wind farm developers to seek out more advanced wind turbine models. The NEA and State Grid also accelerated the planning and construction of transmission lines for clean energy. Nonetheless, wind curtailment worsened and may remain serious in the short-term.

1. Newly Installed Capacity

China achieved a record high for newly installed wind power capacity in 2015. The Global Wind Energy Council reported newly installed wind capacity of 30.5GW, an increase of 31.5% compared to 2014, which exceeded the former high of 23.20GW in 2014. China's accumulated installed wind power capacity was 145.1GW at the end of 2015, surpassing a milestone of 140GW. In late 2014, China announced a reduction of the wind feed-in tariff scheduled to begin in 2016. This adjustment stimulated demand for wind turbines in 2015. According to the NEA, newly connected capacity increased 66.4% YoY to 32.97GW. Newly approved wind capacity increased by 7GW to 43GW, bringing cumulative approved capacity to 216GW.

2. Low Wind Speed and Offshore Market

Wind farm development in low wind speed area, such as new approvals and construction, accelerated in 2015. According to the NEA, newly approved capacity in China's eastern, central and southern areas was 23.07GW, and newly installed capacity in eastern, central and southern area was 2.43GW, representing an increase of 39% YoY. Due to the faster pace of installations in low wind speed areas, customers sought out more advanced, more efficient products. China announced an offshore wind power benchmark feed-in tariff and 44 offshore projects were approved in 2014. China's offshore wind power construction picked up as a result in 2015. According to CWEA, China's offshore wind power construction has improved a lot.

3. Wind Curtailment

During 2013 and 2014, China's average wind curtailment rate improved. However, due to a lag in power consumption and slow development of the energy system, wind curtailment worsened in 2015. The NEA reported that 33.9 billion kWh of wind power was curtailed in 2015, an increase of 21.3 billion kWh compared to 2014. China's average curtailment rate was 15%, representing an increase of 7 percentage points YoY. Although the curtailment of wind power was severe in 2015, it was only a serious problem in the "Three-North" regions – the Northwest, the Northeast, and Huabei – where wind resources are rich.

In order to promote local consumption of wind power, several demonstration projects for alternative uses of wind power were completed in 2015, including a wind power heating project in Inner Mongolia and Hebei, a hydrogen production project in Jilin, a new energy micro-grid in Ningxia and a sea water desalination project in Jiangsu. Those projects will support innovation of related technologies and applications to improve energy utilization.

4. **Grid Connection**

As at the end of 2015, 11 of the 12 dedicated trans-regional transmission lines for clean power that are planned by the NEA had started construction, among which, the 500kV transmission line from Liaoning Suizhong to North China Grid 500kV was completed and the 800kV direct current transmission line from northwest of Yunnan to Guangdong, which will be constructed by China Southern Grid, is expected to be approved to begin construction in 2016. In 2015, China approved four AC transmission lines and three DC transmission lines, and pace of construction accelerated significantly. For ultra-high-voltage transmission lines, as at the end of 2015 China had built up three AC lines and four DC lines. There are another four AC lines and seven DC lines under construction. The length of approved transmission lines exceeds 28,800 kilometers and approved substation capacity exceeds 294 million kVA (kW).

II. BUSINESS REVIEW

Goldwind has taken advantage of strong recovery momentum in the wind power industry. The Group views high-quality manufacturing as its foundation, excellent customer service as its guiding principal, and technological innovation as its path forward and opportunity to add value along the industry value chain. Due to these principles, the Group achieved a breakthrough in operating performance and business development in 2015, further consolidating our leading position.

For the financial year ended 31 December 2015, the Group's operating revenue was RMB29,846.00 million, an increase of 69.84% YoY. Our gross profit was RMB7,776.96 million, an increase of 70.31% YoY. Net profit attributable to the parent company was RMB2.849.50 million, an increase of 55.74% YoY. The Group achieved different degrees of growth in its three main business segments: WTG Manufacturing, Wind Power Services and Wind Farm Investment and Development.

i. WTG Sales and R&D

The WTG Manufacturing business segment achieved a clear breakthrough in 2015. The Chinese Wind Energy Association reported that Goldwind installed more than 7GW of new wind power capacity in China, making the Company the largest WTG manufacturer in China for the fifth consecutive year. According to Bloomberg New Energy Finance, Goldwind also ranked number one in the world with newly installed capacity of 7.8GW in 2015.

1. Product Manufacturing and Sales

During the reporting period, the Group's revenue from sales of WTGs and components was RMB26,858.33 million, an increase of 71.03% YoY. The Group realized external sales of 7,051.00MW, an increase of 68.29% YoY, among which, sales of 2.0MW and 2.5MW WTGs markedly increased to 40.37% of the total sales from 15.1% of 2014. In addition, benefitting from the cost reduction by varieties of measures, the gross profit rate of 1.5MW and 2.5MW WTG increased by 1.82 percentage points and 1.02 percentage points respectively.

The following table provides the details of our WTG sales volumes in 2015 and 2014:

Model	2015 Unit Sold	2015 Capacity Sold (MW)	2014 Unit Sold	2014 Capacity Sold (MW)	Change in Capacity Sold
3.0MW	**11**	**33.00**	–	–	–
2.5MW	**645**	**1,612.50**	253	632.50	154.94%
2.0MW	**617**	**1,234.00**	–	–	–
1.5MW	**2,774**	**4,161.00**	2,366	3,549.00	17.24%
750kW	**14**	**10.50**	11	8.25	27.27%
Total	**4,061**	**7,051.00**	2,630	4,189.75	68.29%

During the reporting period, Goldwind continued to focus on improving the customer experience and delivering value through high-quality products and services. At the end of the reporting period, Goldwind's backlog of orders under contract totaled 5,680MW, including 6MW of 750kW units, 3,288MW of 1.5MW units, 1,318MW of 2.0MW units, 975MW of 2.5MW units and 93MW of 3.0MW units. There were 6,228MW of additional orders awaiting contract, including 2,185.5MW of 1.5MW units, 2,330MW of 2.0MW units and 1,712.5MW of 2.5MW units. In total, Goldwind had 11,908MW of combined backlog orders, including 661MW of overseas orders.

At the end of 2015, the Group's accumulated installed capacity exceeded 32GW worldwide, comprised of over 31GW and 21,800 units in China and over 850MW and 463 units overseas. Goldwind represents more than 50% of China's accumulated WTG exports.

2. R&D and Certification

During 2015, Goldwind diversified its product & service offerings and strengthened its technological advantages in response to changes in the wind energy market. Goldwind enriched its product lines, implemented technology improvements and strengthened its R&D team. Goldwind provides customized products and solutions for diverse operating environments to meet all of its customers' needs. In 2015, the Group gained market share by improving its product coverage.

(1) Product R&D

In 2015, the Group combined a number of upgrades to the WTG software and hardware with a leading-edge wind farm control system to create the 1.5VP (ValuePlus) series. The VP system may enhance wind farm power output without significantly increasing project costs. It expands the scope of the Group's product from individual wind turbine units to integrated wind farm systems. We can design the most cost-efficient, customized, and high quality wind farm with a higher utilization rate and overall competitiveness.

In 2015, the Group continued development of its 2.0MW WTG product platform, which has now achieved commercial-scale production. Goldwind launched its 108/2000 IIIA WTG (for areas with low wind speed and high turbulence), its 2.0VP WTG (with higher generation capacity without a significant increase in cost) and its 2.0MW high altitude WTG. Going forward, the Group will continue to expand the coverage and competitiveness of its 2.0MW product platform.

Based on historical operating data from nearly 1,000 units of 2.5MW WTGs and technological improvements implemented within the product platform, the Group commenced design of 2.5MW high temperature and high altitude units.

The Group connected its first offshore prototype to the power grid in 2015. We received offshore WTG orders from the Three Gorges Xiangshui Project（三峽響水項目）(54MW) and the Huadian Leting Offshore Project（華電樂亭海上項目）(200MW). In addition, Goldwind's onshore 3MW turbines commenced small-scale production.

Our customers wish to minimize their project costs without sacrificing quality or efficiency. To that end, the Group has also made significant progress in tower design. It developed a hybrid tower technology and flexible tower technology to target wind power development in China's central, eastern and southern regions.

During the reporting period, the Group received a number of honors for research and development. The "R&D and Usage of Large-Capacity WTG Wind Peak Algorithm" won the second prize for Beijing Scientific Technology, making the Group the only institution to receive such an award within the new energy industry. The "2.5MW DDPM Research, Development and Industrialization Project" won the second prize for the 2014 Jiangsu Scientific Technology. The "New Pre-Stressed Hybrid Wind WTG Tower Project" won the second prize for Capital Staff Independent Innovation. The aforesaid honors demonstrate the Group's strong R&D and innovation capabilities.

(2) Certification Work

As part of its R&D program, the Group pursues certification of its WTGs and related technologies. Goldwind also pursues patents and copyrights in order to protect the intellectual property rights of successful innovations. During the reporting period, the Group achieved certification for various Chinese and international industrial standards. Within the 1.5MW series, twenty models have passed the design assessment of China General Certification Center. The GW 115/2000 and GW109/2500 units obtained the type certificates from China General Certification Center. The GW121/2500 WTG was certified by DNV-GL, an international certification agency. The GW109/2500 unit obtained both design assessment certificate from DNV-GL and type certification from TÜV NORD, a third-party agency based in Germany.

As at 31 December 2015, the Group held 551 authorized patents in China, including 122 authorized inventions. 53 registered trademarks have been approved in China, and 72 registered trademarks have been approved overseas. In order to contribute to the development of the energy internet, the Group is also developing innovative new computer software and algorithms. As at the end of the reporting period, the Group owned 188 software copyrights.

As a wind power industry leader, the Group is engaged in formulating national and industrial standards for wind power. As at 31 December 2015, the Group had contributed to establish 130 standards (including 2 IEC standards, 54 national standards, 63 industrial standards, 6 local standards and 5 association standards). In 2015, China adopted 13 new national standards.

In 2015, the Company was again selected as "China's Advocate Enterprise for Intellectual Property Rights" making the Group the only wind power company among the 37 selected enterprises. It also earned the "Outstanding Contribution Award for Standardized Work of China's Wind Power" granted by China's National Standardization Technical Committees of Wind Power Mechanics.

(3) Quality Control

During the reporting period, the Group proposed and launched initiatives to improve the industrial supply chain through close cooperation with its suppliers. The goal of these initiatives is to achieve high standards of quality, industry-leading technology, better cost efficiency and leading competitiveness. In order to help suppliers meet our requirements, the Group established quality benchmarks, certifies key positions, conducts credit evaluations and extends its quality improvement platform to include key suppliers. Through these efforts, Goldwind has extended its management standards to its key suppliers, resulting in mutually beneficial cooperation on quality control.

ii. Wind Power Services

Due to sustained development of wind power industry in China, China's connected wind power capacity surpassed 100GW in 2015. Over the years, an increasing amount of that capacity has exited and will continue to exit the warranty period. As a result, the post-warranty service market is expanding every day.

As at the end of the reporting period, the Group's maintenance and operation team had provided construction, maintenance and operation services and technical support for more than 17,000 WTGs in more than 500 wind farms globally. Over 12,000 WTGs are connected to Goldwind's Technology Global Monitoring Center, including a total of 453 WTGs from the United States, Australia, Thailand, Romania, Ecuador and Pakistan. During the reporting period, revenue from the Wind Power Services business segment increased 97.41% YoY to RMB1,281.97 million.

During the reporting period, the Group explored data-driven, automated operations & maintenance. Using the large quantity of WTG operating data that Goldwind has collected, combined with cloud computing and the Internet-of-Things, the Group developed digital maintenance and operation systems. Goldwind introduced FreeMeso, China's first free and reliable public wind power and meteorological service platform. As China's first 3D platform with high-definition wind resource maps, it provides functions that optimize the location and position of wind and solar power plants, weather forecasting and weather alerts. It also identifies the best WTG models for each project and provides an economic model for each option. Another new software product, WindUnified, is a wind resource database and simulation program that reduces the need to collect and analyze data from meteorological masts. It is able to precisely evaluate environmental conditions, build models, assess wind resources and establish a uniform wind resource assessment standard. These new products represent our first steps toward the transformation of our wind power service business.

iii. Wind Farm Investment and Development

Despite the unexpectedly severe wind power curtailment in China during 2015, the Group's wind farm investment and development business improved. The Group's newly approved capacity reached a new high of 1,353.5MW, representing an increase of 44.8% YoY.

During the reporting period, the Group's revenue from power generation was RMB1,552.88 million, an increase of 32.84% YoY. The gain on investment from sale of wind farms was RMB33.96 million, a decrease of 89.81% YoY.

Goldwind reported that during 2015 its total domestic installed generating capacity increased by 1,044.4MW and its attributable installed generating capacity increased by 1,003.02MW. The newly added capacity resulted in domestic accumulated installed generating capacity of 3,044.4MW and accumulated installed attributable capacity of 2,525.43MW. Goldwind reported 1,747.3MW of capacity under construction in domestic at the end of the reporting period, of which 1,641.74MW was attributable capacity. As at the end of the reporting period, the Group's international wind power projects installed capacity was 246 MW, and accumulated attributable capacity was 121.74 MW.

Because power curtailment is still severe, the Group has evaluated alternative uses of wind power. Goldwind was the first to introduce wind power hydrogen production in China. Commercialization of this system may help to increase the consumption of wind power. Goldwind has received approval to build a 200 MW wind farm with a hydrogen production system. This is one of the only two wind power innovation projects approved in China, and the only newly approved wind power project in Jilin within the past 4 years. Due to this initiative, Goldwind is recognized as a leader in innovation within the wind power industry, and also the only wind power company to receive an R&D grant in support of a national strategic emerging industry.

Building on ten years of hard work and experience, Beijing Tianrun has become one of China's strongest wind power developers. It endeavors to become a premier investor and operator of clean energy projects. A recent project, the Xia County Phase I 49.5MW wind farm in Shanxi, has earned the 2015 China Power Quality Engineering Award, which is the highest honor for project quality within China's power construction industry.

iv. International Business

China's leadership has embraced a "new normal" model of economic development, under which economic restructuring and diversification may be achieved at a slower and more sustainable rate of growth. Against this backdrop, China will also pursue success overseas. Goldwind supports these national strategic initiatives through its own international strategy. Since first setting out in the international market, the Group has strengthened its international business operations by applying the experience of other successful enterprises to fit Goldwind's requirements. In addition, the Group has supported the international business team in areas such as technical service, human resource development, project management and system construction. For each international project team, we seek to hire staff in that locality, with our most successful project achieving a personnel localization rates of over 90%. During 2015, the Group has improved the pace of international projects, business development and operating performance, contributing to Goldwind's long-term sustainable development. During the reporting period, the Group's revenue from international business was RMB2,458.01 million, an increase of 32.92%YoY.

During the reporting period, the Group won its first South African wind turbine order for 120MW. We will supply 48 units of our 2.5MW DDPM WTGs, and the Group was also selected as the project's EPC supplier. Goldwind will be the first DDPM wind turbine provider in the South Africa market.

The Group continued to build on its success in Pakistan, serving as an experienced practitioner of China's the "One Belt, One Road" strategy. Goldwind signed several additional contracts that will bring its accumulated installed capacity in Pakistan to over 400MW during the next two years. Goldwind WTGs will then represent over one-third of total installed wind power capacity in Pakistan.

Goldwind's global installed capacity is distributed across six continents, in countries such as the United States, Panama, Australia, Romania, Pakistan, Thailand and 16 other countries. Newly installed overseas capacity was 189.25MW during 2015 and reached an accumulated installed capacity of 864.25MW as of year-end 2015. Each of the Group's overseas projects reported stable operations and high customer satisfaction.

v. Major Subsidiaries

As at 31 December 2015, the Company had 148 subsidiaries, which included 20 directly owned subsidiaries and 128 indirectly owned subsidiaries. In addition, we had 8 joint ventures, 15 associated companies and held 14 unlisted equity investments categorised as available-for-sale investments. The Group's subsidiaries included R&D and manufacturing companies for WTG components, wind farm investment and development companies, and wind power service companies. The following table sets out the key financial information of principal subsidiaries of the Company (reported in accordance with CASBE). Other information is available in Note 18 to the Financial Statements:

As at 31 December 2015
Unit: RMB

No.	Company Name	Registered Capital (RMB ten thousand, unless otherwise stated)	Total Assets	Net Assets	Revenue of Principal Businesses	Net Profits Attributable to the Company
1	Beijing Goldwind Science & Creation Wind Power Equipment Co., Ltd.	99,000.00	5,537,855,964.23	1,126,918,512.46	5,428,122,004.41	(198,121,670.78)
2	Vensys Energy AG	€500	701,657,238.64	438,113,898.54	595,562,136.04	43,079,369.62
3	Gansu Goldwind Wind Power Equipment Manufacture Co., Ltd.	8,860.00	609,056,528.06	200,860,897.52	960,900,090.26	31,224,872.05
4	Jiangsu Goldwind Technology Co., Ltd.	75,961.00	2,202,317,673.88	1,176,578,214.13	2,509,090,945.62	225,202,190.65
5	Beijing Techwin Electric Co., Ltd.	10,000.00	1,859,216,209.62	919,779,289.87	4,468,197,310.80	778,450,093.94
6	Beijing Tianrun New Energy Investment Co., Ltd.	420,000.00	21,278,647,773.33	5,240,778,326.54	1,312,874,646.24	354,969,000.26
7	Goldwind Investment Holding Co., Ltd.	100,000.00	1,307,685,038.59	1,243,696,058.49	13,251,538.26	108,723,602.49
8	Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd.	20,000.00	2,543,035,972.04	219,328,204.47	2,400,799,392.72	(66,343,493.78)
9	Tianxin International Finance Lease Co., Ltd.	USD3,000	2,077,613,010.30	322,858,432.25	136,686,868.84	75,065,461.39

vi. Use of Proceeds

1. Use of H Shares Proceeds

The Company conducted the initial public offering of its H Shares and had its H Shares listed on the main board of the Stock Exchange 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 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 35.20% shall be used in the international market. As at 31 December 2015, the accumulated used proceeds were the equivalent of RMB6.114 billion in HKD and the unused proceeds were the equivalent of RMB0.64 billion in HKD. The use of the Company's H Share proceeds is as follows:

As at 31 December 2015
Unit: RMB million

Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Construction of production base and optimisation of business operations	2,715	2,577	138
R&D of WTGs and components	986	491	495
International business	1,972	1,965	7
Bank loan repayment	411	411	–
General working capital	670	670	–
Total	6,754	6,114	640

2. Use of New A Shares Proceeds

The company has issued 40,953,000 of New A Shares as part of a non-public subscription offering, which were listed on the SZSE on 18 August 2015. According to the *Capital Verification Report* issued by Ernst & Young Hua Ming,LLP, the total proceeds of the New A Shares offering were the RMB346,871,910. As at 31 December 2015, all proceeds have been used.

III. OPERATIONS PERFORMANCE AND ANALYSIS

The contents of this section should be read in conjunction with the Financial Statements, including the relevant notes, set out in this announcement.

Summary

For the financial year ended 31 December 2015, revenue from operations for the Group was RMB29,846.00 million, representing an increase of 69.84% compared with RMB17,572.60 million for the financial year ended 31 December 2014. Net profit attributable to owners of the Company was RMB2,849.50 million, representing an increase of 55.74% compared with RMB1,829.68 million for the financial year ended 31 December 2014. The Group reported basic earnings per share of RMB1.05.

The following table provides Group's major financial indicators:

	Year ended 31 December 2015	2014	Change (percentage points)
Profitability Index			
Sales margin	**9.55%**	10.41%	–0.86
Return on investment index			
Weighted average return on net assets*	**18.13%**	13.00%	+5.13

* Calculated according to Announcement No. [2010]2, which is *Information Disclosure Compiling Rule No. 9 of Public Offering Company about the Calculation and Disclosure of Net Asset Income Rate and Earnings Per Share.*

Revenue

The Group's revenue was generated primarily from the WTG Manufacturing, Wind Power Services, and Wind Farm Investment and Development business segments. Revenue from WTG Manufacturing was mainly generated through sales of WTGs and components. Revenue from Wind Power Services was mainly generated through services such as wind farm EPC, transportation and maintenance. Revenue from Wind Farm Investment and Development was mainly generated from the sale of power produced by our operating wind farms. Revenue from other business segment of Goldwind included revenue from lease financing and water treatment.

For the financial year ended 31 December 2015, revenue from operations for the Group was RMB29,846.00 million, representing an increase of 69.84% compared with RMB17,572.60 million for the financial year ended 31 December 2014. Details are set out below:

Unit: RMB thousand

	Year ended 31 December		Amount	Percentage
	2015	2014	Change	Change
WTG Manufacturing	**26,858,326**	15,703,571	11,154,755	71.03%
Wind Power Services	**1,281,972**	649,403	632,569	97.41%
Wind Farm Investment and Development	**1,552,876**	1,169,021	383,855	32.84%
Other	**152,824**	50,606	102,218	201.99%
Total	**29,845,998**	17,572,601	12,273,397	69.84%

Revenue increased due to: (i) strong growth of China's wind power industry in 2015, driven by planned investment by wind developers that was accelerated by the government's adjustment of the wind power feed-in tariff, starting from 2014 and continuing into 2015. Due to the faster pace of wind farm development during 2015, the Group's sales volume and EPC business increased significantly; and (ii) a significant increase in the number of wind farms that Goldwind owns and operates, resulting in higher sales of wind power.

Cost of Sales

The Group's cost of sales consisted primarily of raw materials and components, labour, depreciation and amortisation, other production costs, and changes in inventories and transferred fixed assets. The cost of raw materials and components mainly included blades, generators, structural parts, and electric control systems. Labour costs primarily consisted of salaries and wages for employees directly involved in production and wind power services. Depreciation and amortisation expenses were calculated for the usage of fixed assets and intangible assets, respectively, during the Group's operations. Changes in inventories and transferred assets represented the changes in unfinished and finished goods and the use of our WTGs as fixed assets in wind farms developed by the Group, respectively.

The following table provides a breakdown of the Group's cost of sales:

Unit: RMB thousand

	Year ended 31 December 2015	2014	Amount Change	Percentage Change
Raw materials and components	**24,718,942**	13,258,502	11,460,440	86.44%
Labour	**186,812**	160,403	26,409	16.46%
Depreciation and amortisation	**465,273**	349,906	115,376	32.97%
Other production costs	**1,169,534**	716,583	452,951	63.21%
Changes in inventories and transferred assets	**(4,471,520)**	(1,479,200)	(2,992,320)	202.29%
Total	**22,069,041**	13,006,194	9,062,847	69.68%

The following table provides a breakdown of the Group's cost of sales by business segments:

Unit: RMB thousand

	Year ended 31 December 2015	2014	Amount Change	Percentage Change
WTG Manufacturing	**20,332,006**	12,022,635	8,309,371	69.11%
Wind Power Services	**1,136,552**	574,399	562,153	97.87%
Wind Farm Investment and Development	**583,089**	408,168	174,921	42.86%
Other	**17,394**	992	16,402	1,653.43%
Total	**22,069,041**	13,006,194	9,062,847	69.68%

The Group's cost of sales increased mainly due to increased revenue for 2015.

Gross Profit

Unit: RMB thousand

	Year ended 31 December 2015	2014	Amount Change	Percentage Change
WTG Manufacturing	**6,526,320**	3,680,936	2,845,384	77.30%
Wind Power Services	**145,420**	75,004	70,416	93.88%
Wind Farm Investment and Development	**969,787**	760,853	208,934	27.46%
Other	**135,430**	49,614	85,816	172.97%
Total	**7,776,957**	4,566,407	3,210,550	70.31%

Gross Profit increased mainly due to an increase in gross profit from the WTG Manufacturing and Wind Farm Investment and Development business segments, but also to a lesser extent due to the Wind Power Services and Other business segments.

For the financial years ended 31 December 2014 and 2015, the Group's comprehensive gross profit margins were 25.99% and 26.06%, respectively, and the gross profit margins for the WTG Manufacturing segment were 23.44% and 24.30%, respectively. The following table sets out the gross profit margins for our WTGs (prepared in accordance with CASBE):

Gross Profit Margin	Year ended 31 December 2015	2014	Change (percentage points)
3.0MW	**25.54%**	–	–
2.5MW	**23.28%**	22.26%	1.02
2.0MW	**20.33%**	–	–
1.5MW	**26.94%**	25.12%	1.82
750kW	**29.65%**	25.06%	4.59

For the financial year ended 31 December 2015, the gross profit margin for the Group's 1.5MW WTGs increased by 1.82 percentage points YoY, because that product platform has achieved economies of scale resulting from mass production and high volume deliveries, combined with cost controls that reduced production costs.

The 2.0MW product platform was newly introduced in 2015, but still contributed significantly to results. We expect results for the 2.0MW WTGs to improve further in the future due to the increased sales volumes.

For the financial year ended 31 December 2015, the gross profit margin for the Group's 2.5MW units increased by 1.02 percentage points YoY, mainly due to larger-scale production of that product series, combined with cost controls that reduced production costs.

Other Income and Gains

The Group's other income and gains primarily consisted of gains from the sale of wind farms (including previously unrealised gross margin from the intersegment sale of WTGs installed at our wind farms), interest income, insurance compensation for product warranty expenditures, gross rental income, and government grants received for R&D projects and upgrades of our production facilities.

Other income and gains of the Group for the financial year ended 31 December 2015 was RMB772.83 million, representing a 2.64% decrease from RMB793.82 million for the financial year ended 31 December 2014. This was mainly attributed to the decreased sale of wind farms, which was partly offset by an increase in interest income.

Selling and Distribution Costs

The Group's selling and distribution costs primarily consisted of product warranty provisions, transportation costs, insurance expenses, bidding service fees, labour costs, loading and unloading fees, and travel expenses.

The Group incurred selling and distribution costs of RMB2,867.87 million during the financial year ended 31 December 2015, representing a 95.82% increase from RMB1,464.53 million for the financial year ended 31 December 2014. This was mainly attributed to an increase in the sales of WTGs which led to increased product warranty provisions.

Administrative Expenses

The Group's administrative expenses primarily consisted of R&D expenses, labour costs, taxes, depreciation, consultation fees, and travel expenses.

The Group incurred RMB1,635.76 million of administrative expenses during the financial year ended 31 December 2015, representing a 37.32% increase from RMB1,191.19 million for the financial year ended 31 December 2014. This was mainly attributed to higher employee costs associated with our expanded business scope and R&D initiatives to enhance the Group's core competitiveness and consolidate its lead in the market.

Other Expenses

The Group's other expenses primarily consisted of banking administration fees, foreign exchange losses, and impairment provisions accrued in connection with our trade and bills receivables.

The Group incurred RMB405.19 million of other expenses during the financial year ended 31 December 2015, representing a 311.07% increase from RMB98.57 million for the financial year ended 31 December 2014. This was mainly attributed to an increase in the impairment of past-due receivables and higher foreign exchange losses.

Finance Costs

The Group incurred RMB555.68 million of financial costs during the financial year ended 31 December 2015, representing a 4.90 % decrease from RMB584.29 million for the financial year ended 31 December 2014. This was mainly attributed to a decrease in the Group's blended average interest rate resulting from a reduction in the benchmark lending rate set by the People's Bank of China, better access to low-interest bank loans, the issue of USD bonds, and the repayment of RMB corporate bonds and bank loans.

Income Tax Expense

Income tax expense of the Group for the financial year ended 31 December 2015 was RMB371.44 million, representing a 45.39% increase from RMB255.47 million for the financial year ended 31 December 2014. This was mainly attributed to increased pre-tax profit due to increased sales.

Capital Expenditures

The Group reported capital expenditures of RMB7,260.81 million for the financial year ended 31 December 2015, representing a 185.05% increase from RMB2,547.20 million for the financial year ended 31 December 2014. Our primary source of funds to finance capital expenditures included bank loans and cash flows from operations of the Group.

Financial Resources and Liquidity

Unit: RMB thousand

Cash Flow Statement	Year ended 31 December 2015	2014
Net cash flows from operating activities	**4,766,128**	2,829,384
Net cash flows used in investing activities	**(7,245,171)**	(1,674,741)
Net cash flows (used in)/from financing activities	**(969,812)**	4,134,920
Net increase/(decrease) in cash and cash equivalents	**(3,438,855)**	5,289,563
Cash and cash equivalents at beginning of year	**9,523,826**	4,276,301
Effect of foreign exchange rate changes, net	**56,459**	(42,038)
Cash and cash equivalents at end of year	**6,141,430**	9,523,826

1. Cash flows from operating activities

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

Net cash flows from operating activities of the Group for the financial year ended 31 December 2015 was RMB4,766.13 million. Cash inflows were principally comprised of profit before tax of RMB3,246.83 million, adjusted for a RMB555.68 million increase in finance costs, a RMB2,836.59 million increase in trade and bills payables and other payables and accruals (due to the Group paying expenses through bills payable more at the end of the year in order to increase cash flow), and a RMB1,394.80 million increase in the provision. These cash inflows were offset by a RMB4,048.22 million increase in trade and bills receivables.

Net cash flows from operating activities of the Group for the financial year ended 31 December 2014 was RMB2,829.38 million. Cash inflows were principally comprised of profit before tax of RMB2,108.99 million, adjusted for a RMB584.29 million increase in finance costs, a RMB4,120.43 million increase in trade and bills payables and other payables and accruals (due to the Group paying expenses through bills payable more at the end of the year in order to increase cash flow), and a RMB500.18 million increase in provision. These cash inflows were offset by a RMB2,095.30 million increase in trade and bills receivables and a RMB1,297.09 million increase in prepayments, deposits and other receivables.

2. Cash flows used in investing activities

The Group's net cash flows used in investing activities primarily consisted of purchases of items of property, plant and equipment, acquisition of subsidiaries, pledged deposits, non-pledged time deposits with original maturity of three months or more when acquired, and purchases of available-for-sale investments.

Net cash flows used in investing activities of the Group for the financial year ended 31 December 2015 was RMB7,245.17 million. Cash outflows were principally comprised of purchases of items of property, plant and equipment of RMB6,766.88 million, and purchases of other intangible assets of RMB668.34 million. These cash outflows were offset by RMB241.81 million of cash received from the disposal of subsidiaries, net of cash disposed of, and RMB150.04 million of dividends received from the Group's joint ventures and associates.

Net cash flows used in investing activities of the Group for the financial year ended 31 December 2014 was RMB1,674.74 million. Cash outflows were principally comprised of purchases of items of property, plant and equipment of RMB2,312.60 million, and purchases of other intangible assets of RMB376.24 million and purchase of other long term assets of RMB87.82 million. These cash outflows were offset by RMB851.96 million of cash received from the disposal of a business and subsidiaries, and RMB190.35 million of dividends received from the Group's joint ventures and associates.

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

The Group's net cash flows used in financing activities primarily consisted of repayment of bank loans and dividend paid to owners of the Company. Our net cash flows from financing activities primarily consisted of new bank loans.

Net cash flows used in financing activities of the Group for the financial year ended 31 December 2015 was RMB969.81 million. Cash outflows were principally comprised of repayment of bank loans of RMB7,169.56 million, interest payments of RMB731.27 million, and a dividend payment of RMB1,053.38 million. These cash outflows were offset by RMB7,576.25 million of new bank loans.

Net cash flows from financing activities of the Group for the financial year ended 31 December 2014 was RMB4,134.92 million. Cash inflows were principally comprised of new bank loans of RMB6,367.45 million. These cash inflows were offset by RMB1,344.98 million in repayment of bank loans, RMB646.11 million in interest paid, and RMB215.57 million in dividend paid to owners of the Company.

Financial Position

As at 31 December 2015 and 2014, the Group's total assets were RMB52,572.40 million and RMB45,777.33 million, respectively, current assets were RMB25,286.64 million and RMB28,094.89 million, respectively, and the percentage of current assets to total assets was 48.10% and 61.37%, respectively. Current assets decreased mainly due to lower inventories resulting from inventory management and increased WTG sales, decreased cash and cash equivalents resulting from increased wind farm investment and decreased assets of a disposal group classified as held for sale resulting from wind farm held for sale. These items were partially offset by increased trade and bill receivables resulting from higher sales volume.

As at 31 December 2015 and 2014, the Group's non-current assets were RMB27,285.76 million and RMB17,682.44 million, respectively. The non-current assets increased mainly due to increased property, plant and equipment resulting from additional operating and under-construction wind farms, increased financial receivables resulting from finance lease receivables and increased prepayments, deposits and other receivables resulting from deductible value-added tax.

As at 31 December 2015 and 2014, the Group's total liabilities were RMB35,181.80 million and RMB30,550.32 million, respectively, and current liabilities were RMB20,958.89 million and RMB22,319.76 million, respectively. Current liabilities decreased mainly due to a reduction of current interest-bearing corporate bonds and bank loans resulting from repayment of obligations repayable within one year. These items were partially offset by increased trade payables and provisions resulting from increased sales volumes.

As at 31 December 2015 and 2014, the Group's non-current liabilities were RMB14,222.91 million and RMB8,230.56 million. Non-current liabilities increased mainly due to additional non-current interest-bearing borrowings to finance operating and under-construction wind farms, increased provisions resulting from the increased sales volumes and the issue of USD bonds used to supplement working capital and for the repayment of bank loans.

As at 31 December 2015 and 2014, the Group's net current assets were RMB4,327.75 million and RMB5,775.13 million, and the net assets were RMB17,390.60 million and RMB15,227.01 million, respectively.

As at 31 December 2015 and 2014, the Group's cash and cash equivalents were RMB6,147.38million and RMB9,528.46million, respectively, and interest-bearing bank loans and other borrowing were RMB12,494.73 million and RMB11,880.45 million, respectively.

Interest-bearing Bank Loans and Other Borrowing

As at 31 December 2015, the amount of the Group's interest-bearing bank loans was RMB10,122.67 million, including bank loans repayable within one year of RMB1,734.10 million, in the second year of RMB896.88 million, in the third to fifth year of RMB2,285.51 million, and above five years of RMB5,206.18 million. In addition, as at 31 December 2015, the Group's outstanding amount of corporate bonds was RMB2,372.05million.

Capitalisation of Interest

During 2015, the Group's capitalised RMB89.90 million of interest expense to property, plant and equipment in accordance with IFRS.

Reserves

As at 31 December 2015, the Company's reserves distributable to shareholders was RMB1,680.26 million. This was the lower of two figures calculated in accordance with CASBE and IFRS.

Restricted Assets

As at 31 December 2015, certain assets of the Group with a total carrying value of RMB11,237.38 million were pledged as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB444.54 million, trade and bills receivables of RMB1,548.67 million, property, plant and equipment of RMB9,161.55million, and prepaid land lease payments of RMB82.62 million.

As at 31 December 2014, certain assets of the Group with a total carrying value of RMB9,116.05 million were pledged as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB887.03 million, trade and bills receivables of RMB1,557.18 million, property, plant and equipment of RMB6,600.37 million, and prepaid land lease payments of RMB71.47 million.

Gearing Ratio

As at 31 December 2015, the Group's gearing ratio was 56.57%, representing an increase of 8.11% compared with 48.46% as at 31 December 2014.

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The Group primarily operated its businesses in China. Over 90% of the Group's revenue, expenditure, and financial assets and liabilities were denominated in RMB. The exchange rate of the RMB against foreign currencies did not have a significant impact on the Group's businesses. During the reporting period ended 31 December 2015, the Group signed a few forward foreign exchange agreements with China Construction Bank to avoid foreign currency exchange risks. The Group's foreign exchange exposure associated with such transactions (except for the functional currency of the relevant operating entities) maintained at a relatively low level. The currency translation difference incurred by the Group in respect of the long-term equity investment by our subsidiaries incorporated outside China was recorded under the translation reserve.

Contingent Liabilities

The Group's contingent liabilities primarily consisted of letters of credit issued, letters of guarantee issued, guarantees given to a bank in connection with a bank loan granted to a jointly-controlled entity or third party, and compensation arrangements.

As at 31 December 2015, the Group's contingent liabilities were RMB10,325.55million, representing an increase of RMB3.53 million compared with RMB10,322.02 million as at 31 December 2014.

IV. OUTLOOK FOR 2016

Climate change is an enormous challenge faced by society today. In response, many nations seek to transition to low-carbon, clean and sustainable renewable energy. China has placed a higher priority on conservation and protection of the environment, making these goals a part of basic state policy. Going forward, China will pursue a greener and lower-carbon development, moving toward a circular economy to reduce or eliminate waste. As one of the most promising renewable energy that possesses the most mature technology and the lowest development cost, wind power has greatly boosted the energy system reform in China.

i. Industry Outlook

1. Industry Development Trends

China's 13th Five Year Plan represents a critical time for the transformation and development of China's energy mix. As part of that process, China will pursue the sustainable and healthy development of wind power and other renewable energy resources. According to *The Strategic Action Plan on the Energy Development* issued by the State Council, the proportion of renewable energy in the energy production and consumption should be increased substantially. Non-fossil fuel energy should account for at least 15% of primary energy consumption by the end of the 13th Five-Year Plan in 2020. Wind power and other renewable energy resources are expected to undergo a transition from a supplemental source of energy to a replacement for conventional energy.

According to the "*China Energy Outlook for 2030*" published by the China Energy Research Society, China's accumulated installed wind power is expected to reach 250GW by 2020, accounting for 12.5% of the total installed power generating capacity. By 2030, accumulated installed wind power capacity may reach 450GW, adequate to provide about 900 billion kWh of electricity.

The World Wind Energy Association (WWEA) noted that wind energy has gradually become a mainstream source of energy in its report entitled "*Wind Energy 2050*". The WWEA expects that all of the world's power demand may be met with renewable energy by 2050 and wind power will account for 40% of total power generated.

2. Market Trends

As China's wind power market matures, the competitive environment has become more rational. Moreover, faced with pressure resulting from the reduction of the wind feed-in tariff, developers will become more attentive to each wind farm project's full life-cycle costs per kWh. As a result, customers have begun to place a higher value on product quality and valued-added services. As a result, wind power manufacturers that can offer comprehensive solutions to their customers may have a greater competitive advantage.

According to China's NEA, more than half of wind farm capacity newly approved during 2015 was located in eastern China and south-central China. In response, wind power developers will shift their focus toward these lower-wind speed regions. As a result, wind power manufacturers are launching larger capacity units and designed for low-wind speed conditions in order to seek a competitive advantage in the changing market.

The wind power industry has begun to incorporate the Internet-of-Things and seek data-driven solutions to speed the improvement of its technology, products and services, and related software. To that end, China has introduced some policies for wind and solar photovoltaic power. For example, a flexible internet-based green energy trading platform will enable direct transactions between the wind, solar photovoltaic, hydropower and other green and low-carbon energy sources and power users, to establish a new model for green energy production, consumption and trading. The application of automated and adaptive services and software within the new energy industry will be a defining trend for the renewable energy development.

ii. Corporate Strategy

The Group will seek to become a leading international provider of integrated clean energy and energy conservation solutions. In response to competitive challenges and the evolution of the renewable energy industry, the Group will pivot the direction of its development, its business structure, its coordination and management. In addition to strengthening its core wind power business in R&D, manufacturing and sales, Goldwind will enter other segments of the wind power industry that have room for improvement. Doing so will enable Goldwind to provide its customers with integrated wind power solutions, including wind power equipment, smart resources management, and other types of clean power. Goldwind will also continue to pursue international expansion and demonstrate leadership in the global wind industry, by ensuring that our technology, marketing strategy, personnel and capital resources are well-suited to overseas markets. In addition to our core expertise in wind power, the Group will pursue the joint development of other types of renewable energy and environmental protection businesses. Goldwind will encourage the development of smart micro-grid and energy saving technologies. By leveraging our existing resources and advantages, Goldwind will seek opportunities in electronics and other technology related to energy, helping to lead the way toward long-term sustainable development of renewable energy.

iii. Operations Plan and Major Targets

1. Strategy and Business Transformation

Goldwind will shift the focus of its WTG business from wind power equipment to comprehensive system solutions; begin to implement digital solutions and optimize the industrial supply chain; encourage synergy between the supply chain and our customers and extend the Internet-of-Things to optimize customers' value; and actively participate in electric power reform and seek new opportunities that may arise from the power reform process.

2. Improve Product Quality Technology and Mechanism Innovation

Goldwind will apply industrial chain lean management to the technology and system innovation process for our WTGs and wind farms; seek technical solutions to improve wind power consumption from distributed smart grid demonstration projects; strengthen offshore wind power technological capabilities; and create an innovation platform with an incentive mechanism for successful new concepts.

3. Higher Value Product and Services

Goldwind will establish a product management platform that seeks to increase the value created by our products and services; improve customer experience by responding to market demand; extend product marketing from wind farms to system solutions, from WTGs to integrated services; and increase R&D efficiency to improve our products' market value and competitiveness. Expanding the scale of after-sales service is equally important in order to improve the marketability of value-added services.

4. Further Improve Lean Management and Value Management

Goldwind will continue to implement lean management, to achieve better performance and operating efficiency in terms of EVA (Economic Value Added).

v. Capital Needs

According to the Company's 2016 operations plan and major targets, Goldwind's working capital requirements should be met with a combination of existing funds, operating cash flow, and bank loans in 2016. The Group has a strong capacity to service its debts, a sound reputation in the financial community, ample capital resources and ease of access to additional capital.

vi. Potential Risk Factors

1. Consumption of Wind Power

In 2015, the curtailment of wind power in China worsened, growing nearly two-fold YoY and reaching the highest percentage level in three years. NDRC announced two planned reductions of the wind power feed-in tariff during 2015. Developers accelerated project construction leading up to the first deadline to secure a higher feed-in tariff. Faster growth of connected wind capacity resulted in higher available wind power and placed downward pressure on wind power capacity utilization. Although China has issued a number of policies to improve wind power utilization and reduce wind curtailment, this issue may continue to restrict near-term wind power development.

2. Electricity Price Reduction

According to the renewable energy section of China's 13th Five-Year Plan, new energy should trend toward grid parity. Wind power, which is the most cost-effective source of renewable power in China, should target wholesale grid parity by 2020, narrowing the gap between the on-grid price of wind power and that of conventional power. This trend may affect the profitability of the wind power industry chain to a certain degree.

3. Electricity Demand Decline

According to China's NEA, national electricity consumption was 55,500 billion kWh in 2015, a YoY increase of 0.5%, which compares to power demand growth of 3.8% in 2014. As China undergoes economic restructuring to place a greater emphasis on domestic consumers and services, weaker industrial demand has slowed electricity demand growth and may impact demand for wind power and other renewable energy.

V. CORE COMPETITIVE ADVANTAGES

i. Market Position

Goldwind is the longest-established WTG manufacturer in China. During more than ten years of development, we have matured into a leading domestic manufacturer and global comprehensive wind power solutions provider. Our 1.5MW, 2.5MW, 3.0MW and 6.0MW DDPM WTG models, represent the most promising technology in the global wind power industry. Goldwind has consistently ranked first in China's wind power manufacturing industry for five years. In 2015, Goldwind was 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, including high efficiency, low operations and maintenance costs, grid-friendly features and high availability. Our products are widely recognised by our customers and represent a leading global wind power technology. We have four R&D centres in the world and more than 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 climate conditions to satisfy the diverse demands of our customers. The development and marketing of diversified products has improved our market position. We currently have a substantial backlog of WTG orders, providing enhanced revenue visibility and demonstrating that our customers value the superior quality of our products and services.

iii. Brand Awareness

Goldwind has successfully established its brand and continues to improve awareness of its products' advanced technology, superior quality, high efficiency, and excellent after-sales services. We have built an excellent brand and gained substantial recognition from government agencies, our customers, our business partners, and investors.

iv. Comprehensive Wind Power Solutions

Goldwind continued to consolidate its position as a leading comprehensive wind power solutions provider, thanks to its advanced technology, products, and extensive experience in wind farm development, operations and maintenance. In addition to 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 have successfully overcome 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 a strategy of internationalisation. By following a principle of "internationalisation through localisation", we achieved breakthroughs in key target markets in the Americas, Australia and Europe. We continued to make progress in emerging markets in 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.

Profiles of Directors, Supervisors and Senior Management

Below are the profiles of Directors, Supervisors and Senior Management that were in office as at the Latest Practicable Date:

EXECUTIVE DIRECTORS

Mr. Wu Gang (武鋼先生)

Mr. Wu Gang **("Mr. Wu")**, aged 58, is currently the Chairman. Mr. Wu graduated from Tsinghua University with a master's degree. He is a professor-level senior engineer and an expert entitled to a special allowance granted by the State Council. He is one of the founders of the Company and has been with the Company for over 10 years. He was appointed as the Chairman in May 2002 and previously concurrently served as the Company's general manager between 2002 and 2006, CEO between 2006 and 2013 and President between March 2012 and January 2013.

Mr. Wu currently also serves as the chairman of the board and Party Committee secretary of Xinjiang New Energy (Group) Co., Ltd. The aforementioned company is a private company.

Mr. Wang Haibo (王海波先生)

Mr. Wang Haibo **("Mr. Wang")**, aged 42, is currently an executive Director and the President. Mr. Wang graduated from Xinjiang Finance and Economics University with a bachelor's degree. He joined the Company in 2001 and has been with the Company for over 10 years. He served as the Company's director of Sales and Marketing, director of Investment and Development, deputy, general manager and subsequently chairman of the board of Beijing Tianrun and general manager and CEO of Goldwind International Holdings (HK) Limited since March 2001 to January 2014. He served as the Company's vice president between 2010 and 2013. He was appointed as a Director in June 2012 and the President in January 2013.

Mr. Cao Zhigang (曹志剛先生)

Mr. Cao Zhigang **("Mr. Cao")**, aged 41, is currently an executive Director and executive vice president of the Company. Mr. Cao graduated from Xinjiang University with a bachelor's degree. He is a senior engineer. He joined the Company in 2001 and has been with the Company for over 10 years. He previously served as the Company's director of Electronic Control, deputy chief engineer and vice president. He was appointed as an executive vice president of the Company in March 2010 and a Director in June 2013.

NON-EXECUTIVE DIRECTORS

Mr. Li Ying (李熒先生)

Mr. Li Ying **("Mr. Li")**, aged 81, is currently the Vice Chairman. Mr. Li graduated from Wuhan College of Hydraulics. He is a professor-level senior engineer and an expert entitled to a special allowance granted by the State Council. He previously served as the manager and deputy director of the Department of Hydropower of the Ministry of Water Resources between 1985 and 1996, and served as the chairman of the board of Jianghe Rural Electricity Development Co., Ltd. between 1996 and 2011. He was appointed as the Vice Chairman in March 2001 and has been with the Company as a non-executive Director for over 10 years.

Mr. Yu Shengjun（于生軍先生）

Mr. Yu Shengjun **("Mr. Yu")**, aged 42, is currently a non-executive Director. Mr. Yu graduated from Xinjiang University of Finance & Economics with a master's degree. He is a senior engineer. He previously served as a duty officer-in-charge, project manager, director of R&D, director of project construction, director of project development, member of Party Committee, and deputy general manager of Xinjiang Wind Power, a substantial shareholder of the Company, between 1998 and 2012. He currently serves as the chairman of the board and Party Committee secretary of Xinjiang Wind Power since September 2012, and the deputy general manager of Xinjiang New Energy (Group) Co., Ltd since June 2013. He was appointed as a Director in January 2013.

Mr. Zhao Guoqing（趙國慶先生）

Mr. Zhao Guoqing **("Mr. Zhao")**, aged 47, holds a bachelor degree, and he has been the Chief Accountant of China Three Gorges New Energy, a substantial shareholder of the Company, since October 2011. Mr. Zhao worked for China Ministry of Water Resources from November 1995 to February 2010 and held various positions including Officer of Finance Division, Deputy Director of Finance Department of Service Center and Director of Finance Department and Audit Department of Service Bureau. Mr. Zhao held the position of Deputy Chief Accountant of China Water Investment Group Corporation from February 2010 to June 2010. Mr. Zhao also held the position of Deputy Chief Accountant of China Three Gorges New Energy from June 2010 to October 2011.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Dr. Tin Yau Kelvin Wong（黃天祐博士）

Dr. Tin Yau Kelvin Wong **("Dr. Wong")**, aged 55, is currently an independent non-executive Director. Dr. Wong obtained his MBA from Andrews University in Michigan, USA, and his Doctorate of Business Administration from The Hong Kong Polytechnic University. He previously served as the general manager of corporate development of Termbray Industries International (Holdings) Limited between 1994 and 1996. He currently serves as an executive director and deputy managing director of COSCO Pacific Limited, the securities of which are listed on the Stock Exchange. He was appointed as a Director in June 2011.

Dr. Wong is the non-executive director of the SFC, member of the Financial Reporting Council, convenor and member of the Financial Reporting Review Panel, member of the Standing Committee on Company Law Reform, member of the Corruption Prevention Advisory Committee of the Independent Commission Against Corruption, member of the board of Hong Kong Sports Institute Limited, council member of The Hong Kong Management Association, key member of the OECD/World Bank Asian Corporate Governance Roundtable, and council advisor of the Hong Kong Chinese Orchestra Limited. Dr. Wong was appointed as the Justice of the Peace by the government of Hong Kong Special Administrative Region in 2013.

Dr. Wong currently also serves as an independent non-executive director and chairman of the audit committee of China Zheng Tong Auto Services Holdings Limited, I.T Limited, AAG Energy Holdings Limited and Huarong International Financial Holdings Limited, an independent non-executive director and member of the audit committee of Bank of Qingdao Co., Ltd., and an independent non-executive director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd. The securities of each of the aforementioned companies are listed on the Stock Exchange.

Mr. Yang Xiaosheng (楊校生先生)

Mr. Yang Xiaosheng **("Mr. Yang")**, aged 64, is currently an independent non-executive Director. Mr. Yang graduated from Beijing University of Agricultural Engineering with a master's degree in agricultural electrification. He is a senior engineer. He previously served as deputy chief engineer and chief engineer of China Longyuan Power Group Limited between 2000 and 2009, and chief engineer of China Longyuan Power Group Corporation Limited between 2009 and 2012. He was appointed as a Director in June 2013.

Mr. Yang is the secretary general of the National Energy Industries Wind Power Standardisation Committee, deputy head of the Experts Group for Renewable Energy Development Planning under the Twelfth Five-Year Plan of the Ministry of Science and Technology of China, and director general of the Wind Power Equipment Sub-committee of China Association of Agricultural Machinery Manufacturers.

Mr. Luo Zhenbang (羅振邦先生)

Mr. Luo Zhenbang **("Mr. Luo")**, aged 51, is currently an independent non-executive Director. Mr. Luo graduated from Tsinghua University with a master's degree in corporate governance and innovation. He is a China Certified Public Accountant, Certified Tax Agent, Certified Public Valuer, and an accountant. He previously served as a deputy director accountant of Tianhua Certified Public Accountants between 2002 and 2008. He currently serves as a director and senior partner of BDO China Shu Lun Pan Certified Public Accountants. He was appointed as a Director in June 2013.

Mr. Luo currently also serves as an independent non-executive director of China Aerospace International Holdings Limited, China City Railway Transportation Technology Holdings Company Limited, Glory Properties Limited and Digital China Holding Limited, and member of the internal audit committee of Northeast Securities Co., Ltd. The securities of China Aerospace International Holdings Limited, China City Railway Transportation Technology Holdings Company Limited, Glory Properties Limited and Digital China Holding Limited are listed on the Stock Exchange.

SUPERVISORS

Mr. Wang Mengqiu (王孟秋先生)

Mr. Wang Mengqiu **("Mr. Wang")**, aged 52, is currently the chairman of the Supervisory Committee. Mr. Wang holds a university degree. He previously served as a deputy director and director of finance centre of China Water Investment Group Corp. between 1998 and 2006. He currently serves as the director of internal audit of China Three Gorges New Energy, a substantial shareholder of the Company. He was appointed as a Supervisor in August 2008 and the chairman of the Supervisory Committee in March 2010.

Mr. Wang currently also serves as the chairman of the supervisory committee of Sinomatech Wind Power Blade Co., Ltd. and Inner Mongolia of Gimhae New Energy Technology Co., Ltd., and a supervisor of Shangdu Tianrun Co., Ltd. all of which are a private company.

Mr. Wang Shiwei（王世偉先生）

Mr. Wang Shiwei **("Mr. Wang")**, aged 59, is currently a Supervisor. Mr. Wang holds a college degree and is an engineer. He previously served as the director of materials management of Dabancheng wind farm, plant manager of the WTG assembly plant of XJ New Wind, and deputy general manager of Xinjiang Wind Power, a substantial shareholder of the Company, between 1998 and 2013. He currently serves as a senior consultant of Xinjiang Wind Power. He was appointed as a Supervisor in September 2009.

Mr. Wang currently also serves as a supervisor of Urumqi Huachun Small Loans Co., Ltd., which is a private company.

Mr. Luo Jun（洛軍先生）

Mr. Luo Jun **("Mr. Luo")**, aged 49, is currently a Supervisor. Mr. Luo holds a bachelor's degree and is an accountant. He previous served as an employee of finance department and reform office and the head of equity management office of Xinjiang Wind Power, a substantial shareholder of the Company, between 2002 and 2013. He currently serves as the secretary of the board and director of asset management of Xinjiang Wind Power. He was appointed as a Supervisor in May 2004.

Mr. Luo currently also serves as a director of Xinjiang Xinfengqi Energy Services Co., Ltd., Xi'an Wind Power Co., Ltd. of China Water Investment Group and Xinjiang New Energy Research Centre Co., Ltd., and an executive director of Xinjiang Yutian New Wind Power Co., Ltd., Urumqi Tianpeng Wind Power Co., Ltd., Xinjiang Tianxiang Wind Power Co., Ltd. and Xinjiang Aodexin New Energy Co., Ltd.. And Mr. Luo was appointed as an executive director and legal representative of Buerjin Tianpeng New Energy Limited Company and Urumqi Xinfeng Tianxiang New Energy Limited Company, respectively. All of the aforementioned companies are a private company.

EMPLOYEE REPRESENTATIVE SUPERVISORS

Ms. Zhang Xiaotao（張曉濤女士）

Ms. Zhang Xiaotao **("Ms. Zhang")**, aged 45, is currently a Supervisor. Ms. Zhang holds a bachelor's degree. She joined the Company in 2001 and has been with the Company for over 10 years. She previously served as the Company's director of Finance Centre, director of Operations Centre, director of production of the Company's WTG Business Subunit and director of audit & supervision between 2008 and October 2014. She was appointed as a Supervisor in August 2012.

Mr. Lu Min（魯敏先生）

Mr. Lu Min **("Mr. Lu")**, aged 40, is the head of internal audit and legal department of the Company since October 2014. Mr. Lu graduated from Liaoning Shihua University with a bachelor's degree. He joined the Company in February 2012 and previously served as the internal audit manager in the Company until October 2014.

SENIOR MANAGEMENT

Mr. Wu Kai（吳凱先生）

Mr. Wu Kai **("Mr. Wu")**, aged 47, is currently an executive vice president and director of R&D Centre of the Company. Mr. Wu graduated from Harbin Institute of Technology with a bachelor's degree. He served as an engineer of China Academy of Launch Vehicle Technology between 1993 and 1998, and held various positions, including sales manager, component and product manager and senior regional sales manager, in SKF China between 1998 and 2008. He joined the Company in 2008 and previously served as the general manager of Supply Chain Management Centre and R&D Centre. He was appointed as a vice president of the Company in January 2011 and executive vice president of the Company in June 2013.

Mr. Huo Changbao（霍常寶先生）

Mr. Huo Changbao **("Mr. Huo")**, aged 41, is currently the Chief Financial Officer of the Company. Mr. Huo holds a master's degree and is a certified public accountant, certified tax agent, certified public valuer, an internationally recognised certified internal auditor, a member of the Association of International Accountants and a senior fellow of the Chartered Institute of Management Accountants. He served as an employee of audit of Deloitte between 2003 and 2007, and served as the manager of audit of Ernst & Young Hua Ming between 2007 and 2010. He joined the Company in 2010 and previously served as the deputy director and director of Corporate Finance of the Company. He was appointed as the Chief Financial Officer of the Company in January 2012.

Ms. Ma Jinru（馬金儒女士）

Ms. Ma Jinru **("Ms. Ma")**, aged 50, is currently a vice president of the Company, the Secretary of the Board and the Company Secretary. Ms. Ma graduated from Jilin University of Technology. Ms. Ma holds a master's degree of engineering and law. She is a senior economist and an affiliated person of The Hong Kong Institute of Chartered Secretaries. She served as an economist with the Dalian Port Design Institute, head of the foreign trade and economic cooperation of Dalian Port Authority, manager of financial management of Dalian Port Container Integrated Development Company, and secretary of the board of Dalian Port Container Co., Ltd. between August 1990 and November 2005. She then served as the secretary of the board and company secretary of Dalian Port (PDA) Co., Ltd. between November 2005 and March 2010. She joined the Company and was appointed as a vice president of the Company, the Secretary of the Board and the Company Secretary in March 2010.

Mr. Zhou Yunzhi（周雲志先生）

Mr. Zhou Yunzhi **("Mr. Zhou")**, aged 56, is currently a vice president of the Company and the general manager of Beijing Tianyuan and the administrative deputy general manager of WTG Business Unit of the Group. Mr. Zhou graduated from Nanjing University of Science and Technology with a bachelor's degree. He is a reseacher-level senior engineer and an expert entitled to a special allowance granted by the State Council. He served as, among others, a deputy director of Xi'an Modern Chemistry Research Institute between 2000 and 2005, a deputy general manager and general manager of Zhejiang GEMSY Group Co., Ltd. between 2005 and 2007, the general manager of Jiangsu Global Shipbuilding (Yangzhou) Co., Ltd. between 2008 and 2010 and served as a deputy general manager of Zhejiang GEMSY Machanical and Electrical Co., Ltd. between 2011 and 2012. He joined the Company in 2012 and previously served as the director of the Chief Engineer Office, the general manager of Beijing Techwin. He was appointed as a vice president of the Company in March 2014.

Mr. Liu Wei（劉瑋先生）

Mr. Liu Wei **("Mr. Liu")**, aged 51, is currently a vice president of the Company and the general manager of Beijing Tianrun. Mr. Liu graduated from Peking University with a master's degree. He served as, among others, the deputy head and subsequently head of office of NDRC Xinjiang Office between 1995 and 2006, and served as a member of the town committee of Fuyun District of Aletai City between 2006 and 2007. He joined the Company in 2007 and previously served as the deputy general manager of development and administrative deputy general manager. He was appointed as a vice president of the Company in January 2013.

Mr. Yang Hua（楊華先生）

Mr. Yang Hua **("Mr. Yang")**, aged 49, is currently a vice president of the Company and the general manager of Beijing Techwin. Mr. Yang graduated from the Party School of the Central Committee of C.P.C. with a bachelor's degree. He served as general manager of New Wind Automatic Control Equipment Co., Ltd., a subsidiary of Xinjiang Wind Power between 1997 and 2004. He joined the Company in 2004 and previously served as the director of Electronic Control, deputy general manager of Customer Services, domestic sales manager of Sales and Marketing, director of Customer Services and the general manager of Beijing Tianyuan. He was appointed as a vice president of the Company in January 2011.

Mr. Liu He（劉河先生）

Mr. Liu He **("Mr. Liu")**, aged 51, is currently the Chief Engineer of the Company. Mr. Liu graduated from Northwest A&F University with a bachelor's degree. He is a senior engineer. He joined the Company in 2001 and previously served as the head of Technology, director of Technical Quality Control, deputy chief engineer, director of Quality Control, and director of Product Development Centre of the Company. He was appointed as the Chief Engineer of the Company in March 2012.

The following are Directors, Supervisors and senior management who have resigned or stepped down between 1 January 2015 and the Latest Practicable Date of this Annual Report. The Board expressed its gratitude to the following persons for their contribution during their terms of office:

Ms. Hu Yang, who stepped down as a non-executive Director with effect from 23 October 2015.

Mr. Xiao Zhiping, who stepped down as a Supervisor with effect from 22 April 2015.

The Board hereby presents to our shareholders its report for the financial year ended 31 December 2015 and the Financial Statements.

PRIMARY BUSINESS

The Group is one of the largest WTG manufacturers in the world and a leading provider of comprehensive wind power solutions. The Group is principally engaged in three business segments: (1) WTG Manufacturing; (2) Wind Power Services; and (3) Wind Farm Investment and Development. WTG Manufacturing is our core business and its revenue represents a majority of the Group's total revenue from operations. Fair review of the principal activities of the Group for the financial year ended 31 December 2015, analysis of its performance using financial indicators and its likely future development are set out in the section headed "Management Discussion and Analysis" on page 18 of this annual report.

RESULTS AND PROFIT DISTRIBUTION

The annual results of the Group for the financial year ended 31 December 2015 are set out in the Financial Statements.

The Board recommends the payment of a final dividend of RMB0.48 per share (including tax) from the Company's retained distributable profit for the financial year ended 31 December 2015. This recommendation is subject to approval by the Shareholders at the forthcoming AGM for the year of 2015 in accordance with the provisions of the Articles, and will be implemented thereafter.

TAX RELIEF

As stipulated by the Notice on Issues relating to Enterprise Income Tax Withholding over Dividends Distributable to their H-share shareholders who are Overseas Non-resident Enterprises by Chinese Resident Enterprises published by the State Administration of Taxation (Guoshuihan [2008] No. 897), when Chinese resident enterprises distribute annual dividends for the year 2008 and years thereafter to their H-share shareholders who are overseas non-resident enterprises, enterprise income tax shall be withheld at a uniform rate of 10%. Pursuant to the Notice on the Issues on Levy of Individual Income Tax after the Abolishment of Guoshuifa [1993] No. 045 Document issued by the State Administration of Taxation on 28 June 2011, the dividend to be distributed by the PRC non-foreign invested enterprises whose shares have been issued in Hong Kong to the overseas resident individual shareholders is subject to individual income tax with a tax rate of 10% in general. However, the tax rates for respective overseas resident individual shareholders may vary depending on the relevant tax agreements between the countries where they are residing and Mainland China. Pursuant to the aforesaid Notices, the Company will withhold 10% of the dividend as income tax unless otherwise specified by the relevant tax regulations, tax agreements or the notices. Shareholders may apply for tax refund in accordance with relevant provisions including taxation agreements/arrangement after receiving the dividends.

FINANCIAL HIGHLIGHTS FOR THE PAST FIVE FINANCIAL YEARS

Financial highlights of the Group's results and balance sheets prepared in accordance with IFRSs for the past five financial years are set out in the section headed "Financial Highlights for the Past Five Financial Years" on page 208 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

During the financial year ended 31 December 2015, 39.55% and 12.39% of the Group's revenue from operations was attributed to our five largest customers and our largest customer, respectively. During the same period, 48.10% and 17.02% of the Group's total procurement expenditure was attributed to our five largest suppliers and our largest supplier, respectively.

China Three Gorges, through its direct and indirect controlling interests in China Three Gorges New Energy and Xinjiang Wind Power respectively, is a substantial shareholder of the Company. For the financial year ended 31 December 2015, China Three Gorges group is one of the Group's five largest customers.

Other than the information disclosed above, none of the Directors, their close associates, or any Shareholders (that, as far as is known to the Directors, own more than 5% of the issued shares of the Company) held any interest in the Group's five largest customers or suppliers.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

Details are set out in the section headed "Management Discussion and Analysis" on page 18 of this annual report.

PROPERTY, PLANT AND EQUIPMENT

Details of adjustments made to property, plant and equipment of the Group during the financial year ended 31 December 2015 are set out in note 12 to the Financial Statements.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group acquired and disposed certain subsidiaries and interests in certain associates during the financial year ended 31 December 2015 in accordance with the development strategies of the Company and based on changes of the industry and market environments. Details are set out in note 5 to the Financial Statements.

MANAGEMENT CONTRACTS

The Group did not enter into any contract in respect of the management and administration of the entire or any significant part of the business of the Group, nor did any such contract subsist at any time during the financial year ended 31 December 2015.

TOP FIVE HIGHEST PAID INDIVIDUALS

Details regarding the five highest paid individuals, including the chief executive of the Company, for the financial year ended 31 December 2015 are set out in note 8 to the Financial Statements.

SHARE CAPITAL

The particulars of the issued share capital of the Company as at 31 December 2015 are set out as follows:

Share Category	Number of Shares	As a Percentage of Total Shares
A Shares	2,235,494,200	81.72%
H Shares	500,046,800	18.28%
Total	2,735,541,000	100.00%

NUMBER OF SHAREHOLDERS

As at 31 December 2015, the total number of Shareholders was 210,134, among which the number of A Share and H Share Shareholders were 208,668 and 1,466, respectively.

SUBSTANTIAL SHAREHOLDERS

As at 31 December 2015, 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
Morgan Stanley	H Shares	42,400,062(L)	8.48%	1.55%
		33,178,390(S)	6.64%	1.21%
Anbang Insurance Group Co., Ltd.[1]	H Shares	41,224,000(L)	8.24%	1.51%
Anbang Life Insurance Co., Ltd.[1]	H Shares	41,224,000(L)	8.24%	1.51%
Anbang Wealth Insurance Co., Ltd.[1]	H Shares	41,224,000(L)	8.24%	1.51%
Anbang Assets Management (Hong Kong) Co., Ltd.[1]	H Shares	41,224,000(L)	8.24%	1.51%
BlackRock, Inc.	H Shares	38,141,589(L)	7.63%	1.39%
International Finance Corporation	H Shares	32,044,600(L)	6.41%	1.17%

Note:

1. Anbang Insurance Group Co., Ltd. ("Anbang Group") holds 99.98% of the equity interests of Anbang Life Insurance Co., Ltd. ("Anbang Life"). Anbang Group and Anbang Life hold 48.92% and 48.65%, respectively, of the equity interests of Anbang Wealth Insurance Co., Ltd. ("Anbang Wealth"). Anbang Wealth holds 100% of the equity interests of Anbang Assets Management (Hong Kong) Co., Ltd. Under the SFO, each of Anbang Group, Anbang Life and Anbang Wealth is deemed to be interested in the 41,224,000 H Shares held by Anbang Assets Management (Hong Kong) Co., Ltd.

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	A Shares	375,920,386	16.82%	13.74%
China Three Gorges New Energy[1]	A Shares	663,579,673	29.68%	24.26%
China Three Gorges[2]	A Shares	663,579,673	29.68%	24.26%
Anbang Insurance Group Co., Ltd.[3, 4]	A Shares	368,833,576	16.50%	13.48%
Anbang Life Insurance Co., Ltd.[3, 4]	A Shares	351,719,976	15.73%	12.86%
Anbang Wealth Insurance Co., Ltd.[4]	A Shares	113,248,111	5.07%	4.14%
Hexie Health Insurance Co., Ltd.	A Shares	113,248,111	5.07%	4.14%
Anbang Annuity Insurance Co., Ltd.	A Shares	23,930,127	1.07%	0.01%

Notes:

1. China Three Gorges New Energy directly held 287,659,287 A Shares. China Three Gorges New Energy and China Three Gorges, taken together, held 43.33% of the issued share capital of Xinjiang Wind Power. Under the SFO, other than directly holding interests in the Company, China Three Gorges New Energy were deemed to be interested in the 375,920,386 A Shares held by Xinjiang Wind Power.

2. China Three Gorges is the holding company of China Three Gorges New Energy. Under the SFO, the 375,920,386 A Shares held by Xinjiang Wind Power, in which China Three Gorges New Energy were deemed to be interested, and the 287,659,287 A Shares directly held by China Three Gorges New Energy were deemed to be the interests of China Three Gorges in the Company.

3 Anbang Group holds 99.98% of the equity interests of Anbang Life. Under the SFO, Anbang Group is deemed to be interested in the 214,541,738 A Shares held by Anbang Life.

   Anbang Life also holds 86.36% of the equity interests of Anbang Annuity Insurance Co., Ltd ("Anbang Annuity"). Under the SFO, Anbang Group is deemed to be interested in the 23,930,127 A Shares held by Anbang Annuity.

   Anbang Group and Anbang Wealth hold 34.73% and 65.17%, respectively, of the equity interests of Hexie Health Insurance Co., Ltd. ("Hexie Health"). Under the SFO, Anbang Group is deemed to be interested in the 113,248,111 A Shares held by Hexie Health.

   Accordingly, aside from directly holding interests in the Company, Anbang Group is deemed to be interested in the 214,541,738 A Shares, the 23,930,127 A Shares and the 113,248,111 A Shares held by Anbang Life, Anbang Annuity and Hexie Health, respectively.

4. Under the SFO, aside from directly holding interests in the Company, Anbang Life is deemed to be interested in the 113,248,111 A Shares and the 23,930,127 A Shares held by Hexie Health and Anbang Annuity, respectively. Anbang Wealth is also deemed to be interested in the 113,248,111 A Shares held by Hexie Health.

Other than as disclosed above, as at 31 December 2015, as far as is known to the Directors, no other persons (excluding the Directors, Supervisors and chief executive of the Company) 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.

PRE-EMPTIVE RIGHTS

The Articles and the PRC Laws do not have any mandatory provision regarding pre-emptive rights.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Pursuant to an approval by the National Association of Financial Market Institutional Investors, the Company issued the first tranche of the medium-term notes on 17 June 2015, with a total principal amount of RMB500 million at an interest rate of 4.98% per annum. The notes have a term of three years and will mature on 18 June 2018. The issue price of the medium-term notes is RMB100. For details, please refer to the announcements of the Company dated 15 May 2015 and 18 June 2015.

The Company proposed the non-public issue of up to an aggregate of 40,953,000 New A Shares at an issue price of RMB8.47 per A Share to the Subscribers pursuant to the Subscription Agreements all dated 2 September 2014 (the "Non-public Issue"). All the New A Shares under the Non-public Issue have been listed and traded on the SZSE on 18 August 2015. The New A Shares represent approximately 1.50% of the total issued share capital of the Company as enlarged by the Non-public Issue. Details are set out in the section headed "Connected Transactions" on page 61 of this annual report.

As disclosed in the Company's announcements dated 13 July 2015 17 July 2015 and 24 July 2015, Goldwind New Energy (HK) Investment Limited, a direct wholly-owned subsidiary of the Company, and the Company have entered into the subscription agreement with Bank of China Limited, Deutsche Bank AG, Singapore Branch and Société Générale on 16 July 2015 in connection with the issue of the USD300,000,000 2.50% credit enhanced bonds due 2018 (the "Bonds"). Listing of and permission to deal in the Bonds on the Stock Exchange became effective on 27 July 2015.

Other than disclosed in this annual report, during the financial year ended 31 December 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities of the Company.

SUFFICIENCY OF PUBLIC FLOAT

From publicly available information and to the best knowledge of the Directors, the Company had maintained a sufficient public float as required under the Listing Rules throughout the financial year ended 31 December 2015 and up to the Latest Practicable Date.

DIRECTORS AND SUPERVISORS

The Directors and Supervisors in office during the financial year ended 31 December 2015 and up to the Latest Practicable Date were:

Name	Date of Appointment	Date of Resignation
Executive Directors		
Mr. Wu Gang *(Chairman)*	26 June 2013	
Mr. Wang Haibo	26 June 2013	
Mr. Cao Zhigang	26 June 2013	
Non-executive Directors		
Mr. Li Ying *(Vice Chairman)*	26 June 2013	
Mr. Yu Shengjun	26 June 2013	
Ms. Hu Yang	26 June 2013	23 October 2015
Mr. Zhao Guoqing	13 January 2016	
Independent Non-executive Directors		
Dr. Tin Yau Kelvin Wong	26 June 2013	
Mr. Yang Xiaosheng	26 June 2013	
Mr. Luo Zhenbang	26 June 2013	
Supervisors		
Mr. Wang Mengqiu *(Chairman of the Supervisory Committee)*	26 June 2013	
Mr. Wang Shiwei	26 June 2013	
Mr. Luo Jun	26 June 2013	
Ms. Zhang Xiaotao *(employee representative Supervisor)*	26 June 2013	
Mr. Xiao Zhiping *(employee representative Supervisor)*	26 June 2013	22 April 2015
Mr. Lu Min *(employee representative Supervisor)*	23 April 2015	

Save as disclosed above, there were no changes to the Directors and Supervisors during the financial year ended 31 December 2015 and up to the Latest Practicable Date.

PROFILES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The profiles of the Directors, Supervisors and Senior Management of the Company in office as at the Latest Practicable Date are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on page 47 of this annual report.

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

Based on the information known to the Directors, as at 31 December 2015, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the securities of the Company are set out as follows:

			As at 31 December 2015		
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	1.80%	1.47%
Mr. Li Ying	Beneficial owner	A Shares	2,925	0.00%	0.00%
Mr. Wang Haibo	Beneficial owner	A Shares	550,000	0.02%	0.02%
Mr. Cao Zhigang	Beneficial owner	A Shares	9,918,024	0.44%	0.36%
Mr. Yu Shengjun	Beneficial owner	A Shares	6,500	0.00%	0.00%
Ms. Zhang Xiaotao	Interest of spouse	A Shares	18,850,400 [1]	0.84%	0.69%

Note:

1. These shares were 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 31 December 2015, as far as known to the Company, none of the Directors, Supervisors or chief executive of the Company had any interests and 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 pursuant to the Model Code.

DIRECTORS' AND SUPERVISORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

Other than as disclosed in the paragraph headed "Interests and Short Positions in Shares of the Company and its Associated Corporations by Directors and Supervisors" in this report, at no time, during the financial year ended 31 December 2015 or the period following 31 December 2015 and up to the Latest Practicable Date, was the Company, or any of its subsidiaries or its holding company or any of the subsidiaries of the Company's holding company, a party to any arrangement to enable the Directors or Supervisors or their respective associates to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other corporate body, and none of the Directors and Supervisors or their spouses and children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during such period.

DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

Each of the Directors and Supervisors had a service contract with the Company. If a Director or Supervisor is dismissed from the position of Director or Supervisor by the shareholders' general meeting of the Company, or the circumstances of the Director or Supervisor are not in accordance with the relevant regulations of the *Company Law* of the PRC or the Articles, the contract will be terminated automatically.

The Company did not enter into a service contract with any Director or Supervisor that is not terminable by the Company within one year without payment of compensation other than statutory compensation.

DIRECTORS' AND SUPERVISORS' REMUNERATION

The relevant resolutions relating to Directors' remuneration and independent non-executive Directors' allowance were approved by the Shareholders. In accordance with the relevant resolutions, for the financial year ended 31 December 2015, the Chairman and executive Directors received remuneration from the Company, non-executive Directors did not receive any remuneration from the Company, and independent non-executive Director's allowance were paid to the independent non-executive Directors.

For the financial year ended 31 December 2015, employee representative Supervisors received remuneration from the Company in accordance with their offices held in the Company while the other Supervisors did not receive any remuneration from the Company.

Details of the remuneration paid to the Directors, Supervisors and chief executive of the Company are set out in note 8 to the Financial Statements and Corporate Governance Report.

DIRECTORS' AND SUPERVISORS' INTERESTS IN CONTRACTS

As at 31 December 2015 or at any time during the financial year ended 31 December 2015, other than the service contract and the Subscription Agreements, there were no contracts of significance to the Group in which the Company or any of its subsidiaries was a party and in which a Director or Supervisor, whether directly or indirectly, had a material interest.

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

None of the Directors had interests in any business apart from the Company's business, which competed or is likely to compete, either directly or indirectly, with the business of the Company.

CONNECTED TRANSACTIONS

Non-exempt continuing connected transactions under Listing Rules

The Group had several non-exempt continuing connected transactions with the Connected Persons Group during the financial year ended 31 December 2015 which were carried out pursuant to the agreements with the Connected Persons Group dated 9 November 2012 and were approved by the independent shareholders of the Company on 8 January 2013 in accordance with the Listing Rules. The following table sets out a summary of the nature, annual caps and actual amounts of such non-exempt continuing connected transactions:

Connected Transactions	**Annual Cap for 2015** (RMB million)	**Actual Amount for 2015** (RMB million)
Purchase of Components	506.30	155.69
Product Sales	5,166.60	2,195.55
Wind Power Services	179.90	81.49

Purchase of Components

The Group purchased, and will continue to purchase, components from the Connected Persons Group for the manufacture of WTGs in the ordinary and usual course of business.

The purchase of components from the Connected Persons Group for the manufacture of WTGs has been, and will continue to be, made in accordance with the Group's purchasing procedures. The Group has put into place a purchase monitoring process in its procurement department and has also formed a dedicated team to carry out its purchasing.

Under the relevant written agreements, the consideration payable in connection with any purchase of components from the Connected Persons Group has been, and will continue to be, determined through public tenders or based on the market price in the event that public tenders were not required. Such market price is defined by reference to the price at which the Group is able to purchase identical or similar products from an independent third party in the ordinary and usual course of business.

Product Sales

The Group sold, and will continue to sell, WTGs to the Connected Persons Group in the ordinary and usual course of business.

The sale of WTGs to the Connected Persons Group is usually carried out pursuant to public tenders in accordance with the applicable laws and regulations of the PRC, i.e. the relevant companies forming part of the Connected Persons Group will invite bids for the WTGs they propose to purchase, and the Group, as the tenderer, shall submit tender documents in response to the invitation to tender. The Group has put into place a sales supervision system and has also formed a dedicated team to carry out its product sales.

Under the relevant written agreements, the consideration in connection with any sale of WTGs to the Connected Persons Group has been, and will continue to be, determined through public tenders or based on the market price in the event that public tenders were not required. Such market price is defined by reference to the price at which the Group is able to sell identical or similar products to an independent third party in the ordinary and usual course of business.

Wind Power Services

Wind power service is one of the Group's main businesses and has recorded a significant growth since 2011. Similar to the Group's product sales to the Connected Persons Group, contracts for the provision of wind power services are usually awarded pursuant to public tenders in accordance with the applicable laws and regulations of the PRC. The Group has put into place a supervision system and has also formed a dedicated team to carry out its service provisions.

Under the relevant written agreements, the consideration in connection with providing wind power services to the Connected Persons Group shall be determined through public tenders or based on the market price in the event that public tenders were not required. Such market price is defined by reference to the price at which the Group is able to provide identical or similar services to an independent third party in the ordinary and usual course of business.

The independent non-executive Directors have reviewed the Group's continuing connected transactions mentioned above, and confirmed that the transactions carried out during the financial year ended 31 December 2015:

1. were carried out in the ordinary and usual course of business of the Group;

2. were conducted on normal commercial terms or better, or if there were insufficient number of comparable transactions to determine whether or not they can be determined as on normal commercial terms or better, then as far as the Group is concerned, the conditions of such transactions were no less favourable than those received from, or offered to, an independent third party; and

3. were conducted according to the terms of agreement of the relevant transactions, where the terms of agreement were fair and reasonable, and in the general interests of the Company and the Shareholders.

The Company's auditors have confirmed that the respective counterparties to the aforementioned continuing connected transactions had allowed them sufficient access to their records for the purpose of reporting on the transactions as set out in this report, and the aforementioned continuing connected transactions carried out during the financial year ended 31 December 2015:

1. had been approved by the Board;

2. were in accordance with the requirements of pricing policies of the Company;

3. had been entered into in accordance with the relevant agreements governing the transactions; and

4. had not exceeded the annual caps disclosed in the circular of the first EGM of 2013 dated 16 November 2012.

On 23 October 2015, the Company, Xinjiang Wind Power and China Three Gorges New Energy entered into new framework agreements in connection with (1) purchase of components from, (2) product sales to, and (3) wind power services to, the Connected Persons Group for a term of three years commencing on 1 January 2016. The independent shareholders of the Company approved, at the first EGM of 2016 convened on 12 January 2016, the continuing connected transactions between the Group and the Connected Persons Group and the relevant annual caps for the three years commencing from 1 January 2016 and ending on 31 December 2018.

	Annual Cap for 2016 (RMB million)	Annual Cap for 2017 (RMB million)	Annual Cap for 2018 (RMB million)
Purchase of Components	115.38	115.38	125.64
Product Sales	3,214.32	4,019.88	4,409.90
Wind Power Services	321	330	340

Non-exempt connected transactions under the Listing Rules

As disclosed in the Company's announcement dated 16 August 2015, the Company's proposed non-public issue of up to an aggregate of 40,953,000 New A Shares to the Subscribers pursuant to the Subscription Agreements all dated 2 September 2014 (the "Non-public Issue") has been completed. The New A Shares has been listed and traded on the SZSE on 18 August 2015. The New A Shares cannot be transferred within 36 months from the date of listing on Shenzhen Stock Exchange. The key information in respect of the Non-public Issue is as follows:

Type of shares and nominal value:	A Shares, with a nominal value of RMB1.00 each
Number of shares issued:	40,953,000 A Shares
Issue price:	RMB8.47 per A Share

As disclosed in the announcement dated 2 September 2014, Mr. Wang Haibo, Mr. Cao Zhigang, Mr. Huo Changbao, Mr. Liu Wei, Mr. Zhou Yunzhi Mr. Yang Hua and Haitong Asset Management are connected persons of the Company. The names of the Subscribers and the number of A Shares subscribed by each of them pursuant to the Subscription Agreements are set out below:

Name of Subscriber	**Number of New A Shares Subscribed**
Mr. Wang Haibo	550,000
Mr. Cao Zhigang	550,000
Mr. Wu Kai	550,000
Mr. Huo Changbao	550,000
Ms. Ma Jinru	550,000
Mr. Liu Wei	550,000
Mr. Zhou Yunzhi	550,000
Mr. Yang Hua	400,000
Haitong Asset Management	
– Goldwind Plan I	17,140,000
– Goldwind Plan II	19,563,000
Total	40,953,000

The New A Shares represent approximately 1.50% of the total issued share capital of the Company as enlarged by the issue of the New A Shares. The shareholding structure of the Company immediately before and after completion of the Non-public Issue is set out below:

	Immediately before completion of the Non-public Issue		**Immediately after completion of the Non-public Issue**	
	Number of Shares	%	Number of Shares	%
H Shares	500,046,800	18.56%	500,046,800	18.28%
A Shares	2,194,541,200	81.44%	2,235,494,200	81.72%
Total	2,694,588,000	100%	2,735,541,000	100%

RELATED PARTY TRANSACTIONS

The Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards during the financial year ended 31 December 2015. These related party transactions included non-exempt continuing connected transactions as set out in the section headed "Connected Transactions" on page 61 of this annual report. Details are set out in note 44 to the Financial Statements.

CHARITABLE DONATIONS

Charitable donations made by the Group during the financial year ended 31 December 2015 was RMB0.55 million.

RELATIONSHIP WITH EMPLOYEES

The Group is committed to provide our staff with a stable working environment and continues to uphold the principles of impartiality, fairness and merit-based employment, and constantly improves the criteria for personnel selection and appointment. The Group also provides lifelong learning and career development to our employees. Details are set out in the section headed "Environmental, Social and Governance Report" on page 85 of this annual report.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Group values mutually benefitting relationship with its customers and suppliers. The Group places strong emphasis on the protection of consumer's interests and pays strong attention to product quality. The Group has been committed to the development of the supply chain construction and has a number of regular suppliers, Details of the Group's relationship with customers and suppliers are set out in the section headed "Environmental, Social and Governance Report" on page 85 of this annual report.

THE PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

Details are set out in the section headed "Management Discussion and Analysis" on page 18 of this annual report and note 48 to the Financial Statements.

ENVIRONMENTAL POLICIES AND PERFORMANCE

Details are set out in the section headed "Environmental, Social and Governance Report" on page 85 of this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

The Board pays attention to the Group's policies and practices on compliance with legal and regulatory requirements. For the year ended 31 December 2015, to the best of knowledge of the Board, the Company has, remained in strict compliance with the relevant laws and regulations of Hong Kong and the PRC, which included the *Company Law* of the PRC, *Securities Law* of the PRC, *Code of Corporate Governance for Listed Companies*（《上市公司治理準則》）issued by the CSRC, Corporate Governance Code, the Listing Rules, and the listing rules of the SZSE.

REVIEW OF 2015 ANNUAL REPORT

The Audit Committee of the Company has reviewed and approved the 2015 Annual Report of the Company. Information on works performed by the Audit Committee and its composition are set out in the section headed "Board Committees" on page 72 of this annual report.

Yours Sincerely,
Xinjiang Goldwind Science & Technology Co., Ltd.
Wu Gang
Chairman

Supervisory Committee Report

During the reporting period, the Company's Supervisory Committee acted strictly in accordance with the relevant regulations of *Company Law*, Goldwind Company Regulations, and Goldwind Supervisory Committee Regulations. All members of the Supervisory Committee assumed responsibility towards the Company's shareholders, acted with integrity, carried out our supervisory duties to the best of their abilities, actively participated in supervision works, carefully deliberated on major decisions, protected the interest of our shareholders and the Company, and supported the Company's management and sustainable development.

SUPERVISORY COMMITTEE MEETINGS

During the reporting period, a total of 4 meetings were held, and 18 proposals were considered and approved. Except for certain special circumstances, all Supervisory Committee members attended the meetings in person or by proxy.

OBJECTIVE FINDINGS OF THE SUPERVISORY COMMITTEE

The Supervisory Committee made the following observations regarding relevant aspects of the Company during 2015:

1. Compliance with Laws and Regulations in the Course of Operations

During the reporting period, the members of the Supervisory Committee attended all the Board meetings and general meetings. The Supervisory Committee also supervised procedures of the Board meetings and general meetings and proposal discussions, the Board's implementation of decisions made at the Company's general meetings, performance of the Senior Management, implementation of various management policies of the Company, and its operational performance. The Supervisory Committee believes that the Company operated in compliance with the required standards, made lawful and rational decisions, acted in compliance with its corporate governance procedures, and established adequate internal controls. The Supervisory Committee also believes that Directors and Senior Management discharged their duties with prudence, integrity and diligence, and strictly implemented various decisions made at the general meetings. The Supervisory Committee did not find any activities that were unlawful, or violating the applicable government regulations or the internal rules, harm the Company's or the shareholders' interests.

2. Financial Position

The Supervisory Committee carefully inspected the Company's periodic financial report and financial policies during the reporting period. The Committee believes that the Company's financial department's internal control system is adequate, and is continuously being improved. The Supervisory Committee believes all policies and systems were strictly implemented, and therefore effectively supported the Company's production and operation. In 2015, the Company's financial position was sound, financial management was effective, the Financial Statements were complete and fair, and truthfully reflected the Company's financial position and operational performance. The committee believes that the Annual Report with unqualified opinion issued by Ernst & Young Hua Ming LLP was true and fair.

3. Share Proceeds Information

The Company acted in strict accordance with the Regulations for the Use and Management of Share Proceeds. The Company did not use share proceeds during 2015 for pledges, entrusted loans, or other prohibited purposes. All proceeds were used in accordance with project plans. There were no cases of regulation violation with regards to the use of share proceeds during 2015. All proceeds were used in accordance with the relevant regulations and followed the appropriate approval procedures. The Supervisory Committee believes that the relevant information disclosed by the Company was on time, truthful, accurate and complete.

4. Disclosure and Guarantee

The Company acted in strict compliance with the relevant regulations provided in the Company's Articles, and the Disclosure and Guarantee Policies. Following inspection, the Supervisory Committee believes that the Company followed proper procedures for public disclosure and providing guarantee, and did not find evidence of any violations of the applicable regulations.

5. Connected Transactions

During the reporting period, the Company's connected transactions were in compliance with the government laws and regulations, as well as the Company's regulations with regards to their decision-making procedures. The pricing method of the connected transaction agreements were in accordance with accepted business practices and the relevant rules and regulations, demonstrating fairness and equality. When making decisions on connected transactions, all interested Directors and shareholders abstained from voting. The Supervisory Committee believes, during the year 2015 there were no internal transactions that would harm the Company's or shareholders' interests including the public shareholders' interests.

6. Self-assessment of Internal Controls

Goldwind has established an outstanding internal control system. The system integrates the Company's operations management activities at all levels and in all sectors. All the Company's operations followed the internal controls guidelines and were strictly complied with their recommended procedures. After close inspection, we believe the Company's internal control structure was effective during 2015. The committee reviewed the 2015 Annual Internal Control Self-assessment Report and believes the report is truthful and fair.

7. Other Major Issues

During the reporting period, the Board discussed major proposals relating to acquisition and sale of assets. The Supervisory Committee believes that during planning and execution of the aforementioned proposals there was no evidence of insider trading nor any other actions that might result in the loss of the Shareholders' or the Company's assets and interests.

Corporate Governance Report

The Company is committed to maintaining high standards of corporate governance and to continually improve its corporate governance structure, optimise its management and internal controls in order to safeguard the interests of Shareholders and enhance corporate value.

Listed on the Stock Exchange and SZSE, the Company has remained in strict compliance with the relevant laws and regulations of Hong Kong and the PRC during the year ended 31 December 2015, which included the *Company Law* of the PRC, *Securities Law* of the PRC, *Code of Corporate Governance for Listed Companies* (《上市公司治理準則》) issued by the CSRC, Corporate Governance Code, the Listing Rules, and the listing rules of the SZSE.

The Directors are, and will continue to be, committed to improving the corporate governance of the Company to ensure that formal and transparent procedures are in place to protect the interests of the Shareholders.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for implementing the Corporate Governance Code and managing the Group's corporate governance matters. The Board has reviewed the corporate governance policies and practices of the Company and its policies and practices relating to compliance with legal and regulatory requirements, as well as training and continuous professional development of the Directors and Senior Management. The Board has also reviewed the disclosure of this Corporate Governance Report for the year ended 31 December 2015.

The Company has complied with all applicable code provisions under the Corporate Governance Code during the year ended 31 December 2015.

SHAREHOLDERS

The Board and Senior Management recognise their responsibilities towards all Shareholders and to represent their interests and maximise shareholder value.

As the highest authority of the Company, the shareholders' general meeting is responsible for the decision-making of all major Company issues in accordance with the relevant laws and regulations. The Company has remained in strict compliance with the Rules on Shareholders' General Meetings of Listed Companies (《上市公司股東大會規則》) issued by the CSRC, the Articles, the Company's Rules on Procedures of Shareholders' General Meetings, and other relevant laws, rules and regulations. The Company convenes shareholders' general meetings each year and standardises the meeting procedures in accordance with the relevant laws to ensure fair treatment towards all Shareholders, especially minority Shareholders, and enable them to fully exercise their rights.

The Company regards the shareholders' general meeting as an important event and all Directors, Supervisors and Senior Management are encouraged to attend. The Company also encourages all Shareholders to attend, exercise their rights and express their opinions.

Pursuant to the Articles, Shareholders have the right to obtain information and documents from the Company. They also have the right to request, convene, and preside over shareholders' general meetings, as well as the right to vote on matters put before the meetings based on their respective voting rights and within the boundaries of the law.

Pursuant to the Articles, Shareholders that, either individually or jointly, hold over 10% of the shares of the Company have the right to propose to the Board in writing for the convening of an EGM. The Board will, in accordance with laws, administrative regulations and the Articles, provide a written reply within 10 days after receiving such proposal with respect to whether it agrees with the convening of an EGM. In the event that the Board disagrees with the convening of an EGM, or fails to provide any feedback within 10 days after receiving the proposals, such Shareholders have the right to propose to the Supervisory Committee in writing for the convening of an EGM.

Pursuant to the Articles, the Board, Supervisory Committee and Shareholders that, either individually or jointly, hold over 3% of the shares of the Company have the right to make proposals to the Company for approval at shareholders' general meetings. The Company shall include all matters in the proposals that fall within the jurisdiction of the shareholders' general meeting into the agenda of such meetings. In addition, Shareholders that, either individually or jointly, hold over 3% of the shares of the Company have the right to submit temporary proposals to the convener of the shareholders' general meeting in writing at least 10 days prior to such meetings. The convenor of the meeting shall give a supplementary notice of the shareholders' general meeting within 2 days after receiving such proposals and announce the contents of the temporary proposals.

The Articles set out the rights of the Shareholders, including those mentioned above. The Company has taken all necessary steps to comply with all provisions of the relevant laws, regulations, the Listing Rules, and the listing rules of the SZSE to ensure the protection of Shareholders' rights.

Shareholders are welcome to send their written enquiries to the Company's Office of Secretary of the Board at No. 8 Bo Xing Yi Road, Economic & Technological Development District, Beijing, the PRC, PC: 100176. Alternatively, Shareholders may also contact us through our Investor Relations Hotline +86-10-6751 1996, Investor Relations facsimile +86-10-6751 1985, Investor Relations e-mail at goldwind@goldwind.com.cn, or raise their enquiries directly by questions at an AGM or EGM.

THE BOARD

The Board is charged with directing and managing the Company's affairs and continued to pursue the sustainable development of the Company in the year ended 31 December 2015. Each Director has a duty to act in good faith and in the best interests of the Company. The Directors are aware of their collective and individual responsibilities to all Shareholders for the manner in which the affairs of the Company are managed, controlled and operated.

The decisions and responsibilities undertaken by the Board include those relating to:

- the Group's business strategies and investment proposals;
- the Group's management process and internal controls;
- the Group's annual financial budget and final accounts;
- the Group's compliance matters;
- proposed amendments of the Articles;
- evaluation, appointment or dismissal of the President and Senior Management;
- determine the Company's salary, benefits and bonuses plan;
- determine the structure of Board Committees and the appointment or dismissal of committee members;
- convening of shareholders' general meetings, implementation of resolutions of shareholders' general meetings; and
- other significant matters.

Board Composition

As at the Latest Practicable Date, the Board comprised of nine Directors, which included three executive Directors, three non-executive Directors, and three independent non-executive Directors. The Board is characterised by its diversity in terms of professional background and skills, age and gender, among other aspects, which promotes critical review of significant decisions and contributes to the effective direction of the Group. The Board includes members from engineering, business administration, economics, corporate governance, and financial backgrounds.

The Board composition during the year ended 31 December 2015 and up to the Latest Practicable Date is set out below:

Executive Directors

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

Non-executive Directors

Mr. Li Ying *(Vice Chairman)*
Mr. Yu Shengjun
Mr. Zhao Guoqing (appointed on 13 January 2016)
Ms. Hu Yang (resigned on 23 October 2015)

Independent non-executive Directors

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

The current Board is the fifth session of the Board. Mr. Wu Gang and Mr. Wang Haibo were re-elected as executive Directors, Mr. Li Ying, Ms. Hu Yang and Mr. Yu Shengjun were re-elected as non-executive Directors, and Dr. Tin Yau Kelvin Wong was re-elected as independent non-executive Directors at the AGM for the year of 2012 held on 25 June 2013.At the same meeting, Mr. Cao Zhigang was newly elected as executive Director, and Mr. Yang Xiaosheng and Mr. Luo Zhenbang were newly elected as independent non-executive Directors. Ms. Hu Yang has resigned as a non-executive director of the Company with effect from 23 October 2015 due to a change in her work commitments. Mr. Zhao Guoqing was elected as a non-executive Director at the EGM held on 12 January 2016, which was effective from 13 January 2016. The term of office of the fifth session of the Board shall expire on 25 June 2016.

The executive and non-executive Directors have extensive expertise, experience, and skills in the wind power industry and other professional areas, and thus provided a knowledgeable resource on strategic decisions of the Group. The independent non-executive Directors have extensive experience in the industry and possess professional qualifications in areas such as finance and business administration. The profiles of the Directors in office as at the Latest Practicable Date are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on page 47 of this annual report.

During the year ended 31 December 2015, the Board complied with the requirements of the Listing Rules relating to having at least three independent non-executive directors, representation of at least one-third of the Board by independent non-executive directors, and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise. During the same period, there were no financial, business, family or other major or relevant relationships between members of the Board or the Chairman and the President.

Pursuant to the requirement of Rule 3.13 of the Listing Rules, the Board has received a written confirmation from each independent non-executive Director of his independence to the Company for the year ended 31 December 2015, and considers all of the independent non-executive Directors to be independent.

Changes to Information on Directors, Supervisors and President

Dr. Tin Yau Kelvin Wong was appointed as the non-executive independent director of Bank of Qingdao Co., Ltd. in April 2015 and AAG Energy Holdings Limited and Shanghai Fosun Pharmaceutical (Group) Co., Ltd. in June 2015.The securities of each of the aforementioned companies are listed on the Stock Exchange.

Ms. Hu Yang has resigned as a non-executive Director with effect from 23 October 2015 due to a change in her work commitments. Mr. Zhao Guoqing was elected as a non-executive Director at the EGM held on 12 January 2016, which was effective from 13 January 2016.

Mr. Xiao Zhiping resigned as an employee representative Supervisor on 22 April 2015. The Company held the 2015 Extraordinary Employee Representative Conference on 22 April 2015 in which Mr. Lu Min has been elected as an employee representative Supervisor effective from 23 April 2015.

Mr. Luo Jun was appointed as an executive director and legal representative of Buerjin Tianpeng New Energy Limited Company and Urumqi Xinfeng Tianxiang New Energy Limited Company in May 2015, respectively.

Chairman and President

As at the Latest Practicable Date, the roles of Chairman and President were vested in Mr. Wu Gang and Mr. Wang Haibo, respectively.

The Chairman is responsible for establishing the Company's strategies, ensuring the proper functioning of the Board, and monitoring the Company's corporate governance practices and procedures. In addition, the Chairman is responsible for encouraging all Directors to fully contribute to the Board's affairs, to express their opinions and ensuring that decisions of the Board reflect their consensus fairly, creating a culture of openness and constructive discussions, maintaining an effective communications channel with the Shareholders, and ensuring the Board acts in the best interests of the Company. During the year ended 31 December 2015, the Chairman held a meeting with each of the non-executive Directors and independent non-executive Directors and obtained independent opinions relating to affairs of the Board and the Company without the presence of other executive Directors.

The President is responsible for the day-to-day management of the Company's operations, including implementing corporate strategies set out by the Board, making day-to-day management decisions, coordinating the Company's businesses, and submitting operational reports to the Board.

Directors' and Supervisors' Securities Transactions

The interests in the Company's securities held by Directors or Supervisors as at 31 December 2015 are set out in the section headed "The Board of Directors' Report – Interests and Short Positions in Shares of the Company and its Associated Corporations by Directors and Supervisors" on page 59 of this annual report.

The Company has adopted a code of conduct regarding securities transactions by Directors and Supervisors on terms no less exacting than the required standard set out in the Model Code. The Company has strictly complied with other relevant binding clauses imposed by the regulatory authorities of Hong Kong and the PRC, and we adhere to the principle of complying with the stricter regulations between the two jurisdictions. Having made specific enquiry, all Directors and Supervisors have confirmed to the Company that they have complied with the Model Code during the year ended 31 December 2015.

Board Committees

The Board established the Audit Committee, the Nomination Committee, the Remuneration and Assessment Committee, and the Strategic Committee in accordance with the requirements of the Listing Rules. The written terms of reference of the Board Committees clearly set out their respective roles and authorities and are available on the websites of the Stock Exchange and the Company for review.

The composition of the Board Committees as at the Latest Practicable Date and their respective responsibilities are set out below:

1. Audit Committee

The Audit Committee consisted of two independent non-executive Directors and one non-executive Director, namely Dr. Tin Yau Kelvin Wong, Mr. Luo Zhenbang and Mr. Yu Shengjun. The committee chairman was Dr. Tin Yau Kelvin Wong.

The primary responsibilities of the Audit Committee are to review and propose recommendations relating to the Company's external auditors and audit services provided by them, review the integrity of the Company's periodic financial statements, oversee matters relating to the Company's internal audit, risk management and internal controls, review significant transactions of the Company, and report to the Board on matters of the Corporate Governance Code.

The work performed by the Audit Committee during the year ended 31 December 2015 included reviewing the Company's annual, interim and quarterly reports, internal audit, risk management and internal control procedures, and monitoring external audit services and providing recommendations for the appointment of external auditors.

2. Nomination Committee

The Nomination Committee consisted of two independent non-executive Directors and one executive Director, namely Mr. Luo Zhenbang, Mr. Yang Xiaosheng and Mr. Wu Gang. The committee chairman was Mr. Luo Zhenbang.

The primary responsibilities of the Nomination Committee are to review the composition of the Board in line with the Company's structure and strategy, select and recommend to the Board suitable candidates to become Directors or Senior Management, and review the qualifications, and the selection procedures of, such candidates.

The work performed by the Nomination Committee during the year ended 31 December 2015 included reviewing the structure and composition of the Board, reviewing the qualification of Directors, and assessing the independence of the independent non-executive Directors.

3. Remuneration and Assessment Committee

The Remuneration and Assessment Committee consisted of three independent non-executive Directors, one executive Director, and one non-executive Director, namely Mr. Yang Xiaosheng, Dr. Tin Yau Kelvin Wong, Mr. Luo Zhenbang, Mr. Wu Gang, and Mr. Li Ying. The committee chairman was Mr. Yang Xiaosheng.

The primary responsibilities of the Remuneration and Assessment Committee are to establish the Company's remuneration policy and monitor its implementation, review the remuneration proposals for Directors and Senior Management, review and assess their performance, and review and approve compensation payable for their termination in accordance with their contractual terms.

The work performed by the Remuneration and Assessment Committee during the year ended 31 December 2015 included reviewing the Company's human resources report, determining the remuneration and bonus of relevant Directors and Senior Management based on the performance of the Company and in accordance with the Company's Administration Rules for Remuneration and Employee Investment Participation Program.

4. Strategic Committee

The Strategic Committee consisted of three executive Directors, one non-executive Director, and one independent non-executive Director, namely Mr. Wu Gang, Mr. Wang Haibo, Mr. Cao Zhigang, Mr. Yu Shengjun, and Mr. Yang Xiaosheng. The committee chairman was Mr. Wu Gang.

The primary responsibilities of the Strategic Committee are to review and propose recommendations for the Group's long-term strategies, significant decisions, investment and financing plans, and capital operations.

Board and Committee Meetings

Pursuant to the Articles, the Board is required to hold at least four board meetings each year, to be convened by the Chairman. In case of urgent matters, extraordinary board meetings may be convened upon proposal by the Chairman or more than one-third of all the Directors. A notice period of at least 14 days shall be given to every Director and Supervisor for a board meeting pursuant to the Corporate Governance Code, and the notice for such meetings shall be sent to every Director and Supervisor at least 10 days in advance pursuant to the Articles. The notice of a board meeting shall include the time and place of the meeting, matters and resolutions to be considered at the meeting, and the date of the notice.

A board meeting must have over half of all the Directors in attendance. The Directors may attend the board meeting in person or appoint another Director in writing to attend the board meeting by proxy. The Board shall keep minutes of decisions on matters discussed at the meeting and ensure that such minutes are available for inspection by any Director.

Details of Directors' attendance at board meetings, committee meetings, and shareholders' general meetings of the Company during the year ended 31 December 2015 are set out below:

Name	Board	Audit Committee	Nomination Committee	Remuneration & Assessment Committee	Shareholders' General Meeting
Executive Directors					
Mr. Wu Gang	8/8		1/1	2/2	1/1
Mr. Wang Haibo	7(1)[1]/8				1/1
Mr. Cao Zhigang	6(2)[1]/8				1/1
Non-executive Directors					
Mr. Li Ying	8/8			2/2	1/1
Ms. Hu Yang[2]	5(1)[1]/6				1/1
Mr. Yu Shengjun	6(2)[1]/8	5/5			1/1
Independent Non-executive Directors					
Dr. Tin Yau Kelvin Wong	8/8	5/5		2/2	1/1
Mr. Yang Xiaosheng	7(1)[1]/8		1/1	2/2	1/1
Mr. Luo Zhenbang	6(2)[1]/8	5/5	1/1	2/2	1/1

Notes:

1. The director attended the board meetings by proxy.
2. Ms. Hu Yang resigned as a non-executive director of the Company on 23 October 2015.

Appointment of Directors

The Company has a formal and transparent procedure in place for the appointment of new directors. Suitable candidates are first considered by the Nomination Committee, whereby the relevant qualifications of such candidates will be reviewed. The qualified candidate will then be put forward to the Board for consideration before such candidate's appointment as Director is proposed to the Company's shareholders' general meeting.

Pursuant to the Articles, any Director's term of office shall begin on the day after the approval of the relevant resolution of the Company's shareholders' general meeting until the expiration of the current session of the Board. Directors may serve consecutive terms if re-elected upon the expiration of the previous term of office. Independent non-executive Directors may not serve more than two consecutive terms of office.

Directors' Commitments

The Company has received confirmation from each Director that he/she has given sufficient time and attention to the affairs of the Company for the year ended 31 December 2015. The Directors have disclosed to the Company the number and nature of offices held in listed companies or other significant commitments, including the name of and offices held in such companies or organisations. The Directors are periodically reminded to notify the Company in a timely manner with regards to any change of such information. Offices held in other listed companies or other significant commitments of the Directors in office as at the Latest Practicable Date are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on page 47 of this annual report. Any changes to such information of the Directors during the year ended 31 December 2015 and up to the Latest Practicable Date are set out in the section headed "Corporate Governance Report – Changes to Information on Directors, Supervisors and President" on page 71 of this annual report.

The Company encourages all Directors to participate in continuous professional development to develop and refresh their knowledge and skills. The Company arranged and funded a number of training programmes for Directors during the year ended 31 December 2015, with particular emphasis on the roles, functions and duties of being a listed company director. The Company also submitted Directors' Monthly Operations Report to brief Directors on the Company's monthly businesses, financial position, industry and market environment, and capital market updates.

The Directors attended a number of training programmes and conferences during the year ended 31 December 2015 and the hours devoted to such continuous professional development events for the Directors in office as at 31 December 2015 are set out below:

Unit: Hours

Name	Corporate Governance/ Laws & Regulations/ Duties of Directors	Strategy/Business Administration/ Risk Control/ Industry Related	Accounting/ Audit/Finance/ Taxation
Executive Directors			
Mr. Wu Gang	39	125	12
Mr. Wang Haibo	160	240	120
Mr. Cao Zhigang	64	200	100
Non-executive Directors			
Mr. Li Ying	4	2	0
Ms. Hu Yang	30	20	10
Mr. Yu Shengjun	12	0	0
Independent Non-executive Directors			
Dr. Tin Yau Kelvin Wong	13.5	21.5	14.5
Mr. Yang Xiaosheng	4	10	0
Mr. Luo Zhenbang	16	12	60

THE SUPERVISORY COMMITTEE

The Supervisory Committee is the Company's permanent supervisory system. It is responsible for the supervision of the Board, the Directors, the President, and Senior Management in order to prevent such persons from exploiting their authority and violating the legal rights and interests of the Shareholders, the Company, and employees of the Company. The Supervisory Committee has remained in strict compliance with the relevant provisions in the Company Law of the PRC, the Articles, and the Supervisory Committee Regulations of the Company during the year ended 31 December 2015. The Supervisors are aware of their collective and individual responsibilities to all Shareholders and acted to the best of their abilities to protect the interests of the Shareholders and the Company.

The responsibilities undertaken by the Supervisory Committee include:

- review of the Company's periodic reports prepared by the Board and verification of financial reports, business reports, profit distribution proposals and other financial information to be submitted to shareholders' general meetings;
- examination of financial affairs of the Company;
- supervision of the performance of Directors and Senior Management and their compliance with laws, regulations, corporate policies, and resolutions of shareholders' general meetings;
- investigation into any identified irregularities in the Company's operations;
- institution of legal proceedings against Directors and Senior Management in accordance with Article 152 of the Company Law of the PRC; and
- any other duties stipulated by relevant laws, regulations, and the Articles.

Supervisory Committee Composition

As at the Latest Practicable Date, the Supervisory Committee comprised of five Supervisors, which included three Supervisors elected by the Shareholders and two employee representative Supervisors.

The Supervisory Committee composition during the year ended 31 December 2015 and up to the Latest Practicable Date is set out below:

Supervisors

Mr. Wang Mengqiu *(Chairman)*
Mr. Wang Shiwei
Mr. Luo Jun

Employee Representative Supervisors

Ms. Zhang Xiaotao
Mr. Lu Min (appointed on 23 April 2015)
Mr. Xiao Zhiping (resigned on 22 April 2015)

The current Supervisory Committee is the fifth session of the Supervisory Committee, Mr. Wang Mengqiu, Mr. Wang Shiwei and Mr. Luo Jun were re-elected as Supervisors at the AGM for the year of 2012 held on 25 June 2013. In accordance with the Articles and the relevant laws and regulations of the PRC, the re-election of Ms. Zhang Xiaotao and Mr. Xiao Zhiping as employee representative Supervisors for the fifth session of the Supervisory Committee was considered and approved by the employees of the Company on 25 April 2013. Mr. Xiao Zhiping resigned as an employee representative Supervisor on 22 April 2015 due to work assignment. Mr. Lu Min was elected as an employee representative Supervisor by the 2015 Extraordinary Employee Representative Conference held on 22 April 2015.The term of office of the fifth session of the Supervisory Committee shall expire on 25 June 2016.

The profiles of the Supervisors in office as at the Latest Practicable Date are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on page 47 of this annual report.

Supervisory Committee Meetings

Pursuant to the Articles, the Supervisory Committee is required to hold at least one committee meeting every six months, to be convened by the chairman of the Supervisory Committee. In case of urgent matters, extraordinary committee meetings may be convened upon proposal by any Supervisor. A notice of meeting shall be given to every Supervisor at least 10 days prior to a committee meeting. The notice of committee meeting shall include the time and place of the meeting, matters and resolutions to be considered at the meeting, and the date of the notice.

A committee meeting must have over two-thirds of all the Supervisors in attendance. The Supervisors may attend the committee meeting in person or appoint another Supervisor in writing to attend the committee meeting by proxy. The Supervisory Committee shall keep minutes of decisions on matters discussed at the meeting and ensure that such minutes are available for inspection by any Supervisor.

Details of Supervisors' attendance at committee meetings of the Company during the year ended 31 December 2015 are set out below:

Name	Attendances (by Proxy)/ Meetings Held
Supervisors	
Mr. Wang Mengqiu	3(1)/4
Mr. Wang Shiwei	4/4
Mr. Luo Jun	4/4
Employee Representative Supervisors	
Ms. Zhang Xiaotao	4/4
Mr. Xiao Zhiping[1]	1/1
Mr. Lu Min[2]	3/3

Notes:

1. Mr. Xiao Zhiping resigned as an employee representative Supervisor on 22 April 2015.
2. Ms. Lu Min was appointed as an employee representative Supervisor on 23 April 2015.

RISK MANAGEMENT AND INTERNAL CONTROL

The Group is committed to establishing and continually improving our risk management and internal control. As the Group developed our business over the years, we strengthened our corporate management and risk control through analysis of past performance and implementation of innovative ideas.

The Group established our internal control based on the *Company Law* of the PRC, *Accounting Law* of the PRC, CASBE, Basic Administration Rules on Corporate Internal Control (企業內部控制基本規範) jointly issued by five regulatory bodies of the PRC, and other relevant rules and regulations. We adopted the Basic Administration Rules on Corporate Internal Control as part of our internal control in 2011 and continually improved our risk control, disclosure, internal supervision and other key aspects of our internal control since its implementation.

The Board reviews the effectiveness of the Group's risk management and internal control systems (including financial, operational and compliance controls) annually and has conducted such review for the year ended 31 December 2015. The Board is of the view that the Group's risk management and internal control systems (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting functions) are effective and adequate.

Corporate Structure

The Group had established the structure, roles and responsibilities of the shareholders' general meeting, the Board, the Board Committees, and the Supervisory Committee as detailed in previous sections of this Corporate Governance Report.

The Group continued to improve our corporate structure in 2015 in order to improve efficiency and our management team. We improved our authorisation policies which specified the content and consideration of matters delegated to each level of management. The Group amended the functions and responsibilities of certain positions and administrative policies during the same period in accordance with the Group's management strategy. These policies included those relating to human resource management, specialisation of roles and responsibilities, appraisal and discipline, and career development.

Risk Control

The Group had established three levels of risk control, which included each business unit's own risk control team, the Company's Internal Audit and Supervision, and the Board. Each department is responsible for identifying, evaluating and establishing control mechanisms for possible risks relating to their respective businesses. The Company's Internal Audit is responsible for reviewing and supervising the implementation of the Group's risk control policies. The Chairman, Mr. Wu Gang, is responsible for directing day-to-day operations of the Group's risk control and reports its effectiveness to the Board.

The Group continued to improve our risk control in 2015 based on our businesses and operating targets. We provided training of our internal policies to relevant employees relating to risk control strategies, management, chain of command and information systems. We collected information on possible risks, performed thorough analysis and amended our strategies accordingly. In addition, we also improved our risk control for international business in 2015 in line with our internationalisation strategy. We reviewed our existing risk control for international projects and amended certain internal policies, which included those relating to roles and responsibilities of relevant departments and effective supervision of every stage of overseas projects.

Disclosure

The Company is committed to strict compliance with disclosure obligations stipulated by the laws, rules and regulations of Hong Kong and the PRC at all times and we adhere to the principle of complying with the stricter regulations between the two jurisdictions.

The Company's Office of Secretary of the Board, assisted by the Corporate Finance Department and other relevant departments, is responsible for the day-to-day management of the Company's disclosure obligations. It had established the Administration Rules on Information Disclosure, Rules on Conducting Connected Transactions, Administration Rules on Guarantees, Administration Rules on Financial Assistance, Administration Rules on Investor Relations, among other internal policies, and is responsible for monitoring the implementation of such policies. In addition, the Company continued to strengthen its communication with investors and potential investors. Details regarding the Company's investor relations in 2015 are set out in the section headed "Corporate Governance Report – Investor Relations" on page 84 of this annual report.

Internal Supervision

The Company's Internal Audit is under the direct leadership of the Audit Committee and plays a key role in our internal control and risk control. It had established the Internal Control, Supervision and Monitoring Policy, Auditing Handbook, Administration Rules on Risk Management, Rules on Anti-Fraud, Audit Procedures for Complaints, among other internal policies, and is responsible for monitoring the implementation of such policies. These policies are responsible for ensuring the Group's audit supervision and risk control.

The Company's Internal Audit established 21 internal audit projects in 2015, which included 12 comprehensive internal audits for major business units and subsidiaries and 9 specialist audits for significant matters and complaints. Such internal audits enabled the Company to improve the Group's management, efficiency and internal control.

SENIOR MANAGEMENT

The Senior Management is charged with implementing the strategies and directions as determined by the Board. In discharging their responsibilities, Senior Management must comply with business principles and ethics which are consistent with those expected by the Board, the Shareholders and other stakeholders.

The responsibilities undertaken by the Senior Management include:

- management of the Company's production and operations;
- establishment of corporate policies and the management framework of the Company;
- appointment, evaluation or dismissal of employees of the Company; and
- implementation of resolutions of the Board.

Senior Management Composition

As at the Latest Practicable Date, the Senior Management comprised of nine members, which included the President, two executive vice presidents, four vice presidents and the Secretary of the Board who concurrently holds the position of vice president, the Chief Financial Officer, and the Chief Engineer.

The Senior Management composition during the year ended 31 December 2015 and up to the Latest Practicable Date is set out below:

President

Mr. Wang Haibo

Executive Vice Presidents

Mr. Cao Zhigang
Mr. Wu Kai

Vice Presidents

Mr. Liu Wei
Mr. Yang Hua
Ms. Ma Jinru
Mr. Zhou Yunzhi

Secretary of the Board

Ms. Ma Jinru

Chief Financial Officer

Mr. Huo Changbao

Chief Engineer

Mr. Liu He

The profiles of the Senior Management in office as at the Latest Practicable Date are set out in the section headed "Profiles of Directors, Supervisors and Senior Management" on page 47 of this annual report.

Shares Held by Senior Management

Based on information known to the Company, as at 31 December 2015, details of Senior Management who hold shares in the Company are set out below:

Name	Position	Date of Appointment	Share Category	Number of Shares
Mr. Wang Haibo	President	26 June 2013	A Shares	550,000
Mr. Cao Zhigang	Executive Vice President	26 June 2013	A Shares	9,918,024
Mr. Wu Kai	Executive Vice President	26 June 2013	A Shares	550,000
Mr. Huo Changbao	Chief Financial Officer	26 June 2013	A Shares	550,000
Ms. Ma Jinru	Vice President and Secretary of the Board	26 June 2013	A Shares	550,000
Mr. Zhou Yunzhi	Vice President	21 March 2015	A Shares	550,000
Mr. Liu Wei	Vice President	26 June 2013	A Shares	550,000
Mr. Yang Hua	Vice President	26 June 2013	A Shares	400,000
Mr. Liu He[1]	Chief Engineer	26 June 2013	A Shares	500,000

Note:

1. Haitong Asset Management, being the manager of the Haitong-Goldwind Asset Management Plan I, entered into a Subscription Agreement with the Company on 2 September 2014 pursuant to which Haitong Asset Management subscribed for a total of 17,140,000 A Shares. The agreement and the subscription contemplated thereunder have been approved by the Shareholders at an EGM. As disclosed in the Company's announcement dated 16 August 2015, the subscription has been completed. Mr. Liu He, one of the Senior Management, is a participant of the Haitong-Goldwind Asset Management Plan with regard to a total of 500,000 A Shares, under the SFO, Mr. Liu He was deemed to be interested in these 500,000 A Shares.

Remuneration of Directors, Supervisors and Senior Management

For the year ended 31 December 2015, the remuneration of Directors, Supervisors and Senior Management is set out below:

Unit: ten thousands

Name	Position	Total Remuneration before tax received from the Company during the Reporting Period
Mr. Wu Gang	Chairman	404.07
Mr. Li Ying	Vice Chairman	–
Mr. Wang Haibo	Executive Director and President	684.57
Mr. Cao Zhigang	Executive Director and Executive Vice President	649.52
Ms. Hu Yang[1]	Non-executive Director	–
Mr. Yu Shengjun	Non-executive Director	–
Dr. Tin Yau Kelvin Wong	Independent Non-executive Director	20.02
Mr. Yang Xiaosheng	Independent Non-executive Director	20.02
Mr. Luo Zhenbang	Independent Non-executive Director	20.02
Mr. Wang Mengqiu	Chairman of the Supervisory Committee	–
Mr. Wang Shiwei	Supervisor	–
Mr. Luo Jun	Supervisor	–
Ms. Zhang Xiaotao	Supervisor	32.40
Mr. Xiao Zhiping[2]	Supervisor	461.53
Mr. Lu Min[3]	Supervisor	78.32
Mr. Wu Kai	Executive Vice President	581.48
Mr. Huo Changbao	Chief Financial Officer	516.52
Ms. Ma Jinru	Vice President and Secretary of the Board	522.56
Mr. Zhou Yunzhi	Vice President	520.83
Mr. Liu Wei	Vice President	548.94
Mr. Yang Hua	Vice President	416.56
Mr. Liu He	Chief Engineer	412.51

Notes:

1. Ms. Hu Yang resigned as a non-executive Director on 23 October 2015.
2. Mr. Xiao Zhiping resigned as a Supervisor on 22 April 2015.
3. Mr. Lu Min was appointed as a Supervisor on 23 April 2015.

Company Secretary

The Company Secretary as at the Latest Practicable Date is Ms. Ma Jinru. She supports the Chairman, the Board and the Board Committees by ensuring good information flow and that Board policies and procedures are followed. She advises the Board on corporate governance matters and facilitates the training and professional development of the Directors. Ms. Ma Jinru is an employee of the Company and was appointed by the Board. Any Director may call upon her for advice and assistance at any time in respect of their duties and the effective operations of the Board. She also plays an essential role in managing the Company's disclosure obligations and maintaining the relationship between the Company and the Shareholders, including assisting the Board in discharging its obligations to the Shareholders pursuant to the Listing Rules.

Ms. Ma Jinru participated in approximately 30 hours of relevant professional training during the year ended 31 December 2015 relating to, among others, regulatory updates, corporate governance and business and market related topics of the Company and our industry in order to develop and refresh her knowledge and skills.

AUDITORS

Ernst & Young and Ernst & Young Hua Ming LLP were re-appointed as the Company's auditors for the financial year ended 31 December 2015. The Audit Committee reviewed and confirmed the auditors' independence and that there were no relationships between the auditors and the Company which may reasonably be thought to bear on their independence.

The services received from our auditors and the respective fees payable (excluding tax) by the Company for the financial year ended 31 December 2015 are set out below:

Unit: RMB million

	Year ended 31 December	
Service	**2015**	2014
Audit		
Audit of annual report and other related services	**5.28**	5.23
Audit of internal control	**0.47**	0.47
Non-audit		
Review of interim report	**1.65**	1.56
Total	**7.40**	7.26

DIRECTORS' AND AUDITORS' RESPONSIBILITIES

The Directors acknowledge their responsibility for preparing the financial statements for each financial year which give a true and fair view of the state of affairs, results and cash flows of the Group. In preparing the Financial Statements, the Directors have selected suitable accounting policies and applied them consistently, made judgements and estimates that were prudent, fair and reasonable and prepared the Financial Statements on a going concern basis. The Directors are responsible for keeping proper accounting records and accurately disclosing the financial position, results, cash flows, and changes in equity of the Group in a timely manner.

The Directors' and auditors' responsibilities for the Financial Statements are set out in the section headed "Independent Auditors' Report" on page 92 of this annual report.

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 has 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.

In 2015, 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 two results announcement road shows and four results announcement telephone conferences, and accommodated 61 investor visits. The Company hosted a total of 1,647 investors through such events.

In 2015, wind power industry in China grows rapidly. The introduction of various supportive policies by the government creates a sustainable political environment for Goldwind. Goldwind, as the leader of the wind power industry, seizes the opportunity proactively. We use technology innovation as the guidance and product manufacturing as the base. We focus on customer experience, and maximize the value of the supply chain. We have achieved record performance in operation and business development which solidifies our leadership in the industry.

As one of the renewable energy companies, we acknowledge that Goldwind should create not only economic value, but also social and environment value. In 2015, we persistently developed our business while fulfilling social responsibilities. We strived to create values for stakeholders. We implemented long-term energy security system and environment protection, encouraged the community to save energy, promoted the growth of the whole supply chain, created a better working environment for employees, emphasized on public services, improved our social responsibility, and developed a harmonious integration of the society and environment.

In 2016, wind power industry has entered into a steady growth period of time. Despite faced with many challenges, as an important component in promoting China's energy restructuring, the wind power industry has a promising future ahead. We will seize the opportunity proactively. Guided by long-term strategy of the company, we will focus on our major business to produce better quality wind equipment, not only provide products but also add values, transform from manufacturing products to creating smart products and services, penetrate into the value chain, and develop complex model with wind power and other renewable energy. While continuing to make profit and be responsible for the shareholders, we will also fulfill our responsibility to our employees and the environment in order to maximize the value of the shareholders, creditors, employees, customers, suppliers and other stakeholders. In adherence to the Group's mission "Contribute the blue sky to the human beings, save more resources to the future", we will take the responsibility of developing clean energy and reducing contamination for the future generation, and commit to contribute to the development of a low carbon and green economy.

I. PROTECT THE INTERESTS OF STAKEHOLDERS

i. Shareholders and Creditors

The Group has taken all necessary steps to comply with all provisions of the relevant laws, which included the *Company Law* of the PRC, *Securities Law* of the PRC, the Corporate Governance Code and other relevant laws, rules and regulations to convene the Shareholders' general meetings and ensure the protection of Shareholders' rights. In 2015, the Group convened the Shareholders' general meeting to discuss about a few major issues including the annual report, distribution, reports from the Board meeting and Supervisory Committee meeting in respect of setting up a finance company. A combined methodology (on-site and online) is used in Shareholders' general meeting for voting and calculating the results of votes to protect the Shareholders' rights.

While developing the business, the Group constantly pays attention to the return to Shareholders. Since the Company's listing on SZSE in 2007, the Company has provided the Shareholders with investment returns through distribution of share and cash dividends every year. Since the Company's listing on the Stock Exchange in 2010, the Company has distributed cash dividends every year. In 2014, annual distribution was close to 60% of the net profit attributable to shareholders, enabling our Shareholders to share the Company's growth and enjoy a sustained return on investment.

The Company is committed to strict compliance with disclosure obligations stipulated by the laws, rules and regulations of Hong Kong and the PRC at all times and we adhere to the principle of complying with the stricter regulations between the two jurisdictions. In the meantime, we ensure compliance with the Company's decision procedure and disclosure obligations in respect of significant matters in order for investors to gain updated information in regard to the Company's operations, financials and other significant matters.

The Company is committed to protecting the interests of its investors. The Company's Investor Relations division is responsible for organizing road shows, telephone conferences and investor visits, responding to queries from the Investor Relations Hotline, attending to the Investor Relations email inbox and SZSE's investor interactive platform, analyzing 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. In 2015, the Company set up a "Home of Goldwind Investors" subscription in Wechat, and set up a group called "Goldwind Investors Group" to provide the online communication and answer investors' questions to allow investors to understand the Company's status in a convenient manner and to make better investment judgement. In 2015, the Company arranged over 70 investigation conferences, media conferences and meetings with investors, hosting more than 1600 investors.

Credit risk management is always the key in the Company's strategy. The Company controls the scale of the debts, optimizes and diversifies its short-term debts structure. It strengthens the ability to adapt to market changes and also maintains positive corporate credibility image. In the meantime, the Company protects the creditors' interests and, to the extent legally permissible, keeps the creditors well-informed in regard to significant matters, coordinates and supports the creditors to understand the Company's financials, operations and management. The Company also strictly complies and fulfills our obligations and responsibilities under the agreements with creditors.

ii. Working environment and employees

1. Working environment

Employees are valuable assets of the Group. Contribution from the employees is the key driver of the Group's growth in the beginning, expansion and sustainable development period. The Group is committed to a "people-oriented" culture, with an effort to provide a better environment for the employees' career development and health.

The Group strictly complies with the Labor Law and national social security laws. It has built a set of transparent human resources system and procedures and encouraged employees to participate in the daily operation of the Group through the employee representative committee. Employees of the Company can understand the Group's strategy, goals, achievements, regulations, procedures through multiple communication methodology and platforms, which ensure the employees' rights to information, participation and supervision.

Remuneration reflects the employees' return to take the responsibilities and create values. We use level of responsibility, capability and results as the key performance indicators and have built a competitive incentive system. We encourage the employees to create value. Based on the results of a comprehensive evaluation of the incentive system within the whole group, the Group has designed and optimized the incentive system. In the meantime, the Group also provides employees with a better working environment, diversified welfare and a reasonable annual leave system to stimulate employee's work potentials.

As 31 December 2015, the Group had a total of 6,526 employees, categorized as below:

	Category	Number of Staff	Percentage
Profession	Technical	1,377	21.10%
	Production	1,396	21.39%
	Sales	312	4.78%
	Services	2,162	33.13%
	Management	1,073	16.44%
	Finance	206	3.16%
	Total	6,526	100.00%
Education	Master and above	854	13.09%
	Bachelor	2,832	43.40%
	College	1,892	28.99%
	Below College	948	14.53%
	Total	6,526	100.00%

2. Production safety

The Group pays attention to the employee health and safety, continually improves the working environment and strengthens health and safety management. The Group promotes safe and standardization production while benchmarking the Group's health and safety regulations, equipment management, employees' health and other safety, emergency management in order to enhance our safety management infrastructure. In 2015, the Group did not experience any incidents of significant casualties, nor was there any incident that involved staff fatality.

66 safety engineers gained the certificate on the safety management system which improves the safety management in the Group. In terms of production safety, wind power safety training platform has been established to train employees to reduce risk in light of the high risk involved in the wind power industry.

In addition, the Group regularly organizes hazard investigations, production safety reviews, emergency drills and production safety activities to ensure that the Group's production and operation comply with relevant safety regulations and internal control. In order to improve the employees' awareness of health hazards during work, the Group also examines and monitors the health of the employees. Related parties have been introduced into Goldwind's safety management system so as to improve the environment, health and safety management system of such related parties which in turn will ensure them fulfilling their relevant social responsibility.

3. Training and development

The Group promotes the culture of "effective work and happy life" and incorporates such culture into the Group's management to create a better environment for developing employees' careers and health.

To improve competitiveness of the Group, leadership of our management and our employees' capability and skills, the Group has set up a comprehensive employee training program and proactively organized management training, skills upgrade training, profession training and safety management training. In 2015, the Group spent about RMB10 million for training, which involved 5,830 employees and around 5,525 training hours.

In 2015, the Company hired 109 employees in the field of wind power, database, IT, risk management, finance and operational management. The Company continued to promote the training program "millions talents" and 244 management and professionals have completed such program. We encourage employee to attend EMBA、MBA、master of engineering and 215 employees with potentials are chosen to receive special training to cultivate and broaden their perspectives and improve their skills. In the meantime, the Company continually focuses on leadership training. 30 senior managements participated the leadership training and 155 managers attended leadership training for 6-7 days.

2015 Staff Training:

Total staff training expense (RMB)	9.38million
Average staff training expense (RMB)	1,345.05RMB/person
Total training hours (hours)	34,472.45hours
Training hours for each staff	4.95hour/person

In line with the Group's corporate value of "create the value, complete the life", the Group set up a profit-sharing scheme to explore model of having employees participating in long-term incentive program, which is also in line with the government's policy of promoting innovative incentive programs.

4. Compliance with Labor standards

The Group has always attached great importance to and complied with the international human rights and labor standards of which the Chinese government is a signatory. Upon employment, an employee enters into a labor contract with the Group, and terms such as his/her job position, working hours, work protection and remuneration, etc. will be specified in the said contract. The Group respects staff freedom in employment and resolutely refuses to restrict their personal freedom or direct forced labor during the period of employment by way of withholding wage payments or seizure of identification documents, etc. Upon resignation of an employee, we will not restrict their development for any reasons through any means. Since the establishment of the Group, matters of serious violation relating to operating activities and operating activities, including but not limited to compensation and remuneration, recruitment, working hour, equal opportunity, health and safety, child Labourer and forced Labour.

iii. Customers and Suppliers

As the global leader on wind power solution, the Group constantly insists on "to maximize the value of the customers". In light of the diversity in the wind power market, the Group designs different products which are suitable for different environments and customers including low wind speed, high altitude, low temperature, high temperature, humidity, freeze prevention. In order to meet customer's needs, in 2015, the Group continued to strengthen its R&D efforts to optimize and upgrade its products and reinforce the advantage of the Group technology. With the improvement of the Group's products series, the maturity of the technology and the strengthening of the capability of the Group's R&D, the Group is able to provide tailor made solutions to meet customers various demands.

In the meanwhile, the Group explores different methodology to assist the customers with tailor made solutions. The Group uses a lot of database as the base, combined with big data, cloud computing, Internet of things etc to develop digital operation and maintenance systems. In 2015, the Group has announced the first free, reliable public wind power and meteorological service platform. The Group also introduced the wind resources database and simulation computing platform "Windunified" which is useful in optimizing the wind turbines and wind farms.

The Group has been committed to the development of the supply chain construction, "loyalty", "transparency", "respect" and "integrity", is the basic idea of cooperation with the suppliers; "Advancing together hand in hand, mutually benefitting from one another, together helping each other, to create the future", is the working ideology of both the Group and suppliers.

In order to create a fair, impartial, rigorous supplier environment, the Group established a sound standard for supplier selection and evaluation mechanisms, to develop the Group's *Purchasing Management Rules*, *Access Administration Rules* and *Evaluation Criteria for Suppliers*, *Evaluation System for Qualified Suppliers* and other relevant standards and regulations. Adhering to the *Procurement Transparency Agreement Letter* and *Company Personnel Purchasing Code of Conduct*, the Group initiated and executed the procurement transparency and standardized the procurement behavior of the procurement staff, so as to consciously resist and eliminate all types of misconduct. The Group published the internal auditing department's phone number and email address to suppliers, in order to prevent the occurrence of any commercial bribery. In 2015, the Group did not find any in commercial bribery and other procurement misconducts.

Besides, the Group holds suppliers conference every year to build a transparency, fair competitive environment, to build long term relationship with suppliers, based on the equality, win-win situation to grow with the suppliers. In 2015, we grew with the supply chain, brought in the best resources both internationally and domestically into the Goldwind's supply chain, strengthened the quality control of the supply chain and optimized the supply chain to improve the capability to the competitive wind power market. In 2015, the Group achieved three 100%: 100% orders from suppliers being delivered, 100% of account payable at maturity being paid, and 100% of secondary suppliers account payable at maturity being paid.

II. ENVIRONMENTAL PROTECTION

In the process of innovation, the Group adheres to the principle of environmental protection. In 2015, the Group optimized the efficiency of the lighting and air conditioning system which saved approximately 14.2% electricity, and saved up to 960,000 unit of electricity annually. This was equivalent to a savings of approximately 307.2 tons of standard coal per year and reductions of carbon dioxide emissions by approximately 957.12 tons per year.

The total capacity of Goldwind's installed turbines was 32GW as 31 December 2015, This was equivalent to a savings of approximately 2.27 million tons of standard coal per year, reductions of carbon dioxide emissions by approximately 6.551 million tons or planting approximately 3.58 million square meters of forest.

The Group advocates the energy saving concept and organizes renewable energy seminar in collaboration with the Automobile Association. The potential opportunities of new energy sources and electric automobiles have been discussed during the conference with the government officials and industrial experts.

III. OPERATIONAL MANAGEMENT

i. Product quality

The Group has always paid great attention to product quality. In 2015, the Group's quality control work emphasized on "developing both internally and externally, controlling source of quality risks, management of parts and suppliers, and management restructuring" to improve product quality from different perspectives.

In 2015, the Group initiated the work of "optimizing the industrial chain" and established and implemented "Goldwind's Optimizing Strategy Plan" to pursue the goal of "remarkable quality, advanced technology, optimize the cost in the lifecycle and dynamic market". We adopted several measures which set up quality benchmarks, certified key positions, conducted credit evaluations to establish a quality improvement platform with key suppliers and to improve quality from the beginning of the supply chain. Such measures were supported by suppliers and the quality control changed from passive mode to self-management mode, thus achieved a win-win situation.

In order to meet customers' demand for fast response, fax numbers, complaints hotlines and 400 hotline were set up by the Group. The Group also formulated relevant regulations to specify contact personnel responsible for complaints and deadlines for responding. Customers have multiple channels to file complaints or make requests to the Group.

The Group pays a lot of attentions on R&D, and protects key technologies and intellectual property rights. As of 31 December 2015, the Group has 551 authorized patents in China, including 122 authorized inventions. 53 registered trademarks have been approved and 72 registered trademarks have been approved overseas. In order to contribute to the development of the energy internet, the Group is also developing innovative new computer software and algorithms. As at the end of 2015, the Group had 188 software copyrights.

ii. Anti-corruption and Anti-fraud

To strengthen the Group's anti-corruption and anti-fraud policy, the Group regulates employees' professional behaviors to prevent corruption and fraud, and to protect the Group's image and Shareholders' interests. The Group set up anti-corruption and anti-fraud regulations to govern employees' daily behavior and operations. The Group also established the Anti-corruption and Anti-fraud Department and set up hotlines, email accounts and other channels for employee to report corruption and fraud.

IV. COMMUNITY INVOLVEMENT

While focusing on the delivery of economic benefits for the community, the Group is also resolved to repay the community with charitable acts, as testified by its long-term dedication to the cause of community welfare in an outreach to underprivileged groups that need help.

The Group is committed to providing more employment opportunities and enabling these communities to develop with us. We invested much of our resources in China and provided many employment opportunities and tax revenue for these communities. As of 2015, the total number of Goldwind's employees were 6,526, The Group paid more than RMB2.2 million in taxes in 2015.

In 2015, the Group participated in the program "Go Goldwind" to help leukemia children and their families, The Company also sponsored winter sports national game to provide the clean energy for the stadium.

The Group is devoted in particular to the welfare of such underprivileged groups as children and committed to educational development. In 2015, the Group donated over RMB1 million to build infrastructure and basic education in the poverty area. In America, Australia, Pakistan and other countries and regions, Goldwind has also been involved in several public benefit activities. Goldwind participated in poverty alleviation projects the Takelama village in Xinxiang province to support their local education.

In the future, the Group will constantly use the customers and market as the guidance and adhere to the principle of "find value, create value". We will focus on achieving better quality, reducing costs and fulfilling our social responsibility which is essential to our long–term sustainability. The Group will make the effort to fulfill our social responsibility in order to realize sustainable development in terms of the corporate, staff, society, and environment.

Independent Auditors' Report

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

We have audited the consolidated financial statements of Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") and its subsidiaries set out on pages 94 to 207, which comprise the consolidated statement of financial position as at 31 December 2015, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with International Standards on Auditing issued by the International Auditing and Assurance Standards Board. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Company and its subsidiaries as at 31 December 2015, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Ernst & Young
Certified Public Accountants
Hong Kong
29 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Year ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
REVENUE	5	29,845,998	17,572,601
Cost of sales		(22,069,041)	(13,006,194)
Gross profit		7,776,957	4,566,407
Other income and gains	5	772,827	793,821
Selling and distribution expenses		(2,867,868)	(1,464,529)
Administrative expenses		(1,635,756)	(1,191,189)
Other expenses		(405,186)	(98,571)
Finance costs	7	(555,681)	(584,292)
Share of profits and losses of:			
Joint ventures	17	98,713	51,019
Associates	18	62,824	36,320
PROFIT BEFORE TAX	6	3,246,830	2,108,986
Income tax expense	9	(371,439)	(255,473)
PROFIT FOR THE YEAR		2,875,391	1,853,513
Attributable to:			
Owners of the parent		2,849,497	1,829,682
Non-controlling interests		25,894	23,831
		2,875,391	1,853,513
OTHER COMPREHENSIVE LOSS			
Other comprehensive loss to be reclassified to profit or loss in subsequent periods (net of tax):			
Net loss on available-for-sale financial assets		(69,829)	(77,672)
Exchange differences on translation of foreign operations		(1,821)	(87,912)
Net other comprehensive loss to be reclassified to profit or loss in subsequent periods, net of tax		(71,650)	(165,584)

	Notes	2015 RMB'000	2014 RMB'000
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods (net of tax):			
Net loss on cash flow hedges		–	(18,081)
Net other comprehensive loss not to be reclassified to profit or loss in subsequent periods, net of tax		–	(18,081)
OTHER COMPREHENSIVE LOSS FOR THE YEAR, NET OF TAX		**(71,650)**	(183,665)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**2,803,741**	1,669,848
Total comprehensive income attributable to:			
Owners of the parent		**2,777,847**	1,646,017
Non-controlling interests		**25,894**	23,831
		2,803,741	1,669,848
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:			
Basic and diluted (expressed in RMB per share)	11	**1.05**	0.68

Consolidated Statement of Financial Position

Year ended 31 December 2015

	Notes	As at 31 December 2015 RMB'000	2014 RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	**17,015,112**	10,481,778
Investment properties	13	**73,697**	76,593
Prepaid land lease payments	14	**201,881**	177,677
Goodwill	15	**316,259**	242,794
Other intangible assets	16	**534,673**	265,267
Investments in joint ventures	17	**487,921**	461,219
Investments in associates	18	**559,279**	456,076
Available-for-sale investments	19	**901,121**	827,777
Deferred tax assets	20	**1,338,436**	850,833
Trade receivables	22	**1,762,112**	1,514,030
Financial receivables	23	**1,867,047**	1,023,581
Prepayments, deposits and other receivables	24	**1,938,558**	992,137
Derivative financial instruments	30	**4,121**	4,797
Pledged deposits	25	**285,542**	307,878
Total non-current assets		**27,285,759**	17,682,437
CURRENT ASSETS			
Inventories	21	**3,037,200**	3,649,585
Trade and bills receivables	22	**14,526,382**	11,294,246
Financial receivables	23	**145,126**	60,976
Prepayments, deposits and other receivables	24	**1,271,563**	2,109,299
Equity investments at fair value through profit or loss	29	**–**	90,067
Pledged deposits	25	**158,993**	579,150
Cash and cash equivalents	25	**6,147,378**	9,528,460
		25,286,642	27,311,783
Assets of disposal groups classified as held for sale	26	**–**	783,106
Total current assets		**25,286,642**	28,094,889
CURRENT LIABILITIES			
Trade and bills payables	27	**14,274,618**	10,838,968
Other payables, advance from customers and accruals	28	**3,220,532**	3,854,209
Interest-bearing bank and other borrowings	31	**1,734,103**	5,857,702
Tax payable		**439,427**	230,025
Provision	32	**1,290,212**	832,534
		20,958,892	21,613,438
Liabilities directly associated with the assets classified as held for sale	26	**–**	706,323
Total current liabilities		**20,958,892**	22,319,761
NET CURRENT ASSETS		**4,327,750**	5,775,128
TOTAL ASSETS LESS CURRENT LIABILITIES		**31,613,509**	23,457,565

	Notes	As at 31 December 2015 RMB'000	2014 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**31,613,509**	23,457,565
NON-CURRENT LIABILITIES			
Trade payables	27	**815,887**	607,060
Other payables	28	**97,493**	57,957
Interest-bearing bank and other borrowings	31	**10,760,624**	6,022,749
Deferred tax liabilities	20	**58,089**	26,897
Provision	32	**2,202,699**	1,265,577
Government grants	33	**270,101**	244,218
Deferred revenue		**18,012**	6,098
Total non-current liabilities		**14,222,905**	8,230,556
Net assets		**17,390,604**	15,227,009
EQUITY			
Equity attributable to owners of the parent			
Share capital	34	**2,735,541**	2,694,588
Reserves	35	**14,025,905**	12,073,201
		16,761,446	14,767,789
Non-controlling interests		**629,158**	459,220
Total equity		**17,390,604**	15,227,009

Wu Gang
Director

Wang Haibo
Director

Consolidated Statement of Changes in Equity

Year ended 31 December 2015

	Attributable to owners of the parent										
	Share capital RMB'000 (note 34)	Capital Reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Available-for-sale investment revaluation reserve RMB'000	Cash flow hedges, net of tax RMB'000	Exchange fluctuation reserve RMB'000	Retained profits 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	*266,815	*18,081	*(252,299)	*2,061,563	13,367,526	425,410	13,792,936
Profit for the year	–	–	–	–	–	–	–	1,829,682	1,829,682	23,831	1,853,513
Other comprehensive loss for the year:											
Changes in fair value of available-for-sale investments, net of tax	–	–	–	–	(77,672)	–	–	–	(77,672)	–	(77,672)
Cash flow hedges, net of tax	–	–	–	–	–	(18,081)	–	–	(18,081)	–	(18,081)
Exchange differences on translation of foreign operations	–	–	–	–	–	–	(87,912)	–	(87,912)	–	(87,912)
Total comprehensive income/(loss) for the year	–	–	–	–	(77,672)	(18,081)	(87,912)	1,829,682	1,646,017	23,831	1,669,848
Final 2013 dividend declared	–	–	–	–	–	–	–	(215,567)	(215,567)	–	(215,567)
Profit appropriation to reserves	–	–	–	66,184	–	–	–	(66,184)	–	–	–
Dividend declared to non-controlling shareholders	–	–	–	–	–	–	–	–	–	(17,623)	(17,623)
Acquisition of a subsidiary (note 36)	–	–	–	–	–	–	–	–	–	3,524	3,524
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	–	3,380	3,380
Acquisition of non-controlling interests	–	(27,358)	–	–	–	–	–	–	(27,358)	(36,512)	(63,870)
Disposal to non-controlling shareholders	–	(2,829)	–	–	–	–	–	–	(2,829)	57,700	54,871
Capital withdrawal of non-controlling interests	–	–	–	–	–	–	–	–	–	(490)	(490)
Transfer to special reserve	–	–	23,244	–	–	–	–	–	23,244	–	23,244
Utilisation of special reserve	–	–	(23,244)	–	–	–	–	–	(23,244)	–	(23,244)
As at 31 December 2014	2,694,588	*7,962,425	–	*652,350	*189,143	–	*(340,211)	*3,609,494#	14,767,789	459,220	15,227,009

\# Retained profits have been adjusted for the proposed final 2014 dividend in accordance with the current year's presentation, which is described in note 2.4 to the financial statements.

	Attributable to owners of the parent									
	Share Capital RMB'000 (note 34)	Capital Reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Available-for-sale investment revaluation reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2015	2,694,588	*7,962,425	–	*652,350	*189,143	*(340,211)	*3,609,494	14,767,789	459,220	15,227,009
Profit for the year	–	–	–	–	–	–	2,849,497	2,849,497	25,894	2,875,391
Other comprehensive loss for the year:										
Changes in fair value of available-for-sale investments, net of tax	–	–	–	–	(69,829)	–	–	(69,829)	–	(69,829)
Cash flow hedges, net of tax	–	–	–	–	–	–	–	–	–	–
Exchange differences on translation of foreign operations	–	–	–	–	–	(1,821)	–	(1,821)	–	(1,821)
Total comprehensive income/(loss) for the year	–	–	–	–	(69,829)	(1,821)	2,849,497	2,777,847	25,894	2,803,741
Final 2014 dividend declared	–	–	–	–	–	–	(1,077,835)	(1,077,835)	–	(1,077,835)
Profit appropriation to reserves	–	–	–	163,827	–	–	(163,827)	–	–	–
Dividend declared to non-controlling shareholders	–	–	–	–	–	–	–	–	(25,039)	(25,039)
Acquisition of subsidiaries (note 36)	–	–	–	–	–	–	–	–	43,578	43,578
Disposal of subsidiaries (note 37)	–	–	–	–	–	–	–	–	(15,291)	(15,291)
Issue of shares (note 34)	40,953	305,919	–	–	–	–	–	346,872	–	346,872
Share issue expenses	–	(10,561)	–	–	–	–	–	(10,561)	–	(10,561)
Capital contribution from non-controlling shareholders	–	–	–	–	–	–	–	–	129,998	129,998
Acquisition of non-controlling interests	–	(1,230)	–	–	–	–	–	(1,230)	(43,869)	(45,099)
Disposal to non-controlling shareholders	–	(41,436)	–	–	–	–	–	(41,436)	54,667	13,231
Transfer to special reserve	–	–	25,252	–	–	–	(25,252)	–	–	–
Utilisation of special reserve	–	–	(25,252)	–	–	–	25,252	–	–	–
As at 31 December 2015	2,735,541	*8,215,117	–	*816,177	*119,314	*(342,032)	*5,217,329	16,761,446	629,158	17,390,604

* As at 31 December 2015, these reserve accounts comprised the consolidated reserves of RMB14,025,905,000 (31 December 2014: RMB12,073,201,000) in the consolidated statement of financial position.

Consolidated Statement of Cash Flows

Year ended 31 December 2015

	Notes	2015 RMB'000	2014 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**3,246,830**	2,108,986
Adjustments for:			
Finance costs	7	**555,681**	584,292
Bank interest income	5	**(128,257)**	(63,163)
Share of profits and losses of joint ventures	17	**(98,713)**	(51,019)
Share of profits and losses of associates	18	**(62,824)**	(36,320)
Depreciation	6	**483,588**	375,159
Amortisation of prepaid land lease payments	6	**4,683**	3,736
Amortisation of other intangible assets	6	**56,399**	55,315
Loss on disposal of items of property, plant and equipment and other intangible assets, net	6	**1,688**	2,482
Gain on disposal of subsidiaries	5	**(33,958)**	(20,000)
Gain on disposal of a business	5	**–**	(333,149)
Gain on disposal of interest in a joint venture	5	**–**	(604)
Gain on disposal of available-for-sale investments	5	**(60,851)**	(98,268)
Gain on disposal of equity investments at fair value through profit or loss	5	**(76,802)**	–
Dividend income from available-for-sale investments	5	**(21,294)**	(11,412)
Interests from other investments		**(7,885)**	(9,025)
Fair value losses/(gains), net:			
Derivative financial instruments	6	**930**	(1,469)
Equity investments at fair value through profit or loss	6	**21,535**	–
Impairment of trade and other receivables	6	**180,748**	13,348
(Reversal of write-down)/write-down of inventories to net realisable value	6	**(5,748)**	109,797
Impairment of investments in a joint venture	6	**6,362**	–
Impairment of property, plant and equipment	6	**26,585**	–
Government grants		**(11,283)**	(7,451)
		4,077,414	2,621,235
(Increase)/decrease in inventories		**626,347**	(732,885)
Increase in trade and bills receivables		**(4,048,218)**	(2,095,295)
Decrease in financial receivables		**145,548**	50,731
(Increase)/decrease in prepayments, deposits and other receivables		**246,461**	(1,297,090)
Increase in trade and bills payables		**2,617,957**	1,722,803
Increase in other payables, advance from customers and accruals		**218,635**	2,397,622
Increase in provision		**1,394,799**	500,181
Increase in government grants		**24,700**	10,859
Cash generated from operations		**5,303,643**	3,178,161
Income tax paid		**(648,723)**	(396,797)
Interest received		**121,208**	48,020
Net cash flows from operating activities		**4,776,128**	2,829,384

	Notes	2015 RMB'000	2014 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(6,766,884)	(2,312,596)
Additions of prepaid land lease payments		(28,887)	(57,552)
Additions of other intangible assets		(668,341)	(376,237)
Acquisitions of subsidiaries, net of cash acquired	36	(152,194)	(38,012)
Purchases of interests in joint ventures		(101,974)	(74,520)
Purchases of interests in associates		(48,622)	(19,850)
Purchases of available-for-sale investments		(157,690)	(79,444)
Purchase of other long-term assets		–	(87,819)
Disposal of interests in joint ventures		11,250	6,000
Gain on disposal of available-for-sale investment		164,098	58,634
Receipt of government grants		6,030	–
Proceeds from disposal of items of property, plant and equipment and other intangible assets		14,158	1,919
Disposal of subsidiaries, net of cash disposed of		241,805	246,917
Disposal of a business, net of cash disposed of	38	–	605,047
Disposal of assets held for sale		–	57,020
Cash and cash equivalents included in assets held for sale		–	18,108
Decrease/(increase) in pledged deposits		(20,747)	9,858
Decrease in non-pledged time deposits with original maturity of three months or more when acquired		–	39,815
Interest received		–	101
Dividend received from available-for-sale investments		20,693	11,412
Dividend received from joint ventures and associates		150,044	190,349
Gain on disposal of equity investments at fair value through profit or loss	5	76,802	–
Cash from other investments		15,288	126,109
Net cash flows used in investing activities		(7,245,171)	(1,674,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		7,576,252	6,367,449
Repayment of bank and other borrowings		(7,169,561)	(1,344,981)
Increase/(decrease) in payables to the non-controlling shareholders		7,864	(3,940)
Interest paid		(731,265)	(646,105)
Acquisitions of non-controlling interests in subsidiaries		(40,990)	(63,870)
Proceeds from issue of shares, net of issue expenses and commission		336,311	–
Capital contributions from non-controlling shareholders		129,998	3,380
Disposal of interests to non-controlling shareholders		–	57,520
Dividend paid		(1,053,382)	(215,567)
Dividend paid to non-controlling shareholders		(25,039)	(18,966)
Net cash flows from/(used in) financing activities		(969,812)	4,134,920
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3,438,855)	5,289,563
Cash and cash equivalents at beginning of year		9,523,826	4,276,301
Effect of foreign exchange rate changes, net		56,459	(42,038)
CASH AND CASH EQUIVALENTS AT END OF YEAR	25	6,141,430	9,523,826

1. CORPORATE AND GROUP INFORMATION

Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") is a joint stock company with limited liability registered in Beijing in the People's Republic of China (the "PRC"), which was established on 26 March 2001. The Company's shares have been listed on The Shenzhen Stock Exchange from 26 December 2007 and 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 year, 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;
- Provision of wind power related consultancy, wind farm construction and maintenance services;
- 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; and
- Development and operation of water treatment plants and finance lease services.

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

Information about subsidiaries

Particulars of the Company's principal subsidiaries are as follows:

Name*	Place of incorporation/ registration and business**	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Goldwind Science & Creation Wind Power Equipment Co., Ltd. (北京金風科創風電設備有限公司)	The PRC/ Mainland China	RMB990,000,000	100	–	Manufacture and sale of wind power equipment and accessories
Goldwind Windenergy GmbH	Germany	EUR350,000	100	–	Investment holding
Vensys Energy AG	Germany	EUR5,000,000	–	70	Provision of technical services and manufacture and sale of wind power equipment and accessories
Vensys Elektrotechnik GmbH	Germany	EUR100,000	–	63	Provision of technical services and manufacture and sale of wind power equipment and accessories

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Name*	Place of incorporation/ registration and business**	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Beijing Tianrun New Energy Investment Co., Ltd. ("Beijing Tianrun") (北京天潤新能投資有限公司)	The PRC/ Mainland China	RMB4,200,000,000	100	–	Investment holding
Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd. (北京天源科創風電技術有限責任公司)	The PRC/ Mainland China	RMB200,000,000	100	–	Provision of construction and technical services for wind farm
Gansu Goldwind Wind Power Equipment Manufacture Co., Ltd. (甘肅金風風電設備製造有限公司)	The PRC/ Mainland China	RMB88,600,000	100	–	Manufacture and sale of wind power equipment and accessories
Beijing Techwin Electric Co., Ltd. (北京天誠同創電氣有限公司)	The PRC/ Mainland China	RMB100,000,000	100	–	Manufacture and sale of wind power equipment and accessories
Urumqi Goldwind Tianyi Wind Power Co., Ltd. (烏魯木齊金風天翼風電有限公司)	The PRC/ Mainland China	RMB426,060,000	100	–	Development and operation of wind farms
Beijing Goldwind Tiantong Science and Technology Development Co., Ltd. (北京金風天通科技發展有限公司)	The PRC/ Mainland China	RMB3,000,000	100	–	Trading of wind power equipment and accessories
Jiangsu Goldwind Wind Technology Co., Ltd. (江蘇金風科技有限公司)	The PRC/ Mainland China	RMB759,610,000	100	–	Manufacture and sale of wind power equipment and accessories
Goldwind Investment Holding Co., Ltd. (金風投資控股有限公司)	The PRC/ Mainland China	RMB1,000,000,000	100	–	Investment holding
Hami Goldwind Wind Power Equipment Manufacture Co., Ltd. (哈密金風風電設備有限公司)	The PRC/ Mainland China	RMB10,000,000	100	–	Manufacture and sale of wind power equipment and accessories
Goldwind New Energy (HK) Investment Limited	The PRC/ Hong Kong	HK$500,000,000	100	–	Investment holding
Goldwind International Holdings (HK) Limited ("Goldwind International Holdings (HK)")	The PRC/ Hong Kong	HK$20,000,000	100	–	Trading of wind power equipment and accessories
Goldwind Environmental Science & Technology Co., Ltd. (金風環保有限公司)	The PRC/ Mainland China	RMB1,000,000,000	100	–	Development and operation water treatment plants

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Name*	Place of incorporation/ registration and business**	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Tianxin International Finance Lease Co., Ltd. (天信國際租賃有限公司)	The PRC/ Mainland China	US$30,000,000	–	100	Finance lease services
Hami Tianrun New Energy Co., Ltd. (哈密天潤新能源有限公司)	The PRC/ Mainland China	RMB25,800,000	–	100	Construction and operation of wind farms
Tacheng Tianrun New Energy Co., Ltd. (塔城天潤新能源有限公司)	The PRC/ Mainland China	RMB67,000,000	–	100	Development and operation of wind farms
Inner Mongolia Jieyuan Wind Energy Electricity Co., Ltd. (內蒙古潔源風能發電有限責任公司)	The PRC/ Mainland China	RMB109,100,000	–	68	Development and operation of wind farms
Jinzhou Quanyi New Energy Wind Power Co., Ltd. (錦州市全一新能源風電有限責任公司)	The PRC/ Mainland China	RMB55,060,000	–	51	Development and operation of wind farms
Pinglu Tianrun Wind Power Co., Ltd. (平陸天潤風電有限公司)	The PRC/ Mainland China	RMB32,000,000	–	100	Development and operation of wind farms
Shuozhou Pinglu Tianrui Wind Power Co., Ltd. (朔州市平魯區天瑞風電有限公司)	The PRC/ Mainland China	RMB56,000,000	–	75	Development and operation of wind farms
Zhongning Tianrun Wind Power Co., Ltd. (中寧天潤風電有限公司)	The PRC/ Mainland China	RMB4,000,000	–	100	Development and operation of wind farms
Keyou Zhongqi Tianyou New Energy Co., Ltd. (科右中旗天祐新能源有限公司)	The PRC/ Mainland China	RMB75,000,000	–	70	Development and operation of wind farms
Hami Yandun Tianrun Wind Power Co., Ltd. (哈密煙墩天潤風電有限公司)	The PRC/ Mainland China	RMB31,000,000	–	100	Development and operation of wind farms
Xiaxian Tianrun Wind Power Co., Ltd. (夏縣天潤風電有限公司)	The PRC/ Mainland China	RMB46,000,000	–	100	Development and operation of wind farms
Yixian Tianrun Wind Power Co., Ltd. (義縣天潤風電有限公司)	The PRC/ Mainland China	RMB10,000,000	–	100	Development and operation of wind farms
Jiangxian Tianrun Wind Power Co., Ltd. (絳縣天潤風電有限公司)	The PRC/ Mainland China	RMB20,750,000	–	100	Development and operation of wind farms
Guyuan Fengrun Wind Power Co., Ltd. (固原風潤風電有限公司)	The PRC/ Mainland China	RMB4,500,000	–	100	Development and operation of wind farms

1. CORPORATE AND GROUP INFORMATION (continued)

Information about subsidiaries (continued)

Name*	Place of incorporation/ registration and business**	Issued ordinary/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			Direct	Indirect	
Hami Tianrun Solar Energy Co., Ltd. (哈密天潤太陽能有限公司)	The PRC/ Mainland China	RMB44,000,000	–	100	Development and operation of solar power generation projects
Buerjin Tianrun New Energy Co., Ltd. (布爾津天潤新能源有限公司)	The PRC/ Mainland China	RMB4,000,000	–	100	Development and operation of wind farms
Fuyun Tianrun Wind Power Co., Ltd. (富蘊天潤風電有限公司)	The PRC/ Mainland China	RMB4,000,000	–	100	Development and operation of wind farms
Jingzhou Tianchu Wind Power Co., Ltd. (荊州天楚風電有限公司)	The PRC/ Mainland China	RMB42,000,000	–	100	Development and operation of wind farms
Yiwu Tianrun Wind Power Co., Ltd. (伊吾天潤風電有限公司)	The PRC/ Mainland China	RMB35,710,000	–	100	Development and operation of wind farms
UEP Penonome I, S.A.	Penonome	–	–	100	Development and operation of wind farms
Goldwind USA, Inc.	USA/ Delaware	US$3,600,000	–	100	Research and sale of wind power equipment and accessories
Goldwind Australia Pty Ltd.	Australia/ Victoria	AUD1,974,000	–	100	Research and sale of wind power equipment and accessories

* The English names of the companies registered in the PRC represent the best efforts of the management of the Company in directly translating the Chinese names of the companies as no English names have been registered.

** All these companies were incorporated with limited liability.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group as at 31 December 2015. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and interpretations) issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale investments, equity investments at fair value through profit or loss and derivative financial instruments. Disposal groups held for sale are stated at the lower of their carrying amounts and fair values less costs to sell as further explained in note 2.4. These financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand except when otherwise indicated.

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 December 2015. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described for subsidiaries above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised standards for the first time for the current year's financial statements.

Amendments to IAS 19	*Defined Benefit Plans: Employee Contributions*
Annual Improvements 2010-2012 Cycle	Amendments to a number of IFRSs
Annual Improvements 2011-2013 Cycle	Amendments to a number of IFRSs

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

a) Amendments to IAS 19 apply to contributions from employees or third parties to defined benefit plans. The amendments simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. If the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction of service cost in the period in which the related service is rendered. The amendments have had no impact on the Group as the Group does not have defined benefit plans.

b) The *Annual Improvements to IFRSs 2010-2012 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 8 *Operating Segments*: Clarifies that an entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8, including a brief description of operating segments that have been aggregated and the economic characteristics used to assess whether the segments are similar. The amendments also clarify that a reconciliation of segment assets to total assets is only required to be disclosed if the reconciliation is reported to the chief operating decision maker. The amendments have had no impact on the Group.

- IAS 16 *Property, Plant and Equipment* and IAS 38 *Intangible Assets*: Clarifies the treatment of gross carrying amount and accumulated depreciation or amortisation of revalued items of property, plant and equipment and intangible assets. The amendments have had no impact on the Group as the Group does not apply the revaluation model for the measurement of these assets.

- IAS 24 *Related Party Disclosures*: Clarifies that a management entity (i.e., an entity that provides key management personnel services) is a related party subject to related party disclosure requirements. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The amendment has had no impact on the Group as the Group does not receive any management services from other entities.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (continued)

c) The *Annual Improvements to IFRSs 2011-2013 Cycle* issued in December 2013 sets out amendments to a number of IFRSs. Details of the amendments that are effective for the current year are as follows:

- IFRS 3 *Business Combinations*: Clarifies that joint arrangements but not joint ventures are outside the scope of IFRS 3 and the scope exception applies only to the accounting in the financial statements of the joint arrangement itself. The amendment is applied prospectively. The amendment has had no impact on the Group as the Company is not a joint arrangement and the Group did not form any joint arrangement during the year.

- IFRS 13 *Fair Value Measurement*: Clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 or IAS 39 as applicable. The amendment is applied prospectively from the beginning of the annual period in which IFRS 13 was initially applied. The amendment has had no impact on the Group as the Group does not apply the portfolio exception in IFRS 13.

- IAS 40 *Investment Property*: Clarifies that IFRS 3, instead of the description of ancillary services in IAS 40 which differentiates between investment property and owner-occupied property, is used to determine if the transaction is a purchase of an asset or a business combination. The amendment is applied prospectively for acquisitions of investment properties. The amendment has had no impact on the Group as there is no acquisition of investment properties during the year and so this amendment is not applicable.

In addition, the Company has adopted the amendments to the Listing Rules issued by the Hong Kong Stock Exchange relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

IFRS 9	*Financial Instruments*[3]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[6]
Amendments to IFRS 10, IFRS 12 and IAS 28	*Investment Entities: Applying the Consolidation Exception*[1]
Amendments to IFRS 11	*Accounting for Acquisitions of Interests in Joint Operations*[1]
Amendments to IAS 7	*Disclosure Initiative*[2]
Amendments to IAS 12	*Recognition of Deferred Tax Assets for Unrealised Losses*[2]
IFRS 14	*Regulatory Deferral Accounts*[5]
IFRS 15	*Revenue from Contracts with Customers*[3]
IFRS 16	*Leases*[4]
Amendments to IAS 1	*Disclosure Initiative*[1]
Amendments to IAS 16 and IAS 38	*Clarification of Acceptable Methods of Depreciation and Amortisation*[1]
Amendments to IAS 16 and IAS 41	*Agriculture: Bearer Plants*[1]
Amendments to IAS 27	*Equity Method in Separate Financial Statements*[1]
Annual Improvements 2012-2014 Cycle	Amendments to a number of IFRSs[1]

1 Effective for annual periods beginning on or after 1 January 2016
2 Effective for annual periods beginning on or after 1 January 2017
3 Effective for annual periods beginning on or after 1 January 2018
4 Effective for annual periods beginning on or after 1 January 2019
5 Effective for an entity that first adopts IFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group
6 No mandatory effective date yet determined but is available for adoption

Further information about those IFRSs that are expected to be applicable to the Group is as follows:

In July 2014, the IASB issued the final version of IFRS 9, bringing together all phases of the financial instruments project to replace IAS 39 and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment and hedge accounting. The Group expects to adopt IFRS 9 from 1 January 2018. The Group is currently assessing the impact of the standard.

The amendments to IFRS 10 and IAS 28 address an inconsistency between the requirements in IFRS 10 and in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss when the sale or contribution of assets between an investor and its associate or joint venture constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

The amendments to IFRS 11 require that an acquirer of an interest in a joint operation in which the activity of the joint operation constitutes a business must apply the relevant principles for business combinations in IFRS 3. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016.

IFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The standard will supersede all current revenue recognition requirements under IFRSs. In July 2015, the IASB issued an amendment to IFRS 15 regarding a one-year deferral of the mandatory effective date of IFRS 15 to 1 January 2018. The Group expects to adopt IFRS 15 on 1 January 2018 and is currently assessing the impact of IFRS 15 upon adoption.

Amendments to IAS 1 include narrow-focus improvements in respect of the presentation and disclosure in financial statements. The amendments clarify:

(i) the materiality requirements in IAS 1;

(ii) that specific line items in the statement of profit or loss and other comprehensive income and the statement of financial position may be disaggregated;

(iii) that entities have flexibility as to the order in which they present the notes to financial statements; and

(iv) that the share of other comprehensive income of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss.

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement of profit or loss and other comprehensive income. The Group expects to adopt the amendments from 1 January 2016. The amendments are not expected to have any significant impact on the Group's financial statements.

2.3 ISSUED BUT NOT YET EFFECTIVE INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

Amendments to IAS 16 and IAS 38 clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through the use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments are to be applied prospectively. The amendments are not expected to have any impact on the financial position or performance of the Group upon adoption on 1 January 2016 as the Group has not used a revenue-based method for the calculation of depreciation of its non-current assets.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments in associates and joint ventures

An associate is an entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's investments in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's investments in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's investments in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

When an investment in an associate or a joint venture is classified as held for sale, it is accounted for in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Business combinations and goodwill (continued)

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its derivative financial instruments and listed equity investments at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorises within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1	–	based on quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
Level 3	–	based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties, goodwill and a disposal group classified as held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Related parties (continued)

(b) the party is an entity where any of the following conditions applies:

(i) the entity and the Group are members of the same group;

(ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);

(iii) the entity and the Group are joint ventures of the same third party;

(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;

(vi) the entity is controlled or jointly controlled by a person identified in (a);

(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and

(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. When an item of property, plant and equipment is classified as held for sale or when it is part of a disposal group classified as held for sale, it is not depreciated and is accounted for in accordance with IFRS 5, as further explained in the accounting policy for "Non-current assets and disposal groups held for sale". The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment and depreciation (continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The principal annual rates used for this purpose are as follows:

Buildings	2.4% to 3.2%
Machinery	4.8% to 19.2%
Vehicles	9.6% to 19.2%
Electronic equipment and others	9.6% to 19.2%

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents property, plant and equipment under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises the direct costs of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Investment properties

Investment properties are interests in land and buildings held to earn rental income and/or for capital appreciation, rather than for use in the production or supply of goods or services or for administrative purposes; or for sale in the ordinary course of business. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any impairment losses. Depreciation is charged so as to write off the cost of investment properties using the straight-line method over the estimated useful lives of 20 to 50 years. Owner-occupied property is transferred to investment property when there is a change in use evidenced by the end of owner occupation.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year in which the item is derecognised.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Non-current assets and disposal groups held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale.

Non-current assets and disposal groups (other than investment properties and financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value as at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Patents, licences, self-developed technology know-how and office software

Purchased office software, licences, patents and self-developed technology know-how are stated at cost less any impairment losses and are amortised on the straight-line basis over the shorter of their estimated useful lives of 5 to 10 years and the relevant licence periods.

Operating concession

Operating concession represents the right to operate a water treatment plant and is stated at cost less accumulated amortisation and any accumulated impairment losses. Amortisation is provided on the straight-line basis over the period of the operating concession granted to the Group of 25 to 30 years. Details are given in "Service concession agreements" below.

Research and development costs

All research costs are charged to profit or loss as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

Deferred development costs are stated at cost less any impairment losses and are amortised using the straight-line basis over the commercial lives of the underlying products commencing from the date when the products are put into commercial production.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Service concession agreements

Consider given by the grantor

A financial asset (receivable under a service concession arrangement) is recognised to the extent that (a) the Group has an unconditional right to receive cash or another financial asset from or at the direction of the grantor for the construction services rendered and/or the consideration paid and payable by the Group for the right to charge users of the public service; and (b) the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law. The Group has an unconditional right to receive cash if the grantor contractually guarantees to pay the Group (a) specified or determinable amounts or (b) the shortfall, if any, between amounts received from users of the public service and specified or determinable amounts, even if the payment is contingent on the Group ensuring that the infrastructure meets specified quality of efficiency requirements. The financial asset (receivable under service concession arrangement) is accounted for in accordance with the policy set out for loans and receivables under "Investments and other financial assets" below.

An intangible asset (operating concession) is recognised to the extent that the Group receives a right to charge users of the public service, which is not an unconditional right to receive cash because the amounts are contingent on the extent that the public uses the service. The intangible asset (operating concession) is accounted for in accordance with the policy set out for "Intangible assets (other than goodwill)" above.

If the Group is paid partly by a financial asset and partly by an intangible asset, in which case, each component of the consideration is accounted for separately and the consideration received or receivable for both components shall be recognised initially at the fair value of the consideration received or receivable.

Construction or upgrade services

Revenue and costs relating to construction or upgrade services are accounted for in accordance with the policy set out for "Construction contracts" below.

Operating services

Revenue relating to operating services are accounted for in accordance with the policy for "Revenue recognition" below. Costs for operating services are expensed in the period in which they are incurred.

Contractual obligations to restore the infrastructure to a specified level of serviceability

The Group has contractual obligations which it must fulfil as a condition of its licence, that is (a) to maintain the sewage and reclaimed water treatment and water distribution plants it operates to a specified level of serviceability and/or (b) to restore the plants to a specified condition before they are handed over to the grantor at the end of the service concession arrangement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the lessor are accounted for as operating leases. Where the Group is the lessor, assets leased by the Group under operating leases are included in non-current assets, and rentals receivable under the operating leases are credited to profit or loss on the straight-line basis over the lease terms. Where the Group is the lessee, rentals payable under operating leases are charged to profit or loss on the straight-line basis over the lease terms.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

Investments and other financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial investments, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. When financial assets are recognised initially, they are measured at fair value plus transaction costs that are attributable to the acquisition of the financial assets, except in the case of financial assets recorded at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with positive net changes in fair value presented as other income and gains and negative net changes in fair value presented as finance costs in profit or loss. These net fair value changes do not include any dividends or interest earned on these financial assets, which are recognised in accordance with the policies set out for "Revenue recognition" below.

Financial assets designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such assets are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and includes fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in other income and gains in profit or loss. The loss arising from impairment is recognised in finance costs for loans and in other expenses for receivables.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. Held-to-maturity investments are subsequently measured at amortised cost using the effective interest rate method less any allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in profit or loss. The loss arising from impairment is recognised in other expenses.

Available-for-sale financial investments

Available-for-sale financial investments are non-derivative financial assets in listed and unlisted equity investments. Equity investments classified as available for sale are those which are neither classified as held for trading nor designated as at fair value through profit or loss.

After initial recognition, available-for-sale financial investments are subsequently measured at fair value, with unrealised gains or losses recognised as other comprehensive income in the available-for-sale investment revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in profit or loss in other income, or until the investment is determined to be impaired, when the cumulative gain or loss is reclassified from the available-for-sale investment revaluation reserve to profit or loss in other gains or losses. Interest and dividends earned whilst holding the available-for-sale financial investments are reported as interest income and dividend income, respectively and are recognised in profit or loss as other income in accordance with the policies set out for "Revenue recognition" below.

When the fair value of unlisted equity investments cannot be reliably measured because (a) the variability in the range of reasonable fair value estimates is significant for that investment or (b) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such investments are stated at cost less any impairment losses.

The Group evaluates whether the ability and intention to sell its available-for-sale financial assets in the near term are still appropriate. When, in rare circumstances, the Group is unable to trade these financial assets due to inactive markets, the Group may elect to reclassify these financial assets if management has the ability and intention to hold the assets for the foreseeable future or until maturity.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments and other financial assets (continued)

Available-for-sale financial investments (continued)

For a financial asset reclassified from the available-for-sale category, the fair value carrying amount at the date of reclassification becomes its new amortised cost and any previous gain or loss on that asset that has been recognised in equity is amortised to profit or loss over the remaining life of the investment using the effective interest rate. Any difference between the new amortised cost and the maturity amount is also amortised over the remaining life of the asset using the effective interest rate. If the asset is subsequently determined to be impaired, then the amount recorded in equity is reclassified to profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or

- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the assets. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that occurred after the initial recognition of the asset have an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate (i.e., the effective interest rate computed at initial recognition).

The carrying amount of the asset is reduced either directly or through the use of an allowance account and the amount of the loss is recognised in profit or loss. Interest income continues to be accrued on the reduced carrying amount using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery.

If, in a subsequent period, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a write-off is later recovered, the recovery is credited to other expenses in profit or loss.

Assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Impairment of financial assets (continued)

Available-for-sale financial investments

For available-for-sale financial investments, the Group assesses at the end of each reporting period whether there is objective evidence that an investment or a group of investments is impaired.

If an available-for-sale asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is removed from other comprehensive income and recognised in profit or loss.

In the case of equity investments classified as available for sale, objective evidence would include a significant or prolonged decline in the fair value of an investment below its cost. "Significant" is evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in profit or loss. Impairment losses on equity instruments classified as available for sale are not reversed through profit or loss. Increases in their fair value after impairment are recognised directly in other comprehensive income.

The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluates, among other factors, the duration or extent to which the fair value of an investment is less than its cost.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, net of directly attributable transaction costs.

The Group's financial liabilities include trade and bills payables, other payables, derivative financial instruments and interest-bearing bank and other borrowings.

Subsequent measurement

The subsequent measurement of financial liabilities depends on their classification as follows:

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial liabilities (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of repurchasing in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss. The net fair value gain or loss recognised in profit or loss does not include any interest charged on these financial liabilities.

Financial liabilities designated upon initial recognition as at fair value through profit or loss are designated at the date of initial recognition and only if the criteria in IAS 39 are satisfied.

Loans and borrowings

After initial recognition, interest-bearing bank loans and other borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. A financial guarantee contract is recognised initially as a liability at its fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount of the best estimate of the expenditure required to settle the present obligation at the end of the reporting period; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Group uses derivative financial instruments, such as forward currency contract and interest rate swap, to hedge its foreign currency risk and interest rate risk, respectively. These derivative financial instruments are initially recognised at fair value on the date on which such derivative contracts are entered into and are subsequently remeasured at fair value. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative.

Any gains or losses arising from changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income and later reclassified to profit or loss when the hedged item affects profit or loss.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or

- cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction, or a foreign currency risk in an unrecognised firm commitment; or

- hedges of a net investment in a foreign operation.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Initial recognition and subsequent measurement (continued)

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting, the risk management objective and its strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges which meet the strict criteria for hedge accounting are accounted for as follows:

Fair value hedges

The change in the fair value of a hedging derivative is recognised in profit or loss as other expenses. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying amount of the hedged item and is also recognised in profit or loss as other expenses.

For fair value hedges relating to items carried at amortised cost, the adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the effective interest rate method. Effective interest rate amortisation may begin as soon as an adjustment exists and shall begin no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged. If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in profit or loss. The changes in the fair value of the hedging instrument are also recognised in profit or loss.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments and hedge accounting (continued)

Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised directly in other comprehensive income in the hedging reserve, while any ineffective portion is recognised immediately in profit or loss.

Amounts recognised in other comprehensive income are transferred to profit or loss when the hedged transaction affects profit or loss, such as when hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non-financial liability, the amounts recognised in other comprehensive income are transferred to the initial carrying amount of the non-financial asset or non-financial liability.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of the hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting, the amounts previously recognised in other comprehensive income remain in other comprehensive income until the forecast transaction occurs or the foreign currency firm commitment is met.

Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (i.e., the underlying contracted cash flows).

- Where the Group expects to hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the end of the reporting period, the derivative is classified as non-current (or separated into current and non-current portions) consistently with the classification of the underlying item.

- Embedded derivatives that are not closely related to the host contract are classified consistently with the cash flows of the host contract.

- Derivative instruments that are designated as, and are effective hedging instruments, are classified consistently with the classification of the underlying hedged item. The derivative instruments are separated into current portions and non-current portions only if a reliable allocation can be made.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined on the weighted average basis and, in the case of work in progress, semi-finished goods and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is based on estimated selling prices less any estimated costs to be incurred to completion and disposal.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short-term highly liquid investments which are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in profit or loss.

Provisions for product warranties granted by the Group on certain products are recognised based on sales volume and past experience of the level of repairs, discounted to their present values as appropriate.

A contingent liability recognised in a business combination is initially measured at its fair value. Subsequently, it is measured at the higher of (i) the amount that would be recognised in accordance with the general guidance for provisions above; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with the guidance for revenue recognition.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Income tax (continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recognised at their fair values where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to profit or loss over the expected useful life of the relevant asset by equal annual instalments or deducted from the carrying amount of the asset and released to profit or loss by way of a reduced depreciation charge.

Where the Group receives grants of non-monetary assets, the grants are recorded at the fair value of the non-monetary assets and released to profit or loss over the expected useful lives of the relevant assets by equal annual instalments.

Where the Group receives government loans granted with no or at a below-market rate of interest for the construction of a qualifying asset, the initial carrying amount of the government loans is determined using the effective interest rate method, as further explained in the accounting policy for "Financial liabilities" above. The benefit of the government loans granted with no or at a below-market rate of interest, which is the difference between the initial carrying value of the loans and the proceeds received, is treated as a government grant and released to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

(a) from the sale of individual wind turbines based on standard solutions (supply-only projects) as well as spare parts sales, when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold;

(b) from the sale of electricity, upon the transmission of electric power to electric power grid companies, as determined based on the volume of electric power transmitted and the applicable fixed tariff rates agreed with the respective electric power grid companies periodically;

(c) from construction contracts, on the percentage of completion basis, as further explained in the accounting policy for "Construction contracts" below;

(d) from the rendering of wind power services, when the agreed services are performed, provided over the term of the relevant agreement;

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition (continued)

(e) rental income, on a time proportion basis over the lease terms;

(f) interest income, on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts over the expected life of the financial instrument to the net carrying amount of the financial asset; and

(g) dividend income, when the shareholders' right to receive payment has been established.

Construction contracts

Contract revenue comprises the agreed contract amount and appropriate amounts from variation orders, claims and incentive payments. Contract costs incurred comprise direct materials, the costs of subcontracting, direct labour and an appropriate proportion of variable and fixed construction overheads.

Revenue from fixed price construction contracts is recognised using the percentage of completion method, measured by reference to the proportion of costs incurred to date to estimated total cost of the relevant contract.

Revenue from cost plus construction contracts is recognised using the percentage of completion method, by reference to the recoverable costs incurred during the period plus the related fee earned, measured by the proportion of costs incurred to date to the estimated total cost of the relevant contract.

Provision is made for foreseeable losses as soon as they are anticipated by management. Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is treated as an amount due from contract customers. Where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is treated as an amount due to contract customers.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised. All other borrowings costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. In prior years, final dividends proposed by the directors were classified as a separate allocation of retained profits within the equity section of the statement of financial position, until they have been approved by the shareholders in a general meeting. Following the implementation of the Hong Kong Companies Ordinance (Cap. 622), proposed final dividends are disclosed in the notes to the financial statements.

Interim dividends are simultaneously proposed and declared. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

Foreign currencies

These financial statements are presented in RMB, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment of a foreign operation. These are recognised in other comprehensive income until the net investment is disposed of, at which time the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation differences on item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

The functional currencies of certain overseas subsidiaries, joint ventures and associates are currencies other than the RMB. As at the end of the reporting period, the assets and liabilities of these entities are translated into RMB at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss and other comprehensive income are translated into RMB at the weighted average exchange rates for the year.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies (continued)

The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange fluctuation reserve. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into RMB at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into RMB at the weighted average exchange rates for the year.

Employee benefits

Pension scheme

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute 5% of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as expenses in profit or loss as incurred.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit– sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Operating lease commitments – Group as lessor

The Group has entered into commercial property leases on its investment property portfolio. The Group has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Classification as assets or a disposal group held for sale

The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn. Judgement is made to determine whether the sale of the asset (or disposal group) is highly probable to make the asset (or disposal group) can be classified as held for sale.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Judgements (continued)

Accounting for service concession arrangements

The Group engages in certain service concession arrangements in which the Group carries out construction work of the WTPs for the Grantors and receives in return a right to operate the WTPs concerned in accordance with the pre-established conditions set by the Grantors. In accordance with IFRIC Interpretation 12 Service Concession Arrangements, the WTPs under the service concession arrangements may be classified as intangible assets or financial assets. The WTPs are classified as intangible assets if the Group receives a right (a licence) to charge users of the public service or if the Grantors remunerate the Group on the basis of the extent of use of the WTPs by users, but with no guarantees as to the amounts that will be paid to the Group. Whenever only part of the investment by the Group under these service concession arrangements is covered by a payment commitment from the Grantors, it is recognised as a financial receivable up to the amount guaranteed by the Grantors, and as an intangible asset for the balance. The Group recognises a financial receivable if it has an unconditional contractual right under the service concession arrangements to receive a determinable amount of payments during the concession period irrespective of the usage of the WTPs.

Subsequent to initial recognition, the financial receivable is measured at amortised cost using the effective interest method.

When the Group receives a payment during the concession period, it will apportion such payment among (i) a repayment of the financial receivables (if any), which will be used to reduce the carrying amount of the financial receivables on the statements of financial position, (ii) interest income, which will be recognised as revenue in profit or loss and (iii) revenue from operating and maintaining the WTPs in profit or loss.

Judgement is also exercised in determining the fair value of the financial receivables. Discount rates, estimates of future cash flows and other factors are used in the valuation process.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below:

Useful lives and residual values of items of property, plant and equipment

In determining the useful lives and residual values of items of property, plant and equipment, the Group periodically reviews the changes in market conditions, the expected physical wear and tear, and the maintenance of the asset. The estimation of the useful life of the asset is based on historical experience of the Group with similar assets that are used in a similar way. Depreciation amounts will be adjusted if the estimated useful lives and/or the residual values of items of property, plant and equipment are different from previous estimation. Useful lives and residual values are reviewed, at the end of each reporting period based on changes in circumstances.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

Impairment of non-financial assets (other than goodwill)

The Group assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Indefinite life intangible assets are tested for impairment annually and at other times when such an indicator exists. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows.

Current income tax

The Group is subject to income taxes in numerous jurisdictions in the PRC. Judgement is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts originally recorded, the differences will impact on the current income tax and deferred income tax in the periods in which the differences arise.

Deferred income tax

Deferred tax assets relating to certain temporary differences and tax losses are recognised as management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. The realisation of the deferred tax assets mainly depends on whether sufficient future profits will be available in the future. In cases where the actual future profits generated are less than expected, a material reversal of deferred tax assets may arise, which will be recognised in profit or loss in the period in which such a reversal takes place.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (continued)

Estimation uncertainty (continued)

Impairment of trade and bills receivables

The Group maintains an allowance for the estimated loss arising from the inability of its customers to make the required payments. The Group makes its estimates based on the aging of its trade and bills receivable balances, customers' creditworthiness, and historical write-off experience. If the financial condition of its customers will deteriorate such that the actual impairment loss might be higher than expected, the Group would be required to revise the basis for making the allowance and its future results would be affected.

Warranty provision

Provision for product warranties given by the Group for certain products are recognised based on sales volume and past experience of the level of repairs, discounted to their present values as appropriate.

Financial receivables

Estimation is exercised in determining the fair values of the financial receivables at initial recognition. These fair values are computed on the discounted cash flow method using a discount rate based upon the market-related rate for a similar instrument as at the date of initial recognition. The assumptions and estimates used can materially affect the fair values of the financial receivables.

4. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has four 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 and maintenance services;

(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; and

(d) the others segment mainly engages in the operation of water treatment plants under the service concession arrangement and finance leasing services, which comprises direct finance leasing and sale-lease back.

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

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2015

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	26,858,326	1,281,972	1,552,876	152,824	–	29,845,998
Intersegment sales	5,051,656	400,344	–	5,379	(5,457,379)	–
Total revenue	31,909,982	1,682,316	1,552,876	158,203	(5,457,379)	29,845,998
Segment results	3,337,918	2,860	731,137	245,907	(643,568)	3,674,254
Interest income	209,707	184	17,794	9,031	(108,459)	128,257
Finance costs	(105,493)	–	(459,869)	(5,946)	15,627	(555,681)
Profit before tax	3,442,132	3,044	289,062	248,992	(736,400)	3,246,830
Segment assets	43,801,389	1,982,112	27,031,906	4,733,798	(24,976,804)	52,572,401
Segment liabilities	26,417,915	755,775	19,276,557	2,159,882	(13,428,332)	35,181,797
Other segment information:						
Share of profits and losses of:						
Joint ventures	–	–	95,713	3,000	–	98,713
Associates	4,384	1,485	6,326	50,629	–	62,824
Depreciation and amortisation	141,220	6,532	441,298	7,005	(51,385)	544,670
Reversal of write-down of inventories	(5,748)	–	–	–	–	(5,748)
Impairment of trade and other receivables	277,825	12,728	25,226	169	(13,809)	302,139
Reversal of impairment of trade and other receivables	(93,902)	(23,034)	(4,455)	–	–	(121,391)
Impairment of property, plant and equipment	–	–	26,585	–	–	26,585
Impairment of investment in a joint venture	6,362	–	–	–	–	6,362
Product warranty provision	2,109,552	–	–	–	(130,928)	1,978,624
Investments in joint ventures	827	–	513,706	36,750	(63,362)	487,921
Investments in associates	76,507	14,584	211,318	258,697	(1,827)	559,279
Capital expenditure[(1)]	338,108	17,612	7,614,728	279,801	(989,439)	7,260,810

4. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2014

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:						
Sales to external customers	15,703,571	649,403	1,169,021	50,606	–	17,572,601
Intersegment sales	869,193	216,809	2,903	1,100	(1,090,005)	–
Total revenue	16,572,764	866,212	1,171,924	51,706	(1,090,005)	17,572,601
Segment results:	1,740,437	23,932	784,193	146,919	(65,366)	2,630,115
Interest income	53,785	176	8,073	1,167	(38)	63,163
Finance costs	(251,653)	–	(320,017)	(12,622)	–	(584,292)
Profit before tax	1,542,569	24,108	472,249	135,464	(65,404)	2,108,986
Segment assets	36,270,463	1,216,952	18,090,589	2,506,372	(12,307,050)	45,777,326
Segment liabilities	20,944,461	562,672	11,113,418	1,119,991	(3,190,225)	30,550,317
Other segment information:						
Share of profits and losses of:						
Joint ventures	–	–	51,019	–	–	51,019
Associates	2,108	1,297	9,927	22,988	–	36,320
Depreciation and amortisation	139,816	2,324	322,557	125	(30,612)	434,210
Write-down of inventories to net realisable value	109,797	–	–	–	–	109,797
Impairment of trade and other receivables	86,018	8,933	30,220	–	–	125,171
Reversal of impairment of trade and other receivables	(111,788)	(35)	–	–	–	(111,823)
Product warranty provision	885,566	–	–	–	(36,432)	849,134
Investments in joint ventures	8,089	–	463,416	48,000	(58,286)	461,219
Investments in associates	65,724	6,059	210,181	175,563	(1,451)	456,076
Capital expenditure[1]	182,810	10,926	2,326,539	230,757	(203,829)	2,547,203

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

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	Year ended 31 December 2015 RMB'000	2014 RMB'000
Mainland China	**27,387,985**	15,723,426
Overseas	**2,458,013**	1,849,175
	29,845,998	17,572,601

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

(b) Non-current assets

	As at 31 December 2015 RMB'000	2014 RMB'000
Mainland China	**19,404,192**	11,432,697
United States of America	**311,777**	305,366
Germany	**443,182**	482,912
Panama	**731,629**	756,662
Australia and Others	**104,980**	124,904
	20,995,760	13,102,541

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 year ended 31 December 2015, revenue of RMB3,697,341,000 (for the year ended 31 December 2014: Nil) was derived from sales by Wind turbine generator manufacturing and sale segment to a single customer, which individually accounting for over 10% of the Group's total revenue, including sales to a group of entities which are known to be under common control with that customer.

5. REVENUE, OTHER INCOME AND GAINS

Revenue represents 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 value of services rendered; and gross rental income received and receivable form investment properties during the year.

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

		Year ended 31 December	
		2015	2014
	Notes	**RMB'000**	RMB'000
Revenue			
Sale of wind turbine generators and wind power components		**26,858,326**	15,703,571
Wind power services		**1,281,972**	649,403
Wind power generation		**1,552,876**	1,169,021
Others		**152,824**	50,606
		29,845,998	17,572,601
Other income and gains			
Bank interest income		**128,257**	63,163
Dividend income from available-for-sale investments		**21,294**	11,412
Gross rental income		**19,235**	3,702
Government grants		**110,681**	86,970
Value-added tax refund		**109,349**	15,777
Insurance compensation on product warranty expenditures		**110,802**	93,157
Provision of technical service		**4,387**	15,178
Gain on bargain purchase	36	**683**	333
Cash discounts		**44,429**	24,976
Gain on disposal of subsidiaries, including wind farm project companies	37	**33,958**	20,000
Gain on disposal of a business	38	**–**	333,149
Gain on disposal of equity investment at fair value through profit or loss		**76,802**	–
Gain on disposal of investment in a joint venture		**–**	604
Gain on disposal of available-for-sale investments		**60,851**	98,268
Gain on disposal of items of property, plant and equipment and other intangible assets		**1,763**	2,121
Fair value gains, net:			
Derivative instruments – transactions not qualifying as hedges		**–**	1,469
Gain on foreign exchange differences		**–**	7,947
Others		**50,336**	15,595
Total other income and gains		**772,827**	793,821

6. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December 2015 RMB'000	2014 RMB'000
Cost of inventories sold		20,332,006	12,022,635
Cost of services provided		1,136,552	574,399
Cost of wind power generation		583,089	408,168
Cost of others		17,394	992
		22,069,041	13,006,194
Depreciation (note (a)) provided for:			
Property, plant and equipment	12	480,692	372,263
Investment properties	13	2,896	2,896
		483,588	375,159
Amortisation of prepaid land lease payments	14	4,683	3,736
Amortisation of other intangible assets	16	56,399	55,315
		61,082	59,051
Impairment of trade receivables	22	271,208	95,653
Reversal of impairment of trade receivables	22	(121,391)	(111,823)
		149,817	(16,170)
Impairment of deposits and other receivables	24	30,931	29,518
Impairment of property, plant and equipment	12	26,585	–
Impairment of investment in a joint venture	17	6,362	–
Write-down of inventories to net realisable value		–	109,797
Reversal of write-down of inventories		(5,748)	–
		(5,748)	109,797
Loss on disposal of items of property, plant and equipment and other intangible assets, net		1,688	2,482
Minimum lease payments under operating leases of land and buildings		20,700	13,214
Auditors' remuneration		7,399	7,284
Employee benefit expenses (including directors' and supervisors' remuneration):			
Wages and salaries		1,177,880	819,544
Pension scheme contributions (defined contribution scheme) (note (b))		69,723	53,863
Welfare and other expenses		197,051	120,900
		1,444,654	994,307

6. PROFIT BEFORE TAX (continued)

	Notes	Year ended 31 December 2015 RMB'000	2014 RMB'000
Research and development costs:			
Staff costs		309,596	164,896
Amortisation and depreciation		25,374	28,419
Materials expenditure and others		283,315	224,083
		618,285	417,398
Government grants (note (c))		(110,681)	(86,970)
Value-added tax refund		(109,349)	(15,777)
Product warranty provision:			
Additional provision	32	2,109,550	949,631
Reversal of unutilised provision	32	(130,926)	(100,497)
		1,978,624	849,134
Insurance compensation on product warranty expenditures		(110,802)	(93,157)
Foreign exchange differences, net		90,271	(7,947)
Cash discounts		(44,429)	(24,976)
Fair value (gains)/losses, net:			
Derivative instruments			
– transactions not qualifying as hedges		930	(1,469)
Equity investments at fair value through profit or loss		21,535	–
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties		146	3,360
Dividend income from available-for-sale investments		(21,294)	(11,412)
Bank interest income		(128,257)	(63,163)
Gain on disposal of subsidiaries, including wind farm project companies		(33,958)	(20,000)
Gain on disposal of available-for-sale investments		(60,851)	(98,268)
Gain on disposal of investment in a joint venture		–	(604)
Gain on disposal of equity investment at fair value through profit or loss		(76,802)	–
Gain on bargain purchase		(683)	(333)

6. PROFIT BEFORE TAX (continued)

Notes:

(a) Depreciation of approximately RMB420,111,000 is included in the cost of sales on the face of the consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2015 (2014: RMB307,225,000).

(b) As at 31 December 2015, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (31 December 2014: Nil).

(c) Most government grants have been received for setting up research activities. The government grants received have been deducted from the research and development costs to which they relate. Government grants received for which related expenditure has not yet been undertaken are included in government grants as deferred income in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

7. FINANCE COSTS

An analysis of finance costs is as follows:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Interest on bank loans and other borrowings	**645,581**	685,189
Less: Interest capitalised (note 12)	**(89,900)**	(100,897)
	555,681	584,292

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' and supervisors' remuneration

Directors' and supervisors' remuneration for the year, disclosed pursuant to the Listing Rules, section 383(1) (a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Fees	**600**	600
Other emoluments:		
– Salaries, allowances and benefits in kind	**6,825**	4,768
– Performance-related bonuses	**13,051**	7,434
– Pension scheme contributions (defined contribution scheme)	**203**	187
	20,679	12,989

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' and supervisors' remuneration (continued)

The names of the directors of the Company (the "Directors"), and supervisors of the Company (the "Supervisors") and their remuneration for the year are as follows:

Year ended 31 December 2015

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors					
Wu Gang	–	1,676	2,335	30	4,041
Wang Haibo (the chief executive)	–	2,161	4,641	44	6,846
Cao Zhigang	–	1,939	4,512	44	6,495
	–	5,776	11,488	118	17,382
Non-executive directors					
Li Ying	–	–	–	–	–
Hu Yang*	–	–	–	–	–
Yu Shengjun	–	–	–	–	–
	–	–	–	–	–
Independent non-executive directors					
Tin Yau Kelvin Wong	200	–	–	–	200
Luo Zhenbang	200	–	–	–	200
Yang Xiaosheng	200	–	–	–	200
	600	–	–	–	600
Supervisors					
Xiao Zhiping*	–	504	1,325	18	1,847
Zhang Xiaotao	–	232	50	42	324
Lu Min**	–	313	188	25	526
Wang Mengqiu	–	–	–	–	–
Luo Jun	–	–	–	–	–
Wang Shiwei	–	–	–	–	–
	–	1,049	1,563	85	2,697
	600	6,825	13,051	203	20,679

* Hu Yang and Xiao Zhiping resigned as a non-executive director and supervisor of the Company, respectively, with effect from 23 October 2015 and 22 April 2015.

** Lu Min was appointed as a supervisor of the Company with effect from 23 April 2015.

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' and supervisors' remuneration (continued)

Year ended 31 December 2014

	Fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Performance related bonuses RMB'000	Pension scheme contributions RMB'000	Total remuneration RMB'000
Executive directors					
Wu Gang	–	936	1,080	27	2,043
Wang Haibo (the chief executive)	–	1,321	2,069	40	3,430
Cao Zhigang	–	1,190	1,909	40	3,139
	–	3,447	5,058	107	8,612
Non-executive directors					
Li Ying	–	–	–	–	–
Hu Yang	–	–	–	–	–
Yu Shengjun	–	–	–	–	–
	–	–	–	–	–
Independent non-executive directors					
Tin Yau Kelvin Wong	200	–	–	–	200
Luo Zhenbang	200	–	–	–	200
Yang Xiaosheng	200	–	–	–	200
	600	–	–	–	600
Supervisors					
Xiao Zhiping	–	797	1,761	40	2,598
Zhang Xiaotao	–	524	615	40	1,179
Wang Mengqiu	–	–	–	–	–
Luo Jun	–	–	–	–	–
Wang Shiwei	–	–	–	–	–
	–	1,321	2,376	80	3,777
	600	4,768	7,434	187	12,989

8. DIRECTORS' AND SUPERVISORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (continued)

(b) Five highest paid employees

An analysis of the headcount of the five highest paid employees within the Group for the year is as follows:

	2015	2014
Directors	2	2
Non-director, non-supervisor and non-chief executive employees	3	3
	5	5

Details of the remuneration of the above non-director, non-supervisor and non-chief executive highest paid employees are as follows:

	2015 RMB'000	2014 RMB'000
Salaries, allowances and benefits in kind	5,345	3,288
Performance related bonuses	11,055	5,064
Pension scheme contributions	130	119
	16,530	8,471

The number of non-director, non-supervisor and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2015	2014
HK$3,000,001 to HK$4,000,000	–	3
HK$4,000,001 to HK$7,000,000	3	–
	3	3

During the year, no Directors, Supervisors, or any of the non-director, non-supervisor and non-chief executive highest paid individuals waived or agreed to waive any emoluments and no emoluments were paid by the Group to the Directors, Supervisors, or any of the non-director, non-supervisor and non-chief executive highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

9. 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 2017 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 and 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 year.

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

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Current		
– Hong Kong	**34,484**	46,064
– Mainland China	**792,268**	329,707
– Elsewhere	**22,762**	17,415
	849,514	393,186
Deferred (note 20)	**(478,075)**	(137,713)
Tax charge for the year	**371,439**	255,473

9. INCOME TAX EXPENSE (continued)

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:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Profit before tax	**3,246,830**	2,108,986
Income tax charge at the statutory income tax rate of 25%	**811,708**	527,247
Effect of different income tax rates for overseas entities	**(13,044)**	(15,088)
Effect of the preferential income tax rates for domestic entities	**(370,323)**	(215,090)
Tax losses not recognised	**40,871**	6,007
Income not subject to tax	**(5,792)**	(1,492)
Expenses not deductible for tax	**7,915**	3,842
Additional tax deduction for research and development expenditure	**(70,768)**	(42,866)
Tax effect of share of profits and losses of joint ventures	**(24,678)**	(12,755)
Tax effect of share of profits and losses of associates	**(15,706)**	(9,080)
Others	**11,256**	14,748
Tax charge for the year at the effective rate	**371,439**	255,473

10. DIVIDENDS

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Proposed final dividend of RMB0.48 (2014: RMB0.40) per ordinary share	**1,313,060**	1,077,835

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

11. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the year attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 2,708,239,000 (2014: 2,694,588,000) in issue during the year, as adjusted to reflect the rights issue during the year.

The Group did not have any potentially dilutive ordinary shares in issue during the year ended 31 December 2015 and 2014.

The calculations of basic and diluted earnings per share are based on:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculations	**2,849,497**	1,829,682

	Year ended 31 December	
	Number of shares	
	2015	2014
	'000	'000
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic and diluted earnings per share calculations	**2,708,239**	2,694,588

12. PROPERTY, PLANT AND EQUIPMENT

	Year ended 31 December 2015					
	Buildings RMB'000	Machinery RMB'000	Vehicles RMB'000	Electronic equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At 1 January 2015	841,890	7,772,248	74,327	269,181	2,316,858	11,274,504
Additions	1,128	11,094	20,605	90,419	6,882,272	7,005,518
Disposals	–	(55,835)	(3,034)	(12,469)	(161)	(71,499)
Acquisition of subsidiaries (note 36)	–	416	676	576	63,533	65,201
Disposal of subsidiaries (note 37)	–	–	(235)	(4)	(17,380)	(17,619)
Transfers	–	1,730,255	–	14,765	(1,745,020)	–
Exchange realignment	(3,566)	51,523	(320)	(1,246)	2,153	48,544
At 31 December 2015	839,452	9,509,701	92,019	361,222	7,502,255	18,304,649
Accumulated depreciation and impairment:						
At 1 January 2015	(96,602)	(535,971)	(25,498)	(134,655)	–	(792,726)
Depreciation charge for the year (note 6)	(22,992)	(405,914)	(9,988)	(41,798)	–	(480,692)
Provision for impairment (note 6)	–	–	–	–	(26,585)	(26,585)
Disposals	–	7,531	1,460	5,441	–	14,432
Acquisition of subsidiaries (note 36)	–	(44)	(356)	(249)	–	(649)
Disposal of subsidiaries (note 37)	–	–	7	–	–	7
Exchange realignment	530	(4,794)	132	808	–	(3,324)
At 31 December 2015	(119,064)	(939,192)	(34,243)	(170,453)	(26,585)	(1,289,537)
Net carrying amount:						
At 31 December 2015	720,388	8,570,509	57,776	190,769	7,475,670	17,015,112
At 1 January 2015	745,288	7,236,277	48,829	134,526	2,316,858	10,481,778

12. PROPERTY, PLANT AND EQUIPMENT (continued)

	Year ended 31 December 2014					
	Buildings RMB'000	Machinery RMB'000	Vehicles RMB'000	Electronic equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At 1 January 2014	844,228	2,512,245	69,284	241,251	7,132,270	10,799,278
Additions	5,923	113,739	14,004	42,397	1,912,467	2,088,530
Disposals	–	(15,502)	(7,048)	(6,948)	–	(29,498)
Acquisition of subsidiaries (note 36)	–	–	203	143	7,009	7,355
Disposal of subsidiaries (note 37)	–	–	–	–	(222)	(222)
Disposal of a business (note 38)	–	–	–	(1,020)	(1,551,084)	(1,552,104)
Transfers	12,647	5,172,738	–	6,439	(5,191,824)	–
Exchange realignment	(20,908)	(10,972)	(2,116)	(13,081)	8,242	(38,835)
At 31 December 2014	841,890	7,772,248	74,327	269,181	2,316,858	11,274,504
Accumulated depreciation and impairment:						
At 1 January 2014	(75,588)	(242,433)	(20,115)	(111,850)	–	(449,986)
Depreciation charge for the year (note 6)	(23,074)	(306,514)	(9,055)	(33,620)	–	(372,263)
Disposals	–	10,698	3,190	5,020	–	18,908
Acquisition of subsidiaries (note 36)	–	–	(122)	(90)	–	(212)
Disposal of a business (note 38)	–	–	–	901	–	901
Exchange realignment	2,060	2,278	604	4,984	–	9,926
At 31 December 2014	(96,602)	(535,971)	(25,498)	(134,655)	–	(792,726)
Net carrying amount:						
At 31 December 2014	745,288	7,236,277	48,829	134,526	2,316,858	10,481,778
At 1 January 2014	768,640	2,269,812	49,169	129,401	7,132,270	10,349,292

The carrying amount of construction in progress of the Group included capitalised interest of approximately RMB89,900,000 (2014: RMB100,897,000) charged for the year 2015 prior to being transferred to buildings, machinery, vehicles and equipment (note 7).

As at 31 December 2015, certain of the Group's property, plant and equipment, with a carrying value of approximately RMB9,161,552,000 (31 December 2014: RMB6,600,372,000, including the assets of a disposal group classified as held for sale in the consolidated statement of financial position,) were pledged to secure certain of the Group's bank loans (note 31).

13. INVESTMENT PROPERTIES

	Year ended 31 December 2015 RMB'000	2014 RMB'000
Cost:		
At beginning and end of the year	**97,997**	97,997
Accumulated depreciation:		
At beginning of the year	**(21,404)**	(18,508)
Depreciation charge for the year (note 6)	**(2,896)**	(2,896)
At end of the year	**(24,300)**	(21,404)
Net carrying amount:		
At end of the year	**73,697**	76,593
At beginning of the year	**76,593**	79,489

The Group's investment properties consist of one commercial and one industrial properties in Mainland China. The Directors have determined that the investment properties consist of two classes of asset, i.e., commercial and industrial, based on the nature, characteristics and risks of each property. The Group's investment properties were valued on 31 December 2015 based on valuations performed by Jones Lang LaSalle Corporate Appraisal and Advisory Limited, independent professionally qualified valuers, at RMB195,100,000 (31 December 2014: RMB193,481,000). The Group's property manager and the chief financial officer have discussions with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

The Group's investment properties are leased to third parties under operating leases, further summary details of which are included in note 42(a) to the financial statements.

13. INVESTMENT PROPERTIES (continued)

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's investment properties:

31 December 2015

	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
Industrial property	–	–	145,200	145,200
Commercial property	–	–	49,900	49,900
	–	–	195,100	195,100

31 December 2014

	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
Industrial property	–	–	149,261	149,261
Commercial property	–	–	44,220	44,220
	–	–	193,481	193,481

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2014: Nil).

The industrial property located in Xinjiang was valued by the cost approach with reference to its depreciated replacement cost. It is based on an estimate of the market value for the existing use of the land, plus the current cost of replacing an asset with its modern equivalent asset of the improvements, less the deductions for physical deterioration and all relevant forms of obsolescence and optimisation. The commercial property located in Beijing was valued by the comparison approach by making reference to comparable market transactions. Comparison approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

14. PREPAID LAND LEASE PAYMENTS

	Year ended 31 December 2015 RMB'000	2014 RMB'000
Carrying amount at beginning of the year	**177,677**	123,861
Additions	**28,887**	57,552
Amortisation for the year (note 6)	**(4,683)**	(3,736)
Carrying amount at end of the year	**201,881**	177,677

As at 31 December 2015, certain of the Group's land use rights with a carrying value of approximately RMB82,624,000 (31 December 2014: RMB71,467,000) were pledged to secure certain of the Group's bank loans (note 31).

15. GOODWILL

	Year ended 31 December 2015 RMB'000	2014 RMB'000
Cost and carrying amount at beginning of the year	**242,794**	311,674
Acquisition of subsidiaries (note 36)	**81,856**	–
Disposal of a business (note 38)	**–**	(44,399)
Exchange realignment	**(8,391)**	(24,481)
Cost and carrying amount at end of the year	**316,259**	242,794

Goodwill acquired through business combination is allocated to the following cash-generating units for impairment testing:

- Wind turbine generator manufacturing and sale cash-generating unit; and
- Wind farm development cash-generating unit.

15. GOODWILL (continued)

Wind turbine generator manufacturing and sale cash-generating unit

The recoverable amount of the wind turbine generator manufacturing and sale cash-generating unit has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a three-year period approved by senior management. The discount rate applied to the cash flow projections is 9.87% (2014: 10.75%).The growth rate used to extrapolate the cash flow of the wind turbine generator manufacturing and sale cash-generating unit beyond the three-year period is 2% (2014: 2%). Senior management of the Company believes that this growth rate is justified. The carrying amount of goodwill allocated to the wind turbine generator manufacturing and sale cash-generating unit was RMB178,293,000 and RMB187,538,000, respectively, as at 31 December 2015 and 2014.

Wind farm development cash-generating unit

The recoverable amount of the wind farm development cash-generating unit has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 9.00% (2014: 9.00%). The carrying amount of goodwill allocated to the wind turbine generator manufacturing and sale cash-generating unit was RMB137,966,000 and RMB55,256,000, respectively, as at 31 December 2015 and 2014.

Assumptions were used in the value in use calculation of the wind turbine generator manufacturing and sale cash-generating unit and Wind farm development cash-generating unit for 31 December 2015 and 2014. The following describes each key assumption on which management has based its cash flow projection to undertake impairment testing of goodwill:

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

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

The values assigned to the key assumptions on market development of the wind turbine generation manufacturing and sales and wind farm development, and discount rate are consistent with external information sources.

16. OTHER INTANGIBLE ASSETS

	Year ended 31 December 2015					
	Technology licence RMB'000	Office software RMB'000	Patents and technology know-how RMB'000	Development costs RMB'000	Operating concession RMB'000 Note (i)	Total RMB'000
Cost:						
At 1 January 2015	19,023	59,095	451,592	26,605	–	556,315
Additions	–	31,401	–	23,433	719	55,553
Acquisition of subsidiaries (note 36)	–	–	–	–	275,615	275,615
Disposals	–	(138)	–	–	–	(138)
Transfer	–	–	19,064	(19,064)	–	–
Exchange realignment	–	(216)	(13,840)	–	–	(14,056)
At 31 December 2015	19,023	90,142	456,816	30,974	276,334	873,289
Accumulated amortisation:						
At 1 January 2015	(11,454)	(28,053)	(251,541)	–	–	(291,048)
Amortisation for the year (note 6)	(2,316)	(7,162)	(40,236)	–	(6,685)	(56,399)
Acquisition of subsidiaries (note 36)	–	–	–	–	(1,392)	(1,392)
Disposals	–	138	–	–	–	138
Exchange realignment	–	193	9,892	–	–	10,085
At 31 December 2015	(13,770)	(34,884)	(281,885)	–	(8,077)	(338,616)
Net carrying amount:						
At 31 December 2015	5,253	55,258	174,931	30,974	268,257	534,673
At 1 January 2015	7,569	31,042	200,051	26,605	–	265,267

Note (i): The arrangements involve the Group as an operator operating and maintaining the infrastructure (water treatment plant) at a specified level of serviceability for a period of 25 to 30 years (the "service concession period") and transferring the infrastructures with nil consideration at the end of the service concession period.

16. OTHER INTANGIBLE ASSETS (continued)

	Year ended 31 December 2014				
	Technology licence RMB'000	Office software RMB'000	Patents and technology know-how RMB'000	Development costs RMB'000	Total RMB'000
Cost:					
At 1 January 2014	18,172	50,944	459,468	77,335	605,919
Additions	851	8,717	–	24,768	34,336
Disposals	–	–	–	(75,498)	(75,498)
Exchange realignment	–	(566)	(7,876)	–	(8,442)
At 31 December 2014	19,023	59,095	451,592	26,605	556,315
Accumulated amortisation:					
At 1 January 2014	(9,132)	(21,287)	(206,274)	–	(236,693)
Amortisation for the year (note 6)	(2,322)	(6,778)	(46,215)	–	(55,315)
Exchange realignment	–	12	948	–	960
At 31 December 2014	(11,454)	(28,053)	(251,541)	–	(291,048)
Net carrying amount:					
At 31 December 2014	7,569	31,042	200,051	26,605	265,267
At 1 January 2014	9,040	29,657	253,194	77,335	369,226

17. INVESTMENTS IN JOINT VENTURES

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Share of net assets	485,656	452,592
Goodwill on acquisition	8,627	8,627
	494,283	461,219
Provision for impairment	(6,362)	–
	487,921	461,219

The Group's balances of trade receivables, prepayments, deposits and other receivables and other payables and accruals with the joint ventures are disclosed in notes 22, 24 and 28 to the financial statements, respectively.

Movements in the provision for impairment of investments in joint ventures are as follows:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
At beginning of year	–	–
Impairment losses recognised (note 6)	6,362	–
At end of year	6.362	–

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Share of the joint ventures' profit for the year	98,713	51,019
Share of the joint ventures' total comprehensive income	98,713	51,019

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Aggregate carrying amount of the Group's investments in the joint ventures	487,921	461,219

18. INVESTMENTS IN ASSOCIATES

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Share of net assets	**559,279**	456,076

The Group's balances of trade receivables, prepayments, deposits and other receivables, trade payables and other payables and accruals with the associates are disclosed in notes 22, 24, 27 and 28 to the financial statements, respectively.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Share of the associates' profit for the year	**62,824**	36,320
Share of the associates' total comprehensive income	**62,824**	36,320

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Aggregate carrying amount of the Group's investments in the associates	**559,279**	456,076

19. AVAILABLE-FOR-SALE INVESTMENTS

		As at 31 December	
		2015	2014
		RMB'000	RMB'000
Listed equity investment, at fair value	(i)	**322,825**	372,517
Unlisted equity investments, at cost	(ii)	**578,296**	455,260
		901,121	827,777

(i) During the year, the gross loss in respect of the listed equity investment recognised in other comprehensive loss amounted to RMB69,829,000. In 2014, the gross gain in respect of the listed equity investment recognised in other comprehensive income amounted to RMB77,672,000.

(ii) The unlisted equity investments are equity securities issued by private entities established in the PRC. They are measured at cost less impairment at 31 December 2015 because the range of reasonable fair value estimates is so significant that the Directors are of the opinion that their fair values cannot be measured reliably. The Group does not intend to dispose of them in the near future.

20. DEFERRED TAX

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

Year ended 31 December 2015

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 2015	108,249	30,588	423,731	5,293	265,752	17,220	850,833
Deferred tax credited to profit or loss (note 9)	32,253	17,476	187,957	3,367	229,806	16,744	487,603
At 31 December 2015	140,502	48,064	611,688	8,660	495,558	33,964	1,338,436

Deferred tax liabilities

	Excess of fair values of identifiable assets and liabilities over carrying values arising from acquisition of subsidiaries RMB'000	Others RMB'000	Total RMB'000
At 1 January 2015	21,122	5,775	26,897
Deferred tax charged/(credited) to profit or loss (note 9)	(4,445)	13,973	9,528
Deferred tax generated from acquisition of subsidiaries (note 36)	22,757	–	22,757
Exchange realignment	(1,093)	–	(1,093)
At 31 December 2015	38,341	19,748	58,089

20. DEFERRED TAX (continued)

Year ended 31 December 2014

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 2014	96,544	46,326	308,684	4,194	247,815	10,607	714,170
Deferred tax credited/(charged) to profit or loss (note 9)	11,705	(15,738)	115,047	1,099	17,937	6,613	136,663
At 31 December 2014	108,249	30,588	423,731	5,293	265,752	17,220	850,833

Deferred tax liabilities

	Excess of fair values of identifiable assets and liabilities over carrying values arising from acquisition of subsidiaries RMB'000	Others RMB'000	Total RMB'000
At 1 January 2014	31,558	–	31,558
Deferred tax charged/(credited) to profit or loss (note 9)	(6,825)	5,775	(1,050)
Exchange realignment	(3,611)	–	(3,611)
At 31 December 2014	21,122	5,775	26,897

20. DEFERRED TAX (continued)

The Group has tax losses arising in Mainland China of RMB109,013,000 (2014: RMB64,120,000) that will expire in one to five years for offsetting against future taxable profits. The Group also has tax losses arising in Australia, the United States and Hong Kong of Nil (2014: RMB10,090,000), RMB197,928,000 (2014: RMB137,203,000) and RMB103,617,000 (2014: RMB35,650,000), respectively, that are available indefinitely for offsetting against future taxable profits of the companies in which the loss arose.

Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

21. INVENTORIES

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Raw materials	**1,365,793**	1,454,959
Work in progress, finished and semi-finished goods	**1,657,557**	2,193,150
Low-value consumables and others	**13,850**	1,476
	3,037,200	3,649,585

22. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Trade receivables	**12,616,284**	10,193,845
Bills receivable	**992,349**	533,220
Retention money receivables	**3,285,247**	2,545,195
Provision for impairment	**(605,386)**	(463,984)
	16,288,494	12,808,276
Portion classified as non-current assets (i)	**(1,762,112)**	(1,514,030)
Current portion	**14,526,382**	11,294,246

22. TRADE AND BILLS RECEIVABLES (continued)

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 two to five 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.

(i) The non-current portion of trade receivable mainly represents the amount of receivables for retentions held by customers at 31 December 2015 and 2014.

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

	As at 31 December	
	2015 **RMB'000**	2014 RMB'000
Within 3 months	**6,533,005**	5,051,238
3 to 6 months	**2,484,547**	2,183,369
6 months to 1 year	**2,044,802**	1,628,581
1 to 2 years	**3,211,365**	2,160,463
2 to 3 years	**932,819**	755,948
Over 3 years	**1,081,956**	1,028,677
	16,288,494	12,808,276

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

	Year ended 31 December	
	2015 **RMB'000**	2014 RMB'000
At beginning of year	**463,984**	506,616
Impairment losses recognised (note 6)	**271,208**	95,653
Impairment losses reversed (note 6)	**(121,391)**	(111,823)
Amounts written off as uncollectible	**(6,325)**	(28,442)
Exchange realignment	**(2,090)**	1,980
At end of year	**605,386**	463,984

22. TRADE AND BILLS RECEIVABLES (continued)

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB154,147,000 (31 December 2014: RMB119,993,000) with a carrying amount before provision of RMB320,957,000 (31 December 2014: RMB223,253,000).

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

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

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Neither past due nor impaired	9,326,167	7,509,531
Less than 6 months past due	3,867,003	3,018,199
	13,193,170	10,527,730

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 amount due from Xinjiang Wind Power Company Limited ("Xinjiang Wind Power") (新疆風能有限責任公司), a shareholder holds a 13.74% interest in the Company, and the amounts due from the Group's joint ventures and associates included in the trade and bills receivables are as follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
A shareholder holding a 13.74% interest in the Company	1,712	17,008
Joint ventures	23,280	252,583
Associates	49,168	260,334
	74,160	529,925

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

22. TRADE AND BILLS RECEIVABLES (continued)

The weighted average effective interest rate on non-current trade receivables is as follows:

	Year ended 31 December	
	2015	2014
Effective interest rate	**5.80%**	6.05%

The weighted average effective interest rate is determined by reference to the prevailing commercial bank borrowing interest rates for unsecured bank loans with similar maturity.

The carrying balances of the current trade and bills receivables approximates to their fair value. In addition, as the non-current trade receivables have been discounted based on the effective interest rate, the carrying amount of the non-current trade receivables approximates to their fair value.

As at 31 December 2015, the Group's trade receivables, amounting to RMB1,125,464,000 (31 December 2014: RMB1,552,183,000) were pledged to secure certain of the Group's bank loans (note 31).

As at 31 December 2015, bills receivable amounting to RMB333,210,000 were pledged to bank loans (note 31) and those amounting to RMB90,000,000 (2014:RMB5,000,000) were pledged to secure certain of the Group's bank acceptance bills.

23. FINANCIAL RECEIVABLES

	As at 31 December	
	2015 **RMB'000**	2014 RMB'000
Receivables for service concession agreements	**393,087**	141,610
Receivables for finance lease services	**1,619,086**	942,947
	2,012,173	1,084,557
Portion classified as non-current assets	**(1,867,047)**	(1,023,581)
Current portion	**145,126**	60,976

Receivables for service concession agreements arose from service concession contracts to build and operate water treatment plants and were recognised to the extent that the Group has an unconditional right to receive cash from or at the direction of the designees.

23. FINANCIAL RECEIVABLES (continued)

Receivables for finance lease services arose from finance lease contracts to lease equipment to clients and were recognised to the extent that the Group has the right to collect rental income from clients.

Financial receivables were unbilled receivables, and were neither past due nor impaired. Financial receivables were mainly due from governmental authorities in Mainland China or several clients which have good credit records. The Directors are of the opinion that no provision for impairment is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Advances to suppliers	**641,540**	1,006,217
Prepayments	**338,932**	323,858
Deposits and other receivables	**2,251,071**	1,787,552
Provision for impairment of deposits and other receivables	**(21,422)**	(16,191)
	3,210,121	3,101,436
Portion classified as non-current assets (i)	**(1,938,558)**	(992,137)
Current portion	**1,271,563**	2,109,299

(i) The non-current portion of deposits and other receivables mainly represent advances to construction suppliers and non-current deductible input value-added tax at 31 December 2015 and 2014.

24. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

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

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
At beginning of the year	**16,191**	19,650
Impairment losses recognised (note 6)	**30,931**	29,518
Amounts written off as uncollectible	**(25,691)**	(32,953)
Exchange realignment	**(9)**	(24)
At end of the year	**21,422**	16,191

Included in the above provision for impairment of other receivables is a provision for individually impaired trade receivables of RMB21,422,000 (31 December 2014: RMB16,191,000) with a carrying amount before provision of RMB39,987,000 (31 December 2014: RMB18,517,000).

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.

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

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Joint ventures	**5,837**	6,133
Associates	**43,584**	346,637
	49,421	352,770

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

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Cash and bank balances	**3,923,586**	5,758,314
Time deposits	**2,668,327**	4,657,174
	6,591,913	10,415,488
Less: Pledged time deposits for		
– Bank loans (note 31)	**(118,496)**	(82,565)
– Uncompleted transaction	**–**	(5,208)
– Letters of credit	**(820)**	(2,807)
– Guarantee issued	**(39,677)**	(488,570)
– Provision for risk	**(285,542)**	(307,878)
	(444,535)	(887,028)
Cash and cash equivalents in the consolidated statement of financial position	**6,147,378**	9,528,460
Less: Non-pledged time deposits with original maturity of more than three months when acquired	**(5,948)**	(4,634)
Cash and cash equivalents in the consolidated statement of cash flows	**6,141,430**	9,523,826
Pledged deposits	**444,535**	887,028
Portion classified as non-current assets	**(285,542)**	(307,878)
Current portion	**158,993**	579,150
Cash and cash equivalents and pledged deposits denominated in:		
– RMB	**5,437,604**	9,374,690
– United States dollar	**597,601**	618,820
– Euro	**316,343**	327,495
– Hong Kong dollar	**65,836**	63,248
– Australian dollar	**172,802**	30,186
– Other currencies	**1,727**	1,049
	6,591,913	10,415,488

25. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS (continued)

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

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

26. ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE

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 parties, Yanjun Li（李延軍）and Shuyan Zhao（趙書彥）, to dispose of its 51% equity interest in Jilin Tongli. As the Company and its subsidiary, Beijing Tianrun made effort to exempt from the risk-bearing mechanism relating to this transaction, the expected disposal date was put off to 2015. The assets and liabilities of Chifeng Xinneng and the Group's investment in Jinlin Tongli were classified as held for sale in the consolidated statement of financial position as at 31 December 2014.

In 2015, Beijing Tianrun entered into an agreement with the creditor bank, Chifeng Jinneng New Energy Investment Co., Ltd. and Chifeng Xinneng, and obtained the approval from the creditor bank for the disposal of the equity interest. The deal was completed and closed at 31 December 2015. In addition, as Beijing Tianrun has not reached an agreement with the creditor bank and the two independent parties, the transaction is expected not to be completed in one year. Assets and liabilities classified as held for sale in 2014 were reclassified to investments in joint ventures as at 31 December 2015.

26. ASSETS AND LIABILITIES OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE (continued)

The investment in Jilin Tongli, and the assets and liabilities of Chifeng Xinneng classified as held for sale as at 31 December 2014 are as follows:

	As at 31 December 2014 RMB'000
Assets	
Property, plant and equipment	568,457
Other intangible assets	19
Investment in a joint venture	45,871
Inventories	52
Trade receivables	109,652
Prepayments, deposits and other receivables	47,039
Cash and cash equivalents	12,016
Assets of a disposal group classified as held for sale	783,106
Liabilities	
Trade payables	(5,653)
Other payables and accruals	(10,890)
Interest-bearing bank loans	(689,780)
Liabilities directly associated with the assets classified as held for sale	(706,323)
Net assets directly associated with the disposal group	76,783
Elimination of the receivable from a subsidiary in the Group	150,000
Net assets directly associated with the disposal group before elimination	226,783

There is no cumulative income or expense recognised in other comprehensive income relating to the disposal group classified as held for sale.

27. TRADE AND BILLS PAYABLES

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Trade payables	**10,263,687**	6,335,137
Bills payable	**4,826,818**	5,110,891
	15,090,505	11,446,028
Portion classified as non-current liabilities (i)	**(815,887)**	(607,060)
Current portion	**14,274,618**	10,838,968

(i) The non-current portion of trade payables mainly represents warranty amounts held by the Group as at 31 December 2015 and 2014.

Trade and bills payables are non-interest-bearing and are normally settled in 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 Group's trade and bills payables, based on the invoice date, as at the reporting date is as follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Within 3 months	**10,371,358**	5,884,047
3 to 6 months	**2,983,146**	4,018,510
6 months to 1 year	**471,717**	571,026
1 to 2 years	**709,267**	491,142
2 to 3 years	**206,391**	183,998
Over 3 years	**348,626**	297,305
	15,090,505	11,446,028

27. 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 31 December	
	2015	2014
	RMB'000	RMB'000
Associates	**2,019,579**	1,465,160

The above amounts are unsecured, non-interest-bearing and have no fixed terms of settlement.

The weighted average effective interest rate on non-current trade payables is as follows:

	Year ended 31 December	
	2015	2014
Effective interest rate	**5.36%**	6.50%

The weighted average effective interest rate is determined by reference to prevailing commercial bank borrowing interest rates for unsecured bank loans with similar maturity.

28. OTHER PAYABLES, ADVANCE FROM CUSTOMERS AND ACCRUALS

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Advances from customers	**1,889,394**	2,699,847
Accrued salaries, wages and benefits	**606,536**	341,741
Other taxes payable	**265,836**	204,146
Others	**556,259**	666,432
	3,318,025	3,912,166
Portion classified as non-current liabilities (i)	**(97,493)**	(57,957)
Current portion	**3,220,532**	3,854,209

(i) The non-current portion of other payables mainly represents guarantee amounts held by the Group as at 31 December 2015 and 2014.

28. OTHER PAYABLES, ADVANCE FROM CUSTOMERS AND ACCRUALS (continued)

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

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Joint ventures	**2,592**	1,740
Associates	**70**	888
	2,662	2,628

The above balances are unsecured, non-interest-bearing and have no fixed terms of settlement.

29. EQUITY INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Listed equity investments, at market value	**–**	90,067

In 2014, Goldwind Investment Holding Co., Ltd. ("Goldwind Holding"), a subsidiary of the Company, entered into an agreement with Shanghai Dingli Technology Development (Group) Co., Ltd. ("Shanghai Dingli") to dispose of its 5.31% equity interest in Chenzhou Fengyue Environmental Protection Technology Co., Ltd. to Shanghai Dingli. And meanwhile, Shanghai Dingli issued 6,771,954 A shares with a price of RMB10.12 per share and paid cash of RMB12,093,000 as a consideration to Goldwind Holding.

The above equity investment at 31 December 2014 was classified as held for trading and was, upon initial recognition, designated by the Group as financial asset at fair value through profit or loss.

In 2015, the Group disposed of such equity investment for a cash consideration of RMB145,334,000 with a net gain on disposal of the equity investment of RMB76,802,000.

30. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Assets		
Interest rate swap, non-current portion	**4,121**	4,797

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

31. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 31 December 2015			As at 31 December 2014		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Short-term bank loans:						
– Unsecured	2.65-2.90	2016	1,300,718	2.50-6.00	2015	1,635,231
– Secured	4.55	2016	18,756	6.00-6.60	2015	912,382
Current portion of long-term bank loans:						
– Unsecured	Six-month LIBOR+3.5	2016	10,390	Six-month LIBOR+3.5	2015	3,672
– Secured	2.29-6.15	2016	404,239	3.25-6.8775	2015	307,997
Corporate bond (i):						
– Unsecured			–	6.63	2015	2,998,420
			1,734,103			5,857,702
Non-current						
Long-term bank loans:						
– Unsecured	Six-month LIBOR+3.5	2017-2021	6,494	Six-month LIBOR+3.5	2016-2021	22,028
– Secured	2.29-6.15	2017-2031	8,382,077	3.25-6.8775	2016-2031	6,000,721
Corporate bond (i):						
– Unsecured	2.50-4.98	2018	2,372,053			–
			10,760,624			6,022,749
			12,494,727			11,880,451
Interest-bearing bank and other borrowings are denominated in:						
– RMB			9,705,880			11,311,789
– Euro			170,496			127,306
– United States dollar			2,618,351			441,356
			12,494,727			11,880,451

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

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

In May 2015, the Company received an approval from National Association of Financial Market Institutional Investor (中國銀行間交易商協會) to issue medium-term notes registration up to RMB2.3 billion. In June 2015, the Company issued the first portion of medium-term notes in an aggregate amount of RMB500 million, which is repayable in June 2018 and its applicable interest rate is 4.98% per annum. The issue price for each of the medium-term notes is RMB100.

In July 2015, Goldwind New Energy (HK) Investment Limited, a subsidiary of the Company, issued an overseas corporate bond in an aggregate principal amount of US$300 million, which is repayable in July 2018 and its applicable interest rate is 2.50% per annum. The issue price for each of the overseas corporate bond is US$100. Subsequent to the completion of the issue of the corporate bond, the corporate bond was listed on the Hong Kong Stock Exchange.

The maturity profile of the interest-bearing bank and other borrowings as at 31 December 2015 and 2014 is as follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	**1,734,103**	2,859,282
In the second year	**896,883**	386,816
In the third to fifth years, inclusive	**2,285,510**	1,643,579
Above five years	**5,206,178**	3,992,354
	10,122,674	8,882,031
Corporate bond repayable:		
Within one year	**–**	2,998,420
In the third year	**2,372,053**	–
	2,372,053	2,998,420
	12,494,727	11,880,451

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

The Group's bank loans of approximately RMB8,821,956,000 (31 December 2014: RMB7,246,800,000, including those that were included in the liabilities of a disposal group classified as held for sale in the consolidated statement of financial position) at 31 December 2015, were secured or guaranteed by the following:

(a) Certain of the Group's bank loans amounting to approximately RMB8,315,997,000 (31 December 2014: RMB6,104,304,000) as at 31 December 2015 were secured by mortgages over certain of the property, plant and equipment and prepaid land lease payments of the Group and by the pledge of the Group's bank deposits and electricity charge rights and their future income thereon and bank deposits for provision for risk. As at the reporting date, the aggregate carrying values of assets are follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Property, plant and equipment	**9,149,702**	6,583,738
Prepaid land lease payments	**82,624**	71,467
Bank deposits	**1,222**	2,000
The receivables under the electricity charge rights	**1,439,918**	815,192
Bank deposits for provision for risk	**111,450**	135,142
	10,784,916	7,607,539

Certain assets and liabilities of Chifeng Xinneng, including its bank loans, were included in the disposal group classified as held for sale in the consolidated statement of financial position as at 31 December 2014.

(b) Certain of the bank loans of one of the Company's subsidiaries, Vensys Elektrotechnik GmbH, amounting to EUR419,000 (equivalent to approximately RMB2,978,000) (31 December 2014: EUR728,000, equivalent to approximately RMB5,431,000) as at 31 December 2015 were secured by mortgages over certain of its property, plant and equipment.

As at 31 December 2015, the carrying values of these secured property, plant and equipment amounted to RMB8,973,000 (31 December 2014: RMB9,784,000).

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

(c) Certain of the bank loans of one of the Company's subsidiaries, Vensys Windpark Tholey GmbH &Co. KG, amounting to approximately EUR9,415,000 (equivalent to approximately RMB66,799,000) (31 December 2014: EUR9,897,000, equivalent to approximately RMB73,786,000) as at 31 December 2015 were secured by mortgages over certain of its property, plant and equipment and by the pledge of certain bank deposits of the Group.

As at 31 December 2015, the carrying value of these property, plant and equipment amount to approximately RMB2,877,000 (31 December 2014: RMB6,850,000) and the bank deposits amount to approximately RMB1,883,000.

(d) Certain of the bank loans of one of the Company's subsidiaries, Uilk Wind Farm LLC, amounting to approximately US$2,600,000 (equivalent to approximately RMB16,883,000) (31 December 2014: US$4,200,000, equivalent to approximately RMB25,700,000) as at 31 December 2015 were guaranteed by the Company in the form of a standby letter of credit.

(e) Certain of the bank loans of one of the Company's subsidiaries, UEP Penonome S.A., amounting to US$61,683,000 (equivalent to approximately RMB400,543,000) (31 December 2014: US$67,929,000, equivalent to approximately RMB415,656,000) as at 31 December 2015 were secured by pledge of Goldwind International Holdings (HK)'s equity interest in UEP Penonome S.A. and bank deposits amounting to approximately RMB115,391,000 (31 December 2014: RMB80,565,000) and guaranteed by Goldwind International Holdings (HK) in the form of a letter of credit. UEP Penonome S.A. is a subsidiary of Goldwind International Holdings (HK).

(f) Certain of the Group's bank loans amounting to approximately RMB18,756,000 (31 December 2014: RMB621,923,000) as at 31 December 2015 were secured by the pledge of the Group's trade receivables amounting to RMB18,756,000 (31 December 2014: by the pledge of the Group's trade receivables amounting to RMB736,991,000).

32. PROVISION

The Group generally provides two to five year warranties to its customers on the wind turbine generators sold by the Group, under which faulty components are repaired or replaced. The amount of the provision for the warranties is estimated based on sales volumes and past experience of the level of repairs. The estimation basis is reviewed on an ongoing basis and revised where appropriate.

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
At beginning of the year	**2,098,111**	1,597,930
Additional provision (note 6)	**2,109,550**	949,631
Reversal of unutilised amounts (note 6)	**(130,926)**	(100,497)
Amounts utilised	**(582,219)**	(345,066)
Exchange realignment	**(1,605)**	(3,887)
At end of the year	**3,492,911**	2,098,111
Portion classified as current liabilities	**(1,290,212)**	(832,534)
Non-current portion	**2,202,699**	1,265,577

The carrying amount of the Group's provisions approximates to its fair value.

33. GOVERNMENT GRANTS

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Government grants	**270,101**	244,218

Government grants are received by the Group as financial subsidies for the research and development projects and improvement of manufacturing facilities of the Group. Government grants are recognised as income over the periods necessary to match the grant on a systematic basis to the research and development costs that they are intended to compensate or over the expected useful life of the relevant property, plant and equipment.

33. GOVERNMENT GRANTS (continued)

The movements in government grants during the years are as follows:

	Year ended 31 December	
	2015 RMB'000	2014 RMB'000
At beginning of the year	244,218	234,516
Additions	44,652	16,857
Acquisition of subsidiaries (note 36)	1,091	–
Recognised as income during the year	(24,500)	(7,451)
Exchange realignment	4,640	296
At end of the year	270,101	244,218

34. SHARE CAPITAL

	As at 31 December			
	2015		2014	
	Number of shares '000	Value RMB'000	Number of shares '000	Value RMB'000
Shares				
Issued and fully paid:				
A shares of RMB1.00 each	2,235,494	2,235,494	2,194,541	2,194,541
H shares of RMB1.00 each	500,047	500,047	500,047	500,047
	2,735,541	2,735,541	2,694,588	2,694,588

34. SHARE CAPITAL (continued)

A summary of movements in the Company's share capital is as follows:

	Year ended 31 December			
	2015		2014	
	Numbers of shares in issue '000	Share capital RMB'000	Numbers of shares in issue '000	Share capital RMB'000
At beginning of the year	**2,694,588**	**2,694,588**	2,694,588	2,694,588
Issue of shares (a)	**40,953**	**40,953**	–	–
At end of the year	**2,735,541**	**2,735,541**	2,694,588	2,694,588

(a) In June 2015, the Company has received an approval of non-public issuance of A share from the China Securities Regulatory Commission ("中國證券監督管理委員會"). In August 2015, the Company issued 40,953,000 new A shares to the non-public at an issue price of RMB8.47 per share, and the net proceeds, after expense, received therefrom was approximately RMB336 million.

35. RESERVES

The amounts of the Group's reserves and the movements therein are presented in the consolidated statements of changes in equity for the current and prior years on page 98 and 99 of these financial statements.

36. BUSINESS COMBINATIONS

In March, August and September 2015, Goldwind Environmental Science & Technology Co., Ltd. ("Goldwind Environment"), a subsidiary of the Company, acquired 70%, 90% and 100% equity interests in Fusong Xiaoqing Water Service Co., Ltd., Funing Industrial Wastewater Treatment Co., Ltd. and Wuhan JingChuan Wastewater Treatment Co., Ltd. from the independent third parties, at cash considerations of RMB35,000,000, RMB27,006,000 and RMB96,900,000, respectively.

In March 2015, Goldwind International Holdings (HK) Limited, a subsidiary of the Company, acquired 100% equity interests in White Rock Wind Farm Pty. Ltd from an independent third party, at a cash consideration of RMB52,891,000.

In August 2015, Beijing Tianrun, a subsidiary of the Company, acquired 60% equity interests in Zibo Tuopuwei Energy Technology Co., Ltd. from an independent third party, at a cash consideration RMB3,000,000. In August 2015, Beijing Tianrun acquired 58.7% interests in Panzhihua Renhe Industrial Tianyou Jiangxia New Energy Co., Ltd. at a consideration of 10% interests in Keyou Zhongqi Tianyou New Energy Co., Ltd., a subsidiary of Beijing Tianrun. In addition, in April 2015 and August 2015, Beijing Tianrun acquired 51% and 60% equity interests in Shuozhou PingLu District WoLong Wind Power Co., Ltd. ("Shuozhou Pinglu") and Inner Mongolia Nuclear Clean New Energy Investment Co., Ltd. ("Nuclear Clean") by capital injections of RMB6,250,000 and RMB30,000,000 in Shuozhou Pinglu and Nuclear Clean, respectively.

In September 2015, Goldwind Holding, a subsidiary of the Company, acquired 100% equity interests in Tianjing Hekai Technology Co., Ltd from an independent third party, at a cash consideration of RMB30,000,000.

In August, October and September 2014, the Group acquired 100%, 90% and 100% equity interests in Caoxian Xiaoqing Water Treatment Plant Co., Ltd., Shuyang Lingzhi Water Service Co., Ltd. and Shuozhou Pinglu District Sineng Wind Power Co., Ltd. from independent third parties, respectively, at cash considerations of RMB1,000,000, RMB31,380,000 and RMB8,000,000, respectively.

36. BUSINESS COMBINATIONS (continued)

The fair values of the identifiable assets and liabilities of these companies as at the dates of acquisition were as follows:

	Notes	Year ended 31 December 2015 Fair value recognised on acquisition RMB'000	2014 Fair value recognised on acquisition RMB'000
Property, plant and equipment	12	64,552	7,143
Other intangible assets	16	274,223	–
Investment in an associate		15,000	–
Inventories		83	–
Trade and bills receivables		7,854	127,002
Financial receivables		200,601	–
Prepayments, deposits and other receivables		14,747	684
Cash and cash equivalents		40,231	2,368
Trade and bills payables		(132,530)	(69,718)
Other payables and accruals		(69,030)	(23,242)
Interest-bearing bank loans		(139,000)	–
Tax payable		(46)	
Deferred tax liabilities	20	(22,757)	–
Government grants	33	(1,091)	–
Total identifiable net assets at fair value		252,837	44,237
Non-controlling interests		(43,578)	(3,524)
		209,259	40,713
Goodwill	15	81,856	–
Gain on bargain purchase recognised in other income and gains in the consolidated statement of profit or loss and other comprehensive income	5	(683)	(333)
Total consideration		290,432	40,380
Satisfied by cash*		281,047	40,380

* Beijing Tianrun acquired 58.7% interests in Panzhihua Renhe Industrial Tianyou Jiangxia New Energy Co., Ltd. at a consideration of 10% interests in Keyou Zhongqi.

The initial accounting for certain a business combination is incomplete by the end of the reporting period. The provisional amounts for the items are reported as above. During the measurement period, the Group will retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained about facts and circumstances that existed as of the acquisition date.

36. BUSINESS COMBINATIONS (continued)

An analysis of the cash flows in respect of the acquisition of subsidiaries above is as follows:

	Year ended 31 December	
	2015 RMB'000	2014 RMB'000
Cash consideration	(281,047)	(40,380)
Other payable due to certain equity sellers	88,622	–
Cash and cash equivalents paid	(192,425)	(40,380)
Cash and cash equivalents acquired	40,231	2,368
Net outflow of cash and cash equivalents included in cash flows from investing activities	(152,194)	(38,012)

Since the acquisition, the acquired companies contributed RMB15,459,000 to the Group's revenue and loss of RMB277,000 to the consolidated profit for the year ended 31 December 2015.

Had the acquisitions taken place at the beginning of the year, the revenue of the Group and the profit after tax of the Group for the year would have been RMB29,850,822,000 and RMB2,868,414,000, respectively.

37. DISPOSAL OF SUBSIDIARIES

On 31 January 2015, the Group disposed of its 100% equity interests in Jingbian Fengrun Wind Power Co., Ltd. to an independent third party for cash considerations of RMB20,300,000.

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）for cash considerations of RMB183,800,000. As Beijing Tianrun give effort to exempt the risk-bearing mechanism relating to this transaction, the expecting disposal date puts off to the first half of 2015. The assets and liabilities of Chifeng Xinneng were classified as held for sale in the consolidated statement of financial position as at 31 December 2014. In 2015, Beijing Tianrun entered into an agreement with the creditor bank, Chifeng Jinneng New Energy Investment Co., Ltd. and Chifeng Xinneng, and obtain the approval from creditor bank of the equity interest disposal. The deal is completed and closed at 31 December 2015.

On 31 July 2014, the Group disposed of its 100% equity interests in Guazhou Photovoltaic Power Generation Co., Ltd. and Dunhuang Tianrun New Energy Co., Ltd. to an independent third party for a cash consideration of RMB24,000,000.

37. DISPOSAL OF SUBSIDIARIES (continued)

The net assets/liabilities of the subsidiaries disposed of during the years ended 31 December 2015 and 2014 were as follows:

	Notes	2015 RMB'000	2014 RMB'000
Property, plant and equipment	12	17,612	222
Prepayments, deposits and other receivables		166	100
Assets of a disposal group classified as held for sale		745,559	–
Cash and cash equivalents		3,202	3,678
Trade and bills payables		(680)	–
Liabilities directly associated with the assets classified as held for sale		(580,426)	–
		185,433	4,000
Non-controlling interests		(15,291)	–
Net assets belong to the parent company		170,142	4,000
Gain on disposal of subsidiaries	5	33,958	20,000
Total consideration		204,100	24,000
Satisfied by cash		204,100	24,000

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

	2015 RMB'000	2014 RMB'000
Cash consideration	204,100	24,000
Cash received from disposal of Chifeng Xinneng in 2014	(183,800)	–
Cash received at year end	20,300	24,000
Cash and cash equivalents disposed of	(3,202)	(3,678)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	17,098	20,322

38. DISPOSAL OF A BUSINESS

On 10 July 2014, one of the subsidiaries of the Company, Goldwind International Holdings (HK) disposed of certain assets and liabilities of Gullen Range Wind Farm Pty Ltd. ("GRWF"), a subsidiary of Goldwind International Holdings (HK), to an associate, New Gullen Range Wind Farm (Holding) Pty Ltd. for a consideration of AUD319,460,000 (approximately RMB1,854,912,000).

Net assets disposed of:

	Notes	2014 RMB'000
Property, plant and equipment	12	1,551,203
Cash and cash equivalents		9,016
Trade receivables		62,926
Prepayments, deposits and other receivables		33,187
Inventory		7,774
Goodwill	15	44,399
Trade payables		(31,867)
Other payables		(215,172)
Derivative financial instruments		(19,252)
Exchange realignment		79,549
		1,521,763
Gain on disposal of a business	5	333,149
Total consideration		1,854,912
Satisfied by cash*		684,307

* The purchaser, New Gullen Range Wind Farm (Holding) Pty Ltd. repaid a bank loan for GRWF and settled an investment payment on behalf of another subsidiary of the Company as a part of the consideration, the remaining consideration was satisfied by cash.

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of a business is as follows:

	2014 RMB'000
Cash consideration	684,307
Other receivable due from New Gullen Range Wind Farm (Holding) Pty Ltd.	(70,244)
Cash and bank balances disposed of	(9,016)
Net inflow of cash and cash equivalents in respect of the disposal of a business	605,047

39. NOTE TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Major non-cash transactions

In 2014, one of the subsidiaries of the Company, Goldwind International Holdings (HK) disposed of certain assets and liabilities of GRWF, to an associate, New Gullen Range Wind Farm (Holding) Pty Ltd. New Gullen Range Wind Farm (Holding) Pty Ltd. repaid a bank loan amounting to RMB1,044,784,000 for GRWF as a part of the consideration.

In 2015, there is no major non-cash transaction.

40. CONTINGENT LIABILITIES

At 31 December 2015, contingent liabilities not provided for in the financial statements were as follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Letters of credit issued	**216,725**	149,746
Letters of guarantee issued	**9,122,866**	8,619,113
Guarantees given to a bank in connection with a bank loan granted to:		
A joint venture	**162,000**	188,000
A third party	**305,094**	347,073
Compensation arrangement in connection with the bank loans of the Group's customers (i)	**518,860**	1,018,083
	10,325,545	10,322,015

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 and 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's provisions in cash as a risk compensation fund at 10% of the 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 transfer 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 for 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.

40. CONTINGENT LIABILITIES (continued)

Up to 31 December 2015, the above risk compensation arrangement covered for bank loans of two overseas wind farm project companies totalled RMB518,860,000.

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.

In 2015, Beijing Tianrun entered into an agreement with the creditor bank, Chifeng Jinneng New Energy Investment Co., Ltd. and Chifeng Xinneng. According to the agreement, when Chifeng Xinneng cannot repay the bank loans on schedule, Beijing Tianrun shall repurchase the entire share interests of Chifeng Xinneng, and the consideration equals a certain percentage of the net assets of Chifeng Xinneng at that time. Up to 31 December 2015, Chifeng Xinneng operates well, and the risk exposure is insignificant from the above repurchase clause.

41. PLEDGE OF ASSETS

Details of the Group's bank and other borrowings, letter of credit, guarantee issued, provision risk and uncompleted transaction, which are secured by the assets of the Group, are included in notes 12, 14, 22, 25, and 31, respectively, to the financial statements.

42. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties (note 13) under operating lease arrangements, with leases negotiated for terms ranging from one to two years. At 31 December 2015 and 2014, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Within one year	**2,307**	3,091
In the second to fifth years, inclusive	**821**	2,090
	3,128	5,181

42. OPERATING LEASE ARRANGEMENTS (continued)

(b) As lessee

At 31 December 2015 and 2014, the Group had the following total future minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Within one year	**17,907**	2,116
In the second to fifth years, inclusive	**19,248**	1,513
Beyond five years	**750**	27,286
	37,905	30,915

43. COMMITMENTS

In addition to the operating lease commitments detailed in note 42(b) above, the Group had the following capital commitments as at 31 December 2015 and 2014:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Contracted, but not provided for:		
Property, plant and equipment and land use rights	**2,049,792**	2,800,373

44. RELATED PARTY TRANSACTIONS

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

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Continuing transactions		
A shareholder holding a 13.74% interest in the Company:		
Sales of spare parts	**374**	420
Associates:		
Sales of wind turbine generators and spare parts	**20,549**	34,059
Purchases of spare parts	**4,423,655**	2,325,750
Purchases of processing services	**197,835**	156,626
Provision of technical services	**3,855**	67,382
Provision of operating lease of buildings	**6,383**	–
Joint ventures:		
Sales of wind turbine generators and spare parts	**1,594**	179,386
Provision of technical services	**11,805**	12,951

Non-continuing transactions:

1) In June 2015, the Company has received an approval of non-public issuance of A share from the China Securities Regulatory Commission ("中國證券監督管理委員會"). In August 2015, the Company issued 40,953,000 new A shares to the non-public at an issue price of RMB8.47 per share, and the net proceeds, after expense, received therefrom was approximately RMB336 million. Certain subscribers of the non-public offering are connected persons of the Company. The names of these subscribers and the number of A shares subscribed by each of them are as follows:

Name of subscriber	**Number of new A shares subscribed** '000	**Amount subscribed** RMB'000
Mr. Wang Haibo	550	4,659
Mr. Cao Zhigang	550	4,659
Mr. Wu Kai	550	4,659
Mr. Huo Changbao	550	4,659
Ms. Ma Jinru	550	4,659
Mr. Liu Wei	550	4,659
Mr. Zhou Yunzhi	550	4,659
Mr. Yanghua	400	3,388

44. RELATED PARTY TRANSACTIONS (continued)

(a) (continued)

2) 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 RMB162,000,000 (31 December 2014: RMB188,000,000) as at 31 December 2015 was guaranteed by Beijing Tianrun, one of the Company's subsidiaries.

3) In 2014, one of the subsidiaries of the Company, Goldwind International Holdings (HK) disposed of certain assets and liabilities of GRWF to an associate, New Gullen Range Wind Farm (Holding) Pty Ltd. More details are given in note 38.

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 year is included in note 44(a) to the financial statements. The total amounts of transactions with related parties in 2016, which have been contracted as at 31 December 2015, are as follows:

	Year ended 31 December 2016 RMB'000
Continuing transactions	
Associates:	
Purchases of spare parts	2,047,222

44. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 22, 24, 27 and 28 to these financial statements.

(d) Compensation of key management personnel of the Group

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
Short-term employee benefits	**55,406**	31,098
Pension scheme contributions	**464**	432
	55,870	31,530

The related party transactions with the shareholder holding a 13.74% interest in the Company above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

45. 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 31 December	
	2015	2014
	RMB'000	RMB'000
Financial assets		
Financial assets at fair value through profit or loss:		
Held-for-trading financial assets:		
Derivative financial instruments	**4,121**	4,797
Equity investments at fair value through profit or loss	**–**	90,067
	4,121	94,864
Loans and receivables:		
Trade and bills receivables	**16,288,494**	12,808,276
Financial receivables	**2,012,173**	1,084,557
Financial assets included in prepayments, deposits and other receivables	**545,031**	767,174
Pledged deposits	**444,535**	887,028
Cash and cash equivalents	**6,147,378**	9,528,460
	25,437,611	25,075,495
Available-for-sale financial assets:		
Available-for-sale investments	**901,121**	827,777
	26,342,853	25,998,136
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and bills payables	**15,090,505**	11,446,028
Financial liabilities included in other payables, advance form customers and accruals	**556,260**	666,432
Interest-bearing bank and other borrowings	**12,494,727**	11,880,451
	28,141,492	23,992,911

46. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

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

	Carrying mounts As at 31 December		Fair values As at 31 December	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Financial assets				
Pledged deposits	285,542	307,878	285,542	307,878
Available-for-sale investments	322,825	372,517	322,825	372,517
Derivative financial instruments	4,121	4,797	4,121	4,797
Equity investments at fair value through profit or loss	–	90,067	–	90,067
Trade and bills receivables, non-current portion	1,762,112	1,514,030	1,885,298	1,521,649
Financial receivables, non-current portion	1,867,047	1,023,581	1,867,047	1,023,581
Financial assets included in prepayments, deposits and other receivables, non-current portion	131,620	51,000	131,620	51,000
	4,373,267	3,363,870	4,496,453	3,371,489
Financial liabilities				
Interest-bearing bank and other borrowings	10,760,624	6,022,749	10,834,033	6,047,947
Trade and bills payables, non-current portion	815,887	607,060	894,000	651,074
Financial liabilities included in other payables, advance from customers and accruals, non-current portion	97,493	57,957	96,230	57,957
	11,674,004	6,687,766	11,824,263	6,756,978

Management has assessed that the fair values of cash and cash equivalents, the current portion of pledged deposits, the current portion of trade and bills receivables, the current portion of trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables, advance from customers and accruals, the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts largely due to the short-term maturities of these instruments.

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

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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 pledged deposits, trade and bills receivables, financial receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 31 December 2015 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair value of unlisted available-for-sale equity investments cannot be measured reliably because they do not have quoted market prices in an active market and the range of reasonable fair value estimate is so significant.

The Group enters into derivative financial instruments with a financial institution. Derivative financial instruments include an interest rate swap. The interest rate swap is measured using valuation techniques similar to swap models, using present value calculations; the models incorporate various market observable inputs including the credit quality of counterparties, interest rate curves. The interest rate swap is the same as its fair value.

As at 31 December 2015, the marked to market value of the derivatives is net of a credit/debit valuation adjustment attributable to derivative counterparty default risk.

46. 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 31 December 2015

	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	322,825	–	–	322,825
Derivative financial instruments:				
Interest rate swap contract	–	4,121	–	4,121
	322,825	4,121	–	326,946

As at 31 December 2014

	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	372,517	–	–	372,517
Equity investment at fair value through profit or loss:				
Listed equity investment	90,067	–	–	90,067
Derivative financial instruments:				
Interest rate swap contract	–	4,797	–	4,797
	462,584	4,797	–	467,381

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

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

The movements in fair measurements within Level 3 during the year are as follows:

	Year ended 31 December 2015 RMB'000	2014 RMB'000
Forward contract:		
At 1 January	–	98,396
Total gains recognised in profit or loss	–	(98,396)
As 31 December	–	–

Liabilities measured at fair value:

The Group did not have any financial liabilities measured at fair value as at 31 December 2015 and 2014.

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2014: Nil).

Assets for which fair values are disclosed:

As at 31 December 2015

	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	–	285,542	–	285,542
Trade and bills receivables, non-current portion	–	1,885,298	–	1,885,298
Financial receivables, non-current portion	–	1,867,047	–	1,867,047
Financial assets included in prepayments, deposits and other receivables, non-current portion	–	131,620	–	131,620
	–	4,169,507	–	4,169,507

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

Fair value hierarchy (continued)

Assets for which fair values are disclosed: (continued)

As at 31 December 2014

	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	–	307,878	–	307,878
Trade and bills receivables, non-current portion	–	1,521,649	–	1,521,649
Financial receivables, non-current portion	–	1,023,581	–	1,023,581
Financial assets included in prepayments, deposits and other receivables, non-current portion	–	51,000	–	51,000
	–	2,904,108	–	2,904,108

Liabilities for which fair values are disclosed:

As at 31 December 2015

	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 and other borrowings	**–**	**10,834,033**	**–**	**10,834,033**
Trade and bills payables, non-current portion	**–**	**894,000**	**–**	**894,000**
Financial liabilities included in other payables and accruals, non-current portion	**–**	**96,230**	**–**	**96,230**
	–	**11,824,263**	**–**	**11,824,263**

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

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed: (continued)

As at 31 December 2014

	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 and other borrowings	–	6,047,947	–	6,047,947
Trade and bills payables, non-current portion	–	651,074	–	651,074
Financial liabilities included in other payables and accruals, non-current portion	–	57,957	–	57,957
	–	6,756,978	–	6,756,978

47. TRANSFERRED FINANCIAL ASSETS THAT ARE DERECOGNISED IN THEIR ENTIRETY

At 31 December 2015, the Group endorsed certain bills receivable accepted by banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to such suppliers with a carrying amount in aggregate of RMB5,385,140,000. The Derecognised Bills had a maturity of one to twelve months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the year ended 31 December 2015, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the year or cumulatively. The endorsement has been made evenly throughout the year.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments, other than derivatives, comprise interest-bearing bank loans and other borrowings, cash and cash equivalents and pledged deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade and bills receivables and trade and bills payables, which arise directly from its operations.

The Group also enters into derivative transactions, mainly an interest rate swap contract. The purpose is to manage the interest rate risks arising from the Group's operations and its sources of finance.

The main risks arising from the Group's financial instruments are fair value and cash flow interest rate risks, foreign currency risk, credit risk and liquidity risk. Generally, the senior management of the Company meets regularly to analyse and formulate measures to manage the Group's exposure to these risks. In addition, the Directors of the Company holds meetings regularly to analyse and approve the proposals made by the senior management of the Company. Generally, the Group introduces conservative strategies on its risk management. The Group's accounting policies in relation to derivative financial instruments are set out in note 2.4 above.

(a) Fair value and cash flow interest rate risks

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. With its borrowings issued at fixed and floating interest rates, the Group is exposed to both fair value and cash flow interest rate risks.

The Group regularly reviews and monitors the mix of fixed and floating interest rate borrowings in order to manage its interest rate risk. The Group's interest-bearing bank loans and short-term deposits are stated at amortised cost and not revalued on a periodic basis. Floating rate interest income and expenses are credited/charged to profit or loss as earned/incurred.

The Group's policy is to manage its interest cost using a mix of fixed and variable rate debts. To manage this mix in a cost-effective manner, the Group enters into an interest rate swap, in which the Group agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount. At 31 December 2015, after taking into account the effect of the interest rate swap, approximately 21% (2014: 27%) of the Group's interest-bearing borrowings bore interest at fixed rates.

If there were a general increase/decrease in the interest rates of bank loans with floating interest rates by 1% point, with all other variables held constant, the consolidated pre-tax profit and construction in progress would have decreased/increased by approximately RMB80,082,000 (2014: RMB64,845,000) for the year ended 31 December 2015, and there would be no impact on other components of the consolidated equity, except for retained profits, of the Group. The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and the Group has applied the exposure to interest rate risk to those financial instruments in existence at those dates. The estimated one percentage point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk

The Group is exposed to foreign currency risk on cash and cash equivalents, receivables, payables and bank loans that are denominated in a currency other than the respective functional currencies of the Group's entities. The currencies giving rise to this risk are primarily the Euro, the United States dollar and the Australian dollar.

The Group's exposures to foreign currencies as at 31 December 2015 and 2014 are as follows:

	As at 31 December					
	2015			2014		
	Euro	United States dollar	Australian dollar	Euro	United States dollar	Australian dollar
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	4,953	30,042	–	76,577	6,827	3,703
Prepayments, deposits and other receivables	2,468	7,228	–	–	–	–
Cash and cash equivalents	6,013	401,141	77,677	5,866	106,101	8,936
Trade payables	(90,426)	(32,078)	–	(122,815)	(88,540)	–
Interest-bearing bank and other borrowings	(100,718)	(2,200,925)	–	(48,089)	–	–
	(177,710)	(1,794,592)	77,677	(88,461)	24,388	12,639

The following table demonstrates the sensitivity to a reasonably possible change in exchange rates by 5%, with all other variables held constant, of the Group's profit before tax and the Group's equity.

Sensitivity analysis

Effect on increase/(decrease) of the Group's pre-tax profit

	Year ended 31 December	
	2015	2014
	RMB'000	RMB'000
If RMB weakens against Euro	(8,886)	(4,423)
If RMB strengthens against Euro	8,886	4,423
If RMB weakens against United States dollar	(89,730)	1,219
If RMB strengthens against United States dollar	89,730	(1,219)
If RMB weakens against Australian dollar	3,884	632
If RMB strengthens against Australian dollar	(3,884)	(632)

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(b) Foreign currency risk (continued)

The sensitivity analysis above has been determined assuming that the change in foreign currency rates had occurred on 31 December 2015 and the Group had applied the exposure to foreign currency risk to those monetary assets and liabilities and net investment operations in existence at those dates. The estimated 5% increase or decrease represents management's assessment of a reasonably possible change in foreign currency rates over the period until the end of the next reporting period. The sensitivity analysis is performed on the same basis for the year.

(c) Credit risk

The Group trades only with recognised and creditworthy parties. The Group has a credit policy in place which requires credit evaluations on all customers who wish to trade on credit terms. Receivable balances are monitored on an ongoing basis. In most instances, advance payments are required for customers of wind turbine generators. Otherwise, the credit quality of customers is assessed after taking into account the customers' financial position and past experience with the customers.

The Group establishes an allowance for impairment that represents its estimate of losses to be incurred in respect of trade and other receivables. The main component of this allowance is a specific loss component that relates to individually significant exposures.

The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the impaired financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Management evaluates the creditworthiness of the Group's existing and prospective customers and ensures that the customers have adequate financing for the projects as well as the source of the financing.

The maximum exposure to credit risk is represented by the carrying amount of financial assets in the statement of financial position.

Cash and bank balances are placed with banks and financial institutions which are regulated.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(d) Liquidity risk

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash inflows from operations to meet its debt obligations as they fall due, and its ability to obtain external financing to meet its committed future capital expenditure.

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	Within 1 year RMB'000	1 to 2 years RMB'000	2 to 5 years RMB'000	Over 5 years RMB'000	Total RMB'000
As at 31 December 2015					
Trade and bills payables	**14,274,618**	**388,947**	**573,128**	**2,605**	**15,239,298**
Financial liabilities included in other payables and accruals	**458,766**	**17,832**	**–**	**132,480**	**609,078**
Interest-bearing bank and other borrowings	**1,734,103**	**896,883**	**4,733,590**	**5,206,178**	**12,570,754**
Interest payments on bank and other borrowings	**488,873**	**409,102**	**1,002,460**	**910,803**	**2,811,238**
	16,956,360	**1,712,764**	**6,309,178**	**6,252,066**	**31,230,368**
As at 31 December 2014					
Trade and bills payables	10,838,968	430,644	274,314	1,219	11,545,145
Financial liabilities included in other payables and accruals	608,475	968	12,905	75,680	698,028
Interest-bearing bank and other borrowings	5,859,282	386,816	1,643,579	3,992,354	11,882,031
Interest payments on bank and other borrowings	449,802	356,381	893,574	868,490	2,568,247
	17,756,527	1,174,809	2,824,372	4,937,743	26,693,451

(e) Capital management

The Group's primary objective for managing capital is to safeguard the Group's ability to continue as a going concern by pricing services and products commensurately with the level of risk so that it can continue to provide returns to shareholders and benefits to other stakeholders.

The Group sets the amount of capital in proportion to risk. The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

48. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

(e) Capital management (continued)

The Group monitors capital using a gearing ratio, which is net debt divided by capital plus net debt. Net debt includes trade and bills payables, other payables and accruals, interest-bearing bank loans and other borrowings, less cash and cash equivalents and pledged deposits. Capital represents the equity attributable to owners of the parent stated in the consolidated statement of financial position.

The Group's strategy is to maintain the gearing ratio at a healthy capital level in order to support its businesses. The principal strategies adopted by the Group include, but are not limited to, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure that the Group has a reasonable level of capital to support its businesses. The gearing ratios at the end of reporting periods are as follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
Trade and bills payables	**15,090,505**	11,446,028
Financial liabilities included in other payables and accruals	**556,260**	666,432
Interest-bearing bank and other borrowings	**12,494,727**	11,880,451
Less: Cash and cash equivalents	**(6,147,378)**	(9,528,460)
Pledged deposits, current portion	**(158,993)**	(579,150)
Net debt	**21,835,121**	13,885,301
Equity attributable to owners of the parent	**16,761,446**	14,767,789
Capital and net debt	**38,596,567**	28,653,090
Gearing ratio	**56.57%**	48.46%

49. EVENTS AFTER THE REPORTING PERIOD

On 29 March 2016, the board of directors proposed a final dividend of RMB0.48 per share, totally amounting to RMB1,313,060,000 for the year ended 31 December 2015. The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
NON-CURRENT ASSETS		
Property, plant and equipment	**149,420**	154,355
Investment properties	**64,941**	67,079
Prepaid land lease payments	**20,758**	21,317
Other intangible assets	**59,471**	42,847
Investments in subsidiaries	**10,640,761**	9,616,621
Investments in associates	**66,000**	59,000
Deferred tax assets	**555,433**	373,127
Trade receivables	**1,181,969**	1,080,847
Prepayments, deposits and other receivables	**1,610,781**	2,502
Pledged deposits	**174,092**	172,736
Total non-current assets	**14,523,626**	11,590,431
CURRENT ASSETS		
Inventories	**1,636,390**	1,475,218
Trade and bills receivables	**9,734,433**	7,513,496
Prepayments, deposits and other receivables	**6,764,348**	2,386,965
Pledged deposits	**–**	476,040
Cash and cash equivalents	**4,139,015**	7,101,762
Total current assets	**22,274,186**	18,953,481
CURRENT LIABILITIES		
Trade and bills payables	**9,539,675**	7,360,265
Other payables and accruals	**8,007,825**	3,073,358
Interest-bearing bank and other borrowings	**1,319,474**	5,049,431
Tax payable	**214,087**	117,564
Provision	**980,019**	682,554
Total current liabilities	**20,061,080**	16,283,172
NET CURRENT ASSETS	**2,213,106**	2,670,309
TOTAL ASSETS LESS CURRENT LIABILITIES	**16,736,732**	14,260,740

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

	As at 31 December	
	2015	2014
	RMB'000	RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES	**16,736,732**	14,260,740
NON-CURRENT LIABILITIES		
Trade payables	**687,833**	568,550
Other payables and accruals	**1,564**	–
Interest-bearing bank and other borrowings	**820,489**	–
Provision	**1,603,101**	958,956
Government grants	**126,635**	128,293
Total non-current liabilities	**3,239,622**	1,655,799
Net assets	**13,497,110**	12,604,941
EQUITY		
Share capital	**2,735,541**	2,694,588
Reserves (note)	**10,761,569**	9,910,353
Total equity	**13,497,110**	12,604,941

50. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note :

A summary of the Company's reserves is as follows:

	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Exchange fluctuation reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2014	7,969,352	–	587,223	190	905,934	9,462,699
Profit for the year	–	–	–	–	663,261	663,261
Other comprehensive income for the year:						
Exchange fluctuation reserve	–	–	–	(40)	–	(40)
Total comprehensive income for the year	–	–	–	(40)	663,261	663,221
Final 2013 dividend declared	–	–	–	–	(215,567)	(215,567)
Profit appropriation to reserves	–	–	66,184	–	(66,184)	–
Transfer to special reserve	–	10,520	–	–	–	10,520
Special reserve utilised	–	(10,520)	–	–	–	(10,520)
At 31 December 2014	7,969,352	–	653,407	150	1,287,444	9,910,353
Profit for the year	–	–	–	–	1,634,481	1,634,481
Other comprehensive income for the year:						
Exchange fluctuation reserve	–	–	–	(788)	–	(788)
Total comprehensive income for the year	–	–	–	(788)	1,634,481	1,633,693
Final 2014 dividend declared	–	–	–	–	(1,077,835)	(1,077,835)
Issue of shares	305,919	–	–	–	–	305,919
Share issue expenses	(10,561)	–	–	–	–	(10,561)
Profit appropriation to reserves	–	–	163,827	–	(163,827)	–
Transfer to special reserve	–	10,541	–	–	(10,541)	–
Special reserve utilised	–	(10,541)	–	–	10,541	–
At 31 December 2015	8,264,710	–	817,234	(638)	1,680,263	10,761,569

51. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 29 March 2016.

Financial Highlights for the Past Five Financial Years

(Except share data, all amounts in RMB thousands)

SUMMARY OF CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December				
	2011	2012	2013	2014	**2015**
REVENUE	12,755,970	11,224,926	12,196,240	17,572,601	**29,845,998**
PROFIT BEFORE TAX	864,434	206,856	505,550	2,108,986	**3,246,830**
Income tax expense	(146,448)	(41,387)	(71,914)	(255,473)	**(371,439)**
PROFIT FOR THE YEAR	717,986	165,469	433,636	1,853,513	**2,875,391**
Profit attributable to:					
Owners of the Company	606,707	153,054	427,646	1,829,682	**2,849,497**
Non-controlling interests	111,279	12,415	5,990	23,831	**25,894**
OTHER COMPREHENSIVE INCOME, NET OF TAX	(105,460)	8,663	184,072	(183,665)	**(71,650)**
TOTAL COMPREHENSIVE INCOME	612,526	174,132	617,708	1,669,848	**2,803,741**
EARNINGS PER SHARE:					
Basic and diluted (RMB/Share)	0.23	0.06	0.16	0.68	**1.05**

SUMMARY OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	As at 31 December				
	2011	2012	2013	2014	**2015**
Cash and cash equivalents	7,596,918	6,817,928	4,320,749	9,528,460	**6,147,378**
Current assets	25,366,777	23,573,344	20,268,009	28,094,889	**25,286,642**
Non-current assets	7,063,409	8,823,154	15,076,840	17,682,437	**27,285,759**
Total assets	32,430,186	32,396,498	35,344,849	45,777,326	**52,572,401**
Current liabilities	(15,712,897)	(12,266,403)	(12,512,998)	(22,319,761)	**(20,958,892)**
Non-current liabilities	(3,448,780)	(6,844,470)	(9,038,915)	(8,230,556)	**(14,222,905)**
Total liabilities	(19,161,677)	(19,110,873)	(21,551,913)	(30,550,317)	**(35,181,797)**
Net assets	13,268,509	13,285,625	13,792,936	15,227,009	**17,390,604**
Issued share capital	2,694,588	2,694,588	2,694,588	2,694,588	**2,735,541**
Reserves	10,044,742	10,059,864	10,457,371	12,073,201	**14,025,905**
Equity attributable to owners of the Company	12,874,059	12,902,654	13,367,526	14,767,789	**16,761,446**
Non-controlling interests	394,450	382,971	425,410	459,220	**629,158**

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GOLDWIND

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* For identification purpose only