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GOLDWIND

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.*

新疆金風科技股份有限公司

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

Stock Code : 02208

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2013**

The board of directors (the “**Board**”) of Xinjiang Goldwind Science & Technology Co., Ltd. (the “**Company**”) hereby announces the audited financial results of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2013 (the “**2013 Annual Results**”). The 2013 Annual Results have been audited by Ernst & Young.

** For identification purpose only*

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
REVENUE	4	12,196,240	11,224,926
Cost of sales		(9,741,963)	(9,632,600)
Gross profit		2,454,277	1,592,326
Other income and gains	4	419,018	585,554
Selling and distribution expenses		(1,202,407)	(876,456)
Administrative expenses		(839,147)	(712,741)
Other expenses		(154,483)	(109,928)
Finance costs	6	(319,806)	(392,127)
Share of profits and losses of:			
Joint ventures		106,029	42,311
Associates		<u>42,069</u>	<u>77,917</u>
PROFIT BEFORE TAX	5	505,550	206,856
Income tax expense	7	(71,914)	(41,387)
PROFIT FOR THE YEAR		433,636	165,469
Profit attributable to:			
Owners of the Company		427,646	153,054
Non-controlling interests		<u>5,990</u>	<u>12,415</u>
		<u>433,636</u>	<u>165,469</u>
OTHER COMPREHENSIVE INCOME			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Available-for-sale investments:			
Changes in fair value		269,776	(4,096)
Income tax effect		<u>-</u>	<u>187</u>
		269,776	(3,909)
Exchange differences on translation of foreign operations		(103,785)	<u>12,572</u>
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		<u>165,991</u>	<u>8,663</u>
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:			
Cash flow hedges:			
Effective portion of changes in fair value of hedging instruments arising during the year		34,552	-
Reclassification adjustments for gains included in the consolidated statement of financial position		(16,471)	-
		<u>18,081</u>	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods		<u>18,081</u>	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>184,072</u>	<u>8,663</u>

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XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)
Year ended 31 December 2013

	Note	2013 RMB'000	2012 RMB'000
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>184,072</u>	<u>8,663</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>617,708</u>	<u>174,132</u>
Total comprehensive income attributable to:			
Owners of the Company		611,718	161,717
Non-controlling interests		<u>5,990</u>	<u>12,415</u>
		<u>617,708</u>	<u>174,132</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY:			
Basic and diluted	9	<u>RMB0.16</u>	<u>RMB0.06</u>

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 December 2013

	Notes	As at 31 December	
		2013	2012
		RMB'000	RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment		10,349,292	5,366,421
Investment properties		79,489	82,385
Prepaid land lease payments		123,861	108,402
Goodwill		311,674	310,848
Other intangible assets		369,226	428,736
Investments in joint ventures		506,529	485,098
Investments in associates		350,624	364,065
Available-for-sale investments		865,162	544,246
Deferred tax assets		714,170	516,365
Trade receivables	10	928,834	304,747
Prepayments, deposits and other receivables		211,739	217,011
Derivative financial instruments		-	94,830
Pledged deposits	11	<u>266,240</u>	<u>-</u>
Total non-current assets		<u>15,076,840</u>	<u>8,823,154</u>
CURRENT ASSETS			
Inventories		3,002,477	3,511,626
Trade and bills receivables	10	9,804,087	10,114,634
Prepayments, deposits and other receivables		2,095,790	1,790,450
Derivative financial instruments		116,840	-
Pledged deposits		134,337	143,832
Cash and cash equivalents	11	<u>4,320,749</u>	<u>6,817,928</u>
		19,474,280	22,378,470
Assets of a disposal group classified as held for sale		<u>793,729</u>	<u>1,194,874</u>
Total current assets		<u>20,268,009</u>	<u>23,573,344</u>
CURRENT LIABILITIES			
Trade and bills payables	12	9,066,852	8,504,996
Other payables and accruals		1,555,806	1,346,352
Interest-bearing bank loans		570,705	389,211
Tax payable		125,188	57,817
Provision		<u>627,041</u>	<u>671,205</u>
		11,945,592	10,969,581
Liabilities directly associated with the assets classified as held for sale		<u>567,406</u>	<u>1,296,822</u>
Total current liabilities		<u>12,512,998</u>	<u>12,266,403</u>
NET CURRENT ASSETS		<u>7,755,011</u>	<u>11,306,941</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,831,851</u>	<u>20,130,095</u>

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XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENT OF FINANCIAL POSITION(continued)
31 December 2013

	Notes	As at 31 December	
		2013 RMB'000	2012 RMB'000
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,831,851</u>	<u>20,130,095</u>
NON-CURRENT LIABILITIES			
Trade payables	12	397,206	244,656
Other payables		10,292	-
Derivative financial instruments		363	-
Interest-bearing bank loans and other borrowing		7,394,091	5,715,906
Deferred tax liabilities		31,558	38,801
Provision		970,889	683,941
Government grants		<u>234,516</u>	<u>161,166</u>
Total non-current liabilities		<u>9,038,915</u>	<u>6,844,470</u>
Net assets		<u>13,792,936</u>	<u>13,285,625</u>
EQUITY			
Equity attributable to owners of the Company			
Issued share capital		2,694,588	2,694,588
Reserves		10,457,371	10,059,864
Proposed final dividend	8	<u>215,567</u>	<u>148,202</u>
		13,367,526	12,902,654
Non-controlling interests		<u>425,410</u>	<u>382,971</u>
Total equity		<u>13,792,936</u>	<u>13,285,625</u>

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (continued)
Year ended 31 December 2013

	Attributable to owners of the Company											
	Issued share capital RMB'000	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Retained profits RMB'000	Available- for-sale investment revaluation reserve RMB'000	Cash flow hedges, net of tax RMB'000	Exchange fluctuation reserve RMB'000	Proposed final dividend RMB'000	Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
As 1 January 2013	2,694,588	*7,991,256	-	*532,871	*1,687,212	*(2,961)	-	*(148,514)	148,202	12,902,654	382,971	13,285,625
Profit for the year	-	-	-	-	427,646	-	-	-	-	427,646	5,990	433,636
Other comprehensive income for the year:												
Changes in fair value of available-for-sale investment, net of tax	-	-	-	-	-	269,776	-	-	-	269,776	-	269,776
Cash flow hedges, net of tax	-	-	-	-	-	-	18,081	-	-	18,081	-	18,081
Exchange differences on translations of foreign operations	-	-	-	-	-	-	-	(103,785)	-	(103,785)	-	(103,785)
Total comprehensive income for the year	-	-	-	-	427,646	269,776	18,081	(103,785)	-	611,718	5,990	617,708
Final 2012 dividend declared	-	-	-	-	-	-	-	-	(148,202)	(148,202)	-	(148,202)
Profit appropriation to reserves	-	-	-	53,295	(53,295)	-	-	-	-	-	-	-
Dividend declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(8,440)	(8,440)
Capital contribution from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	28,700	28,700
Disposal of shares to non-controlling shareholders	-	1,356	-	-	-	-	-	-	-	1,356	16,189	17,545
Proposed final 2013 dividend	-	-	-	-	(215,567)	-	-	-	215,567	-	-	-
Transfer to special reserve	-	-	25,998	-	-	-	-	-	-	25,998	-	25,998
Special reserve utilised	-	-	(25,998)	-	-	-	-	-	-	(25,998)	-	(25,998)
As at 31 December 2013	<u>2,694,588</u>	<u>*7,992,612</u>	<u>-</u>	<u>*586,166</u>	<u>*1,845,996</u>	<u>*266,815</u>	<u>*18,081</u>	<u>*(252,299)</u>	<u>215,567</u>	<u>13,367,526</u>	<u>425,410</u>	<u>13,792,936</u>

* As at 31 December 2013, these reserve accounts comprised the consolidated reserves of RMB10,457,371,000 (31 December 2012: RMB10,059,864,000) in the consolidated statement of financial position.

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		505,550	206,856
Adjustments for:			
Finance costs	6	319,806	392,127
Foreign exchange differences, net		-	18,113
Bank interest income		(2,615)	(146)
Share of profits and losses of joint ventures		(106,029)	(42,311)
Share of profits and losses of associates		(42,069)	(77,917)
Depreciation	5	176,450	186,468
Amortisation of prepaid land lease payments	5	2,628	3,204
Amortisation of other intangible assets	5	52,286	44,930
(Gain)/loss on disposals of items of property, plant and equipment and other intangible assets, net	4	(69)	67
Gain on disposals of subsidiaries	4	(118,022)	(244,080)
Gain on disposal of joint ventures	4	(15,833)	(43,865)
Gain on disposal of available-for-sale investments	4	(85,992)	-
Dividend income from available-for-sale investments		(1,879)	-
Gain on other investments		(9,047)	(2,797)
Net fair value gain on derivative financial instruments	4	(3,566)	(1,637)
Impairment of trade and other receivables	5	85,963	48,541
Write-down of inventories to net realisable value	5	47,671	58,782
Government grants		(6,057)	(19,246)
		<u>799,176</u>	<u>527,089</u>
Decrease in inventories		471,679	1,061,153
(Increase)/Decrease in trade and bills receivables		(453,138)	148,737
Decrease/(increase)in prepayments, deposits and other receivables		55,227	(127,387)
Decrease in equity investment at fair value through profit or loss		-	94,035
Increase in trade and bills payables		850,826	917,257
Increase/(decrease) in other payables and accruals		232,438	(115,178)
Increase in provision		242,784	85,463
Increase in government grants		<u>8,020</u>	<u>12,694</u>
Cash generated from operations		2,207,012	2,603,863
Income tax paid		(276,963)	(103,925)
Net cash flows from operating activities		<u>1,930,049</u>	<u>2,499,938</u>

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XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS (continued)
Year ended 31 December 2013

	Notes	2013 RMB'000	2012 RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(6,171,114)	(2,585,787)
Additions of prepaid land lease payments		(18,087)	(12,694)
Additions of other intangible assets		(30,232)	(93,180)
Acquisitions of subsidiaries, net of cash acquired		(13,193)	(123,004)
Acquisitions of non-controlling interests in subsidiaries		-	(31,050)
Purchases of shareholding in joint ventures		-	(60,573)
Purchases of shareholding in associates		(3,380)	(19,857)
Purchases of available-for-sale investments		(90,303)	(275,400)
Purchase of long term assets		(58,000)	-
Receipt of government grants		72,929	399,657
Disposal of shareholding in joint ventures and other entities		79,041	80,377
Disposal of interests in subsidiaries to non-controlling shareholder		17,545	-
Proceeds from disposals of items of property, plant and equipment, prepaid land lease payments and other intangible assets		12,747	89,433
Disposals of subsidiaries, net of cash disposed of		20,627	446,661
Disposals of assets held for sale		70,000	-
Cash and cash equivalents included in assets held for sale		(30,124)	(28,892)
Repayments of loans from joint ventures		-	11,263
Repayments of loans from associates		-	7,942
Repayments of loans to joint ventures		-	(4,512)
Increase in pledged deposits		(62,550)	(1,627)
Increase in non-pledged time deposits with original maturity of three months or more when acquired		(34,849)	(171,312)
Bank interest income		2,615	146
Dividend income from available-for-sale investments		1,879	-
Dividend received from joint ventures and associates		64,190	59,710
Gain on disposal of available-for-sale investments		83,912	-
Gain on other investments		<u>9,110</u>	<u>8,806</u>
Net cash flows used in investing activities		<u>(6,077,237)</u>	<u>(2,303,893)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans and corporate bond		3,539,402	5,614,247
Repayment of bank loans		(1,048,617)	(6,360,708)
(Decrease)/increase in payables to the non-controlling shareholders of subsidiaries		(25,495)	10,646
Interest paid		(452,721)	(311,176)
Capital contributions from non-controlling shareholders		23,000	41,311
Dividend paid to owners of the Company		(148,202)	(134,729)
Dividend paid to non-controlling shareholders		(8,658)	(22,806)
Up-front fees for syndicated loan		(39,873)	-
Net cash flows from/(used in) financing activities		<u>1,838,836</u>	<u>(1,163,215)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of year		6,604,328	7,554,630
Effect of foreign exchange rate changes, net		<u>(19,675)</u>	<u>16,868</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	11	<u>4,276,301</u>	<u>6,604,328</u>

1. CORPORATE INFORMATION

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

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- Manufacture and sale of wind turbine generators and wind power components
- Development and operation of wind farms, consisting of wind power generation service provided by the Group’s wind farms as well as the sale of wind farms, if appropriate
- Provision of wind power related consultancy, wind farm construction, maintenance and transportation services

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

2.1. BASIS OF PRESENTATION

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise standards and interpretations approved by the International Accounting Standards Board (the “IASB”), and International Accounting Standards (“IASs”) and Standing Interpretations Committee interpretations (“IFRICs”) approved by the International Accounting Standards Committee that remain in effect, and the disclosure requirements of the Hong Kong Companies Ordinance (the “Companies Ordinance”). They have been prepared under the historical cost convention, except for certain financial assets as further explained to the financial statements. These financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand except when otherwise indicated.

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2013. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

2.1 BASIS OF PREPARATION (continued)

Basis of consolidation (continued)

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

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

IFRS 1 Amendments	Amendments to IFRS 1 <i>First-time Adoption of International Financial Reporting Standards – Government Loans</i>
IFRS 7 Amendments	Amendments to IFRS 7 <i>Financial Instruments: Disclosures–Offsetting Financial Assets and Financial Liabilities</i>
IFRS 10	<i>Consolidated Financial Statements</i>
IFRS 11	<i>Joint Arrangements</i>
IFRS 12	<i>Disclosure of Interests in Other Entities</i>
IFRS 10, IFRS 11 and IFRS 12 Amendments	Amendments to IFRS 10, IFRS 11 and IFRS 12 – <i>Transition Guidance</i>
IFRS 13	<i>Fair Value Measurement</i>
IAS 1 Amendments	Amendments to IAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i>
IAS 19 (Revised)	<i>Employee Benefits</i>
IAS 27 (Revised)	<i>Separate Financial Statements</i>
IAS 28 (Revised)	<i>Investments in Associates and Joint Ventures</i>
IAS 36 Amendments	Amendments to IAS 36 <i>Impairment of Assets – Recoverable Amount Disclosures for Non-Financial Assets</i> (early adopted)
IFRIC 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i>
<i>Annual Improvements</i> Amendments to a number of IFRSs issued in May 2012	
<i>2009-2011 Cycle</i>	

3. OPERATING SEGMENT INFORMATION

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

- (a) The wind turbine generator manufacturing and sale segment engages in the research and development, manufacture and sale of wind turbine generators and wind power components;
- (b) The wind power services segment provides wind power related consultancy, wind farm construction, maintenance and transportation services; and
- (c) The wind farm development segment engages in the development of wind farms, which consists of wind power generation service provided by the Group's wind farms as well as the sale of wind farms, if appropriate.

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

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

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
NOTES TO FINANCIAL STATEMENTS
31 December 2013

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2013

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:					
Sales to external customers	11,221,663	589,955	384,622	-	12,196,240
Intersegment sales	<u>3,525,441</u>	<u>183,707</u>	<u>-</u>	<u>(3,709,148)</u>	<u>-</u>
Total revenue	14,747,104	773,662	384,622	(3,709,148)	12,196,240
Segment results:					
Interest income	973,165	23,920	142,683	(351,937)	787,831
Interest income	66,435	302	8,609	(37,821)	37,525
Finance costs	<u>(222,933)</u>	<u>-</u>	<u>(134,694)</u>	<u>37,821</u>	<u>(319,806)</u>
Profit before tax	<u>816,667</u>	<u>24,222</u>	<u>16,598</u>	<u>(351,937)</u>	<u>505,550</u>
Segment assets	<u>29,344,232</u>	<u>699,728</u>	<u>16,105,217</u>	<u>(10,804,328)</u>	<u>35,344,849</u>
Segment liabilities	<u>14,781,679</u>	<u>1,317,978</u>	<u>12,372,106</u>	<u>(6,919,850)</u>	<u>21,551,913</u>
Other segment information:					
Share of profits and losses of:					
Joint ventures	-	-	106,029	-	106,029
Associates	28,143	779	13,147	-	42,069
Depreciation and amortisation	132,525	2,784	109,103	(13,048)	231,364
Write-down of inventories to net realisable value	47,671	-	-	-	47,671
Impairment of trade and other receivables	152,650	9,019	-	-	161,669
Reversal of impairment of trade and other receivables	<u>(75,706)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(75,706)</u>
Product warranty provision	563,612	-	-	(92,565)	471,047
Investments in joint ventures	9,135	-	616,744	(119,350)	506,529
Investments in associates	228,485	7,359	151,585	(36,805)	350,624
Capital expenditure ⁽¹⁾	134,596	1,659	6,214,623	(424,266)	5,926,612

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.
NOTES TO FINANCIAL STATEMENTS
31 December 2013

3. OPERATING SEGMENT INFORMATION (continued)

Year ended 31 December 2012

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue:					
Sales to external customers	10,580,843	392,126	251,957	-	11,224,926
Intersegment sales	<u>2,233,104</u>	<u>59,061</u>	<u>-</u>	<u>(2,292,165)</u>	<u>-</u>
Total revenue	12,813,947	451,187	251,957	(2,292,165)	11,224,926
Segment results:					
Interest income	373,201	26,281	145,403	(35,053)	509,832
Interest income	134,562	944	6,257	(52,612)	89,151
Finance costs	<u>(313,669)</u>	<u>(1,100)</u>	<u>(129,970)</u>	<u>52,612</u>	<u>(392,127)</u>
Profit before tax	<u>194,094</u>	<u>26,125</u>	<u>21,690</u>	<u>(35,053)</u>	<u>206,856</u>
Segment assets	<u>27,064,040</u>	<u>1,571,906</u>	<u>13,228,770</u>	<u>(9,468,218)</u>	<u>32,396,498</u>
Segment liabilities	<u>14,166,294</u>	<u>1,273,674</u>	<u>10,097,678</u>	<u>(6,426,773)</u>	<u>19,110,873</u>
Other segment information:					
Share of profits and losses of:					
Joint ventures	-	-	42,311	-	42,311
Associates	68,076	-	9,841	-	77,917
Depreciation and amortisation	150,863	3,763	90,130	(10,154)	234,602
Write-down of inventories to net realisable value	58,782	-	-	-	58,782
Impairment of trade and other receivables	151,811	13,282	-	-	165,093
Reversal of impairment of trade and other receivables	(116,138)	(414)	-	-	(116,552)
Product warranty provision	380,749	-	-	(7,229)	373,520
Investments in joint ventures	15,471	-	523,196	(53,569)	485,098
Investments in associates	237,062	3,200	123,803	-	364,065
Capital expenditure ⁽¹⁾	613,408	22,475	2,971,173	(346,611)	3,260,445

⁽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.

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	2013 RMB'000	2012 RMB'000
Mainland China	10,834,854	9,926,322
Overseas	<u>1,361,386</u>	<u>1,298,604</u>
	<u>12,196,240</u>	<u>11,224,926</u>

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

(b) Non-current assets

	2013 RMB'000	As at 31 December 2012 RMB'000
Mainland China	9,177,394	6,241,942
United States of America	318,316	271,465
Germany	528,065	532,333
Australia	1,448,871	142,496
Others	<u>702,672</u>	<u>174,730</u>
	<u>12,175,318</u>	<u>7,362,966</u>

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 years ended 31 December 2013 and 31 December 2012, respectively, no revenue generated from any of the Group's customers individually accounted for 10% or more of the Group's total revenue.

4. REVENUE, OTHER INCOME AND GAINS

Revenue, which is also the Group's turnover, comprises the net invoiced value of goods sold, after allowances for returns and trade discounts; an appropriate proportion of contract revenue of construction contract; and the values of services rendered.

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

	2013 RMB'000	2012 RMB'000
<u>Revenue</u>		
Sale of wind turbine generators and wind power components	11,221,663	10,580,843
Wind power services	589,955	392,126
Wind power generation	<u>384,622</u>	<u>251,957</u>
	<u>12,196,240</u>	<u>11,224,926</u>
<u>Other income</u>		
Bank interest income	37,525	89,151
Dividend income from available-for-sale investments	1,879	-
Gross rental income	3,128	5,150
Government grants	36,893	89,001
Value-added tax refund	8,442	5,351
Insurance compensation on product warranty expenditures	67,887	63,154
Others	<u>20,946</u>	<u>32,856</u>
	<u>176,700</u>	<u>284,663</u>
<u>Gains</u>		
Gain on disposals of subsidiaries, including wind farm project companies	118,022	244,080
Gain on disposals of investments in joint ventures	15,833	43,865
Gain on disposals of available-for-sale investments	85,992	-
Gain on disposals of items of property, plant and equipment	427	1,640
Net fair value gain on derivative financial instruments		
– transactions not qualifying as hedges	3,566	1,637
Others	<u>18,478</u>	<u>9,669</u>
	<u>242,318</u>	<u>300,891</u>
	<u>419,018</u>	<u>585,554</u>

5. PROFIT BEFORE TAX

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

	Note	2013 RMB'000	2012 RMB'000
Cost of inventories sold		9,036,217	9,183,514
Depreciation (note (a)) provided for:			
Property, plant and equipment		173,554	183,572
Investment properties		<u>2,896</u>	<u>2,896</u>
		<u>176,450</u>	<u>186,468</u>
Amortisation of prepaid land lease payments		2,628	3,204
Amortisation of other intangible assets		<u>52,286</u>	<u>44,930</u>
		<u>54,914</u>	<u>48,134</u>
Impairment of trade and bills receivables	10	145,614	165,093
Reversal of impairment of trade and bills receivables	10	(75,702)	(116,552)
Impairment of prepayments, deposits and other receivables		16,055	-
Reversal of impairment of prepayments, deposits and other receivables		(4)	-
		<u>85,963</u>	<u>48,541</u>
Write-down of inventories to net realisable value		47,671	58,782
Loss on disposals of items of property, plant and equipment and other intangible assets, net		358	67
Minimum lease payments under operating leases of land and buildings		21,419	23,101
Auditors' remuneration		7,211	5,802
Employee benefit expenses (including directors', supervisors' and the chief executive's remuneration):			
Wages and salaries		545,271	433,529
Pension scheme contributions (defined contribution scheme)(note (b))		41,537	38,085
Welfare and other expenses		<u>94,592</u>	<u>82,765</u>
		<u>681,400</u>	<u>554,379</u>

5. PROFIT BEFORE TAX (continued)

	2013 RMB'000	2012 RMB'000
Research and development costs:		
Staff costs	133,706	116,282
Amortisation and depreciation	10,620	8,061
Materials expenditure and others	<u>129,929</u>	<u>110,299</u>
	<u>274,255</u>	<u>234,642</u>
Government grants (note (c))	(36,893)	(89,001)
Product warranty provision:		
Additional provision	517,859	461,863
Reversal of unutilised provision	<u>(46,812)</u>	<u>(88,343)</u>
	<u>471,047</u>	<u>373,520</u>
Insurance compensation on product warranty expenditures	(67,887)	(63,154)
Foreign exchange differences, net	35,324	18,113
Net fair value gain on derivate financial instruments		
-transactions not qualifying as hedges	(3,566)	(1,637)
Dividend income from available-for-sale investments	(1,879)	-
Bank interest income	(37,525)	(89,151)
Gain on disposals of subsidiaries, including wind farm project companies	(118,022)	(244,080)
Gain on disposals of available-for-sale investments	(85,992)	-
Gain on disposals of investments in joint ventures	(15,833)	(43,865)
Gain on disposals of items of property, plant and equipment	(427)	(1,640)

Notes:

- (a) Depreciation of approximately RMB117,375,000 is included in the cost of sales on the face of the consolidated statement of comprehensive income for the year ended 31 December 2013 (2012: RMB123,854,000).
- (b) As at 31 December 2013, the Group had no forfeited contributions available to reduce its contributions to the pension scheme in future years (31 December 2012: Nil).
- (c) Most of government grants have been received for setting up research activities. The government grants released have been deducted from the research and development costs to which they relate. Government grants received for which related expenditure has not yet been undertaken are included in government grants as deferred income in the statement of financial position. There are no unfulfilled conditions or contingencies relating to these grants.

6. FINANCE COSTS

	2013 RMB'000	2012 RMB'000
Interest on bank loans and other borrowing wholly repayable:		
Within five years	294,688	399,499
Above five years	162,652	65,958
Interest on bills discounted	<u>-</u>	<u>7,347</u>
	457,340	472,804
Less: Interest capitalised	<u>(137,534)</u>	<u>(80,677)</u>
	<u>319,806</u>	<u>392,127</u>

7. INCOME TAX EXPENSE

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

The Company's certain subsidiaries in Mainland China were exempted from income tax or taxed at a preferential rate of 15% primarily due to their status as entities engaging in technology development or their involvement in important public infrastructure investment projects that were supported by the government and development projects in the western region of the PRC.

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

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

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

	2013 RMB'000	2012 RMB'000
Current		
- Hong Kong	9,855	6,331
- Mainland China	248,560	83,968
- Elsewhere	<u>18,860</u>	<u>14,674</u>
	277,275	104,973
Deferred	<u>(205,361)</u>	<u>(63,586)</u>
Tax charge for the year	<u>71,914</u>	<u>41,387</u>

7. INCOME TAX EXPENSE (continued)

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

	2013 RMB'000	2012 RMB'000
Profit before tax	505,550	206,856
Income tax charge at the statutory income tax rate of 25%	126,388	51,714
Effect of different income tax rates for overseas entities	(4,953)	(2,058)
Effect of different income tax rates for domestic entities	(64,181)	8,741
Effect on opening deferred tax due to increase in rates	-	(2,253)
Tax losses not recognised	26,273	34,986
Income not subject to tax	(470)	-
Expenses not deductible for tax purposes	39,305	16,427
Additional tax deduction for research and development expenditure	(42,902)	(33,189)
Profits and losses attributable to joint ventures	(26,507)	(10,578)
Profits and losses attributable to associates	(10,517)	(19,479)
Others	<u>29,478</u>	<u>(2,924)</u>
Tax charge for the year at the effective rate	<u>71,914</u>	<u>41,387</u>

8. DIVIDENDS

	2013 RMB'000	2012 RMB'000
Proposed final dividend of RMB0.08 (2012: RMB0.055) per ordinary share	<u>215,567</u>	<u>148,202</u>

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

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

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

	2013 RMB'000	2012 RMB'000
<u>Earnings</u>		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	<u>427,646</u>	<u>153,054</u>
	Number of shares	
	2013	2012
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>2,694,588,000</u>	<u>2,694,588,000</u>

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

10. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Trade receivables	8,161,562	9,142,495
Bills receivable	1,164,621	455,696
Retention money receivables	1,913,354	1,258,129
Provision for impairment	(506,616)	(436,939)
	10,732,921	10,419,381
Portion classified as non-current assets	(928,834)	(304,747)
Current portion	<u>9,804,087</u>	<u>10,114,634</u>

The Group normally allows a credit period of not more than three months to its customers. For retention money receivables, the due dates usually range from one to three years after the completion of commissioning for wind turbines. The Group seeks to maintain strict control over its outstanding receivables. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade and bills receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivables balances. Trade and bills receivables are non-interest-bearing.

10. TRADE AND BILLS RECEIVABLES (continued)

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

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Within 3 months	4,531,027	3,922,219
3 to 6 months	1,248,321	1,539,220
6 months to 1 year	1,053,429	1,031,709
1 to 2 years	1,987,176	2,398,382
2 to 3 years	1,081,378	1,145,655
Over 3 years	<u>831,590</u>	<u>382,196</u>
	<u>10,732,921</u>	<u>10,419,381</u>

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

	2013	2012
	RMB'000	RMB'000
At beginning of the year	436,939	391,553
Impairment losses recognised (note 5)	145,614	165,093
Impairment losses reversed (note 5)	(75,702)	(116,552)
Amounts written off as uncollectible	(154)	(382)
Exchange realignment	(81)	(2,773)
	<u>506,616</u>	<u>436,939</u>
At end of the year		

Included in the above provision for impairment of trade receivables is a provision for individually impaired trade receivables of RMB159,505,000(31 December 2012: RMB185,703,000) with a carrying amount before provision of RMB851,440,000 (31 December 2012: RMB3,095,787,000).

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

10. TRADE AND BILLS RECEIVABLES (continued)

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

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Neither past due nor impaired	4,891,444	2,880,895
Less than 3 months past due	1,271,030	1,256,505
3 to 6 months past due	<u>1,082,892</u>	<u>944,363</u>
	<u>7,245,366</u>	<u>5,081,763</u>

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

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

10. TRADE AND BILLS RECEIVABLES (continued)

The amounts due from Xinjiang Wind Power Company Limited ("Xinjiang Wind Power") (新疆风能有限公司), the largest shareholder, who holds a 13.95% interest in the Company, joint ventures and associates included in the trade and bills receivables are as follows:

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
A shareholder holding a 13.95% interest in the Company	28,782	10,400
Joint ventures	113,454	494,591
Associates	<u>132,982</u>	<u>27,407</u>
	<u>275,218</u>	<u>532,398</u>

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

The weighted average effective interest rate on non-current trade and bills receivables is as follows:

	2013	2012
Effective interest rate	6.37%	6.22%

The weighted average effective interest rate is determined by reference to the prevailing commercial bank borrowing interest rates for unsecured bank loans with similar maturity.

The carrying amounts of the current trade and bills receivables approximate to their fair value. In addition, as the non-current trade and bills receivables have been discounted based on the effective interest rate, the carrying amounts of the non-current trade and bills receivables approximate to their fair values.

As at 31 December 2013, the Group's trade receivables, including those were included in the assets of a disposal group classified as held for sale in the consolidated statement of financial position, amounting to RMB280,227,000(31 December 2012: RMB193,348,000) were pledged to secure certain of the Group's bank loans.

As at 31 December 2013, the Group's bills receivable amounting to RMB99,132,000 (31 December 2012: RMB74,983,000) were pledged to secure certain of the Group's bank acceptance bills.

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NOTES TO FINANCIAL STATEMENTS
31 December 2013

11. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Cash and bank balances	3,727,880	5,180,562
Time deposits	<u>993,447</u>	<u>1,781,198</u>
	4,721,327	6,961,760
Less: Pledged time deposits for		
- Bank loans	(14,144)	(13,516)
- Uncompleted transaction	(87,525)	(86,946)
- Letters of credit	(31,463)	(786)
- Guarantee issued	(1,205)	(42,584)
- Provision of risk	<u>(266,240)</u>	<u>-</u>
	<u>(400,577)</u>	<u>(143,832)</u>
Cash and cash equivalents in the consolidated statement of financial position	4,320,750	6,817,928
Less: Non-pledged time deposits with original maturity of three months or more when acquired	<u>(44,449)</u>	<u>(213,600)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>4,276,301</u>	<u>6,604,328</u>
Pledged deposits	400,577	143,832
Portion classified as non-current assets	<u>(266,240)</u>	<u>-</u>
Current portion	<u>134,337</u>	<u>143,832</u>
Cash and cash equivalents and pledged deposits denominated in:		
- RMB	3,777,965	5,669,594
- Other currencies	<u>943,362</u>	<u>1,292,166</u>
	<u>4,721,327</u>	<u>6,961,760</u>

12. TRADE AND BILLS PAYABLES

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Trade payables	4,975,287	4,901,196
Bills payable	<u>4,488,771</u>	<u>3,848,456</u>
	9,464,058	8,749,652
Portion classified as non-current liabilities	(397,206)	(244,656)
Current portion	<u>9,066,852</u>	<u>8,504,996</u>

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

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

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Within 3 months	3,551,580	3,970,391
3 to 6 months	3,294,350	3,125,915
6 months to 1 year	1,257,958	763,524
1 to 2 years	770,564	541,910
2 to 3 years	377,820	335,257
Over 3 years	<u>211,786</u>	<u>12,655</u>
	<u>9,464,058</u>	<u>8,749,652</u>

12. TRADE AND BILLS PAYABLES (continued)

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

	As at 31 December	
	2013	2012
	RMB'000	RMB'000
Associates	<u>1,425,103</u>	<u>298,751</u>

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

The weighted average effective interest rate on non-current trade and bills payables is as follows:

	2013	2012
Effective interest rate	6.54%	6.44%

The weighted average effective interest rate is determined by reference to the prevailing commercial bank borrowing interest rates for unsecured bank loans with similar maturity.

13. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 21 March 2014.

Management Discussion and Analysis

I. INDUSTRY REVIEW

The global economy continued to suffer from weak and unstable growth in 2013. Economic restructuring encouraged a gradual recovery among developed nations, kicking off a broader economic recovery. However, there continued to be downward pressures on developing and emerging economies, resulting in a weak and imbalanced global recovery.

China's new generation of leaders took office in 2013 and began to implement the strategies of the 18th National Congress of the Communist Party of China. In line with its key principles and by way of rational macroeconomic regulation and control, the new leaders continued to target faster economic reform while maintaining steady economic growth.

Statistics from China Electricity Council and the NEA showed China's power generation capacity increased in 2013 with 1,247GW of accumulated power generation capacity by the end of the year, representing an increase of 9.2% from the capacity at the end of 2012. China's demand for power also continued to grow in 2013 with domestic power consumption increasing 7.5% YoY to 5,322.3 billion kWh. Power generated by wind energy in 2013 increased 34% YoY to 134.9 billion kWh. Contribution to China's power consumption by wind power in 2013 increased 0.6 percentage points YoY to 2.6%.

i. Global Wind Power Industry

The *Global Wind Statistics 2013* issued by Global Wind Energy Council showed global accumulated wind power capacity at the end of 2013 increased 12.39% from the capacity at the end of 2012 to 318.14GW, surpassing the 300GW milestone. However, global newly installed capacity in 2013 decreased 21.48% YoY, by approximately 10GW, to 35.47GW, the first time that such a significant decrease has occurred. This was primarily due to a significant decrease in installations in the United States in 2013 affected by its Production Tax Credit.

By the end of 2013, five countries had accumulated wind power capacity exceeding 20GW, of which China's 91.42GW ranked first, United States' 61.09GW ranked second, and Germany's 34.25GW ranked third. China's newly installed capacity of 16.09GW in 2013 also ranked first, representing 45.39% of the global newly installed capacity. In second and third places were Germany's 3.24GW and United Kingdom's 1.88GW, respectively.

ii. China's Wind Power Industry

1. Policy Changes

China is embracing the opportunity to transform its energy industry from quantity- to quality-orientated during the Twelfth Five-Year Plan. Faced with an imminent energy crisis and global climate change, countries around the world are looking towards renewable energy for solutions. Wind power, due to its abundance, economic viability and scalability, has become the centre of attention.

China's current energy mix is heavily reliant on thermal power, which accounted for over 70% of power consumption in 2013. In order to implement strategies of the Twelfth Five-Year Plan and push forward with plans to restructure the energy mix and develop renewable power, the State Council, NEA and other related agencies introduced and implemented further policy changes in 2013 to facilitate the development of wind power and assist the industry's gradual recovery. These policies were related to several aspects of the wind power industry, including regulatory, grid connectivity and consumption, and fiscal support.

Restructure of Responsibilities, Decentralisation of Approvals

In March 2013, the first meeting of the twelfth session of China's National People's Congress proposed the *Scheme on Restructure and Function Transformation of the Institutions of State Council* (國務院機構改革和職能轉變方案) in order to meet China's huge power consumption demands through acceleration of the energy industry's reform and improvement of its regulation. Following implementation of this proposal, responsibilities of the State Electricity Regulatory Commission and the NEA were consolidated. The NEA was restructured and its responsibilities were amended in order to improve the regulatory framework for the energy industry.

In May 2013, the State Council issued the *Decision to Abolish and Decentralise a Batch of Administrative Approval Items* (關於取消和下放一批行政審批項目等事項的決定). Of the 117 approval items that were abolished or decentralised, 12 items, including decentralisation of approvals related to corporate investment in wind farm projects, were energy related, more items than for any other category.

In July 2013, the State Council issued the *Decision to Abolish and Decentralise 50 Administrative Approval Items* (關於取消和下放50項行政審批項目等事項的決定), the second large-scale abolishment or decentralisation of certain approval items. Of the 50 approval items that were abolished or decentralised, seven items, including decentralisation of issuance of electricity business licenses, were energy related.

Assistance for Renewable Energy

In January 2013, the State Council issued the *Notice for Issuance of Energy Development under the Twelfth Five-Year Plan* (關於印發能源發展「十二五」規劃的通知) that clarified the strategies ahead for China's energy industry and proposed for faster development of wind power and other renewable energies. By 2015, contribution to installed power generation capacity by non-fossil fuels shall reach 30% and total capacity of large-scale wind power bases shall reach 79GW. In addition, China shall develop design and production capabilities for 7-10MW large capacity WTGs and related key components including large size bearing and converter, and realise mass production by 2015.

In September 2013, the State Council issued the *Notice for Issuance of Action Plan for Atmospheric Pollution Prevention* (關於印發大氣污染防治行動計畫的通知) in order to tackle China's worsening atmospheric and environmental pollution problem. This notice proposed that China will push forward with the sustainable development of renewable energies including hydro, geothermal, wind and solar power, and targeted power consumption by non-fossil fuels of 13% by 2017.

Support for Grid Connection

In February 2013, the NEA issued the *Notice for Wind Power Grid Connection and Utilisation in 2013* (關於做好2013年風電並網和消納相關工作的通知). This notice proposed that relevant state agencies and companies of each province, region or city shall focus on wind power consumption and utilisation whereby improvements in utilisation hours shall be a key indicator of their performance, analyse and resolve the curtailment problem, increase research into consumption solutions for resource-rich regions and ensure a steady growth of installations, and strengthen grid construction and improve grid connections.

In March 2013, the NEA issued the *Notice of Preparations for Provision of Clean Heating by Wind Power* (關於做好風電清潔供暖工作的通知). This notice set out requirements for the State Grid Corporation of China that included accelerating power grid construction to assist the development of clean heating through wind power, establishing wind power heating test sites in China's north, northeast and Xinjiang regions, accelerating replacement of coal heating with wind power heating, and improving the reliability of wind power heating projects. This notice also recommended prioritising the use of wind power heating technology for new buildings, supported replacement of coal-fired boilers with wind power technology, and proposed a target of two to three years to significantly improve the curtailment problem.

Fiscal Support

In January 2013, China's State Administration of Taxation issued the *Announcement of Value-added Tax Related Matters for Fiscal Subsidies* (關於中央財政補貼增值稅有關問題的公告). This announcement reiterated that state fiscal subsidies received by taxpayers are not subject to value-added tax in accordance with the current value-added tax policy. Supplementary tariffs on electricity prices for renewable energy are state fiscal subsidies and are not subject to value-added tax.

In February 2013, China's Ministry of Finance, NDRC and NEA jointly issued the *Notice for Announcement of the Catalogue (Fourth Batch) of Renewable Energy Projects for Supplementary Tariffs on Electricity Prices* (關於公佈可再生能源電價附加資金補助目錄(第四批)的通知). The fourth batch of the catalogue included 343 wind power projects totalling 18.92GW in capacity, and all fourth batches announced so far included 1,134 wind power projects totalling 63.88GW in capacity.

In March 2013, China's Ministry of Finance issued the *Notice for Advanced Payment of the Supplementary Tariff on Electricity Prices for Renewable Energy* (關於預撥可再生能源電價附加補助資金的通知). This notice required provincial and independent regional grid companies to use designated funds to pay in advance for relevant expenditures including the purchase of power generated by renewable energy projects included in the aforementioned catalogue in areas covered by each grid company. Tariffs paid to each province in advance totalled RMB14.8 billion, of which tariffs for wind power was the highest, totalling RMB9.314 billion.

In August 2013, the NDRC issued the *Notice of Adjustment to the Supplementary Tariff on Electricity Prices and Related Matters of Renewable Energy* (關於調整可再生能源電價附加標準與環保電價有關事項的通知). In accordance with this notice, as of 25 September 2013, supplementary tariffs for renewable energy to be paid by all consumers, except for household and agricultural production uses, were increased to RMB0.015 per kWh from RMB0.008 per kWh.

2. Industry Developments

Starting in 2011, China's government sought to reform and guide the industry towards sustainability through policy and planning, tackling problems such as low grid connectivity, high curtailment rate and irrational competition. Following more than two years of industry adjustments, China's wind power industry showed signs of recovery in 2013. Newly installed capacity significantly improved, approvals for wind power projects increased, wind curtailment improved, and the State Grid Corporation of China strengthened its construction efforts for China's power grid.

Statistics from Chinese Wind Energy Association showed a 24% YoY increase in newly installed capacity to 16.09GW, bringing China's accumulated installed capacity to 91.42GW by the end of 2013. Wind power continued to be China's third largest energy source, after thermal and hydro power.

Improvement in Approvals

In March 2013, the NEA issued the *Notice for Issuance of the Third Batch of Wind Power Projects Planned for Approval under the Twelfth Five-Year Plan* (關於印發「十二五」第三批風電項目核准計畫的通知). Included in this third batch of planned approvals were 491 projects totalling 27.97GW and four demonstration projects relating to grid connection and consumption totalling 0.75GW. Total capacity planned for approval under this third batch amounted to 28.72GW.

In July 2013, the NEA issued the *Reply to the Construction Plan for Phase II of Hami Wind Power Base* (關於哈密風電基地二期項目建設方案的復函) that approved the proposed construction plan and added 6GW of new wind power capacity. Including 2GW of capacity approved previously, the total capacity of Hami wind power base has increased to 8GW. This signified the construction of Hami region's national GW-level wind power base has officially begun.

Statistics from the NEA showed China's final newly approved capacity in 2013 increased by more than 20% YoY to 30.69GW.

Grid Construction

The State Grid Corporation of China planned to construct the "3 vertical and 3 horizontal" ultra-high voltage AC transmission grid and a further 11 ultra-high voltage DC transmission lines during the Twelfth Five-Year Plan. Two of these transmission lines were completed in 2013, which were the 1,000kV ultra-high voltage AC transmission project from Huainan to Shanghai and ± 800 kV ultra-high voltage DC transmission project from Hami to Zhengzhou. By the end of 2013, a total of two 1,000kV AC and five ± 800 kV DC transmission lines were completed in China.

The government set a target to achieve 30GW of outbound power transmission capacity for Xinjiang by 2015. The ± 800 kV ultra-high voltage DC transmission project from Hami to Zhengzhou was the first project in accordance with this target. It is also currently China's largest capacity and longest distance transmission project.

Wind Curtailment

Wind power grid connections and curtailment rate improved during 2013 assisted by policy support from the government and growth in installations in low wind speed regions. Statistics from the NEA showed newly connected capacity in 2013 was 14.49GW, bringing the accumulated connected capacity to 77.16GW by the end of 2013, representing an increase of 23% from the capacity at the end of 2012. Wind power utilisation hours increased by 184 hours YoY to 2,074 hours in 2013 and the curtailment rate decreased from 17% in 2012 to 11%.

China's Three-North region has been the most active area for wind power development. This region has been severely affected by curtailment, but saw improvements in 2013 as grid connectivity and consumption improved. This has supported stronger wind farm utilisation, where in particular, utilisation hours for Gansu increased by 161 hours YoY to 1,806 hours, Jilin saw an increase of 240 hours YoY to 1,660 hours, western Inner Mongolia saw an increase of 266 hours YoY to 2,188 hours, and eastern Inner Mongolia saw an increase of 511 hours YoY to 2,010 hours.

WTG Quality

During 2013, competition between WTG manufacturers in China was no longer solely based on price. Customers placed an increased emphasis on product quality and after-sales services and price was no longer their primary criteria. As the number of installed WTGs increased dramatically over recent years, quality issues also increased in frequency. The quality of a WTG will affect its operating efficiency during its life cycle and is also a key factor in ensuring the sustainable development of the wind power industry. Consequently, WTG manufacturers have become increasingly focused on their quality control.

II. BUSINESS REVIEW

Goldwind continued to operate under our long-term principle of creating value for our customers. Assisted by our extensive industry knowledge and R&D capabilities, we continued to focus on technological and product innovation and strived for sustainable development. We won recognition from our customers at home and abroad for our specialised WTG models, high quality products and excellent services. In addition, Goldwind implemented lean management as a key strategy in 2013 and improved our business management that helped us strengthen our market leading position.

i. WTG Manufacturing

As a leading comprehensive wind power solutions provider at home and abroad, Goldwind continued to compete with a strategy for long-term development, prioritising product quality and seeking to meet varied demands of all our customers. Despite harsh and volatile market conditions, we increased our R&D efforts, improved our product quality and explored additional potential values in our products and services. Goldwind's excellent product performance record had gained recognition from domestic and overseas markets and our business had expanded to 21 countries across six continents. Goldwind achieved successes in business development, R&D and internationalisation, among other areas, during 2013.

1. Product Manufacturing and Sales

For the financial year ended 31 December 2013, the Group's revenue from sales of WTGs and components was RMB11,221.66 million, an increase of 6.06% YoY. Our realised external sales volume was 2,923.25MW, an increase of 13.16% YoY. The following table provides the details of our WTG sales volumes in 2013 and 2012:

Model	2013		2012		Change in Capacity Sold
	Unit Sold	Capacity Sold (MW)	Unit Sold	Capacity Sold (MW)	
2.5MW	260	650.00	147	367.50	76.87%
1.5MW	1,508	2,262.00	1,478	2,215.80	2.09%
750kW	15	11.25	—	—	—
Total	1,783	2,923.25	1,625	2,583.30	13.16%

Goldwind implemented a lean management strategy throughout the Group in 2013. We set specific management and cost cutting targets and improved our cost control framework. We increased our R&D efforts, accelerated product development and optimisation, and without compromising our product quality, we improved our product design and lowered our costs for manufacturing WTGs. Our average gross profit margin for sales of WTGs in 2013 increased 6.56 percentage points YoY to 20.25%. In addition, we continued to improve our inventory turnover ratio. Our inventories as at 31 December 2013 decreased by 14.50% compared to our inventories as at 31 December 2012.

2. R&D and Certification

Innovation has been the key to Goldwind's competitive advantage and our continued success. In 2013, we strived to further improve our overall competitiveness, consolidate our market position and anticipate market changes. We continued to develop our portfolio of specialised models suited to different environments to meet our customers' demands and further increase our market share in different market segments. Goldwind's 1.5MW DDPM (GW93/1500) ultra-low wind speed WTG model began mass production in 2013 and is operating in line with expectations. The design of our 1.5MW DDPM (GW93/1500) high altitude WTG model has been completed and its prototype is currently applying for Type Certification. In addition, the prototype of our 2.5MW DDPM (GW121/2500) low wind speed WTG model, which has the largest rotor diameter of any 2.5MW WTG in China, has been installed and is undergoing testing.

In order to meet growing demand from low wind speed markets in China, Goldwind developed a 2.0MW DDPM WTG model in 2013 through Integrated Product Development (IPD) and Platform Development. Its first specialised model will have a rotor diameter of 115 metres. It also currently possesses the largest swept area per kW of capacity of any WTG model in the world.

Goldwind continued to invest in the R&D of large capacity WTG models in anticipation of future demand for larger capacity WTGs and offshore wind power. The prototype of our 6.0MW DDPM WTG model has been assembled and in-house testing has been completed.

Goldwind's independently developed 2.5MW DDPM WTG was awarded first place for the "2011 National Energy Technological Advancement Award" in January 2013 by the NEA, which once again demonstrated Goldwind's solid capabilities in R&D and innovation.

In addition to accelerating product development, Goldwind also strengthened our efforts towards achieving domestic and international certifications for our products. Certifications achieved by Goldwind demonstrate our products had met certain domestic and international standards. In 2013, Design Approval and Type Certifications were awarded to several of our products, including 2.5MW DDPM (GW109/2500), 2.5MW DDPM (GW121/2500) and 2.0MW DDPM (GW115/2000) WTG models, by China General Certification Centre in Beijing. In addition, our 2.5MW DDPM (GW109/2500) WTG model was granted the Design Assessment certification by Germany's TÜV NORD.

Goldwind's WTGs continue to gain more and more domestic and international certifications, which is essential to our goal of "technology and product internationalisation". These certifications highlight the strengths of our R&D programme, underscore our products' technological advantages, and will support our further expansion in international markets.

In addition, Goldwind considers our active participation in establishing standards for China's wind power industry as an important responsibility. By the end of 2013, we had participated in establishing a total of 69 standards, which included 32 national standards, 27 industry standards, five association standards, and five regional standards. We also played a leading role in establishing 26 of these standards, which included 11 national standards, 14 industry standards, and one association standard.

3. Business Development

Goldwind's competitive strategy is to focus on providing high quality WTGs to our customers, and it has assisted us to become one of the leading wind power manufacturers in the world. We developed specialised WTGs designed to meet domestic demand, and this strategy has facilitated our technological advancement and strengthened our position in segmented markets. In addition, we continued to pursue our strategy of internationalisation and saw an improvement in our brand awareness and market share in overseas markets.

By the end of 2013, Goldwind's accumulated installed capacity had exceeded 19GW and had over 14,000 units of installed WTGs worldwide, which included more than 9,000 units of 1.5MW and 600 units of 2.5MW DDPM WTGs.

Statistics from MAKE Consulting A/S showed our global newly installed capacity for 2013 represented a market share of 10.3% that ranked second in the world. Statistics from Chinese Wind Energy Association showed our domestic newly installed capacity was 3,750.25MW for the same period, representing a domestic market share of 23.30%. This was the third consecutive year that we ranked first in China.

The following table provides the details of Goldwind's backlog of orders as at 31 December 2013:

Unit: MW

Model	Under Contract	Awaiting Contract	Combined Backlog
3.0MW	21.00	198.00	219.00
2.5MW	540.00	637.50	1,177.50
2.0MW	–	150.00	150.00
1.5MW	2,796.00	3,171.00	5,967.00
750kW	6.75	–	6.75
Total	3,363.75	4,156.50	7,520.25

There were 393.00MW in capacity of overseas orders included in Goldwind's combined backlog. Of all order executed in 2013, 58% were orders under contract as at the end of 2012 and 42% were new orders under contract signed in 2013.

4. Quality Control

Goldwind continued to improve our quality control in 2013. We set specific targets and subsequently established plans of action and key performance indicators. We reviewed our quality control policies and procedures, and established an information platform for quality and safety. In addition, we thoroughly inspected and ensured actual products purchased from our suppliers and their technical specifications were consistent with previously agreed benchmark requirements. These efforts provided considerable support towards improving our quality control and helping us to provide excellent quality products to our customers.

Goldwind was awarded the inaugural "The Government of Xinjiang Uygur Autonomous Region of China Quality Award" in June 2013 by the Government of Xinjiang in recognition of our extensive contributions towards the development of Xinjiang's new energy industry. This is the most prestigious quality award given by the Government of Xinjiang.

The research report by Chinese Wind Energy Association in October 2013 into the operating quality of WTGs installed in China showed Goldwind ranked in the top two in terms of maximum WTG availability rate, lowest failure frequency, and shortest average failure recovery time. This once again demonstrated the excellent quality of Goldwind's products and services.

ii. Wind Power Services

Provision of comprehensive wind power solutions has always been Goldwind's business target. Our comprehensive services include pre-construction consulting services such as site selection and wind resource assessment, construction services such as EPC and project consulting, and post-construction services such as operations and maintenance, component repairs and software products. Our services cover every stage of the life cycle of a wind farm project, ensuring WTGs' operating performance and maximising value for our customers.

Beijing Tianyuan was granted the Accreditation on Laboratory by China National Accreditation Service for Conformity Assessment, becoming the first wind power services provider to receive the Accreditation on Laboratory for WTG vibration testing. The testing centre of Beijing Tianyuan has been included in its list of accredited institutions, signifying it has the technical capability to conduct testing in accordance with international standards and testing results are recognised by accreditation bodies in countries that have signed mutual recognition arrangements.

For the financial year ended 31 December 2013, the Group's revenue from Wind Power Services was RMB589.96 million, an increase of 50.45% YoY. This was mainly attributed to growths for our comprehensive services, SCADA platforms, and operations and maintenance services.

iii. Wind Farm Investment, Development and Sales

Wind Farm Investment is one of Goldwind's key business segments. Through our highly efficient project development team, solid investment and financing capabilities, excellent project management, and professional wind farm operations and maintenance services, we have obtained several approved projects distributed across China, including Inner Mongolia, Xinjiang, Ningxia, Gansu, Hebei, Shanxi, and northeast and eastern regions.

Goldwind sold all or part of the equity interests of two wind farm subsidiaries in 2013, with a combined attributable installed capacity of approximately 134.75MW. As at 31 December 2013, the Group had 1,777.00MW of installed capacity of completed wind farms, of which 1,305.58MW was attributable installed capacity. The capacity of wind farms still under construction as at 31 December 2013 was 567.00MW, of which 552.55MW was attributable capacity.

For the financial year ended 31 December 2013, the Group's revenue from power generation was RMB384.62 million, an increase of 52.65% YoY. Investment income from sales of wind farms was RMB133.86 million, a decrease of 48.42% YoY.

iv. International Business

Goldwind was one of China's first wind power manufacturers to expand into international markets. Although China is our core market, we also invested more resources towards expanding our international business in 2013. Guided by our "internationalisation through localisation" strategy, we achieved considerable successes in 2013 particularly in Australia, Panama, Cuba and Romania, and we continued to make progress in other regions such as Asia and Africa. Goldwind's products expanded to Thailand and Romania for the first time. Three of our 2.5MW DDPM low wind speed WTG models were supplied to Thailand's Theppana wind farm and were successfully connected to the national power grid. These were the largest WTGs installed in Thailand and this project was the first commercial operational wind farm connected to Thailand's national power grid. We supplied 20 units of our 2.5MW DDPM WTG to the Mireasa project in Romania and the first of these WTGs has been installed. In addition, we won an order for 51MW of our WTGs from Cuba.

After several years of developing our international business, the Goldwind brand, our high quality products and comprehensive services have gained brand recognition in many international markets. We won 314.75MW in capacity of overseas orders in 2013 and installed 237.00MW in capacity of WTGs in overseas markets. By the end of 2013, we had executed a total of 777.80MW in capacity of overseas orders.

For the financial year ended 31 December 2013, the Group's revenue from international business was RMB1,361.39 million, which accounted for 11.16% of our revenue from operations.

v. Major Subsidiaries

As at 31 December 2013, the Company had 107 subsidiaries, which included 16 directly owned subsidiaries and 91 indirectly owned subsidiaries. In addition, we had seven joint ventures, 12 associates and held 12 unlisted equity investments categorised as available-for-sale investments. Such subsidiaries were categorised into four general categories of WTG R&D and manufacturing companies, wind power investment companies, wind power service companies, and component R&D and manufacturing companies. The following table sets out the key financial information of principal subsidiaries of the Company (reported in accordance with CASBE):

As at 31 December 2013
Unit: RMB

No.	Company Name	Registered Capital (RMB ten thousand)	Total Assets	Total Equity Attributable To the Company	Revenue of Principal Businesses	Net Profits Attributable to the Company
1	Beijing Goldwind Science & Creation Wind Power Equipment Co., Ltd.	99,000.00	4,036,529,468.67	1,302,030,841.74	3,499,217,764.79	248,537.37
2	Vensys Energy AG	€5 million	1,087,316,905.27	617,173,353.78	537,401,225.41	26,117,783.20
3	Gansu Goldwind Wind Power Equipment Manufacture Co., Ltd.	8,860.00	970,474,309.04	180,826,140.15	472,207,144.05	20,957,717.41
4	Jiangsu Goldwind Wind Technology Co., Ltd.	75,961.00	1,027,793,662.68	864,640,275.56	441,388,388.35	26,861,703.01
5	Beijing Techwin Electric Co., Ltd.	10,000.00	942,076,256.93	297,109,096.83	2,122,791,236.41	133,875,720.09
6	Beijing Tianrun New Energy Investment Co., Ltd.	120,000.00	10,605,581,825.17	1,654,416,930.56	333,958,902.36	59,558,444.73
7	Goldwind Investment Holding Co., Ltd.	100,000.00	1,093,431,358.06	1,057,197,435.68	–	17,087,511.05
8	Beijing Tianyuan Science & Creation Wind Power Technology Co., Ltd.	20,000.00	1,591,509,376.49	273,531,510.02	1,428,027,192.99	28,475,132.40

vi. Use of Proceeds

1. Use of H Share Proceeds

The Company conducted the initial public offering of its H Shares and had its H Shares listed on the main board of the Stock Exchange in October 2010. According to the *Capital Verification Report* issued by Ernst & Young Hua Ming (now known as Ernst & Young Hua Ming LLP), the net proceeds of the H Shares offering were the equivalent of RMB6.754 billion in HKD. According to the proposed use of the H Shares offering proceeds, approximately 64.8% of the proceeds shall be used in the domestic market, and approximately 35.2% shall be used in the international market. As at 31 December 2013, the accumulated used proceeds were the equivalent of RMB5.906 billion in HKD and the unused proceeds were the equivalent of RMB0.848 billion in HKD. The use of the Company's H Share proceeds is as follows:

As at 31 December 2013 Unit: RMB million			
Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Construction of production base and optimisation of business operations	2,715	2,455	260
R&D of WTGs and components	986	422	564
International business	1,972	1,948	24
Bank loan repayment	411	411	—
General working capital	670	670	—
Total	6,754	5,906	848

2. Use of A Share Proceeds

The Company conducted the initial public offering of its A Shares and had its A Shares listed on the Small and Medium-sized Enterprise Board of the SZSE in December 2007. According to the *Capital Verification Report* issued by Wuzhou Songde Accountants Firm on 19 December 2007, the net proceeds of the A Shares offering were RMB1.745 billion. As at 31 December 2013, the accumulated used proceeds were RMB1.745 billion, meaning all proceeds have been used. The use of the Company's A Share proceeds is as follows:

As at 31 December 2013 Unit: RMB million			
Proceed Projects	Planned Investment	Actual Investment	Unused Amount
Capacity Expansion			
Beijing MW-level WTG high technology industrialisation project	150.00	150.00	—
Xinjiang MW-level WTG capacity expansion project	461.00	461.00	—
Inner Mongolia MW-level DDPM WTG industrialisation project	127.00	127.00	—
Nanjing MW-level WTG industrialisation project	0	0	—
Jiangsu Dafeng Offshore WTG R&D and manufacturing base	89.61	89.61	—
R&D Projects			
1.5MW WTG series	128.00	128.00	—
2.5MW DDPM WTG	160.00	160.00	—
3MW hybrid PM WTG	232.00	232.00	—
6MW DDPM WTG	75.45	75.45	—
Testing laboratory	40.00	40.00	—
Wind Farm Development and Sales			
Capital increase to Fuhui wind power for Wulate project	81.60	81.60	—
Tacheng Mayitasi 49.5MW Trial Demonstration Wind Farm	100.00	100.00	—
Goldwind Damao National Demonstration Wind Farm	100.00	100.00	—
Total	1,744.66	1,744.66	—

vii. Human Resource Management

As at 31 December 2013, the Group had a total of 4,191 employees, categorised as follows:

Item	Category	Number of Staff	Percentage of Total
Profession	Technical	726	17.32%
	Production	1,084	25.86%
	Sales	260	6.20%
	Services	1,158	27.63%
	Management	815	19.45%
	Finance	148	3.53%
Total		4,191	—
Education Level	Master and above	475	11.33%
	Bachelor	1,821	43.45%
	College	1,269	30.28%
	Below College	626	14.94%
Total		4,191	—

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

III. OPERATIONS PERFORMANCE AND ANALYSIS

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

Summary

For the financial year ended 31 December 2013, revenue from operations for the Group was RMB12,196.24 million, representing an increase of 8.65% compared with RMB11,224.93 million for the financial year ended 31 December 2012. Profit attributable to owners of the Company was RMB427.65 million, representing an increase of 179.41% compared with RMB153.05 million for the financial year ended 31 December 2012. The Group reported basic earnings per share of RMB0.16.

Revenue

The Group's revenue was generated from three business segments: (1) WTG Manufacturing; (2) Wind Power Services; and (3) Wind Farm Investment, Development and Sales. Revenue from WTG Manufacturing was mainly generated through sales of WTGs and components. Revenue from Wind Power Services was mainly generated through services such as wind farm EPC, transportation and maintenance. Revenue from Wind Farm Investment, Development and Sales was mainly generated from the sale of power produced by our operating wind farms.

For the financial year ended 31 December 2013, revenue from operations for the Group was RMB12,196.24 million, representing an increase of 8.65% compared with RMB11,224.93 million for the financial year ended 31 December 2012. Details are set out below:

	Year ended 31 December		Unit: RMB thousand	
	2013	2012	Amount Change	Percentage Change
WTG Manufacturing	11,221,663	10,580,843	640,820	6.06%
Wind Power Services	589,955	392,126	197,829	50.45%
Wind Farm Investment, Development and Sales	384,622	251,957	132,665	52.65%
Total	12,196,240	11,224,926	971,314	8.65%

The Group's revenue from operations increased mainly due to a recovery for China's wind power industry in 2013 which led to increased sales of our WTGs and components. Our revenue from Wind Power Services and Wind Farm Investment, Development and Sales also significantly increased YoY in 2013 due to expanded businesses within these segments.

Cost of Sales

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

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

	Year ended 31 December		Unit: RMB thousand	
	2013	2012	Amount Change	Percentage Change
Raw materials and components	8,858,621	8,361,234	497,387	5.95%
Labour	139,945	118,189	21,756	18.41%
Depreciation and amortisation	160,943	160,911	32	0.02%
Other production costs	666,353	488,963	177,390	36.28%
Changes in inventories and transferred assets	(83,899)	503,303	(587,202)	(116.67%)
Total	9,741,963	9,632,600	109,363	1.14%

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

	Year ended 31 December		Unit: RMB thousand	
	2013	2012	Amount Change	Percentage Change
WTG Manufacturing	9,054,962	9,196,400	(141,438)	(1.54%)
Wind Power Services	548,069	314,959	233,110	74.01%
Wind Farm Investment, Development and Sales	138,932	121,241	17,691	14.59%
Total	9,741,963	9,632,600	109,363	1.14%

The Group achieved lower costs for WTG manufacturing in 2013 through cost control and product optimisation. Our costs for Wind Power Services increased in 2013 as a result of its expanded businesses.

Gross Profit

	Year ended 31 December		Unit: RMB thousand	
	2013	2012	Amount Change	Percentage Change
WTG Manufacturing	2,166,701	1,384,443	782,258	56.50%
Wind Power Services	41,886	77,167	(35,281)	(45.72%)
Wind Farm Investment, Development and Sales	245,690	130,716	114,974	87.96%
Total	2,454,277	1,592,326	861,951	54.13%

The Group's gross profit was derived primarily from WTG Manufacturing.

For the financial years ended 31 December 2012 and 2013, the Group's comprehensive gross profit margins were 14.19% and 20.12%, respectively, and the gross profit margins for WTG Manufacturing were 13.08% and 19.31%, respectively. The following table sets out the gross profit margins for our WTGs (prepared in accordance with CASBE):

Gross Profit Margin	Year ended 31 December		Change (percentage points)
	2013	2012	
2.5MW	20.47%	12.60%	7.87
1.5MW	20.19%	13.92%	6.27
750kW	16.36%	—	—

The Group's 1.5MW WTG continued to be our main product, representing 74.51% of our revenue from sales of whole WTGs in 2013. However, we sold significantly more 2.5MW WTGs in 2013 as China's demand for larger capacity WTGs gradually increased.

For the financial year ended 31 December 2013, the gross profit margin for the Group's 1.5MW and 2.5MW WTGs increased by 6.27 and 7.87 percentage points YoY, respectively, mainly due to lower procurement expenses for certain components and product optimisation.

Other Income and Gains

The Group's other income and gains primarily consisted of gains from the sale of wind farms in Wind Farm Investment, Development and Sales (including previously unrealised gains resulting from the sale of wind power equipment installed in such wind farms), bank interest income, insurance compensation on product warranty expenditures, gross rental income, and government grants received for our R&D projects and upgrades of our production facilities.

Other income and gains of the Group for the financial year ended 31 December 2013 was RMB419.02 million, representing a 28.44% decrease from RMB585.55 million for the financial year ended 31 December 2012. This was mainly attributed to our decreased gain on disposals of subsidiaries, including wind farm project companies, and gain on disposals of investments in joint ventures.

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.

Selling and distribution costs of the Group for the financial year ended 31 December 2013 was RMB1,202.41 million, representing a 37.19% increase from RMB876.46 million for the financial year ended 31 December 2012. This was mainly attributed to our increased transportation costs and product warranty provisions associated with our increased sales.

Administrative Expenses

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

Administrative expenses of the Group for the financial year ended 31 December 2013 was RMB839.15 million, representing a 17.74% increase from RMB712.74 million for the financial year ended 31 December 2012. This was mainly attributed to our increased employee remunerations as a result of our improved business and human resource management.

Other Expenses

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

Other expenses of the Group for the financial year ended 31 December 2013 was RMB154.48 million, representing a 40.53% increase from RMB109.93 million for the financial year ended 31 December 2012. This was mainly attributed to our increased provisions for impairment of certain assets.

Finance Costs

Finance costs of the Group for the financial year ended 31 December 2013 was RMB319.81 million, representing an 18.44% decrease from RMB392.13 million for the financial year ended 31 December 2012. This was mainly attributed to our decreased interest expenses for borrowings as our average balance of outstanding loans during the year decreased.

Income Tax Expense

Income tax expense of the Group for the financial year ended 31 December 2013 was RMB71.91 million, representing a 73.76% increase from RMB41.39 million for the financial year ended 31 December 2012. This was mainly attributed to our increased profit before tax.

Capital Expenditures

Capital expenditures of the Group for the financial year ended 31 December 2013 was RMB5,926.61 million, representing a 81.77% increase from RMB3,260.45 million for the financial year ended 31 December 2012. Our primary sources of finance for capital expenditure included bank loans and cash flows from operations of the Group.

Financial Resources and Liquidity

Unit: RMB thousand

Cash Flow Statement	Year ended 31 December	
	2013	2012
Net cash flows from operating activities	1,930,049	2,499,938
Net cash flows (used in) investing activities	(6,077,237)	(2,303,893)
Net cash flows from/ (used in) financing activities	1,838,836	(1,163,215)
Net (decrease) in cash and cash equivalents	(2,308,352)	(967,170)
Cash and cash equivalents at beginning of year	6,604,328	7,554,630
Effect of foreign exchange rate changes, net	(19,675)	16,868
Cash and cash equivalents at end of year	4,276,301	6,604,328

1. Cash flows from operating activities

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

Net cash flows from operating activities of the Group for the financial year ended 31 December 2013 was RMB1,930.05 million. Cash inflows were principally comprised of profit before tax of RMB505.55 million, adjusted for a RMB319.81 million increase in finance costs, a RMB471.68 million decrease in inventories (as a result of stricter inventories management and increased sales during the year), a RMB850.83 million increase in trade and bills payables (due to the Group paying expenses through bills payable more at the end of the year in order to increase cash flow), and a RMB242.78 million increase in provision. These cash inflows were offset by a RMB453.14 million decrease in trade and bills receivables.

Net cash flows from operating activities of the Group for the financial year ended 31 December 2012 was RMB2,499.94 million. Cash inflows were principally comprised of profit before tax of RMB206.86 million, adjusted for a RMB392.13 million increase in finance costs, a RMB1,061.15 million decrease in inventories (as a result of stricter inventories management during the year, digesting significant levels of our inventories, and disposal of subsidiaries), and a RMB917.26 million increase in trade and bills payables (due to the Group paying expenses through bills payable more at the end of the year in order to increase cash flow). These cash inflows were offset by a RMB244.08 million decrease in gain on disposals and derecognition of subsidiaries.

2. Cash flows used in investing activities

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

Net cash flows used in investing activities of the Group for the financial year ended 31 December 2013 was RMB6,077.24 million. Cash outflows were principally comprised of purchases of items of property, plant and equipment of RMB6,171.11 million, and purchases of available-for-sale investments of RMB90.30 million. These cash outflows were offset by a RMB79.04 million inflow from disposal of shareholding in joint ventures and other entities, and a RMB83.91 million inflow from gain on disposal of available-for-sale investments.

Net cash flows used in investing activities of the Group for the financial year ended 31 December 2012 was RMB2,303.89 million. Cash outflows were principally comprised of purchases of items of property, plant and equipment of RMB2,585.79 million, and purchases of available-for-sale investments of RMB275.40 million. These cash outflows were offset by a RMB446.66 million inflow from disposals and derecognition of subsidiaries (net of cash disposed of).

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

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

Net cash flows from financing activities of the Group for the financial year ended 31 December 2013 was RMB1,838.84 million. Cash inflows were principally comprised of new bank loans of RMB3,539.40 million. These cash inflows were offset by RMB1,048.62 million in repayment of bank loans, RMB452.72 million in interest paid, and RMB148.20 million in dividend paid to owners of the Company.

Net cash flows used in financing activities of the Group for the financial year ended 31 December 2012 was RMB1,163.22 million. Cash inflows were principally comprised of new bank loans and corporate bond of RMB5,614.25 million. These cash inflows were offset by RMB6,360.71 million in repayment of bank loans, RMB311.18 million in interest paid, and RMB134.73 million in dividend paid to owners of the Company.

Financial Position

As at 31 December 2013 and 2012, the Group's total assets were RMB35,344.85 million and RMB32,396.50 million, respectively, current assets were RMB20,268.01 million and RMB23,573.34 million, respectively, percentage of current assets to total assets were 57.34% and 72.77%, respectively, and non-current assets were RMB15,076.84 million and RMB8,823.15 million, respectively.

As at 31 December 2013 and 2012, the Group's total liabilities were RMB21,551.91 million and RMB19,110.87 million, respectively, current liabilities were RMB12,513.00 million and RMB12,266.40 million, respectively, and non-current liabilities were RMB9,038.92 million and RMB6,844.47 million, respectively.

As at 31 December 2013 and 2012, the Group's net current assets were RMB7,755.01 million and RMB11,306.94 million, respectively, and net assets were RMB13,792.94 million and RMB13,285.63 million, respectively.

As at 31 December 2013 and 2012, the Group's cash and cash equivalents were RMB4,320.75 million and RMB6,817.93 million, respectively, and interest-bearing bank loans and other borrowing were RMB7,964.80 million and RMB6,105.12 million, respectively.

Interest-bearing Bank Loans and Other Borrowing

As at 31 December 2013, the amount of the Group's interest-bearing bank loans was RMB4,975.86 million, including bank loans repayable within one year of RMB570.71 million, in the second year of RMB344.50 million, in the third to fifth years of RMB1,790.12 million, and above five years of RMB2,270.53 million. In addition, as at 31 December 2013, the amount of the Group's corporate bond repayable in the second year was RMB2,988.94 million.

Capitalisation of Interest

As at 31 December 2013, the Group's interest expenses capitalised in accordance with IFRSs to property, plant and equipment was RMB137.53 million.

Reserves

As at 31 December 2013, the Company's distributable reserves to Shareholders was RMB905.93 million. This was the lower figure calculated in accordance with CASBE and IFRSs.

Restricted Assets

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

As at 31 December 2012, certain assets of the Group with a total carrying value of RMB3,280.68 million were restricted in order to secure certain bank loans and other banking facilities. Such assets included bank deposits of RMB376.05 million, trade and bills receivables of RMB268.33 million, property, plant and equipment of RMB2,622.97 million, and prepaid land lease payments of RMB13.33 million. Certain mortgaged and pledged assets were re-categorised under assets of a disposal group classified as held for sale during the year.

Gearing Ratio

As at 31 December 2013 and 2012, the Group's gearing ratios were 52.10% and 41.73%, respectively.

Contingent Liabilities

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

As at 31 December 2013 and 2012, the Group's contingent liabilities were RMB7,538.11 million and RMB6,709.51 million, respectively.

IV. OUTLOOK FOR 2014

i. Industry Outlook

1. Industry Overview

Despite global newly installed wind power capacity decreasing by 21.48% to 35.47GW in 2013 primarily due to a significant decrease in installations in the United States, Global Wind Energy Council's *Market Forecast for 2013-2017* expected a strong recovery in 2014. The global wind market was forecasted to achieve an average market growth of more than 11% between 2014 and 2017, reaching approximately 61GW of newly installed capacity in 2017. Accumulated installed capacity was expected to reach approximately 536GW by the end of 2017 from 318.14GW at the end of 2013.

In January 2014, the NEA issued the *Notice for Issuance of Work Guidance for Energy in 2014* (關於印發2014年能源工作指導意見的通知). This notice proposed to push forward with the development of hydro, wind, solar and other renewable energies, and maintain the broader focus on both concentrated and distributed development. It also proposed to push forward with the development of large wind power bases and related power grid construction, clarify relevant parameters for wind power consumption, and improve wind curtailment problems in areas including Jiuquan, Western Inner Mongolia, Eastern Inner Mongolia, northern Hebei, Jilin, Heilongjiang, Shandong, Hami, and Suzhou. In addition, it proposed to introduce, improve and implement administration rules relating to the renewable portfolio standard and purchase of renewable power, gradually lower the cost of wind power and target 2020 to be price competitive with thermal power. The NEA announced a target of 18GW for China's newly installed wind power capacity in 2014.

In February 2014, the NEA issued the *Notice for Issuance of the Fourth Batch of Wind Power Projects Planned for Approval under the Twelfth Five-Year Plan* (關於印發「十二五」第四批風電項目核准計畫的通知). Total capacity planned for approval under this fourth batch amounted to 27.60GW, of which the capacity for China's central, eastern and southern regions continued to increase, accounting for approximately 60% of total capacity under this fourth batch.

2. Market Development

China's wind power industry experienced several changes in 2013 and its transition from quantity-to quality-orientated development became clearer. Competition became more rational, the manufacturing industry continued to consolidate, and manufacturers became more focused on improving their core competitive strengths that included strengthening R&D, developing new products and exploiting new markets. China's wind power industry showed signs of recovery in 2013. However, manufacturers' profitability continued to be weak.

China clarified its strategy of a broader focus on both concentrated and distributed development according to its distribution of wind resources and current industry developments. Low wind speed regions are gradually becoming key growth markets for manufacturers. Customers' increased demands for products' economic viability, reliability and after-sales services are facilitating manufacturers' increased investment towards R&D and quality of products and services. In addition, there will be new opportunities for the operations and maintenance market as warranty for large numbers of WTGs begin to expire. The continued improvements in industry standards will further increase barriers to entry and facilitate consolidation, guiding the wind power industry towards rational competition and sustainable growth.

ii. Corporate Strategy

Goldwind strives to be a global leader in discovering and creating value for the development and utilisation of clean energy. Faced with the opportunities and challenges brought by the wind power industry's development and competitive environment, we will maintain our push for technological, business, and management innovation. We will continue to strengthen our advantages in WTG R&D, manufacturing, sales and services, accelerate our reach into sectors along the wind power value chain where there are more value and potential, and provide our customers with comprehensive wind power solutions that include WTGs, wind power services, and wind farm development. We will also continue to strengthen our global reach, implement our strategy through the internationalisation of technology, markets, talents, and capital, and aim to become a global leader in our industry. Building upon our strong foundation in our primary wind power businesses, we will continue to explore the potential to combine wind power with other forms of renewable energy and pursue the development of wind and solar power generation, smart micro-grids, environmentally friendly and energy saving solutions, and other related areas. Backed by our resources and competitive advantages, we will seek to nurture our new business models including power electronics and comprehensive power, lead the future development of wind and solar power, and strive towards sustainable growth.

iii. Operations Plan and Major Targets

1. Strengthen R&D

Goldwind is committed to creating value for our customers. We will continue to focus on improving and upgrading our 1.5MW and 2.5MW series models and strengthen R&D and testing for our 2.0MW and 6.0MW WTGs. We will seek to meet customised demands of our customers by continuing to improve and expand our product portfolio.

2. Brand and Value Marketing

Goldwind will continue to seek to improve our brand awareness, explore other strategic markets and increase our sales and distribution channels. We will draw on our extensive industry experience and technological advantages to improve our products and strengthen our services support. We will seek to demonstrate our brand and value and continue to expand into international markets.

3. Improve Services

Goldwind will strive to improve the Wind Power Service's overall competitiveness. We will seek to improve our services for WTGs under warranty, expand into the services market for WTGs not under warranty, and strengthen our other businesses including those relating to components and software.

4. Lean Management

Goldwind will continue to implement our strategy of lean management and seek to improve our efficiency through integrating business management and informationalisation. We will strive to improve our products' competitiveness through our strategies, improve our reliability and safety, and strengthen our core competitiveness.

5. Strengthen Financial Management

Goldwind will strive to improve our asset structure, accelerate turnover of our capital, strengthen our cost accounting, and set achievable targets and monitor progress of implementation.

iv. Risk Factors

1. Competition

Recent industry statistics showed that the aggregate market share of the top five manufacturers in China has been decreasing in recent years, meaning the competitive landscape has become more fragmented and fierce competition continues to exist. However, the focus of competition is shifting away from price to the quality of products, technology and services. China has the largest wind power market in the world and showed signs of recovery in 2013. Competition will continue to be fierce going forward and manufacturers are faced with further challenges ahead. These factors may affect our market share going forward.

2. Connection and Consumption

China's wind power grid connection and consumption improved in 2013, however, the problem has not been eradicated. Construction of China's power grid still lags behind the development of wind power and China's energy mix continues to be unbalanced. The NEA issued several policies to tackle these problems, improve wind power development, and push forward with the construction of the power grid. However, before these problems can be effectively resolved, they will continue to affect the development of wind power.

3. State Policies

Development of China's wind power industry is closely related to the government's policies. The industry continues to develop with further potential for improvement in terms of technology, industry standards and grid construction among other aspects. Going forward, changes in state policies may affect the development of China's wind power industry.

V. CORE COMPETITIVE ADVANTAGES

i. Market Position

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

ii. Products and Technology

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

iii. Brand Awareness

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

iv. Comprehensive Wind Power Solutions

Goldwind maintained our drive to solidify our position as a leading comprehensive wind power solutions provider through our advanced technology, products, and our extensive experience in wind farm development, construction and operations and maintenance. In addition to our sales of WTGs, we continued to expand our alternative profit models that included wind farm development and sales and wind power services. Over the past few years, these businesses became highly profitable and became an important compliment for our continued growth. We successfully overcame the challenges posed by the market and strengthened our overall competitiveness and improved our diversified competitive advantages.

v. Internationalisation

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

ESTIMATED OPERATING RESULTS FOR THE THREE MONTHS ENDED 31 MARCH 2014

Range of net profits attributable to owners of the Company for the three months ended 31 March 2014	50%	to	100%
Range of net profits attributable to owners of the Company for the three months ended 31 March 2014 (RMB million)	48.6924	to	64.9232
Net profits attributable to owners of the Company for the three months ended 31 March 2013 (RMB million)	32.4616		
Reasons for increase/decrease	Primarily due to increases in the Group's revenue, stronger cost control, and implementation of lean management.		

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB0.08 per share (including tax) from the Company's retained distributable profit for the financial year ended 31 December 2013. This recommendation is subject to approval by the Shareholders at the forthcoming AGM for the year of 2013 in accordance with the provisions of the Articles, and will be implemented thereafter. Information regarding the date of the AGM for the year of 2013, distribution of final dividend, and the relevant record dates and book close dates will be announced in due course.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for implementing the Corporate Governance Code and managing the Group's corporate governance matters. The Board has reviewed the corporate governance policies and practices of the Company and its policies and practices relating to compliance with legal and regulatory requirements, as well as training and continuous professional development of the Directors and Senior Management. The Board has also reviewed the disclosure of the Company's Corporate Governance Report for the year ended 31 December 2013, which is to be included in its annual report for the same year.

The Company has complied with all applicable code provisions under the Corporate Governance Code during the year ended 31 December 2013, except for a deviation from Code Provision A.2.1 for a very short period from 1 January 2013 to 8 January 2013. Code Provision A.2.1 provides that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Details of such deviation were disclosed in the Company's interim report for the six months ended 30 June 2013. Since Mr. Wang Haibo, then an executive Director and vice president of the Company, was appointed as the President on 9 January 2013, the Company has fully complied with the Corporate Governance Code without any deviation.

PURCHASE, SALE OR REDEMPTION OF SHARES

During the financial year ended 31 December 2013, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

REVIEW OF 2013 ANNUAL RESULTS

The Audit Committee of the Company has reviewed and approved the 2013 Annual Results of the Company.

Definitions

In this announcement, 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;
“AC”	alternating current, being electricity that changes direction periodically;
“AGM”	annual general meeting of the Company;
“Articles”	the <i>Articles of Association</i> of the Company, as amended, modified or otherwise supplemented from time to time;
“attributable capacity”	represents the capacity attributed to the Group calculated by multiplying the Group’s percentage ownership in a power project by the total capacity of such power project;
“availability rate”	a percentage calculated by dividing the amount of time a WTG is not experiencing technical defaults over a certain period by the amount of time in such period;
“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;
“CASBE”	<i>China Accounting Standards for Business Enterprises</i> ;
“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 announcement to the PRC exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Company”	Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司), a joint stock limited liability company incorporated in the PRC on 26 March 2001;
“Corporate Governance Code”	<i>Corporate Governance Code</i> and <i>Corporate Governance Report</i> , as set out in Appendix 14 of the Listing Rules;
“DC”	direct current, being electricity that flows in one direction through the conductor;
“DDPM”	direct-drive permanent magnet, a technology that combines a) a drive-train concept in which the need for a gearbox is eliminated and the turbine rotor directly drives the generator rotor; and b) a synchronous generator in which permanent magnet is used on the generator;
“Directors”	the directors of the Company;

“EPC”	Engineering, Procurement and Construction, a construction arrangement where a company that is contracted to construct the project will be responsible for the design, procurement and construction of such project, and will deliver such project to the owner after completion of the project construction and passing of the final acceptance inspection;
“Financial Statements”	the audited consolidated financial statements of the Group for the financial year ended 31 December 2013, 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;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IFRSs”	<i>International Financial Reporting Standards</i> ;
“kV”	kilovolt, a unit of potential difference between two terminals, 1kV equals 1,000 volts;
“kW”	kilowatt, a unit of power, 1kW equals 1,000 watts;
“kWh”	kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kWh is the work completed by a kilowatt generator running continuously for one hour at the rated output capacity;
“Listing Rules”	<i>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i> ;
“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);
“President”	the president of the Company;
“R&D”	research and development;
“RMB”	Renminbi, the lawful currency of the PRC;
“Senior Management”	the members of the senior management of the Company;
“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;

“SZSE”	Shenzhen Stock Exchange;
“Three-North region”	China’s Three-North region, which includes northeast, northwest and northern China;
“Wind Farm Investment, Development and Sales”	the Group’s Wind Farm Investment, Development and Sales business 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;
“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 announcement, calculations of percentage shall be based on the financial data contained in the Financial Statements including the relevant notes (where applicable).

By order of the Board
Xinjiang Goldwind Science & Technology Co., Ltd.
Ma Jinru
Company Secretary

Beijing, 21 March 2014

As at the date of this announcement, the Company’s executive directors are Mr. Wu Gang, Mr. Wang Haibo and Mr. Cao Zhigang; non-executive directors are Mr. Li Ying, Ms. Hu Yang and Mr. Yu Shengjun; and independent non-executive directors are Dr. Tin Yau Kelvin Wong, Mr. Yang Xiaosheng and Mr. Luo Zhenbang.