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

Interim Report 2018

* For identification purpose only

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Definitions

In this interim 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;
"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;
"Audit Committee"	the audit committee of the Board of the Company;
"availability rate"	a percentage calculated by dividing the amount of time 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;
"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 interim 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);
"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;
"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;
"Financial Statements"	the condensed consolidated financial statements of the Group for the six months ended 30 June 2018, 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;
"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;

Definitions

"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;
"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"	10 September 2018, being the latest practicable date prior to the publication of this interim 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);
"NDRC"	National Development and Reform Commission of the PRC (中國國家發展和改革委員會);
"R&D"	research and development;
"RMB"	Renminbi, the lawful currency of the PRC;
"Senior Management"	the members of the senior management of the Company;
"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;
"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;
"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;
"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 interim report, calculations of percentage shall be based on the financial data contained in the Financial Statements including the relevant notes (where applicable).

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Zhao Guoqing
Mr. Feng Wei (Resigned on 10 August 2018)
Mr. Gao Jianjun

Independent Non-executive Directors

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

SUPERVISORS

Mr. Wang Mengqiu
(Chairman of the Supervisory Committee)
Mr. Luo Jun
Ms. Xiao Hong
Mr. Lu Min
Ms. Ji Tian

COMPANY SECRETARY

Ms. Ma Jinru

PLACE OF BUSINESS

In the PRC

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

In Hong Kong

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

LEGAL COUNSEL

Morrison & Foerster

AUDITORS

International Auditors

Ernst & Young

PRC Auditors

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 BANKS

China Development Bank Corporation
Export-Import Bank of China, Xinjiang Branch
Bank of China Limited, Xinjiang Branch
China Construction Bank Corporation, Xinjiang Branch
Agricultural Bank of China Limited, Xinjiang Branch
Industrial and Commercial Bank of China Limited, Xinjiang Branch
Bank of Communications Co., Ltd., Xinjiang Branch
Industrial Bank Co., Ltd., Urumqi Branch
China Merchants Bank Co., Ltd., Urumqi Branch, Jiefang North Road Sub-Branch
China Everbright Bank Co., Ltd., Urumqi 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

Management Discussion and Analysis

After a global economic recovery in 2016-17, the momentum of macroeconomic rejuvenation has gradually slowed down in 2018. The overall revival of developed economies is stable: United States economy alone is in good shape under the effect of an expansionary fiscal policy; the economic downturn in the Eurozone has not been reversed; and Japan's economy continues to record volatile, low-level growth. Emerging economies are still the engine of worldwide economic growth. In the context of weakening economic revival, the escalation of global trade disputes has further increased the uncertainty of economic outlook. The International Monetary Fund (IMF) estimated that global economic growth rate is expected to remain 3.9% this year and the next, with emerging markets and developing economies growing 4.9% and 5.1% respectively, and China's economic growth rate is expected to be 6.6% and 6.4% respectively.

China's domestic economy was steady in the first half of this year, showing characteristics including endogenous stability and structural coordination. The country has been reforming the supply side, upgrading consumption structure, embracing active market players, and sharing economic development achievements. Benefitting from dividends provided by the reform, the supply-side structural reform was solidly performed. It has offered favorable conditions for the cultivation and maturity of the new developing dynamic. China's economic operation has been maintained at a medium-to-high-speed growth level at the first half of this year, with GDP increasing by 6.8% YoY and staying at a growth range of 6.7-6.9% for 12 consecutive quarters.

According to data published by the National Bureau of Statistics, the national total electricity consumption in the first half of this year grew by 9.4% YoY, and the growth rate increased by 3.1 percentage points YoY. The power supply structure and layout continued their optimization: new energy power generation accounted for 10.8% of the total power generation through January to June, and the portion increased by 1.0 percentage points over the same period of last year. Cumulative wind power generation through January to June was 191.7 billion kWh, an increase of 28.7% YoY, and the average utilization of wind power increased by 159 hours.

I. MAIN POLICY REVIEW

The Thirteenth Five-Year Plan period is a crucial timing for China's transformation to a low-carbon energy mode, also an important era to develop energy development strategy. In order to ensure the completion of the non-fossil energy proportion target, to drive the upgrade and transformation of the energy structure, and to boost sustainable and healthy development of renewable energy represented by wind power, the state has successively issued a number of policies in the first half of 2018, regarding industry supervision, installation planning, subsidy mechanism, etc., to consolidate the stable development of the wind power industry.

1. Reinforce policy guiding on renewable energy constructions & Encourage orderly and sustainable industrial development

On 26 February 2018, the NEA issued the "Guidelines for Energy Implementation in 2018" (《2018年能源工作指導意見》), proposing to stimulate the construction of wind power projects steadily. During the year, the planned construction of new projects is 25 million KW, and the newly installed capacity is around 20 million KW. The Guidelines also proposes to push forward the preliminary work of wind power projects in some areas, the project scale is about 20 million KW; and to promote the construction of offshore wind power actively and steadily, through exploring offshore wind power model project in Shanghai's far-reaching seas and accelerating the development of distributed wind power.

The State Council issued the "Opinions on Strengthening Ecological and Environmental Protection and Resolutely Fighting Pollution" (《關於全面加強生態環境保護堅決打好污染防治攻堅戰的意見》) and the "Notice on Printing the Three-Year Action Plan of Winning the Blue Sky Defense War" (《關於印發打贏藍天保衛戰三年行動計畫的通知》) successively in June and July 2018. The policy demands increased use of clean energy, broadened channels for clean energy consumption, and the implementation of full-guaranteed purchase of renewable energy power, under the framework of ecological and environmental protection and on the basis of energy structure optimization. The policy also reaffirms the goal that by 2020 non-fossil energy consumption takes up to 15% of total energy consumption, and proposes to optimize the layout of wind energy and solar energy and to solve curtailment of hydro, wind and solar power fundamentally.

2. Advance renewable energy consumption multi-prongedly & Settle power subsidies and full-guaranteed power purchase

On 5 March 2018, the NEA issued the "Notice on Announcing the 2018 Annual Monitoring and Alert Results of Wind Power Investment" (《關於發佈 2018 年度風電投資監測預警結果的通知》). Gansu, Xinjiang (including Xinjiang Construction and Production Corps) and Jilin provinces are marked as red warning areas. Approval, development and grid connection of wind power projects are suspended in the above areas unless specially stipulated. The focus is to solve the problem of wind power stock consumption.

On 23 March 2018, the NEA issued the "Letter to Solicit Opinions on Renewable Energy Power Quotas and Assessment Methods (Draft for Comments)" (《關於徵求<可再生能源電力配額及考核辦法(徵求意見稿)>意見的函》). The Letter proposes 2018-2020 renewable energy power quota and the non-hydro renewable energy power quota target in provincial-level administrative regions, and explains market subjects for carrying out quota obligation, the means of compliance, and the supervision and assessment methods.

On 3 April 2018, the NEA issued the "Interim Measures for the Development and Construction of Distributed Wind Power Projects" (《分散式風電項目開發建設暫行管理辦法》), to simplify wind power project approval process under the guidance of relevant national plans, guarantee grid connection conditions and subsidies, and encourage innovation in the business model of distributed wind power projects.

On 15 June 2018, the Treasury,the NDRC and NEA jointly issued the "Notice on Announcing the Catalogue of Additional Financial Subsidy for Renewable Energy Prices (7th Batch)" (《關於公佈可再生能源電價附加資金補助目錄(第七批)的通知》). A total scale of more than 55GW is included in the scope of subsidy grants, covering renewable energy power generation projects across wind, photovoltaic, and biomass power and so on.

3. Enhance market competitiveness of renewable energy with the support of marketization reform of power market

On 20 March 2018, the NEA issued the "Letter to Solicit Opinions on the Measures for Distributed Power (Draft for Comments)" (《關於徵求<分散式發電管理辦法（徵求意見稿）>意見的函》) to encourage all types of power users to invest in the construction and operation of distributed power projects, exempt business license for distributed power projects, and stipulate grid connection conditions, consumption methods and operational supervision requirements on these projects.

On 27 April 2018, the NEA issued the "Notice on Prompting Power Generation Right Trading" (《關於進一步促進發電權交易有關工作的通知》). On 16 July 2018, The NDRC and the NEA jointly issued the "Notice on Further Promoting the Marketization of Power Market Transactions and Completing Trading Mechanism" (《關於積極推進電力市場化交易進一步完善交易機制的通知》). The policies above explicitly require to increase the volume of market-based power trade; to firmly establish a clean energy quota system to support power users to conduct market-oriented transactions with clean energy power enterprises such as hydro, wind, solar, and nuclear power firms; and to further promote cross-provincial and cross-regional power transactions and other means to increase the consumption of clean energy.

On 18 May 2018, the NEA issued the "Notice on Relevant Requirements for the Management of Wind Power Construction in 2018" (《關於 2018 年度風電建設管理有關要求的通知》), stating that since the date of issuance of the Notice, in provinces (autonomous regions and municipalities directly under the Central Government) that have not yet issued the 2018 annual wind power construction plan, centralized onshore wind power projects, as well as offshore wind power projects with undetermined investment entities, shall be configured and determined grid-connection prices through competition. Provinces (autonomous regions and municipalities directly under the Central Government) that have issued the 2018 wind power construction plan, as well as offshore wind power projects that have already determined investment entities, may continue to advance the original plan in 2018. Distributed power projects may not participate in competitive bidding. The policy document regulates requirements on the implementation of power transmission and consumption conditions, the optimization of investment environment for wind power construction, and the promotion of full power consumption by the nearest users.

II. INDUSTRY REVIEW

Under the influence of the policies above, the national wind power industry continued to develop stably in the first half of 2018. The proportion of wind power consumption continued to increase, and both the amount and ratio of wind curtailment dropped significantly. The offshore wind power market continuously expanded, and the layout of wind power construction continued to be optimized.

1. Steady Development of the Wind Power Industry

The wind power industry continues to develop steadily in the first half of 2018. Data from the NEA showed that the newly grid-connected national wind power capacity reached 7.94 GW in the first half of the year, the cumulative grid-connected wind power capacity in China reached 171.6 GW. By the end of June 2018, the national wind power generation capacity was 191.7 billion kWh, a year-on-year increase of 28.7%. The proportion of wind power on-grid electric consumption in the first half of the year was 5.9%, an increase of 0.9 percentage points year-on-year.

2. Remarkable Improvement of Wind Curtailment

With the NDRC and the NEA successively issuing a number of policies to ensure that wind power is given priority to connect to the grid and to improve wind power consumption, the situation of wind curtailment in the first half of this year has been improved remarkably. According to the National Energy Administration, the average utilization of wind power in the first half of the year was 1,143 hours, an increase of 159 hours year-on-year. Utilization hours in Yunnan and Liaoning provinces were the highest in the country, reaching 1,592 hours and 1,335 hours respectively, far exceeding the national average. In the first half year of the year, wind curtailment was 18.2 billion kWh, a year-on-year decrease of 5.3 billion kWh. The national average curtailment rate was 8.7%, dropping 4.9 percentage points year-on-year. Wind curtailment rate in all other provinces and municipalities has declined year-on-year except in Guizhou and Inner Mongolia provinces. In Shanxi, Jilin, Heilongjiang and Gansu provinces the rate fell more than 10 percentage points.

3. Diversified Incremental Market

The "Thirteenth Five-Year Plan for Wind Power Development" (《風電發展"十三五"規劃》) guides the change of center of wind power construction layout from the "Three North" region to the central-eastern region and South China, where consumption capacity is bigger. At the same time, "Interim Measures for the Development and Construction of Distributed Wind Power Projects" (《分散式風電項目開發建設暫行管理辦法》) further specified policies related to flexible development of wind power and power consumption by the nearest users. With effective guidance of the policy, the newly installed market maintained steady growth in the first half of 2018. Citing the NEA, the provinces with the most grid-connected capacity in the first half of this year were Jiangsu, Inner Mongolia, Qinghai, Henan, Shanxi and Ningxia, and their installed capacity were 920MW, 910MW, 850MW, 660MW, 590MW and 540MW respectively. More than 71% of newly installed grid-connected capacity was in the central-eastern regions and South China where there is no power limit. The installed capacity in Inner Mongolia and Ningxia provinces has prominently increased after they were removed from the red warning list.

4. Continuous Expansion of Offshore and Distributed Wind Power

According to the Thirteenth Five-Year Plan for wind power development, by the end of 2020 the offshore wind power grid-connected installed capacity will be more than 5GW, with constructing capacity over 10GW. In the first half of 2018 China's offshore wind power construction activities have notably accelerated expansion, with 20% increase year-on-year of the scale of offshore wind power project public tender. Bidding market in Guangdong, Fujian and Jiangsu provinces was quite active. With the continuous perfection of offshore wind power policies and the further decline of construction cost caused by technological advancement, the offshore wind power market is expected to continue to expand during the Thirteenth Five-Year Plan period. Meanwhile, since November 2017 Henan, Hebei, Shanxi, Shaanxi and other provinces have successively released distributed wind power construction plans. Explicitly announced planned installed capacity has been over 7GW, likely generating more motive to the follow-on incremental market.

III. BUSINESS REVIEW

In 2018, while the growth of wind power industry maintained an upward trend, the introduction of policies related to subsidies reduction and competitive bidding of grid-connection also put forward higher requirements on the sustainable development of wind power enterprises. Facing both the opportunities and challenges brought by the industry, Goldwind realizes differentiated competitiveness in the market with wind power life cycle solutions. It has also been actively searching for value-adding for customers with technological innovation and product quality improvement. The "Two-Sea Strategy" continues to advance and the service market is growing fast. The effectiveness of the layout of expansion to environmental protection has initially added to the Company's profitability. During the Reporting Period, the Company's various businesses progressed smoothly, business performance improved steadily, and backlog of orders continued to add.

During the Reporting Period, revenue for the Group was RMB10,961.17 million, representing an increase of 12.08% compared with RMB9,779.77 million for the corresponding period in 2017. Net profit attributable to owners of the Company was RMB1,529.98 million, representing an increase of 35.05% compared with RMB1,132.92 million for the corresponding period in 2017.

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

1. Product Manufacturing and Sales

For the six months ended 30 June 2018, the Group's revenue from the sales of WTGs and components was RMB7,988.17 million, representing an increase of 9.97% YoY. Total sales capacity was 2,094.00 MW, an increase of 11.71% YoY, among which the sales volume of 2.0MW WTGs increased significantly from 37.56% in the first half of 2017 to 72.97%. The following table sets out the details of products sold by the Group in the first half of 2018 and 2017:

	Six months ended 30 June				
	2018		2017		
	Units Sold	**Capacity Sold (MW)**	Units Sold	Capacity Sold (MW)	Change in Capacity Sold
6.0MW	**2**	**12.00**	–	–	–
3.0MW	**39**	**117.00**	9	27.00	333.33%
2.5MW	**95**	**237.50**	341	852.50	–72.14%
2.0MW	**764**	**1,528.00**	352	704.00	117.05%
1.5MW	**133**	**199.50**	194	291.00	–31.44%
Total	**1,033**	**2,094.00**	896	1,874.50	11.71%

During the Reporting Period, the Group's backlog of orders improved steadily. As at 30 June 2018, the Group's external backlog of orders under contract totaled 10,849.7MW, including 267MW of 1.5MW WTGs, 5,742MW of 2.0MW WTGs, 1,183.6MW of 2.2MW WTGs,282.9MW of 2.3MW WTGs, 2,460MW of 2.5MW WTGs, 90MW of 3.0MW WTGs, 379.5MW of 3.3MW WTGs, 78.2MW of 3.4MW WTGs, 108.5MW of 3.5MW WTGs, and 258MW of 6.45MW WTGs. There were 6,651.3MW of additional external orders awaiting contract, including 51MW of 1.5MW WTGs, 3,114MW of 2.0MW WTGs, 1,148.4MW of 2.2MW WTGs, 450.8MW of 2.3MW WTGs, 920MW of 2.5MW WTGs, 741MW of 3.0MW WTGs, and 226.1MW of 6.65MW WTGs. In total, the combined external backlog orders was 17,501MW. In addition, the Group had a total of 1,155.1MW internal orders.

2. Technology R&D and Product Certification

Goldwind's continually-improving R&D capabilities laid a solid foundation for the Group's ability to realize optimal value for customers. The Group combined optimizing existing products and researching into new products, and continually enriched the product portfolio. There has also been progress in reinforcing technological advancement, promoting key technologies and applications, and upgrading software and hardware along product line, in order to enhance comprehensive competitiveness of products.

During the Reporting Period, the Group continued R&D into GW2S, GW2.5S and GW3S serial units. Goldwind's 2.5S platform "Double140" model has obtained the type certificate. The certificate marked recognition of the world's first 2.5MW product with impeller diameter and tower height of 140 meters from a third party, authoritative institute. It meant products with higher adaptability for resource exploitation for low wind speed and higher wind shear. GW140/2500 is a high-capacity, low-speed product launched by the 2.5S platform following the GW130/2500, expanding the coverage of the 2.5S product line to the market segment.

In order to ensure the continued competitive advantage of Goldwind in the low wind speed market, the 2S platform unit GW131/2.2 was made the first in the industry to complete the high voltage ride-through test, which fully reflected excellent grid-connection performance and grid adaptability of the unit. During the Reporting Period, the unit obtained type certificate and began mass supply, which was widely praised by the market. The design and development concept of the new model platform entitled the series with technical merits including multi-impeller diameter, multi-tower height (form), multiple variable power, and multiple control modes, which can respond to the complex and diverse needs of the market.

In 2018, the Company officially launched the GW3S model to the market. The GW140/3400 unit of the platform has obtained the DNV type certificate. The unit design of GW136/4200 product has been completed. It is expected that the prototype will be connected to the grid in the second half of the year. The 3S platform has been upgraded and optimized from the aspects of flexible capacity, life management strategy, tower serial configuration strategy, unit intelligence, and power generation.

a) *Product Certification*

In 2018, the Company's continued to add its product certificate portfolio. In addition to the routine product certificate work, platform development and innovative technologies were certified in both domestic and international aspects. In terms of product certificate, GW2S series and GW2.5 series have obtained 18 domestic and international design evaluation certificates, 19 type certificates and 3 technical certificates. In addition, Goldwind has received a number of platform certificates covering a variety of configurations to ensure back-end product delivery. Goldwind prioritizes its customers and makes platforms, and innovative technologies go hand in hand and integrate with each other, to ensure unit safety and power optimization, also to continuously enhance the competitiveness of the units.

b) *Intellectual Property and Standardization*

In recent years, Goldwind has continued to emphasize R&D investment and actively protected its core technologies through intellectual property protection. The number of patent applications at home and abroad has gradually increased, and the patent application structure has been continuously optimized. Among domestic peers, the total number of patent applications and patent licenses is at the leading position.

In the first half of 2018, Goldwind submitted 416 new patent applications, 122 overseas patent applications, 75 new software copyright applications, and 77 new domestic trademark applications. 215 new patents were granted in China, 12 new patents were granted overseas, 21 newly registered trademarks were approved, and 4 overseas newly registered trademarks were approved.

The Company actively participated in the policy-making and revision of international and domestic standards in the field of wind power technology. In terms of international standards, it has participated in the revision and revision of 11 IEC standards, and 13 technicians have become registered experts of IEC/TC88. At home, Goldwind participated in the revision of 160 standards (including 79 national standards, 62 industrial standards, and 19 standards for local governments and industrial associations).

3. Quality Management

In 2018, Goldwind focused its quality management on the vision of becoming an "internationalized solution provider of clean energy and energy-saving environmental protection" and adhered to the quality management concept of "wind power long-distance race". The Company continued to promote the quality of the entire chain with the goal of improving the end customer experience and optimizing the quality of life cycle. At the same time, Goldwind escalated the library of quality indicators of the entire chain, kept up with the pace of customer demand. It established a customer feedback management mechanism to improve the response speed for clients and to form a closed loop of management. In-depth construction of the entire industrial chain to secondary suppliers have effectively promoted and fostered the growth of the supply chain. Through comprehensive quality management of R&D, manufacturing, sales, operation and maintenance, after-sales and customer experience, the Company will bring a win-win situation for all parties involved in the chain.

ii. Wind Power Services

The development of China's wind power industry has gradually matured, and the number of WTGs with expired warranty is increasing year by year. The huge post-service market that will be born will also be a new kinetic energy to promote industrial development. With the continuous innovation and development of wind power technology, the value-added space of operation and maintenance services has also been expanding, and the connotation of wind power operation and maintenance has also produced new changes, that is, the idea of full-life cycle. This idea has promoted the digitization, specialization and systemization of wind power operation and maintenance services.

In terms of digital products, the Company's wind farm macro location product FreeMeso mobile version 1.0 was released, which greatly improves data accuracy, operation experience, and diversified resource collection. It has been applied to macro site selection of more than 500 projects, involving 20 provinces and 370 counties. The wind farm planning and design platform GoldFarm1.0 was released, which combines the UAV survey technology and self-developed simulation algorithm to model the topographic map with up to 10cm accuracy in 3D. The platform has helped with precise engineering design, and has completed the planning and design tasks of dozens of projects.

The intelligent operation system SOAM and intelligent equipment health management system used by Goldwind cover multiple functions including energy control platform, centralized power forecasting, asset management system, equipment health management, and wind power intelligent business. Through the management of assets, data and technology to achieve standardization of technology, work order and process, and to export standardization recommendations to developers. Those systems also generate intelligent fault diagnosis, locate site problems automatically, and provide specialized solutions swiftly. On the basis of the original version, the newly launched SOAM Server V2.1 increased the functions of supervising substations, monitoring and alarming and so on, and is now undergoing formal commercial pre-testing. Through the WFM field group monitoring and management system, the wind farm can be unattended and operated by few people, making operation and maintenance personnel and costs reduced.

During the Reporting Period, revenue from the Wind Power Services business segment amounted to approximately RMB619.91 million.

iii. Wind Farm Investment and Development

In 2018, China's wind curtailment situation has been significantly improved, and red warnings in some power-limit provinces have been relieved. Both wind curtailment rate and power curtailment rate have declined. During the Reporting Period, the Company's wind farm investment and development business progressed smoothly, and at the same time the Company accelerated the improvement of asset management capabilities, promoted the quality and efficiency of storage assets, and continued to increase power generation and power generation revenue.

During the Reporting Period, the company leveraged its industrial chain advantage to provide full life cycle system solutions, continuously improved asset quality and accumulated superior resources. Under the bidding policy, Goldwind supported the acquisition of incremental project resources by providing fast and accurate technical solutions with optimal levelized cost of energy (LCOE). In the stage of project design and equipment selection, Goldwind used its own technical advantages to ensure asset optimization through design, unit selection and configuration, procurement and engineering quality, investment process management and other measures. In the procedure of asset operation, Goldwind improved equipment reliability, reduced equipment failure frequency and increased power generation revenue through technical supervision, efficiency improvement programs and other services.

In view of reducing cost, improving quality and enhancing efficiency current storage, Goldwind planned to strengthen fault warning and monitoring, undergo lean management of operation and maintenance and reduce power generation losses through technological innovation and product upgrade.

During the Reporting Period, Goldwind reported that its domestic newly grid-connected installed capacity was 165.5MW, newly attributable grid-connected installed capacity was 165.5MW. As at 30 June 2018, cumulative installed wind farm capacity was 4,879MW, of which 4,033.44MW was attributable installed capacity. The installed capacity of projects still under construction was 3,326.9MW, of which 3.053.40MW was attributable capacity.

During the Reporting Period, the company's total power generation was 4,059,244 MWh, representing an increase of 25% YoY, revenue from power generation of wind power projects amounted to approximately RMB2,012.15 million, representing an increase of 21.40% YoY.

iv. "Two Sea" Strategy

In the context of accelerated development of offshore wind power in China, the Company has continuously strengthened the construction of offshore wind power technology, engineering, and teams to provide customers with high-reliability units, accurate wind farm resource assessment, intelligent lifting and operation and maintenance solutions. In the first half of 2018, the Company's independently-developed, largest capacity offshore wind turbine in the Asia-Pacific region, GW154/6700 offshore unit was successfully commissioned. The impeller has a diameter of 154m and a wind-swept area of 18,615 square meters. It adopts integrated transportation and lifting scheme and is equipped with Goldwind's iGO (Intelligent Goldwind Offshore) system, which is an intelligent management system based on lean operation and lean delivery of offshore wind power projects. It realizes intelligent operation and maintenance and lean delivery capability of offshore projects; this symbolizes that Goldwind has taken solid steps towards the industrialization of high-capacity offshore wind power equipment.

In terms of overseas business, the Company's GW3.0MW(S) unit has gradually entered the international market. Goldwind's first overseas GW3.0MW(S) unit was successfully commissioned and connected to grid with full capacity in Canyon, Texas, USA. The height of the center of wheel hub is 130 meters, and the top of the blade is nearly 200 meters, making it the highest wind turbine in the United States. 66 Goldwind's 1.5MW high-temperature units were tested and connected to the grid successfully at their trial in Pakistan. 32 Goldwind's 2.5MW units were all commissioned in Chile, Punta Sierra project.

During the reporting period, the Company's international service business achieved breakthroughs in Brazil and received 315MW generator service orders; 3S units received their first orders in Turkey. As of the end of the Reporting Period, the amount of orders of international projects totaled 742.7MW; the capacity of wind farms under construction totaled 1,511.4MW, of which attributable capacity was 1,392.68MW.

During the Reporting Period, revenue from the international business amounted to approximately RMB696.07 million.

v. Water Treatment Business

As a strategic business of the Company in the field of energy saving and environmental protection, during the Reporting Period, the Company's water treatment business expanded rapidly, and the scale of water treatment and technology continued to improve, with outstanding performance in profitability and business operation.

The precise aeration control system independently developed by the Company is based on the calculation method of the activated sludge dynamics model. The system can not only reduce the energy consumption of the sewage plant, but also improve the quality of the effluent, and at the same time greatly reduce the labor intensity of the operators. It has been tested and operated on site in Hannan Phase II project. The processing scale is 50,000 tons per day. From September 2017 to June 2018, the system has been running for 100 days, saving 424,000 kWh and reducing the power consumption per ton of water of the blower by 17.6%. Power consumption per ton of water of the entire water plant was reduced by 4.2%.

As of smart water business, the Company is committed to building smart, eco-friendly, low-carbon water plants and smart water energy solutions for customers. The solution covers the entire energy consumption process of a water plant, from power generation side to power supply and load side, and energy operation and maintenance. It helps to realize visual monitoring and high-efficiency management of water plant energy consumption, and clean energy utilization and intelligent management of water plant energy in a more precise and dynamic manner.

The Hannan Shamao Wastewater Treatment Plant Phase II expansion and upgrade project, which was carried out by Jiangsu Yancheng Jinda Municipal Engineering Co., Ltd., a wholly-owned engineering company affiliated to Goldwind Environmental Protection, won the Wuhan Municipal Engineering Gold Award.

As at 30 June 2018, the Company operated a total of 43 water plants, designed a scale of 2.38 million ton of water treatment per day，which covered 30 cities throughout the country. During the Reporting Period, revenue from the water treatment business amounted to approximately RMB215.81 million, representing an increase of 222.12% YoY.

vi. Major Subsidiaries

As at 30 June 2018, the Group had 310 subsidiaries, among which 36 were directly owned subsidiaries and 274 were indirectly owned subsidiaries. In addition, the Group had 17 joint ventures, 23 associate companies and 24 equity investments at fair value. These subsidiaries included WTG R&D and manufacturing companies, wind power investment companies, wind power services companies, water treatment and finance lease. The following table sets out major financial information of the principal subsidiaries of the Company (reported in accordance with CASBE):

As at 30 June 2018
Unit: RMB

No	Company Name	Registered Capital (RMB ten thousand)	Total Assets	Net Assets	Revenue from Operations	Net Profits
1	Beijing Goldwind Science & Creation Wind Power Equipment Co., Ltd.	99,300.00	6,314,876,581.72	1,313,747,134.54	1,710,228,949.23	–119,822,118.94
2	Vensys Energy AG	€5 million	1,155,319,105.01	622,542,280.74	239,563,275.96	–53,138,774.39
3	Jiangsu Goldwind Technology Co., Ltd.	75,961.00	3,834,966,148.86	1,616,508,757.56	1,120,652,482.58	10,000,439.64
4	Beijing Techwin Electric Co., Ltd.	10,000.00	3,305,576,307.89	1,549,146,825.04	954,058,496.39	78,354,663.75
5	Beijing Tianrun New Energy Investment Co., Ltd.	555,000.00	29,124,124,556.68	9,931,165,661.15	1,936,048,839.79	930,715,792.96
6	Goldwind Investment Holding Co., Ltd.	100,000.00	1,808,393,471.71	1,770,019,096.70	–	160,443,625.50
7	Tianxin International Finance Lease Co., Ltd.	USD30 million	4,038,264,506.58	556,718,415.15	127,776,197.71	65,491,045.30
8	Goldwind Environmental Science & Technology Co., Ltd.	100,000.00	4,213,815,170.62	1,157,179,736.52	190,198,717.93	25,163,598.01

IV. 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

During the six months ended 30 June 2018, revenue for the Group was RMB10,961.17 million, representing an increase of 12.08% compared with RMB9,779.77 million for the corresponding period in 2017. Net profit attributable to owners of the Company was RMB1,529.98 million, representing an increase of 35.05% compared with RMB1,132.92 million for the corresponding period in 2017. The Company reported basic earnings per share of RMB0.42.

Revenue

The Group's revenue was generated mainly from (i) WTG Manufacturing, (ii) Wind Power Services, (iii) Wind Farm Investment and Development and (iv) Others. Revenue from WTG Manufacturing includes the sales of WTGs and components. Revenue from Wind Power Services was mainly generated through services such as wind farm EPC, maintenance and other services. 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 segments included revenue from the Group's finance lease activities and water treatment.

During the six months ended 30 June 2018, revenue for the Group was RMB10,961.17 million, representing an increase of 12.08% compared with RMB9,779.77 million for the corresponding period in 2017. Details are set out below:

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2018	2017	Change	Change
WTG Manufacturing	**7,988,165**	7,264,258	723,907	9.97%
Wind Power Services	**619,909**	709,831	(89,922)	–12.67%
Wind Farm Investment and Development	**2,012,154**	1,657,481	354,673	21.40%
Others	**340,940**	148,198	192,742	130.06%
Total	**10,961,168**	9,779,768	1,181,400	12.08%

Revenue increased due to: (i) the steady development of China's wind power industry in the first half of 2018 and the high market recognition of the Group's products drive the sales volume of WTGs growth; (ii) with the increase of wind farms capacity of the Group officially entering the operation stage, and the situation of curtailment of wind power is improved, the revenue produced from power generation increased significantly; (iii) as this Group's investment in the field of innovation business continued to increase, the investment effect had been initially apparent. The sales revenue of water business increased significantly during the reporting period.

Cost of Sales

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2018	2017	Change	Change
WTG Manufacturing	**6,283,874**	5,486,348	797,526	14.54%
Wind Power Services	**497,949**	538,995	(41,046)	–7.62%
Wind Farm Investment and Development	**568,825**	565,620	3,205	0.57%
Others	**185,799**	52,287	133,512	255.34%
Total	**7,536,447**	6,643,250	893,197	13.45%

The Group's cost of sales increased mainly due to increased revenue during the Reporting Period.

Gross Profit

Unit: RMB thousand

	Six months ended 30 June 2018	2017	Amount Change	Percentage Change
WTG Manufacturing	**1,704,291**	1,777,910	(73,619)	–4.14%
Wind Power Services	**121,960**	170,836	(48,876)	–28.61%
Wind Farm Investment and Development	**1,443,329**	1,091,861	351,468	32.19%
Others	**155,141**	95,911	59,230	61.76%
Total	**3,424,721**	3,136,518	288,203	9.19%

The Group's gross profit increased mainly due to increased gross profits from wind farm investment and development and other business YoY.

For the six months ended 30 June 2018 and 2017, our comprehensive gross profit margin was 31.24% and 32.07%, respectively, and the gross profit margin for WTG Manufacturing business segment was 21.34% and 24.47%, respectively.

The following table sets out the gross profit margins for the Group's WTGs by unit capacity including the 1.5MW series, 2.0MW series, 2.5MW series and 3.0MW series and 6.0MW series (prepared in accordance with CASBE):

Gross Profit Margin	Six months ended 30 June 2018	2017	Change (percentage points)
6.0MW	**–6.02%**	–	–
3.0MW	**13.73%**	16.44%	–2.71%
2.5MW	**20.17%**	23.34%	–3.17%
2.0MW	**22.95%**	25.68%	–2.73%
1.5MW	**20.86%**	26.73%	–5.87%

During the Reporting Period, gross profit margin of 1.5MW series, 2.0MW series, 2.5MWseries and 3.0MW series of WTGs had a certain degree of decrease, 6.0MW WTGs is the newly added product series of the Group, which is in the market development stage at present, with negative gross profit margin.

Other Income and Gains

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

Other income and gains of the Group for the six months ended 30 June 2018 was RMB424.66 million, representing a 14.60% increase compared with RMB370.57 million for the corresponding period in 2017.This was mainly attributed to the increase of bank interest income, insurance compensation on product warranty expenditures, gain on disposal of financial assets at fair value through profit or loss, fair value net gains from equity investments at fair value, and etc, which was partially offset by the decrease of gain on disposal of subsidiaries, gain on remeasurement of fair value of the previously held interest in a subsidiary, and etc.

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 and etc.

Selling and distribution costs of the Group for the six months ended 30 June 2018 was RMB612.32 million, representing a 16.77% decrease compared with RMB735.69 million for the corresponding period in 2017. This was mainly attributed to the decrease of product warranty provisions caused by increased number of WTGs beyond warranty, which was offset by the increase of transport costs, travel expenses, loading and unloading fees, and etc.

Administrative Expenses

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

Administrative expenses of the Group for the six months ended 30 June 2018 was RMB928.92 million, which is essentially flat compared with RMB913.33 million for the corresponding period in 2017.

Other Expenses

The Group's other expenses primarily consisted of bank charges, impairment provisions accrued in connection with trade receivables and fair value losses of derivative financial instruments, and etc.

Other expenses of the Group for the six months ended 30 June 2018 was RMB264.65 million, representing a 26.49% increase compared with RMB209.22 million for the corresponding period in 2017. This was mainly attributed to the increased provision for trade and bills receivables, the increased bank charges, the increased exchange loss, and etc, which was offset by the decreased losses of derivative financial instruments.

Finance Costs

Finance costs of the Group for the six months ended 30 June 2018 was RMB523.97 million, representing a 32.46% increase compared with RMB395.57 million for the corresponding period in 2017. This was mainly attributed to the Group had an increase of current average amount borrowed on year-on-year basis, resulting in the increase of interest charges.

Income Tax Expenses

Income tax expenses of the Group for the six months ended 30 June 2018 was RMB189.45 million, representing a 27.58% increase compared with RMB148.49 million for the corresponding period in 2017. This was mainly attributed to the increase of pre-tax profit.

Financial Position

As at 30 June 2018 and 31 December 2017, total assets of the Group were RMB74,820.93 million and RMB72,787.84 million, respectively, current assets of the Group were RMB31,661.18 million and RMB33,081.33 million, respectively, percentages of current assets to total assets of the Group were 42.32% and 45.45%, respectively. The Group's current assets decreased mainly due to the decreased cash and cash equivalents, the decreased investment of corporate wealth management products, the decreased pledged deposits, the decreased financial receivables, and etc, which were offset by the increased trade and bills receivables, the increased prepayments deposits and other receivables, and etc.

As at 30 June 2018 and 31 December 2017, total non-current assets of the Group were RMB43,159.75 million and RMB39,706.51 million. The Group's non-current assets increased mainly due to the increase in financial receivables caused by the increase in financing lease receivables and the right to charge water franchise, the increase of property, plant and equipment caused by the increase in operating wind power plants and wind power plants under construction, the increase of other intangible assets caused by the increase in water treatment operating concession, and etc.

As at 30 June 2018 and 31 December 2017, total liabilities of the Group were RMB50,938.76 million and RMB49,312.84 million, respectively, current liabilities of the Group were RMB28,199.62 million and RMB29,600.32 million, respectively. The Group's current liabilities decreased mainly due to the decreased other payables, advance from customers and accruals, the decreased trade and bills payables, the decreased interest-bearing bank and other borrowings repaid within one year, and etc, which were offset by the increased contract liabilities, and etc.

As at 30 June 2018 and 31 December 2017, total non-current liabilities of the Group were RMB22,739.15 million and RMB19,712.52 million, respectively. The Group's non-current liabilities increased mainly due to the increased long-term interest-bearing bank and other borrowings, and etc.

As at 30 June 2018 and 31 December 2017, net current assets of the Group were RMB3,461.57 million and RMB3,481.01 million, respectively, and net assets of the Group were RMB23,882.17 million and RMB23,475.00 million, respectively.

As at 30 June 2018 and 31 December 2017, cash and cash equivalents of the Group were RMB4,240.36 million and RMB6,756.11 million, respectively, and total interest-bearing bank loans and other borrowings of the Group were RMB24,414.27 million and RMB21,884.83 million, respectively.

Financial Resources and Liquidity

Unit: RMB thousand

Cash Flow Statements	Six months ended 30 June 2018	2017
Net cash flows used in operating activities	**(2,681,162)**	(1,551,531)
Net cash flows used in investment activities	**(1,387,091)**	(3,325,696)
Net cash flows from financing activities	**1,595,254**	1,230,136
Net decrease in cash and cash equivalents	**(2,472,999)**	(3,647,091)
Cash and cash equivalents at beginning of Reporting Period	**6,746,183**	7,526,463
Net effect of foreign exchange rate changes	**(43,382)**	23,749
Cash and cash equivalents at end of Reporting Period	**4,229,802**	3,903,121

1. Net cash flows used in operating activities

Net cash flows of the Group used in operating activities primarily represent profit before tax adjusted for non-cash items, movements in working capital, and other income and gains.

For the six months ended 30 June 2018, the Group reported net cash flows used in operating activities of RMB2,681.16 million. Cash outflows were principally comprised of a RMB1,353.30 million decrease in trade and bills payables, a RMB1,417.38 million increase in financial receivables, a RMB1,216.74 million increase in trade and bills receivables, a RMB698.63 million decrease in provision, a RMB506.05 million increase in prepayments, deposits and other receivables, income tax paid of RMB283.47 million. Such cash outflows were offset by profit before tax of RMB1,794.36 million, adjusted for a RMB570.95 million increase in depreciation, a RMB523.97 million increase in finance costs, and etc.

For the six months ended 30 June 2017, the Group reported net cash flows used in operating activities of RMB1,551.53 million. Cash outflows were principally comprised of a RMB1,887.18 million decrease in trade and bills payables, a RMB775.60 million increase in inventory (in preparation of anticipated deliveries scheduled during the second half of 2017), a RMB741.58 million increase in financial receivables, a RMB669.36 million increase in prepayments, deposits and other receivables, income tax paid of RMB242.52 million. Such cash outflows were offset by profit before tax of RMB1,335.95 million, adjusted for a RMB777.67 million increase in other payables, advances from customers and accruals, a RMB512.70 million increase in depreciation and a RMB395.57 million increase in finance costs, and etc.

2. Net cash flow used in investment activities

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

For the six months ended 30 June 2018, the Group reported net cash flows used in investment activities of RMB1,387.09 million. Cash outflows were principally due to the purchases of items of property, plant and equipment in the amount of RMB2,502.24 million, the acquisition of subsidiaries in the amount of RMB477.70 million (net of cash). Such cash outflows were offset by the disposal of financial assets at fair value through profit or loss of RMB1,071.69 million, decrease in pledged time deposits of RMB500.00 million, and etc.

For the six months ended 30 June 2017, the Group reported net cash flows used in investment activities of RMB3,325.70 million. Cash outflows were principally due to the purchases of items of property, plant and equipment and additions to other intangible assets in the amount of RMB2,317.94 million, the acquisition of subsidiaries in the amount of RMB840.76 million (net of cash) and the purchases of available-for-sale investments in the amount of RMB196.18 million. Such cash outflows were offset by the proceeds from disposal of available-for-sale investments in the amount of RMB76.84 million and dividend received from joint ventures and associated and dividend received from available-for-sale investments in the amount of RMB31.42 million, and etc.

3. Net cash flows from financing activities

The Group's net cash flows used in financing activities primarily consist of repayments of corporate bonds, bank loans and interests. The Group's net cash flows from financing activities primarily consist of new bank loans.

For the six months ended 30 June 2018, the Group reported net cash flows from financing activities of RMB1,595.25 million. Cash inflows were principally contributed by new bank loans and other borrowings of RMB4,847.30 million. These cash inflows were offset by repayment of bank loans and other borrowings of RMB2,736.30 million, interest paid of RMB495.23 million, and etc.

For the six months ended 30 June 2017, the Group reported net cash flows from financing activities of RMB1,230.14 million. Cash inflows were principally contributed by new bank loans and other borrowings of RMB2,409.74 million. These cash inflows were offset by repayment of bank loans and other borrowings of RMB731.73 million and interest paid of RMB409.16 million, and etc.

Capital Expenditure

Capital expenditures of the Group for the six months ended 30 June 2018 were RMB2,613.63 million, representing an increase of 1.57% from RMB2,573.11 million for the six months ended 30 June 2017. The Group's primary financing resources for capital expenditure included bank loans and cash flows from operations of the Group.

Bank Loans and Other Borrowings

As at 30 June 2018, the total amount of interest-bearing bank loans of the Group was RMB21,520.40 million, including amounts due within one year of RMB3,241.57 million, in the second year of RMB2,319.46 million, in the third to fifth year of RMB5,915.07 million, and above five years of RMB10,044.30 million. In addition, as at 30 June 2018, the Group had issued a corporate bond repayable with a book value of RMB2,893.87 million, including amounts due within one year of RMB2,224.65 million, in the second year of RMB255.94 million, in the third to fifth year of RMB413.28 million. Details are set out in Note 25 to the Financial Statements. During the Reporting Period, the Group does not have any interest rate hedging.

Restricted Assets

As at 30 June 2018, the following assets of the Group with a total carrying value of RMB16,835.98 million were restricted as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB118.12 million, trade and bills receivables of RMB4,663.54 million, property, plant and equipment of RMB11,410.80 million, financial receivables of RMB488.60 million and prepaid land lease payments of RMB154.92 million.

As at 31 December 2017, the following assets of the Group with a total carrying value of RMB16,672.03 million were restricted as security for certain bank loans and other banking facilities. Such assets included bank deposits of RMB1,086.55 million, trade and bills receivables of RMB3,400.33million, property, plant and equipment of RMB11,638.83 million, financial receivables of RMB380.72 million and prepaid land lease payments of RMB165.60 million.

Gearing Ratio

As at 30 June 2018 and 31 December 2017, the Group's gearing ratios, defined as net liabilities divided by total capital, were 62.23% and 57.96%, respectively.

Exposure to Fluctuations in Exchange Rates and any Related Hedges

The Group primarily operates its businesses in China. Over 80% of the Group's revenue, expenditure, financial assets and liabilities are denominated in RMB. The exchange rate of the RMB against foreign currencies did not have a significant impact on the Group's businesses. For the six months ended 30 June 2018, 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 exchange difference incurred by the Group in respect of the long-term equity investment by our subsidiaries incorporated outside China was recorded under the exchange reserve.

Contingent Liabilities

The Group's contingent liabilities primarily consist of issued letters of credit, letters of guarantee, guarantees provided to third parties, and compensation arrangements.

As at 30 June 2018 and 31 December 2017, contingent liabilities of the Group were RMB17,567.92 million and RMB15,770.26 million, respectively. Details are set out in Note 29 to the Financial Statements.

V. OUTLOOK FOR THE SECOND HALF OF 2018

In recent years, in the face of the new scenario of energy reform, the renewable energy development strategy has been effectively implemented, and the process of converting renewable energy from alternative energy to main energy has been gradually accelerated. China's wind power industry has maintained rapid development, not only has its scale ranked the first in the world, but its technological innovation capability has also reached an international-leading level.

The center of China's wind power development has moved to the Central-Southeast of China. This is in line with the principle of "accelerating the development of onshore wind energy resources in the central and eastern regions" established by the Thirteenth Five-Year Plan. The plan proposes to actively and steadily promote the construction of offshore wind power, as well as the exploration of overseas wind power market. The Plan has also provided favorable policy support for the development of offshore wind power, industrial technology upgrades and manufacturers' participation in international market competition. At the same time, the NEA has successively introduced policies related to demonstration projects on affordable grid-connection, burden reduction, distributed and offshore wind power development, etc., providing robust support for the healthy development of the industry.

This year, distributed wind power has become the new "blue ocean" of the industry. With merits such as high utilization efficiency, low environmental impact, improved energy supply reliability and good economic benefits, distributed wind power has become a core direction of development the world's energy technology. As China continues to promote structural reforms in the energy supply side, and promotes the transformation of energy development mode from extensive to qualitative and efficient, renewable energy including wind energy has become an important part of China's response to climate change and energy security. Distributed wind power has entered its "golden age" in China.

According to BNEF's (Bloomberg New Energy Finance) latest global power system long-term analysis report, "2018 New Energy Market Long-Term Outlook (NEO)", by the middle of this century, coal-fired power will account for 11%, reducing from the current 38%; and by 2050, photovoltaic and wind power will account for about 50% of the world's total power generation. Between 2018 and 2050, global investment in power generation will be US$11.5 trillion, of which US$8.4 trillion (about 73%) will be used for wind power and photovoltaics. These investments will increase global wind power installed capacity by 6 times. The LCOE of onshore wind power will be reduced by 58%.

Potential Risk Factors

(1) Political Risk

The development of wind power industry is closely related to national policies. In order to foster and encourage the development of renewable energy and wind power industry, China's industry authorities have promulgated a series of laws, regulations and policies, involving industrial planning, financial subsidies, tax incentives, and promoting wind power dispatch and power consumption, etc.; but if the industry policy is adversely changed in the future, policy fluctuations may have a negative impact on developers' investment enthusiasm, manufacturer revenue recognition, and operator resource reserves.

(2) Wind Curtailment

Wind curtailment is mainly affected by grid consumption. China's relevant policies require grid companies to formulate plans for the construction of renewable energy power generation supporting power grid facilities, and incorporate them into national and provincial power grid development plans, but industry development still is constrained by grid construction speed, which will also affect the development of wind power industry. Although the wind curtailment situation has been greatly improved in the first half of 2018, it still has certain impact on the development of the industry and will still be an important factor restricting the development of wind power.

(3) Declined Customer Demand

The Company's customers include large and medium-sized power companies and wind farm investors. The sales income from the top five customers account for nearly 40% of the total annual sales. Due to factors such as industry development and policies, the Company's performance will be negatively affected if the Company's customers decide to adjust investment strategies or slow down the growth rate of investment in wind power generation, or if the Company's customers' profitability descend.

In view of the above possible risks, the Company will strengthen its principal activities, and take technology innovation and product upgrading as important engines for development. We will actively expand post-service market and the reserve superior resources to promote the quality and efficiency of storage assets, and to continuously enhance the ability of asset management throughout the full life cycle. The Company will extensively participate in the international market competition, speed up the expansion of the offshore market, continue to cultivate business development in the field of energy saving and environmental protection and improve the profitability of diversification, so as to achieve the sustainable development of the Company.

Corporate Competitive Advantages

i. Market Position

Goldwind is one of the earliest enterprises to enter into the field of WTG manufacturing in China. During more than ten years of development, we have matured into a leading domestic and global comprehensive wind power solutions provider. Our 1.5MW, 2S, 2.5S, 3S and 6S DDPM WTG series represent the most promising technology in the global wind power industry. Goldwind has consistently ranked first in China's wind power manufacturing industry for seven years and ranked among the top three in the world wind power market for three years. 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, gridfriendly features and high availability. Our products are widely recognised by our customers and represent a leading global wind power technology. We have seven R&D centres in the world and more than two thousand seasoned R&D personnel with extensive industry experience, contributing to the advancement of our new products and technology. We have developed a diversified and serialized product portfolio, including specialised WTGs for different terrains and climate conditions to satisfy the diverse demands of our customers. Furthermore, we have reserved the 6S offshore DDPM WTG for the development of the offshore wind power market. Our diversified products have 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 aftersales services. After years of sedimentation, we have received excellent praise from the public and gained substantial recognition from government agencies, our customers, our business partners, and investors.

iv. Comprehensive Profit Model

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 wind power services. Over the past 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. In the field of energy saving and protection, Goldwind quickly accumulates water treatment and environmental protection assets and nurtures smart treatment service solutions. We are committed to becoming an international leader in providing clean energy and energy-saving environmental protection solutions.

v. Internationalisation

Goldwind was one of China's first wind power manufacturers to expand overseas and we have continued to promote 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.

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

Based on information known to the Directors, as at 30 June 2018, the interests and short positions of the Directors, Supervisors and the Chief Executive in shares of the Company are set out as follows:

Long position:

Name	Capacity	Share Category	Number of Shares	As a Percentage of A Shares	As a Percentage of Total Shares
Mr. Wu Gang	Beneficial owner	A Shares	52,217,152	1.80%	1.47%
Mr. Wang Haibo	Beneficial owner	A Shares	715,000	0.02%	0.02%
Mr. Cao Zhigang	Beneficial owner	A Shares	12,893,431	0.44%	0.36%

Other than as disclosed above, as at 30 June 2018, 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.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the six months ended 30 June 2018, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of its securities.

INTERIM DIVIDENDS

The Board of the Company has decided not to declare payment of interim dividends for the six months ended 30 June 2018.

SHARE CAPITAL STRUCTURE

The particulars of the issued share capital of the Company as at 30 June 2018 are set out as follows:

Share Category	Number of Shares	As a Percentage of Total Shares
A Shares	2,906,142,460	81.72%
H Shares	650,060,840	18.28%
Total	3,556,203,300	100%

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2018, as far as known to the Directors, the following persons (not being the Directors, the Supervisors and the Chief Executive) had an interest or short position in shares of the Company which would require disclosure under the provisions of Divisions 2 and 3 of Part XV of the SFO:

H Shares:

(L) – Long Position, (S) – Short Position

Name of Shareholder	Capacity	Number of Shares	As a Percentage of H Shares	As a Percentage of Total Shares
Anbang Insurance Group Co., Ltd. [1]	Interest of controlled corporation	53,591,200 (L)	8.24%	1.51%
Anbang Life Insurance Co., Ltd. [1]	Interest of controlled corporation	53,591,200 (L)	8.24%	1.51%
Anbang Wealth Insurance Co., Ltd. [1]	Interest of controlled corporation	53,591,200 (L)	8.24%	1.51%
Anbang Assets Management (Hong Kong) Co., Ltd. [1]	Beneficial owner	53,591,200 (L)	8.24%	1.51%
BlackRock, Inc.	Beneficial owner	34,364,835 (L)	5.29%	0.97%
		108,800 (S)	0.02%	0.00%

Notes:

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 53,591,200 H Shares held by Anbang Assets Management (Hong Kong) Co., Ltd.

A Shares (Long Position):

Name of Shareholder	Capacity	Number of Shares	Total	As a Percentage of A Shares	As a Percentage of Total Shares
Xinjiang Wind Power	Beneficial owner	488,696,502	488,696,502	16.82%	13.74%
China Three Gorges New Energy[1]	Beneficial owner	373,957,073	862,653,575	29.68%	24.26%
	Interest in controlled corporation	488,696,502			
China Three Gorges[2]	Interest in controlled corporation	862,653,575	862,653,575	29.68%	24.26%
Anbang Insurance Group Co., Ltd. [3]	Beneficial owner	22,247,680	479,483,649	16.50%	13.48%
	Interest in controlled corporation	457,235,969			
Anbang Life Insurance Co., Ltd. [3]	Beneficial owner	278,904,260	278,904,260	9.60%	7.84%
Hexie Health Insurance Co., Ltd. [3]	Beneficial owner	147,222,544	147,222,544	5.07%	4.14%
Anbang Annuity Insurance Co., Ltd. [3]	Beneficial owner	31,109,165	31,109,165	1.07%	0.87%

Notes:

1. China Three Gorges New Energy directly holds 373,957,073 A Shares. China Three Gorges New Energy and China Three Gorges hold 43.33% of the issued share capital of Xinjiang Wind Power. Under the SFO, besides directly holding interests in our Company, China Three Gorges New Energy is deemed to be interested in the 488,696,502 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 488,696,502 A Shares held by Xinjiang Wind Power in which China Three Gorges New Energy is deemed to be interested, and the 373,957,073 A Shares directly held by China Three Gorges New Energy are deemed to be the interests of China Three Gorges in our 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 278,904,260 A Shares held by Anbang Life.

   Anbang Group holds 99.99% of the equity interests of Anbang Annuity Insurance Co., Ltd. ("Anbang Annuity"). Under the SFO, Anbang Group is deemed to be interested in the 31,109,165 A Shares held by Anbang Annuity.

   Anbang Group hold 98.04% of the equity interests of Hexie Health Insurance Co., Ltd. ("Hexie Health"). Under the SFO, Anbang Group is deemed to be interested in the 147,222,544 A Shares held by Hexie Health.

   Accordingly, aside from directly holding interest in the Company, Anbang Group is deemed to be interested in the 278,904,260 A Shares, the 31,109,165 A Shares and the 147,222,544 A Shares held by Anbang Life, Anbang Annuity, and Hexie Health, respectively.

Other than as disclosed above, as at 30 June 2018, as far as is known to the Directors, no other persons (excluding Directors, Supervisors, and the Chief Executive) had an interest or short position in shares of the Company which would require disclosure under the provisions of Divisions 2 and 3 of Part XV of the SFO.

NUMBER OF SHAREHOLDERS

As at 30 June 2018, the total of the Shareholders was 110,690, among which the numbers of holders of A Shares and H Shares were 109,404 and 1,286, respectively.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has complied with all applicable code provisions under the Corporate Governance Code as set out in Appendix 14 to the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted a code of conduct governing directors' and supervisors' dealings in the Company's securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiries by the Company, all Directors and Supervisors have confirmed that they had complied with the provisions of the Model Code during the six months ended 30 June 2018 and up to the Latest Practicable Date.

REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at 30 June 2018, the Audit Committee consisted of two independent non-executive Directors, namely Mr. Luo Zhenbang and Dr. Tin Yau Kelvin Wong, and one non-executive Director, namely Mr. Zhao Guoqing. The chairman of the Audit Committee was Mr. Luo Zhenbang. The Audit Committee and the Company's auditors, Ernst & Young, have reviewed the unaudited interim condensed consolidated financial statements of the Group for the six months ended 30 June 2018.

CHANGES TO INFORMATION ON DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

On 7 February 2018, Mr. Huo Changbao resigned as chief financial officer of the Company.

Aside from disclosed above, as far as is known to the Company, during the six months ended 30 June 2018, there were no changes to information that were required to be disclosed by the Directors, Supervisors and Chief Executive pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

Other Information

HUMAN RESOURCES

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

As at 30 June 2018, the Group had a total of 8,506 employees.

INVESTOR RELATIONS

The Company is committed to protecting the interests of its investors. The Company adheres to strict disclosure principles and strives to ensure that the information disclosed in its announcements, circulars and periodic reports are true, accurate and complete, and disclosures are made in a timely manner. In addition, the Company encourages regular communication and interaction with its investors and potential investors in order to allow them to better understand the wind power industry, the Company, and its long-term development strategies. The Company had established the Investor Relations division within its Office of Secretary of the Board which is responsible for organizing 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, 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.

During the six months ended 30 June 2018, 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 organized three results announcement telephone conferences, and one online Q&A investor interactive session, accommodated a total of 965 investors in such events. In addition, the Company organized 38 investor receptions, attended two analyst conferences during the reporting period, hosted a total of 380 investors in such events.

Report on Review of Interim Condensed Consolidated Financial Statements

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

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated statement of financial position of Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") and its subsidiaries (together, the "Group") as at 30 June 2018 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six months then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim condensed consolidated financial statements to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Ernst & Young
Certified Public Accountants
Hong Kong
24 August 2018

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2018

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
REVENUE	3	**10,961,168**	9,779,768
Cost of sales		**(7,536,447)**	(6,643,250)
Gross profit		**3,424,721**	3,136,518
Other income and gains	5	**424,658**	370,572
Selling and distribution expenses		**(612,324)**	(735,689)
Administrative expenses		**(928,915)**	(913,331)
Other expenses		**(264,652)**	(209,217)
Finance costs	7	**(523,965)**	(395,571)
Share of profits of:			
Joint ventures		**240,883**	68,049
Associates		**33,956**	14,616
PROFIT BEFORE TAX	6	**1,794,362**	1,335,947
Income tax expense	8	**(189,451)**	(148,493)
PROFIT FOR THE PERIOD		**1,604,911**	1,187,454
Profit attributable to:			
Owners of the parent		**1,529,979**	1,132,919
Non-controlling interests		**74,932**	54,535
		1,604,911	1,187,454

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2018

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD, NET OF TAX		**(240,466)**	99,258
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods (net of tax):			
Changes in fair value of financial assets designated at fair value through other comprehensive income, net of tax		**(189,321)**	–
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods (net of tax):			
Exchange differences on translation of foreign operations		**(108,628)**	77,809
Cash flow hedges, net of tax		**57,206**	–
Share of other comprehensive income of associates and a joint venture		**277**	43,808
Changes in fair value of available-for-sale investment, net of tax		**–**	(22,359)
Net other comprehensive income/(loss) to be reclassified to profit or loss in subsequent periods, net of tax		**(51,145)**	99,258
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**1,364,445**	1,286,712
Total comprehensive income attributable to:			
Owners of the parent		**1,289,513**	1,232,177
Non-controlling interests		**74,932**	54,535
		1,364,445	1,286,712
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT			
Basic and diluted (expressed in RMB per share)	10	**0.42**	0.31

Interim Condensed
Consolidated Statement of Financial Position

30 June 2018

	Notes	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	**24,002,820**	22,838,479
Investment properties		**122,151**	67,904
Prepaid land lease payments		**298,327**	302,092
Goodwill		**490,644**	497,601
Other intangible assets		**3,007,662**	2,254,558
Investments in joint ventures		**2,018,056**	1,802,594
Investments in associates		**631,130**	588,151
Available-for-sale investments		**–**	1,168,210
Financial assets at fair value through other comprehensive income	12	**558,419**	–
Financial assets at fair value through profit or loss	13	**530,153**	–
Other non-current financial assets	14	**275,299**	–
Held-to-maturity investments		**–**	49,996
Deferred tax assets	15	**1,616,375**	1,601,385
Trade receivables	16	**1,872,307**	2,324,143
Financial receivables	17	**5,842,193**	4,536,746
Contract assets		**390,153**	–
Prepayments, deposits and other receivables	18	**1,321,376**	1,555,448
Derivative financial instruments	19	**78,744**	16,070
Pledged deposits	21	**103,936**	103,136
Total non-current assets		**43,159,745**	39,706,513
CURRENT ASSETS			
Inventories	20	**3,663,941**	4,083,012
Contract assets		**176,573**	–
Trade and bills receivables	16	**19,957,423**	17,048,220
Financial receivables	17	**213,045**	497,481
Prepayments, deposits and other receivables	18	**3,357,018**	2,650,442
Available-for-sale investments		**–**	1,050,000
Financial assets at fair value through profit or loss	13	**26,000**	–
Derivative financial instruments	19	**12,640**	12,640
Pledged deposits	21	**14,186**	983,419
Cash and cash equivalents	21	**4,240,358**	6,756,114
Total current assets		**31,661,184**	33,081,328

Interim Condensed Consolidated Statement of Financial Position

30 June 2018

	Notes	30 June 2018 (Unaudited) RMB'000	31 December 2017 (Audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	22	**14,330,937**	15,256,882
Contract liabilities	23	**3,964,526**	–
Other payables, advance from customers and acruals	24	**2,796,962**	6,359,880
Interest-bearing bank loans and other borrowings	25	**5,466,212**	5,999,023
Tax payable		**144,145**	211,244
Provision		**1,496,835**	1,773,288
Total current liabilities		**28,199,617**	29,600,317
NET CURRENT ASSETS		**3,461,567**	3,481,011
TOTAL ASSETS LESS CURRENT LIABILITIES		**46,621,312**	43,187,524
NON-CURRENT LIABILITIES			
Trade payables	22	**940,494**	884,593
Other payables	24	**206,528**	38,541
Interest-bearing bank loans and other borrowings	25	**18,948,059**	15,885,810
Deferred tax liabilities	15	**645,562**	452,420
Derivative financial instruments	19	**3,275**	–
Provision		**1,674,714**	2,096,893
Government grants		**295,156**	339,109
Deferred revenue		**25,358**	15,157
Total non-current liabilities		**22,739,146**	19,712,523
Net assets		**23,882,166**	23,475,001
EQUITY			
Equity attributable to owners of the parent			
Share capital		**3,556,203**	3,556,203
Reserves		**19,439,257**	19,130,490
		22,995,460	22,686,693
Non-controlling interests		**886,706**	788,308
Total equity		**23,882,166**	23,475,001

Wu Gang
Director

Wang Haibo
Director

Interim Condensed
Consolidated Statement of Changes in Equity

For the six months ended 30 June 2018

		Attributable to owners of the parent											
	Notes	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Special Reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Available–for-sale investment/ Financial assets at fair value revaluation reserve (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Other equity instruments (Unaudited) RMB'000	Hedging-reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
As at 31 December 2017		3,556,203	8,374,759	–	1,197,319	106,611	(151,365)	1,495,118	16,052	8,091,996	22,686,693	788,308	23,475,001
Adjustment of adoption of IFRS 9, net of tax (note 2.2)		–	(179,424)	–	–	(78,645)	–	–	–	63,183	(194,886)	–	(194,886)
As at 1 January 2018		3,556,203	8,195,335	–	1,197,319	27,966	(151,365)	1,495,118	16,052	8,155,179	22,491,807	788,308	23,280,115
Profit for the period		–	–	–	–	–	–	–	–	1,529,979	1,529,979	74,932	1,604,911
Other comprehensive (loss)/income for the period:													
Changes in fair value of financial assets, net of tax		–	–	–	–	(189,321)	–	–	–	–	(189,321)	–	(189,321)
Cash flow hedges, net of tax		–	–	–	–	–	–	–	57,206	–	57,206	–	57,206
Share of other comprehensive income of associates		–	277	–	–	–	–	–	–	–	277	–	277
Exchange differences on translation of foreign operations		–	–	–	–	–	(108,628)	–	–	–	(108,628)	–	(108,628)
Total comprehensive (loss)/income for the period		–	277	–	–	(189,321)	(108,628)	–	57,206	1,529,979	1,289,513	74,932	1,364,445
Capital contributions from non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	19,575	19,575
Acquisition of subsidiaries	27	–	–	–	–	–	–	–	–	–	–	1,131	1,131
Disposal to non-controlling shareholders		–	(3,619)	–	–	–	–	–	–	–	(3,619)	3,619	–
Final 2017 dividend declared		–	–	–	–	–	–	–	–	(711,241)	(711,241)	–	(711,241)
Dividends declared to non-controlling shareholders		–	–	–	–	–	–	–	–	–	–	(859)	(859)
Transfer to special reserve		–	–	(8,165)	–	–	–	–	–	8,165	–	–	–
Utilisation of special reserve		–	–	8,165	–	–	–	–	–	(8,165)	–	–	–
Distribution of other equity instruments		–	–	–	–	–	–	–	–	(71,000)	(71,000)	–	(71,000)
At 30 June 2018		3,556,203	*8,191,993	* –	*1,197,319	* (161,355)	* (259,993)	*1,495,118	*73,258	*8,902,917	22,995,460	886,706	23,882,166

		Attributable to owners of the parent										
	Notes	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Special Reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Available-for-sale investment revaluation reserve (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Other equity instruments (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
As at 1 January 2017		2,735,541	8,167,993	–	1,094,426	78,548	(174,476)	1,495,118	6,579,002	19,976,152	722,642	20,698,794
Profit for the period		–	–	–	–	–	–	–	1,132,919	1,132,919	54,535	1,187,454
Other comprehensive income/(loss) for the period:												
Changes in fair value of available-for-sale investment, net of tax		–	–	–	–	(22,359)	–	–	–	(22,359)	–	(22,359)
Share of other comprehensive income of associates and a joint venture		–	43,808	–	–	–	–	–	–	43,808	–	43,808
Exchange differences on translation of foreign operations		–	–	–	–	–	77,809	–	–	77,809	–	77,809
Total comprehensive income/(loss) for the period		–	43,808	–	–	(22,359)	77,809	–	1,132,919	1,232,177	54,535	1,286,712
Capital contributions from non-controlling shareholders		–	–	–	–	–	–	–	–	–	30,800	30,800
Acquisition of subsidiaries		–	–	–	–	–	–	–	–	–	9,831	9,831
Disposal to non-controlling shareholders		–	(4,047)	–	–	–	–	–	–	(4,047)	4,047	–
Final 2016 dividend declared		–	–	–	–	–	–	–	(547,108)	(547,108)	–	(547,108)
Dividends declared to non-controlling shareholders		–	–	–	–	–	–	–	–	–	(23,523)	(23,523)
Disposal of a subsidiary		–	–	–	–	–	–	–	–	–	(68,671)	(68,671)
Transfer to special reserve		–	–	14,970	–	–	–	–	(14,970)	–	–	–
Utilisation of special reserve		–	–	(14,970)	–	–	–	–	14,970	–	–	–
Other equity instruments' distribution		–	–	–	–	–	–	–	(71,000)	(71,000)	–	(71,000)
At 30 June 2017		2,735,541	8,207,754	–	1,094,426	56,189	(96,667)	1,495,118	7,093,813	20,586,174	729,661	21,315,835

* As at 30 June 2018, these reserve accounts comprised the consolidated reserves of RMB19,439,257,000 (unaudited) in the interim condensed consolidated statement of financial position.

Interim Condensed
Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

	Notes	For the six months ended 30 June **2018** **(Unaudited)** **RMB'000**	 2017 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		**1,794,362**	1,335,947
Adjustments for:			
Finance costs	7	**523,965**	395,571
Bank interest income	5	**(87,524)**	(39,972)
Share of profits of joint ventures		**(240,883)**	(68,049)
Share of profits of associates		**(33,956)**	(14,616)
Depreciation	6	**570,947**	512,704
Amortisation of prepaid land lease payments	6	**3,765**	3,076
Amortisation of other intangible assets	6	**40,813**	28,995
Gain on disposal of items of property, plant and equipment	6	**(227)**	(149)
Loss on disposal of items of property, plant and equipment	6	**4,878**	633
Gain on disposal of subsidiaries, including wind farm project companies	5	**–**	(56,075)
Gain on remeasurement of fair value of the previously held interest in a subsidiary at its disposal-date fair value in a disposal of a subsidiary	5	**–**	(37,240)
Gain on disposal of available-for-sale investments	5	**–**	(26,840)
Gain on disposal of financial assets at fair value through profit or loss	5	**(45,876)**	–
Dividend income from available-for-sale investments	5	**–**	(9,441)
Dividend income from financial assets at fair value through other comprehensive income	5	**(8,683)**	–
Dividend income from other non-current financial assets	5	**(7,511)**	–
Gain on disposal of investment in an associate	5	**(5,212)**	(5,367)
Gain on remeasurement of fair value of the previously held interest in an acquiree at its acquisition-date fair value in a step acquisition of a subsidiary	5	**–**	(4,297)
Interests from other investments		**(8,811)**	(3,369)
Fair value losses/(gains), net:			
Derivative financial instruments – transactions not qualifying as hedges	6	**(128)**	33,161
Unlisted equity investments	6	**(37,069)**	–
Listed equity investments	6	**22,159**	–
Impairment of property, plant and equipment	6	**17,378**	–
Impairment of trade and other receivables	6	**146,561**	132,863
Impairment of contract assets	6	**291**	–
Reversal of other non-current financial assets	6	**(30)**	–
Impairment of financial receivables	6	**1,241**	–
Reversal of write-down of inventories to net realisable value	6	**(38,674)**	(19,098)
Government grants and deferred revenue		**(49,170)**	(38,619)
		2,562,606	2,119,818

Interim Condensed Consolidated Statement of Cash Flows

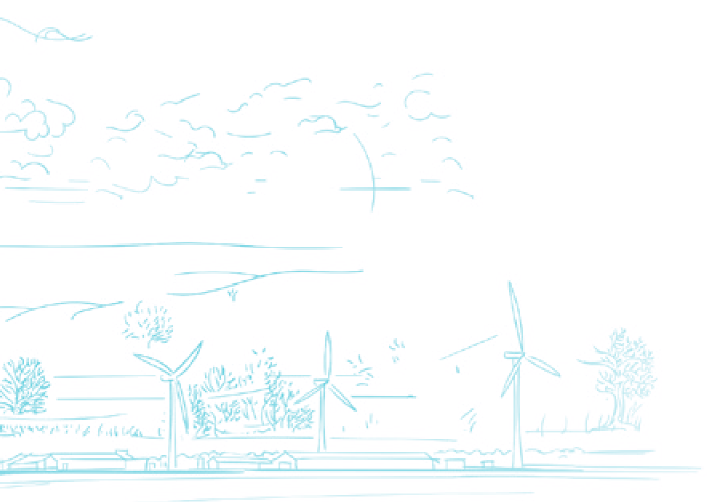
For the six months ended 30 June 2018

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Decrease/(Increase) in inventories		**283,958**	(775,604)
Increase in trade and bills receivables		**(1,216,739)**	(143,009)
Increase in prepayments, deposits and other receivables		**(506,049)**	(669,359)
Increase in financial receivables		**(1,417,381)**	(741,578)
Decrease in trade and bills payables		**(1,353,303)**	(1,887,183)
(Decrease)/Increase in other payables, advances from customers and accruals		**(113,854)**	777,667
Decrease in provision		**(698,632)**	(49,200)
Increase in government grants and deferred revenue		**3,668**	30,433
Cash generated used in operations		**(2,455,726)**	(1,338,015)
Interest received		**58,037**	29,001
Income tax paid		**(283,473)**	(242,517)
Net cash flows used in operating activities		**(2,681,162)**	(1,551,531)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		**(2,502,236)**	(2,292,358)
Additions to other intangible assets		**(12,113)**	(25,584)
Additions to prepaid land lease payments		**–**	(14,283)
Acquisition of subsidiaries, net of cash acquired	27	**(477,704)**	(840,764)
Purchases of interests in joint ventures		**–**	(500)
Purchases of interests in associates		**(63,252)**	(27,225)
Purchases of available-for-sale investments		**–**	(196,183)
Purchases of financial assets at fair value through other comprehensive income		**(52,000)**	–
Purchases of financial assets at fair value through profit or loss		**(50,000)**	–
Purchases of other non-current financial assets		**(95,000)**	–
Proceeds from disposal of available-for-sale investments		**–**	76,840
Proceeds from disposal of items of property, plant and equipment and other intangible assets		**1,752**	574
Disposal of subsidiaries, net of cash disposed of	28	**(49)**	(43,838)
Cash and cash equivalents included in assets held for sale		**–**	(704)
Increase in non-pledged time deposits with original maturity of three months or more when acquired		**(820)**	(1,298)
Decrease in pledged time deposits		**500,000**	–
Decrease in advances to joint ventures entities		**2,010**	5,000
Dividends received from joint ventures and associates		**16,757**	22,974
Disposal of shareholding in joint ventures and associates		**218,698**	–
Disposal of financial assets at fair value through profit or loss		**1,071,686**	–
Gain on disposal of financial assets at fair value through profit or loss		**47,460**	–
Cash from other investments		**7,720**	11,653
Net cash flows used in investing activities		**(1,387,091)**	(3,325,696)

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans and other borrowings		**4,847,296**	2,409,736
Repayment of bank loans and other borrowings		**(2,736,302)**	(731,730)
Interest paid		**(495,230)**	(409,159)
Capital contributions from non-controlling shareholders		**19,575**	30,800
Increase in loans to joint-controlled entities and associates		**10,774**	–
Receipt of government grants		**–**	8,515
Distribution paid relating to the perpetual medium-term notes		**(50,000)**	(50,000)
Dividends paid to non-controlling shareholders		**(859)**	(23,523)
Payments of corporate bonds issue expense		**–**	(4,503)
Net cash flows from financing activities		**1,595,254**	1,230,136
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(2,472,999)**	(3,647,091)
Cash and cash equivalents at beginning of the period		**6,746,183**	7,526,463
Effect of foreign exchange rate changes, net		**(43,382)**	23,749
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	21	**4,229,802**	3,903,121



1. CORPORATE AND GROUP INFORMATION

Xinjiang Goldwind Science & Technology Co., Ltd. is a joint stock company with limited liability registered in Xinjiang 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.

The Group is 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.

2. BASIS OF PREPARATION AND CHANGES IN THE ACCOUNTING POLICIES

2.1 Basis of preparation

The interim condensed consolidated financial statements for the six months ended 30 June 2018 have been prepared in accordance with IAS 34 issued by the International Accounting Standards Board ("IASB") and compliance with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

The interim condensed consolidated financial statements have been prepared under the historical cost convention, except for equity investments, derivative financial instruments and corporate wealth management products which have been measured at fair value.

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

2.2 Impact of new and amended International Financial Reporting Standards

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of the amendments effective as of 1 January 2018. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

The Group applies, for the first time, IFRS 15 *Revenue from Contracts with Customers* and IFRS 9 *Financial Instruments* that did not restate previous financial statements and recognise transition adjustments against the opening balance of equity at 1 January 2018. The nature and the effect of these changes are disclosed below.

Several other amendments and interpretations have been applied for the first time in 2018, but do not have an impact on the interim condensed consolidated financial statements of the Group.

IFRS 15 *Revenue from Contracts with Customers*

IFRS 15 supersedes IAS 11 *Construction Contracts*, IAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a 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 standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted IFRS 15 using the modified retrospective method which recognised the cumulative effect of initial adoption as an adjustment to the opening balance of retained earnings as at 1 January 2018. In addition, the Group applied the new requirements only to contracts that are not completed before 1 January 2018. After processing five-step model to contracts, as further explained below, the Group determined that there is no material impact on the opening balance of retained earnings as at 1 January 2018 upon initial adoption of IFRS 15.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 15 *Revenue from Contracts with Customers* (continued)

However, the reclassification was made as at 1 January 2018 to be consistent with the terminology used under IFRS 15:

- Contract assets recognised in relation to construct activities were previously presented as inventory.
- Contract assets recognised in relation to service concession were previously presented as financial receivables.
- Contract liabilities recognised in relation to sales of wind turbine generators and construct activities were previously presented as other payables, advance from customers and accruals.

The impact on the Group's financial position by application of IFRS 15 is as follows:

	As at 1 January 2018		
	As previously stated RMB'000	Reclassifications under IFRS 15 RMB'000	Restated RMB'000
Consolidated statement of financial position (extract)			
Inventories	4,083,012	(56,693)	4,026,319
Financial receivables	5,034,227	(161,681)	4,872,546
Contract assets	–	218,374	218,374
Other payables, advance from customers and accruals	6,398,421	(4,640,917)	1,757,504
Contract liabilities	–	4,640,917	4,640,917

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 15 *Revenue from Contracts with Customers* (continued)

The Group's principal activities consist of manufacture and sale of wind turbine generators, wind power generation and other wind power services. The impacts arising from the adoption of IFRS 15 on the Group are summarised as follows:

(a) The Group sales wind turbine generators and promises to provide warranties to the wind turbine generators. Under IFRS 15, the warranties will be considered as service-type warranties which are separate performance obligations. Revenue allocated to the service-type warranties will be recognised over the period during which the services are provided. The accounting treatment under IFRS 15 is generally consistent with the current practice of the Group, since the Group has accounted the wind turbine generators and service-type warranties revenue separately and deferred the recognition of the revenue allocated to the service-type warranties.

(b) The Group develops and operates wind farms to generate wind power, and sales to external electricity power grid companies. The contracts with customers for the sales of electricity generally include one performance obligation. Revenue is recognised upon power transmission, and measured based on the volume of wind power transmitted and the applicable fixed tariff rates. The accounting treatment under IFRS 15 is generally consistent with the current practice of the Group. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amount of revenue recognition.

(c) *Presentation and disclosure*

As required for the condensed interim financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. The Group also disclosed information about the relationship between the disclosure of disaggregated revenue and revenue information disclosed for each reportable segment. Refer to Note 3 for the disaggregated revenue.

IFRS 9 *Financial Instruments*

IFRS 9 *Financial Instruments* replaces IAS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Group applied prospectively, IFRS 9 retrospectively, with the initial application date of 1 January 2018 and did not restate the comparative information for the period beginning 1 January 2017.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 *Financial Instruments* (continued)

The effect of adopting IFRS 9 is, as follows:

(a) *Classification and measurement*

Except for certain trade receivables and other receivables, an entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under IFRS9, debt instruments are subsequently measured at fair value through profit or loss (FVPL), amortised cost, or fair value through other comprehensive income (FVOCI). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent "solely payments of principal and interests" on the principal amount outstanding (the "SPPI criterion")

The new classification and measurement of the Group's financial assets are, as follows:

- Debt instruments at amortised cost for financial assets that are held within a business model with the objective to hold the financial assets in order to collect contractual cash flows that meet the SPPI criterion. This category includes the Group's trade and bill receivables, financial receivables, financial assets included in prepayments, deposits and other receivables and corporate bonds included under other non-current financial assets.

- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. This category only includes equity instruments, which the Group intends to hold for the foreseeable future and which the Group has irrevocable elected to so classify upon initial recognition or transition. The Group classified some of its equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under IFRS 9. Under IAS 39, the Group's unquoted equity instruments were classified as available-for-sale financial assets.

- Financial assets at FVPL comprise derivative instruments and some equity instruments which the Group had not irrevocably elected, at initial recognition or transition, to classify at FVOCI. This category would also include debt instruments whose cash flow characteristics fail the SPPI criterion or are not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 *Financial Instruments* (continued)

(a) Classification and measurement (continued)

The assessment of the Group's business models was made as of the date of initial application, 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. The main effects resulting from this reclassification are as follows:

Financial asset	Measurement category Original (IAS 39)	New (IFRS 9)	Carrying amount Original (IAS 39) RMB'000	New (IFRS 9) RMB'000	Difference RMB'000
Available-for-sale investments					
Listed equity investments	Available-for-sale at fair value	FVPL	154,766	154,766	–
Listed equity investments	Available-for-sale at fair value	FVOCI	284,352	284,352	–
Corporate wealth management products	Available-for-sale at fair value	FVPL	1,050,000	1,050,000	–
Unlisted equity investments	Available-for-sale at cost	FVPL	318,176	320,200	2,024
Unlisted equity investments	Available-for-sale at cost	FVOCI	410,916	354,531	(56,385)
			2,218,210	2,163,849	(54,361)
Held-to-maturity investments					
Corporate bonds	Held-to-maturity investments	Financial assets at amortised cost	49,996	49,996	–
Derivative financial instruments					
Contingent consideration	FVPL	FVPL	12,640	12,640	–
Interest rate swap	FVPL	FVPL	18	18	–
			12,658	12,658	–
Loans and receivables					
Trade and bills receivables	Loans and receivables	Financial assets at amortised cost	19,372,363	19,372,363	–
Financial receivables	Loans and receivables	Financial assets at amortised cost	5,034,227	5,034,227	–
Financial assets included in prepayments, deposits and other receivables	Loans and receivables	Financial assets at amortised cost	1,241,939	1,241,939	–
Pledged deposits	Loans and receivables	Financial assets at amortised cost	1,086,555	1,086,555	–
Cash and cash equivalents	Loans and receivables	Financial assets at amortised cost	6,756,114	6,756,114	–
			33,491,198	33,491,198	–
			35,772,062	35,717,701	(54,361)

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 *Financial Instruments* (continued)

(a) Classification and measurement (continued)

The accounting of the Group's financial liabilities remains largely the same as it was under IAS 39. Similar to the requirements of IAS 39, IFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised through the statement of profit or loss.

Under IFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model.

The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not changed from that required by IAS 39.

(b) Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all other debt financial assets not held at FVPL.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

For contract assets, trade receivables, other receivables and other non-current financial assets, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 *Financial Instruments* (continued)

(b) Impairment (continued)

The total impact on the Group's reserves due to adoption of IFRS 9 as at 1 January 2018 is as follows:

	RMB'000
Opening reserves – IAS 39	22,686,693
Increase in provision for trade receivables, net of tax	(110,916)
Increase in provision for other receivables, net of tax	(24,699)
Increase in provision for contract assets, net of tax	(596)
Increase in provision for financial receivables, net of tax	(4,061)
Increase in provision for other non-current financial assets, net of tax	(253)
Reclassification and remeasurement of unlisted equity investments	(54,361)
Adjustment to reserves from adoption of IFRS 9	(194,886)
Opening reserves – IFRS 9	22,491,807

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRS 9 *Financial Instruments* (continued)

(b) Impairment (continued)

The impact on the Group's financial position by application of IFRS 9 is as follows:

	As at 1 January 2018			
	As previously stated RMB'000	Reclassifications under IFRS 9 RMB'000	Adjustments under IFRS 9 RMB'000	Restated RMB'000
Consolidated statement of financial position (extract)				
Available-for-sale investments	2,218,210	(2,218,210)	–	–
Held-to-maturity investments	49,996	(49,996)	–	–
Financial assets at fair value through other comprehensive income	–	695,268	(56,385)	638,883
Financial assets at fair value through profit or loss	–	1,522,942	2,024	1,524,966
Other non-current financial assets	–	305,111	(305)	304,806
Deferred tax assets	1,601,385	–	28,900	1,630,285
Contract assets	–	218,374	(596)	217,778
Trade and bill receivables	19,372,363	–	(132,386)	19,239,977
Prepayments, deposits and other receivables	4,205,890	(255,115)	(31,162)	3,919,613
Inventories	4,083,012	(56,693)	–	4,026,319
Financial receivables	5,034,227	(161,681)	(4,976)	4,867,570
Other payables, advance from customers and accruals	6,398,421	(4,640,917)	–	1,757,504
Contract liabilities	–	4,640,917	–	4,640,917
Reserves	19,130,490	–	(194,886)	18,935,604

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

IFRIC Interpretation 22 *Foreign Currency Transactions and Advance Consideration*

The interpretation clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration. The interpretation does not have any impact on the Group's consolidated financial statements.

Amendments to IAS 40 *Transfers of Investment Property*

The amendments clarify when an entity should transfer property, including property under construction or development, into or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. These amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IFRS 2 *Classification and Measurement of Share-based Payment Transactions*

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligation; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled. On adoption, entities are required to apply the amendments without restating prior periods, but retrospective application is permitted if they elect to adopt for all three amendments and other criteria are met. The Group has no share-based payment transaction. Therefore, these amendments do not have any impact on the Group's consolidated financial statements.

Amendments to IAS 28 *Investments in Associates and Joint Ventures – Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice*

The amendments clarify that an entity that is a venture capital organisation, or other qualifying entity, may elect, an initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognised; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent. These amendments do not have any impact on the Group's consolidated financial statements.

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

2.2 Impact of new and amended International Financial Reporting Standards (continued)

Amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards – Deletion of short-term exemptions for first-time adopters*

Short-term exemptions in paragraphs E3-E7 of IFRS 1 were deleted because they have now served their intended purpose. These amendments do not have any impact on the Group's consolidated financial statements.

2.3 Issued but not yet effective International Financial Reporting Standards

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

IFRS 16	*Leases*[1]
IFRIC Interpretation 23	*Uncertainty over Income Tax Treatments*[1]
Amendments to IFRS 9	*Prepayment Features with Negative Compensation*[1]
Amendments to IAS 28	*Long-term Interests in Associates and Joint Ventures*[1]
Amendments to IAS 19	*Plan Amendment, Curtailment or Settlement*[1]
IFRS 17	*Insurance Contracts*[2]
Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Annual Improvements 2015-2017 Cycle	*Amendments to IFRS 3, IFRS 11, IAS 12 and IAS 23*[1]

1 Effective for annual periods beginning on or after 1 January 2019
2 Effective for annual periods beginning on or after 1 January 2021
3 No mandatory effective date yet determined but available for adoption

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

3. REVENUE

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 from investment properties during the six months ended 30 June 2018 and 2017.

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Revenue		
Sale of wind turbine generators and wind power components	**7,988,165**	7,264,258
Wind power services	**619,909**	709,831
Wind farm generation	**2,012,154**	1,657,481
Others	**340,940**	148,198
	10,961,168	9,779,768
Revenue from contracts with customers		
Goods transferred at a point in time	**10,094,668**	8,989,246
Service transferred over time	**747,931**	709,831
Revenue from other sources: rental income	**118,569**	80,691
	10,961,168	9,779,768

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 other segment mainly engages in the operation of water treatment plants under the service concession arrangement and finance leasing services, which are comprised of direct finance leasing and sale-lease back.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource 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)

The following tables present revenue and profit information about the Group's operating segments for the six months ended 30 June 2018 and 2017:

For the six months ended 30 June 2018

	Wind turbine generator manufacturing and sale (Unaudited) RMB'000	Wind power services (Unaudited) RMB'000	Wind farm development (Unaudited) RMB'000	Others (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue:						
Revenue from external customers	7,988,165	619,909	2,012,154	340,940	–	10,961,168
Intersegment sales	578,427	244,623	–	10,019	(833,069)	–
Total revenue	8,566,592	864,532	2,012,154	350,959	(833,069)	10,961,168
Segment results:	620,416	39,359	1,331,319	275,675	(35,966)	2,230,803
Interest income	136,364	3,748	15,805	26,397	(94,790)	87,524
Finance costs	(53,241)	–	(487,631)	(12,613)	29,520	(523,965)
Profit before tax	703,539	43,107	859,493	289,459	(101,236)	1,794,362
Other segment information:						
Share of profits and losses of:						
Joint ventures	–	–	137,199	103,684	–	240,883
Associates	–	(839)	20,791	14,004	–	33,956
Depreciation and amortisation	106,739	10,353	554,864	9,824	(66,255)	615,525
Impairment of property, plant and equipment	–	–	17,378	–	–	17,378
Reversal of write-down of inventories, net	(38,674)	–	–	–	–	(38,674)
Impairment of trade and other receivables, net	151,843	(6,393)	1,584	(473)	–	146,561
Impairment of financial receivables, net	–	–	–	1,241	–	1,241
Impairment of contract assets, net	–	291	–	–	–	291
Reversal of other non-current financial assets, net	–	–	(30)	–	–	(30)
Product warranty provision	101,490	–	–	–	11,868	113,358
Capital expenditure[1]	165,757	2,013	1,815,659	656,253	(26,057)	2,613,625

4. OPERATING SEGMENT INFORMATION (continued)

For the six months ended 30 June 2017

	Wind turbine generator manufacturing and sale (Unaudited) RMB'000	Wind power services (Unaudited) RMB'000	Wind farm development (Unaudited) RMB'000	Others (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue:						
Revenue from external customers	7,264,258	709,831	1,657,481	148,198	–	9,779,768
Intersegment sales	786,224	135,975	–	2,981	(925,180)	–
Total revenue	8,050,482	845,806	1,657,481	151,179	(925,180)	9,779,768
Segment results:	466,753	53,771	1,094,581	122,901	(46,460)	1,691,546
Interest income	124,249	4,609	48,466	25,183	(162,535)	39,972
Finance costs	(56,434)	–	(450,774)	(12,831)	124,468	(395,571)
Profit before tax	534,568	58,380	692,273	135,253	(84,527)	1,335,947
Other segment information:						
Share of profits and losses of:						
Joint ventures	–	–	69,778	(1,729)	–	68,049
Associates	2	(845)	6,704	8,755	–	14,616
Depreciation and amortisation	85,656	4,774	535,872	7,599	(89,126)	544,775
Reversal of write-down of inventories	(19,098)	–	–	–	–	(19,098)
Impairment of trade and other receivables	123,389	9,374	100	–	–	132,863
Product warranty provision	329,974	–	–	–	(5,190)	324,784
Capital expenditure[(1)]	196,168	22,132	2,560,319	2,707	(208,215)	2,573,111

(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)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2018 and 31 December 2017:

	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 assets						
30 June 2018 (Unaudited)	**47,874,265**	**3,038,621**	**40,524,491**	**10,203,368**	**(26,819,816)**	**74,820,929**
31 December 2017 (Audited)	49,618,994	3,178,156	42,568,078	7,966,214	(30,543,601)	72,787,841
Segment liabilities						
30 June 2018 (Unaudited)	**27,352,328**	**1,508,992**	**28,970,564**	**6,590,355**	**(13,483,476)**	**50,938,763**
31 December 2017 (Audited)	28,794,241	1,674,328	31,593,463	4,413,564	(17,162,756)	49,312,840
Investments in joint ventures						
30 June 2018 (Unaudited)	**3,572**	**–**	**1,502,220**	**615,631**	**(103,367)**	**2,018,056**
31 December 2017 (Audited)	3,589	–	1,325,635	555,507	(82,137)	1,802,594
Investments in associates						
30 June 2018 (Unaudited)	**24,958**	**7,727**	**399,822**	**206,681**	**(8,058)**	**631,130**
31 December 2017 (Audited)	113,193	8,567	308,810	199,956	(42,375)	588,151

4. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Mainland China	**10,265,096**	8,716,771
Overseas	**696,072**	1,062,997
	10,961,168	9,779,768

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

(b) Non-current assets

	As at 30 June 2018	As at 31 December 2017
	(Unaudited)	(Audited)
	RMB'000	RMB'000
Mainland China	**27,987,353**	25,917,724
United States of America	**1,811,495**	1,398,614
Australia	**1,322,109**	1,177,692
Panama	**677,606**	656,476
Germany	**456,402**	478,808
Other countries/regions	**27,354**	22,397
	32,282,319	29,651,711

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

Information about major customers

For the six months ended 30 June 2018, revenues of RMB1,937,374,000 and RMB1,444,722,000 (six months ended 30 June 2017: RMB1,392,665,000 and RMB1,304,259,000) were derived from sales by the wind turbine generator manufacturing and sale segment to two customers, which individually accounted 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 those customers.

5. OTHER INCOME AND GAINS

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

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Bank interest income	**87,524**	39,972
Dividend income from available-for-sale investments	**–**	9,441
Dividend income from financial assets at fair value through other comprehensive income	**8,683**	–
Dividend income from other non-current financial assets	**7,511**	–
Gross rental income	**2,982**	4,859
Government grants and deferred revenue	**61,918**	58,401
Value-added tax refund	**43,634**	36,938
Insurance compensation on product warranty expenditures	**106,830**	61,613
Gain on disposal of investment in an associate	**5,212**	5,367
Gain on disposal of subsidiaries, including wind farm project companies	**–**	56,075
Gain on remeasurement of fair value of the previously held interest in a subsidiary at its disposal-date fair value in a disposal of a subsidiary	**–**	37,240
Gain on disposal of available-for-sale investments	**–**	26,840
Gain on disposal of financial assets at fair value through profit or loss	**45,876**	–
Gain on disposal of items of property, plant and equipment	**227**	149
Gain on remeasurement of fair value of the previously held interest in an acquiree at its acquisition-date fair value in a step acquisition of a subsidiary	**–**	4,297
Fair value gains/(losses), net:		
Derivative financial instruments – transactions not qualifying as hedges	**128**	–
Unlisted equity investments	**37,069**	–
Listed equity investments	**(22,159)**	–
Gain on foreign exchange differences	**–**	5,475
Others	**39,223**	23,905
	424,658	370,572

6. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Cost of inventories sold		**6,283,874**	5,486,348
Cost of services provided		**497,949**	538,995
Cost of wind power generation		**568,825**	565,620
Cost of others		**185,799**	52,287
		7,536,447	6,643,250
Depreciation provided for:			
Property, plant and equipment	11	**568,778**	511,256
Investment properties		**2,169**	1,448
		570,947	512,704
Amortisation of prepaid land lease payments		**3,765**	3,076
Amortisation of other intangible assets		**40,813**	28,995
		44,578	32,071
Impairment of property, plant and equipment		**17,378**	–
Impairment of trade receivables	16	**292,453**	203,032
Reversal of impairment of trade receivables	16	**(147,039)**	(70,269)
		145,414	132,763

6. PROFIT BEFORE TAX (continued)

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Impairment of other receivables	18	**1,147**	100
Impairment of contract assets		**291**	–
Reversal of impairment of other non-current financial assets		**(30)**	–
Impairment of financial receivables		**1,241**	–
Impairment of write-down of inventories		**2,251**	5,526
Reversal of write-down inventories		**(40,925)**	(24,624)
		(38,674)	(19,098)
Gain on disposal of items of property, plant and equipment		**(227)**	(149)
Loss on disposal of items of property, plant and equipment		**4,878**	633
		4,651	484
Lease expenses under operating leases of land and buildings		**18,610**	6,928
Auditors' remuneration		**1,651**	1,651
Employee benefit expenses (including directors', supervisors' and the chief executive's remuneration):			
Wages and salaries		**557,427**	567,527
Pension scheme contributions (defined contribution scheme)		**32,188**	50,489
Welfare and other expenses		**183,781**	105,175
		773,396	723,191
Research and development costs:			
Staff costs		**213,735**	203,177
Amortisation and depreciation		**30,107**	36,965
Materials expenditure and others		**131,528**	158,735
		375,370	398,877

6. PROFIT BEFORE TAX (continued)

	Notes	For the six months ended 30 June 2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Government grants and deferred revenue		**(61,918)**	(58,401)
Value-added tax refund		**(43,634)**	(36,938)
Product warranty provision:			
Additional provision		**447,468**	417,041
Reversals of unutilised provision		**(334,110)**	(92,257)
		113,358	324,784
Insurance compensation on product warranty expenditures		**(106,830)**	(61,613)
Foreign exchange differences, net		**24,626**	(5,475)
Fair value losses/(gains), net:			
Derivative financial instruments			
– transactions not qualifying as hedges		**(128)**	33,161
Unlisted equity investments		**(37,069)**	–
Listed equity investments		**22,159**	–
Dividend income from available-for-sale investments		**–**	(9,441)
Dividend income from financial assets at fair value through other comprehensive income		**(8,683)**	–
Dividend income from other non-current financial assets		**(7,511)**	–
Bank interest income		**(87,524)**	(39,972)
Rental income		**(2,982)**	(4,859)
Gain on disposal of subsidiaries, including wind farm project companies		**–**	(56,075)
Gain on remeasurement of fair value of the previously held interest in a subsidiary at its disposal-date fair value in a disposal of a subsidiary		**–**	(37,240)
Gain on disposal of available-for-sale investments		**–**	(26,840)
Gain on disposal of financial assets at fair value through profit or loss		**(45,876)**	–
Gain on remeasurement of fair value of the previously held interest in an acquiree at its acquisition-date fair value in a step acquisition of a subsidiary		**–**	(4,297)
Gain on disposal of investment in an associate		**(5,212)**	(5,367)

7. FINANCE COSTS

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank loans and other borrowings	**537,666**	400,118
Less: Interest capitalised	**(13,701)**	(4,547)
	523,965	395,571

8. INCOME TAX EXPENSE

The Company and four subsidiaries of the Company have been identified as "high and new technology enterprise" and were entitled to a preferential income tax at a rate of 15% for the years ended 30 June 2018 and 2017 in accordance with the PRC Corporate Income Tax Law.

Certain subsidiaries of the Company in Mainland China, which were established after 1 January 2008 and are engaged in public infrastructure projects including wind farm and urban water treatment projects, are each entitled to a tax holiday of a three-year full exemption followed by a three-year 50% exemption commencing from the respective years when operating income is generated for the first time.

Certain subsidiaries of the Company in Mainland China, which were established after 1 January 2010 are each entitled to a tax holiday of a five-year full exemption until 31 December 2020 commencing from the respective years when operating income is generated for the first time, primarily due to their status as entities engaging in development projects supported by the government in Kashgar and Horgos of the PRC.

Certain subsidiaries of the Company in Mainland China were taxed at a preferential rate of 15% primarily due to their status as entities engaging in development projects supported by the government 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%.

Certain subsidiaries of the Company in overseas are subject to corporate income tax at a rate vary from 15% to 35%.

Hong Kong profits tax has been provided at the rate of 16.5% (for the six months ended 30 June 2017: 16.5%) on the estimated assessable profits arising in Hong Kong during the year.

8. INCOME TAX EXPENSE (continued)

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

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Current		
– Hong Kong	**–**	572
– Mainland China	**124,088**	134,511
– Elsewhere	**31,687**	38,546
	155,775	173,629
Deferred (note 15)	**33,676**	(25,136)
Tax charge for the period	**189,451**	148,493

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

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit before tax	**1,794,362**	1,335,947
Tax at the statutory tax rate of 25%	**448,590**	333,987
Effect of different income tax rates for overseas entities	**(10,824)**	4,870
Effect of the preferential income tax rates for domestic entities	**(245,172)**	(187,999)
Tax losses not recognised	**56,293**	19,603
Tax losses utilised from previous periods	**(1,053)**	(7,589)
Effect of not recognised deferred tax assets due to asset impairment	**1,416**	14
Income not subject to tax	**(2,987)**	(3,262)
Expenses not deductible for tax	**13,644**	1,611
Profits and losses attributable to joint ventures	**(60,221)**	(17,012)
Profits and losses attributable to associates	**(8,489)**	(3,654)
Others	**(1,746)**	7,924
Tax charge for the period at the effective rate	**189,451**	148,493

9. DIVIDENDS

The proposed final cash dividends of RMB2.00 (tax included) per each 10 shares, which amounted to RMB711,241,000 of cash dividends for the year ended 31 December 2017, were approved by the Company's shareholders on 12 June 2018.

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2018 (six months ended 30 June 2017: Nil).

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

For those financial instruments classified as equity, if the distributions are cumulative, the undeclared amounts of the cumulative distributions were deducted in arriving at earnings for the purposes of the basic earnings per share calculation. On the other hand, if the distributions are non-cumulative, only the amount of dividends declared in respect of the year should be deducted in arriving at the profit attributable to ordinary equity holders.

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2018 and 2017.

The calculation of basic and diluted earnings per share is based on:

	For the six months ended 30 June	
	2018	2017
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit attributable to ordinary equity holders of the parent	**1,529,979**	1,132,919
Less: distribution relating to the perpetual medium-term notes (i)	**(35,208)**	(35,208)
Profit used to determine basic earnings per share	**1,494,771**	1,097,711
Weighted average number of ordinary shares in issue ('000)	**3,556,203**	3,556,203
Basic and diluted earnings per shares (expressed in RMB per share)	**0.42**	0.31

(i) The long-term option-embedded medium-term notes (the "Perpetual Medium-term Notes") issued by the Company in May 2016 and September 2016 were classified as other equity instruments with deferrable cumulative interest distributions and payments. The interest from Perpetual Medium-term Notes which has been generated but not yet declared, from 1 January 2018 to 30 June 2018 and from 1 January 2017 to 30 June 2017, was deducted from earnings when calculating the earnings per share for the six months ended 30 June 2018 and 2017.

11. PROPERTY, PLANT AND EQUIPMENT

	For the six months ended 30 June 2018					
	Buildings (Unaudited) RMB'000	Machinery (Unaudited) RMB'000	Vehicles (Unaudited) RMB'000	Electronic equipment and others (Unaudited) RMB'000	Construction in progress (Unaudited) RMB'000	Total (Unaudited) RMB'000
Cost:						
At 1 January 2018	1,229,289	19,060,546	122,675	662,200	4,796,574	25,871,284
Additions	21,024	71,325	10,766	17,438	1,769,678	1,890,231
Disposals	–	(5,477)	(2,428)	(35,135)	(6,760)	(49,800)
Acquisition of subsidiaries (note 27)	–	2,355	–	–	–	2,355
Disposals of subsidiaries (note 28)	–	(224)	–	–	(24,738)	(24,962)
Transfers	–	1,642,642	–	566	(1,643,208)	–
Transfer to investment properties	(63,666)	–	–	–	–	(63,666)
Exchange realignment	(3,756)	9,499	(151)	(1,285)	(36,420)	(32,113)
At 30 June 2018	1,182,891	20,780,666	130,862	643,784	4,855,126	27,593,329
Accumulated depreciation and impairment:						
At 1 January 2018	(175,894)	(2,487,251)	(46,723)	(285,166)	(37,771)	(3,032,805)
Depreciation provided during the year (note 6)	(17,582)	(499,374)	(6,914)	(44,908)	–	(568,778)
Impairment	–	(10,022)	–	–	(7,356)	(17,378)
Disposals	–	2,548	1,195	14,564	6,760	25,067
Acquisition of subsidiaries (note 27)	–	(1,122)	–	–	–	(1,122)
Disposals of subsidiaries (note 28)	–	18	–	–	–	18
Transfer to investment properties	7,250	–	–	–	–	7,250
Exchange realignment	372	(3,831)	70	628	–	(2,761)
At 30 June 2018	(185,854)	(2,999,034)	(52,372)	(314,882)	(38,367)	(3,590,509)
Net carrying amount:						
At 30 June 2018	997,037	17,781,632	78,490	328,902	4,816,759	24,002,820
At 1 January 2018	1,053,395	16,573,295	75,952	377,034	4,758,803	22,838,479

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	For the six months ended 31 December 2017					
	Buildings (Unaudited) RMB'000	Machinery (Unaudited) RMB'000	Vehicles (Unaudited) RMB'000	Electronic equipment and others (Unaudited) RMB'000	Construction in progress (Unaudited) RMB'000	Total (Unaudited) RMB'000
Cost:						
At 1 January 2017	895,748	17,667,432	126,664	499,378	2,411,717	21,600,939
Additions	13,423	85,487	13,923	177,194	4,430,168	4,720,195
Disposals	(1,479)	(36,012)	(16,849)	(24,829)	–	(79,169)
Acquisition of subsidiaries	–	6,679	–	4,578	297,201	308,458
Disposal of subsidiaries	–	(558,756)	(821)	(3,919)	(4,477)	(567,973)
Transfers	313,986	1,960,146	–	8,259	(2,282,391)	–
Transfer to prepaid land lease payments	–	–	–	–	(7,514)	(7,514)
Exchange realignment	7,611	(64,430)	(242)	1,539	(48,130)	(103,652)
At 31 December 2017	1,229,289	19,060,546	122,675	662,200	4,796,574	25,871,284
Accumulated depreciation and impairment:						
At 1 January 2017	(145,091)	(1,686,485)	(41,954)	(222,133)	(26,585)	(2,122,248)
Depreciation provided during the year	(30,210)	(939,499)	(12,923)	(81,172)	–	(1,063,804)
Impairment	–	–	–	–	(11,186)	(11,186)
Disposals	324	25,207	8,426	18,790	–	52,747
Acquisition of subsidiaries	–	(3,511)	–	(2,410)	–	(5,921)
Disposal of subsidiaries	–	103,780	164	2,949	–	106,893
Exchange realignment	(917)	13,257	(436)	(1,190)	–	10,714
At 31 December 2017	(175,894)	(2,487,251)	(46,723)	(285,166)	(37,771)	(3,032,805)
Net carrying amount:						
At 31 December 2017	1,053,395	16,573,295	75,952	377,034	4,758,803	22,838,479
At 1 January 2017	750,657	15,980,947	84,710	277,245	2,385,132	19,478,691

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2018 (Unaudited) RMB'000
Listed equity investments	112,701
Unlisted equity investments	445,718
	558,419

13. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2018 (Unaudited) RMB'000
Listed equity investments	122,884
Unlisted equity investments	407,269
Corporate wealth management products	26,000
	556,153
Portion classified as non-current portion	(530,153)
Current portion	26,000

14. OTHER NON-CURRENT FINANCIAL ASSETS

	As at 30 June 2018 (Unaudited) RMB'000
Corporate bonds	49,980
Debt investments	225,594
	275,574
Provision for other non-current financial assets	(275)
	275,299

15. DEFERRED TAX

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

For the six months ended 30 June 2018

Deferred tax assets

	Provision for impairment of assets (Unaudited) RMB'000	Tax losses (Unaudited) RMB'000	Provisions and accruals (Unaudited) RMB'000	Government grants received not yet recognised as income (Unaudited) RMB'000	Unrealised gains arising from intra-group sales (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 31 December 2017	202,230	43,424	706,043	18,523	599,296	31,869	1,601,385
Deferred tax generated from the adjustment of adoption of IFRS 9	28,900	–	–	–	–	–	28,900
At 1 January 2018	231,130	43,424	706,043	18,523	599,296	31,869	1,630,285
Deferred tax charged/(credited) to profit or loss during the period (note 8)	33,935	47,162	(114,689)	2,371	8,578	8,553	(14,090)
Deferred tax generated from acquisition of subsidiaries (note 27)	–	–	–	–	–	182	182
Deferred tax generated from disposal of subsidiaries (note 28)	–	–	–	–	–	(2)	(2)
At 30 June 2018	265,065	90,586	591,354	20,894	607,874	40,602	1,616,375

15. DEFERRED TAX (continued)

Deferred tax liabilities

	Excess of fair values of identifiable assets over carrying values arising from acquisition of subsidiaries (Unaudited) RMB'000	Dividend withholding tax (Unaudited) RMB'000	Depreciation of assets (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 1 January 2018	352,185	28,167	14,569	57,499	452,420
Deferred tax (charged)/credited to profit or loss during the period (note 8)	(22,768)	6,579	(429)	36,204	19,586
Deferred tax generated from acquisition of subsidiaries (note 27)	171,237	–	–	–	171,237
Exchange realignment	1,605	–	714	–	2,319
At 30 June 2018	502,259	34,746	14,854	93,703	645,562

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

For the year ended 31 December 2017

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 2017	166,258	33,492	692,349	11,246	584,553	29,493	1,517,391
Deferred tax charged/(credited) to profit or loss during the year	35,972	9,932	13,694	7,277	14,743	(1,582)	80,036
Deferred tax generated from acquisition of subsidiaries	–	–	–	–	–	3,958	3,958
At 31 December 2017	202,230	43,424	706,043	18,523	599,296	31,869	1,601,385

15. DEFERRED TAX (continued)

Deferred tax liabilities

	Excess of fair values of identifiable assets and liabilities over carrying values arising from acquisition of subsidiaries RMB'000	Dividend withholding tax RMB'000	Depreciation of assets RMB'000	Others RMB'000	Total RMB'000
At 1 January 2017	57,309	21,108	14,569	7,880	100,866
Deferred tax (charged)/credited to profit or loss during the year	(9,803)	7,059	898	2,348	502
Deferred tax generated from acquisition of subsidiaries	309,650	–	–	47,271	356,921
Exchange realignment	(4,971)	–	(898)	–	(5,869)
At 31 December 2017	352,185	28,167	14,569	57,499	452,420

16. TRADE AND BILLS RECEIVABLES

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Trade receivables	**17,132,515**	14,540,687
Bills receivable	**1,037,425**	2,046,938
Retention money receivables	**4,995,887**	3,842,951
Provision for impairment	**(1,336,097)**	(1,058,213)
	21,829,730	19,372,363
Portion classified as non-current assets (i)	**(1,872,307)**	(2,324,143)
Current portion	**19,957,423**	17,048,220

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 receivables mainly represented the amount of receivables for retentions held by customers at 30 June 2018 and 31 December 2017.

16. TRADE AND BILLS RECEIVABLES (continued)

An ageing analysis of trade and bills receivables as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Within 3 months	**7,737,155**	7,822,649
3 to 6 months	**2,139,692**	3,330,321
6 months to 1 year	**4,268,208**	2,296,535
1 to 2 years	**3,834,620**	2,316,191
2 to 3 years	**1,860,779**	1,863,915
Over 3 years	**1,989,276**	1,742,752
	21,829,730	19,372,363

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

	For the six months ended 30 June 2018 (Unaudited) RMB'000	For the year ended 31 December 2017 (Audited) RMB'000
As at 31 December 2017	**1,058,213**	808,014
Adjustment of adoption of IFRS 9	**132,386**	–
As at 1 January 2018	**1,190,599**	808,014
Impairment losses recognised (note 6)	**292,453**	448,430
Impairment losses reversed (note 6)	**(147,039)**	(195,151)
Amounts written off as uncollectible	**–**	(5,556)
Acquisition of a subsidiary	**332**	4,339
Disposal of a subsidiary	**–**	(693)
Exchange realignment	**(248)**	(1,170)
At end of the period/year	**1,336,097**	1,058,213

16. TRADE AND BILLS RECEIVABLES (continued)

The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. As at 30 June 2018, a provision of RMB1,336,097,000 was made against the gross amounts of trade receivables. Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB250,345,000 (31 December 2017: RMB222,912,000) with a carrying amount before provision of RMB284,306,000 (31 December 2017: RMB278,080,000).

Receivables that were neither past 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 holding a 13.74% interest in the Company, and the amounts due from the Group's joint ventures and associates included in the Group's trade and bills receivables are as follows:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
A shareholder holding a 13.74% interest in the Company	**919**	739
Joint ventures	**566,547**	75,489
Associates	**10,979**	131,313
	578,445	207,541

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

17. FINANCIAL RECEIVABLES

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Receivables for service concession agreements	**2,448,060**	1,611,967
Receivables for finance lease services	**3,613,394**	3,422,260
Provision for impairment	**(6,216)**	–
	6,055,238	5,034,227
Portion classified as non-current assets	**(5,842,193)**	(4,536,746)
Current portion	**213,045**	497,481

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.

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, The Group applies the simplified approach to provide for expected credit losses prescribed by IFRS 9. As at 30 June 2018, a provision of RMB6,216,000 was made against the gross amounts of financial receivables.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Advances to suppliers	**1,417,555**	734,513
Prepayments	**227,910**	210,915
Deductible VAT	**2,003,517**	2,018,523
Deposits and other receivables	**1,071,964**	1,252,131
Provision for impairment of deposits and other receivables	**(42,552)**	(10,192)
	4,678,394	4,205,890
Portion classified as non-current assets (i)	**(1,321,376)**	(1,555,448)
Current portion	**3,357,018**	2,650,442

(i) The non-current portion of deposits and other receivables mainly represented advances to suppliers and non-current deductible input value-added tax at 30 June 2018 and 31 December 2017.

18. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (continued)

Movements in the provision for impairment of other receivables are as follows:

	For the six months ended 30 June 2018 (Unaudited) RMB'000	For the year ended 31 December 2017 (Audited) RMB'000
At as December 2017	**10,192**	6,696
Adjustment of adoption of IFRS 9	**31,161**	–
At beginning of the period/year	**41,353**	6,696
Impairment losses recognised (note 6)	**1,147**	4,654
Amounts written off as uncollectible	**–**	(1,020)
Exchange realignment	**52**	(138)
At end of the period/year	**42,552**	10,192

The amounts due from a shareholder holding a 13.74% interest in the Company, the Group's joint ventures and associates included in the prepayments, deposits and other receivables are as follows:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
13.74%-owned shareholder of the Company	**4**	–
Joint ventures	**22,440**	17,394
Associates	**59,455**	34,659
	81,899	52,053

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

19. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Assets		
Current portion		
Contingent consideration	**12,640**	12,640
Non-current portion		
Interest rate swap	**146**	18
Power price swap contract	**78,598**	16,052
	78,744	16,070
Liabilities		
Non-current portion		
Interest rate swap	**3,275**	–

20. INVENTORIES

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Raw materials	**1,611,257**	1,166,360
Work in progress, finished and semi-finished goods	**2,049,542**	2,857,965
Low-value consumables and others	**3,142**	58,687
	3,663,941	4,083,012

21. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Cash and bank balances	4,033,782	5,431,994
Time deposits	324,698	2,410,675
	4,358,480	7,842,669
Less: Pledged time deposits:		
– Bank loans	(3,449)	(3,387)
– Letters of credit	(10,737)	(10,032)
– Bills issued	–	(470,000)
– Provision for risk	(103,936)	(103,136)
– Others	–	(500,000)
	(118,122)	(1,086,555)
Cash and cash equivalents in the interim condensed consolidated statement of financial position	4,240,358	6,756,114
Less: Non-pledged time deposits with original maturity of more than three months when acquired	(10,556)	(9,931)
Cash and cash equivalents in the interim condensed consolidated statement of cash flows	4,229,802	6,746,183
Pledged deposits	118,122	1,086,555
Portion classified as non-current assets	(103,936)	(103,136)
Current portion	14,186	983,419
Cash and cash equivalents and pledged deposits denominated in:		
– RMB	1,409,076	4,938,940
– United States dollar	2,093,467	2,266,629
– Euro	250,587	313,967
– Hong Kong dollar	26,597	109,336
– Australian dollar	537,677	177,929
– Other currencies	41,076	35,868
	4,358,480	7,842,669

22. TRADE AND BILLS PAYABLES

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Trade payables	**10,955,546**	11,475,753
Bills payable	**4,315,885**	4,665,722
	15,271,431	16,141,475
Portion classified as non-current liabilities (i)	**(940,494)**	(884,593)
Current portion	**14,330,937**	15,256,882

(i) The non-current portion of trade payables mainly represented retention amounts held by the Group as at 30 June 2018 and 31 December 2017.

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

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

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Within 3 months	**8,332,862**	10,909,780
3 to 6 months	**3,678,665**	3,038,854
6 months to 1 year	**1,512,986**	461,290
1 to 2 years	**806,494**	807,451
2 to 3 years	**461,788**	489,493
Over 3 years	**478,636**	434,607
	15,271,431	16,141,475

22. TRADE AND BILLS PAYABLES (continued)

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

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Joint ventures	**1,892**	–
Associates	**202,504**	213,289
	204,396	213,289

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

The above amounts are unsecured, non-interest-bearing and have no fixed terms of settlement.

23. CONTRACT LIABILITIES

	As at 30 June 2018 (Unaudited) RMB'000
Advance receipt	**3,964,526**

The amounts due to the Group's joint ventures and associates included in contract liabilities are as follows:

	As at 30 June 2018 (Unaudited) RMB'000
Joint ventures	**5,293**
Associates	**684**
	5,977

24. OTHER PAYABLES, ADVANCES FROM CUSTOMERS AND ACCRUALS

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Advances from customers	**16,534**	4,658,157
Accrued salaries, wages and benefits	**285,606**	629,000
Other taxes payable	**249,046**	124,163
Interest payable	**102,904**	95,577
Dividends payable	**809,209**	76,388
Others	**1,540,191**	815,136
	3,003,490	6,398,421
Portion classified as non-current liabilities (i)	**(206,528)**	(38,541)
Current portion	**2,796,962**	6,359,880

(i) The non-current portion of other payables mainly represented guarantee amounts held by the Group as at 30 June 2018 and 31 December 2017.

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

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Joint ventures	**10,755**	12,293
Associates	**781**	642
	11,536	12,935

The above balances are unsecured, non-interest-bearing and have no fixed terms of settlement.

25. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2018 (Unaudited)			As at 31 December 2017 (Audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Short-term bank loans:						
– Unsecured	**2.65 – 6 months LIBOR+1.85**	**2018-2019**	**1,275,609**	2.65 – 1 month LIBOR+1.5	2018	1,524,767
– Secured	**4.16-5.22**	**2018-2019**	**814,042**	4.20-5.22	2018	530,159
Current portion of long-term bank loans:						
– Unsecured	**1.20 – 6 months LIBOR+3.5**	**2018-2019**	**106,814**	1.20 – 6 months LIBOR+3.5	2018	76,631
– Secured	**2.85-9.28**	**2018-2019**	**1,045,102**	2.85-6.00	2018	1,214,551
Corporate bonds:						
– Unsecured	**2.50-4.98**	**2018-2019**	**1,980,981**	2.50-4.98	2018	2,440,957
– Secured	**3.60**	**2018-2019**	**243,664**	3.60	2018	211,958
			5,466,212			5,999,023
Non-current						
Long-term bank loans:						
– Unsecured	**1.20-5.00**	**2019-2030**	**4,411,589**	1.20-5.94	2019-2030	2,072,881
– Secured	**1.68-5.94**	**2019-2035**	**13,867,245**	1.68-6.00	2019-2035	13,003,160
Corporate bonds:						
– Secured	**3.90-4.50**	**2019-2021**	**669,225**	3.90-4.50	2019-2021	809,769
			18,948,059			15,885,810
			24,414,271			21,884,833
Interest-bearing bank and other borrowings are denominated in:						
– RMB			**18,300,115**			17,192,819
– Euro			**74,892**			81,009
– United States dollar			**5,958,535**			4,603,090
– Australian dollar			**80,729**			7,915
			24,414,271			21,884,833

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

The maturity profile of the interest-bearing bank and other borrowings as at 30 June 2018 and 31 December 2017 is as follows:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Analysed into:		
Bank loans repayable:		
Within one year	**3,241,567**	3,346,108
In the second year	**2,319,461**	1,364,409
In the third to fifth years, inclusive	**5,915,069**	5,537,493
Above five years	**10,044,304**	8,174,139
	21,520,401	18,422,149
Corporate bonds repayable:		
Within one year	**2,224,645**	2,652,915
In the second year	**255,943**	249,828
In the third to fifth years, inclusive	**413,282**	559,941
	2,893,870	3,462,684
	24,414,271	21,884,833

26. OTHER EQUITY INSTRUMENTS

In May 2016, the Company received an approval from National Association of Financial Market Institutional Investors ("中國銀行間交易商協會") to issue the Perpetual Medium-term Notes of RMB3 billion, which shall be effective for two years commencing from the date of the approval. In May 2016 and September 2016, the Company issued the first portion and the second portion of the Perpetual Medium-term Notes in an aggregate amount of RMB1 billion at the initial distribution rate of 5% and an aggregate amount of RMB500 million at the initial distribution rate of 4.2%, respectively. The proceeds from issuance of the Perpetual Medium-term Notes after the issuance costs were RMB996,547,000 and RMB498,571,000, respectively. The issue price for each of the Perpetual Medium-term Notes is RMB100.

Pursuant to the terms of the Perpetual Medium-term Notes, the Company has no contractual obligation to repay their principal or to pay any coupon distribution. The Perpetual Medium-term Notes are classified as equity and subsequent distribution declared will be treated as distribution to equity owners.

27. BUSINESS COMBINATIONS

For the six months ended 30 June 2018, the following entities were acquired from third parties for the purpose of expanding business. Acquisitions of equity interests in these entities have been accounted for using the acquisition method of accounting effective from the dates when the entities were controlled by the Group. Details are as follows:

Company name	Acquisition date	Percentage of equity interests acquired	Cash consideration
Jingzhou Fengheyuan biotechnology Co., Ltd.	February 2018	85%	RMB6,409,000
Zhejiang Ronghuai environment engineering Co., Ltd.	April 2018	100%	RMB222,800,000
Jinhua Jinxi HaiYuan Water Service Co., Ltd.	May 2018	100%	RMB114,675,000
Zhuji Haidong Water Service Co., Ltd.	May 2018	100%	RMB146,991,000
Zhuji Lejiatan Water Service Co., Ltd.	May 2018	100%	RMB126,815,000
Zhuji Haiyuan Water Service Co., Ltd.	May 2018	100%	RMB65,266,000
Longquan Haiyuan Water Service Co., Ltd.	May 2018	100%	RMB30,844,000

27. BUSINESS COMBINATIONS (continued)

The fair values of the identifiable assets and liabilities of these companies as at the dates of acquisitions were as follows:

	Notes	Fair value recognised on acquisition (Unaudited) RMB'000
Property, plant and equipment	11	1,233
Other intangible assets		648,557
Financial assets at fair value through other comprehensive income		5,817
Inventories		509
Deferred tax assets	15	182
Financial receivable		1,065,733
Trade receivables		50,505
Prepayments, deposits and other receivables		155,429
Cash and cash equivalents		22,550
Trade and bills payables		(219,763)
Other payables, advance from customer and accruals		(705,293)
Interest-bearing bank loans		(139,291)
Deferred tax liabilities	15	(171,237)
Total identifiable net assets at fair value		714,931
Non-controlling interests		(1,131)
Total consideration		713,800
Satisfied by cash		713,800

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.

27. BUSINESS COMBINATIONS (continued)

An analysis of the cash flows in respect of the acquisitions of subsidiaries is as follows:

	(Unaudited) RMB'000
Cash consideration	(713,800)
Other payable due to certain equity sellers	306,570
Cash and cash equivalents paid	(407,230)
Cash and cash equivalents paid for prior year transactions	(93,024)
Cash and cash equivalents acquired	22,550
Net outflow of cash and cash equivalents included in cash flows from investing activities	(477,704)

Since the acquisitions, the acquired companies contributed RMB11,431,000 to the Group's revenue and RMB5,575,000 to the Group's profit for the six months ended 30 June 2018.

Had the acquisitions taken place at the beginning of the period, the revenue of the Group and the profit after tax of the Group for the six months ended 30 June 2018 would have been RMB11,016,541,000 and RMB1,603,354,000, respectively.

28. DISPOSAL OF SUBSIDIARIES

On 29 June 2018, the Group disposed of its 80% equity interests in Wild Cattle Hill Pty Ltd to a third party for a cash consideration of AUD 9,600,000, according to the articles of association, the Group lost control of Wild Cattle Hill Pty Ltd.

28. DISPOSAL OF SUBSIDIARIES (continued)

The net assets/liabilities of the subsidiaries disposed of during the six months ended 30 June 2018 were as follows:

	Notes	(Unaudited) RMB'000
Net assets disposed of:		
Property, plant and equipment	11	24,944
Other intangible assets		58,140
Deferred tax assets	15	2
Cash and cash equivalents		49
Other payables and accruals		(24,775)
		58,360
Investment in an associate		(11,672)
Total consideration		46,688
Satisfied by cash		46,688

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

	(Unaudited) RMB'000
Cash consideration received during the period	–
Cash and cash equivalents disposed of	(49)
Net outflow of cash and cash equivalents in respect of the disposal of subsidiaries	(49)

29. CONTINGENT LIABILITIES

As at 30 June 2018 and 31 December 2017, contingent liabilities not provided for in the interim condensed consolidated financial statements were as follows:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Letters of credit issued	**67,950**	55,400
Letters of guarantee issued	**16,882,687**	15,102,615
Guarantees given to banks in connection with bank loans granted to:		
An associate	**337,999**	315,754
A third party	**279,280**	296,487
	17,567,916	15,770,256

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, in the case where Chifeng Xinneng fails to repay the bank loans on schedule, Beijing Tianrun shall repurchase the entire share interest in Chifeng Xinneng, and the consideration equals a certain percentage of the net assets of Chifeng Xinneng at that time. Up to 30 June 2018, Chifeng Xinneng operated well, and the risk exposure from the above repurchase clause was insignificant.

The Group was involved in a number of legal proceedings and claims against it in the ordinary course of business. Provision has been made for the probable losses to the Group on those legal proceedings and claims when the management can reasonably estimate the outcome of the legal proceedings and claims taking into account the legal advice. No provision has been made for pending legal proceedings and claims when the outcome of the legal proceedings and claims cannot be reasonably estimated or management believes that the probability of loss is remote.

30. OPERATING LEASE ARRANGEMENTS

(a) As lessor

The Group leases its investment properties under operating lease arrangements, with leases negotiated for terms ranging from one to five years.

As at 30 June 2018 and 31 December 2017, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Within one year	**3,460**	3,842
In the second to fifth years, inclusive	**8,375**	8,375
	11,835	12,217

(b) As lessee

As at 30 June 2018 and 31 December 2017, the Group had the following total future minimum lease payments under non-cancellable operating leases in respect of land and buildings:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Within one year	**31,564**	9,831
In the second to fifth years, inclusive	**95,898**	9,061
After five years	**–**	446
	127,462	19,338

31. COMMITMENTS

In addition to the operating lease commitments detailed in note 30(b) above, the Group had the following capital commitments as at the end of the reporting period:

	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000
Contracted, but not provided for property, plant and equipment and land use rights	**3,556,535**	3,134,131

32. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Continuing transactions		
A shareholder holding a 13.74% interest in the Company:		
Sales of spare parts	**784**	315
Associates:		
Sales of wind turbine generators and spare parts	**6,625**	353,476
Purchases of spare parts	**68,844**	716,895
Purchases of processing services	**71,326**	69,700
Provision of technical services	**302**	383,758
Others	**1,964**	36
	149,061	1,523,865
Joint ventures:		
Sales of wind turbine generators and spare parts	**212,026**	194
Purchases of spare parts	**2,802**	–
Provision of technical services	**1,126**	566
Others	**28,142**	–
	244,096	760

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.

32. RELATED PARTY TRANSACTIONS (continued)

(b) Commitments with related parties

The amount of total transactions with related parties for the period is included in note 32(a) to the interim condensed consolidated financial statements. The Group expects the total transactions with related parties as follows:

	The second half of 2018 (Unaudited) RMB'000
Continuing transactions	
Associates:	
Provision of technical services	**5,238**
Purchases of spare parts	**285,468**
	290,706

(c) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 16, 18, 22,23 and 24 to these interim condensed consolidated financial statements.

(d) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2018 (Unaudited) RMB'000	2017 (Unaudited) RMB'000
Short term employee benefits	**7,708**	6,137
Pension scheme contributions	**238**	214
Total compensation paid to key management personnel	**7,946**	6,351

(e) Guarantee for a related party

Guarantee	**As at 30 June 2018 (Unaudited) RMB'000**	**Guarantee period**
An associate	337,999	24 months after the financing closure

33. FINANCIAL INSTRUMENTS BY CATEGORY

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

As at 30 June 2018

ASSETS	Financial assets at amortised cost RMB'000	Fair value through other comprehensive income RMB'000	Fair value through profit or loss RMB'000	Total RMB'000
Financial assets at fair value through other comprehensive income	–	558,419	–	558,419
Financial assets at fair value through profit or loss	–	–	556,153	556,153
Other non-current financial assets	275,299	–	–	275,299
Trade and bills receivables	21,829,730	–	–	21,829,730
Financial receivables	6,055,238	–	–	6,055,238
Prepayments, deposits and other receivables	1,029,412	–	–	1,029,412
Derivative financial instruments	–	78,598	12,786	91,384
Pledged deposits	118,122	–	–	118,122
Cash and cash equivalents	4,240,358	–	–	4,240,358
	33,548,159	637,017	568,939	34,754,115

LIABILITIES	Financial liabilities at amortised cost RMB'000	Fair value through profit or loss RMB'000	Total RMB'000
Trade and bills payables	15,271,431	–	15,271,431
Other payables, advance from customers and accruals	2,452,304	–	2,452,304
Derivative financial instruments	–	3,275	3,275
Interest-bearing bank loans	24,414,271	–	24,414,271
	42,138,006	3,275	42,141,281

33. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

As at 31 December 2017

ASSETS	Loans and receivables RMB'000	Held-to-maturity investments RMB'000	Available-for-sale investments RMB'000	Fair value through profit or loss RMB'000	Total RMB'000
Derivative financial instruments	–	–	16,052	12,658	28,710
Held-to-maturity investments	–	49,996	–	–	49,996
Trade and bills receivables	19,372,363	–	–	–	19,372,363
Financial receivables	5,034,227	–	–	–	5,034,227
Prepayments, deposits and other receivables	1,241,939	–	–	–	1,241,939
Available-for-sale financial assets	–	–	2,218,210	–	2,218,210
Pledged deposits	1,086,555	–	–	–	1,086,555
Cash and cash equivalents	6,756,114	–	–	–	6,756,114
	33,491,198	49,996	2,234,262	12,658	35,788,114

LIABILITIES	Financial liabilities at amortised cost RMB'000
Trade and bills payables	16,141,475
Other payables, advance from customers and accruals	987,101
Interest-bearing bank loans	21,884,833
	39,013,409

34. 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		Fair values	
	As at 30 June 2018 (Unaudited) RMB'000	As at 31 December 2017 (Audited) RMB'000	**As at 30 June 2018 (Unaudited) RMB'000**	As at 31 December 2017 (Audited) RMB'000
Financial assets				
Pledged deposits, non-current portion	**103,936**	103,136	**103,936**	103,136
Available-for-sale investments	**–**	1,489,118	**–**	1,489,118
Derivative financial instruments	**91,384**	28,710	**91,384**	28,710
Held to maturity investments	**–**	49,996	**–**	49,996
Other non-current financial assets	**275,299**	–	**275,299**	–
Trade and bills receivables, non-current portion	**1,872,307**	2,324,143	**1,963,018**	3,111,298
Financial receivables, non-current portion	**5,842,193**	4,536,746	**5,842,193**	4,536,746
Equity investment at fair value through other comprehensive income	**558,419**	–	**558,419**	–
Financial assets at fair value through profit or loss	**556,153**	–	**556,153**	–
Financial assets included in prepayments, deposits and other receivables, non-current portion	**–**	255,115	**–**	255,115
	9,299,691	8,786,964	**9,390,402**	9,574,119
Financial liabilities				
Derivative financial instruments	**3,275**	–	**3,275**	–
Interest-bearing bank and other borrowings, non-current portion	**18,948,059**	15,885,810	**18,940,016**	15,871,023
Trade and bills payables, non-current portion	**940,494**	884,593	**954,909**	899,002
Financial liabilities included in other payables, advance from customers and accruals, non-current portion	**206,528**	38,541	**196,528**	30,337
	20,098,356	16,808,944	**20,094,728**	16,800,362

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

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 financial receivables, the current portion of trade and bills payables, the current portion of financial assets included in prepayments, deposits and other receivables, the current portion of 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.

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 portions of the pledged deposits, trade and bills receivables, financial receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables, advance from customers and accruals 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 30 June 2018 was assessed to be insignificant.

The fair values of listed equity investments are based on quoted market prices. The fair value of non-listed equity instruments are derived from Market Approach (Guideline Public Company Method).

The Group enters into derivative financial instruments with the financial institutions. Derivative financial instruments, including forward currency contracts and an interest rate swap, are measured using valuation techniques similar to forward currency and swap models, using present value calculations. The models incorporate various market observable inputs including the credit quality of counterparties, foreign exchange spot and forward rate and interest rate curves. The carrying amounts of forward currency contracts and the interest rate swap are the same as their fair values.

As at 30 June 2018, the marked to market value of the derivatives was net of a credit/debit valuation adjustment attributable to derivative counterparty default risk.

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

Fair value hierarchy

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

Assets measured at fair value:

As at 30 June 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	Total (Unaudited) RMB'000
Financial assets at fair value through other comprehensive income：				
Listed equity investments	112,701	–	–	112,701
Unlisted equity investments	–	445,718	–	445,718
	112,701	445,718	–	558,419
Financial assets at fair value through profit or loss ：				
Listed equity investments	122,884	–	–	122,884
Unlisted equity investments	–	407,269	–	407,269
Other financial assets	–	26,000	–	26,000
	122,884	433,269	–	556,153
Derivative financial instruments：				
Power price swap contract	–	78,598	–	78,598
Interest rate swap	–	146	–	146
Contingent consideration	–	–	12,640	12,640
	–	78,744	12,640	91,384
	235,585	957,731	12,640	1,205,956

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

Fair value hierarchy (continued)

Assets measured at fair value: (continued)

As at 31 December 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Audited) RMB'000	Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	Total (Audited) RMB'000
Available-for-sale investments:				
Listed equity investments	439,118	–	–	439,118
Other financial assets	–	1,050,000	–	1,050,000
	439,118	1,050,000	–	1,489,118
Derivative financial instruments:				
Interest rate swap	–	18	–	18
Power price swap contract	–	16,052	–	16,052
Contingent consideration	–	–	12,640	12,640
	–	16,070	12,640	28,710
	439,118	1,066,070	12,640	1,517,828

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

Fair value hierarchy (continued)

Liabilities measured at fair value:

As at 30 June 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	Total (Unaudited) RMB'000
Derivative financial instruments:				
Interest rate swap	–	3,275	–	3,275

The Group did not have any financial liabilities measured at fair value as at 31 December 2017.

During the six months ended 30 June 2018, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3 (the six months ended 30 June 2017: Nil).

Assets for which fair values are disclosed:

As at 30 June 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	Total (Unaudited) RMB'000
Pledged deposits, non-current portion	–	103,936	–	103,936
Trade and bills receivables, non-current portion	–	1,963,018	–	1,963,018
Financial receivables, non-current portion	–	5,842,193	–	5,842,193
Other non-current financial asset	–	275,299	–	275,299
	–	8,184,446	–	8,184,446

34. 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 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Audited) RMB'000	Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	Total (Audited) RMB'000
Pledged deposits, non-current portion	–	103,136	–	103,136
Held-to-maturity investment	–	49,996	–	49,996
Trade and bills receivables, non-current portion	–	3,111,298	–	3,111,298
Financial receivables, non-current portion	–	4,536,746	–	4,536,746
Financial assets included in prepayments, deposits and other receivables, non-current portion	–	255,115	–	255,115
	–	8,056,291	–	8,056,291

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

Fair value hierarchy (continued)

Liabilities for which fair values are disclosed:

As at 30 June 2018

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	**Significant observable inputs (Level 2) (Unaudited) RMB'000**	**Significant unobservable inputs (Level 3) (Unaudited) RMB'000**	**Total (Unaudited) RMB'000**
Interest-bearing bank and other borrowings, non-current portion	–	**18,940,016**	–	**18,940,016**
Trade and bills payables, non-current portion	–	**954,909**	–	**954,909**
Financial liabilities included in other payables and advance from customers and accruals, non-current portion	–	**196,528**	–	**196,528**
	–	**20,091,453**	–	**20,091,453**

As at 31 December 2017

	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Audited) RMB'000	Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	Total (Audited) RMB'000
Interest-bearing bank and other borrowings	–	15,871,023	–	15,871,023
Trade and bills payables,non-current portion	–	899,002	–	899,002
Financial liabilities included in other payables and accruals, non-current portion	–	30,337	–	30,337
	–	16,800,362	–	16,800,362

35. EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, there was not any significant subsequent event since 30 June 2018.

36. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The interim condensed consolidated financial statements were approved and authorised for issue by the board of directors on 24 August 2018.