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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

**ANNOUNCEMENT
INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

The board of directors (the “**Board**”) of Xinjiang Goldwind Science & Technology Co., Ltd. (the “**Company**” or “**Goldwind**”) announces the unaudited financial results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2021 (the “**Reporting Period**”).

** For identification purpose only*

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Notes	For the six months ended 30 June	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
REVENUE	4	17,852,779	19,366,112
Cost of sales		<u>(12,933,831)</u>	<u>(16,048,690)</u>
Gross profit		4,918,948	3,317,422
Other income and gains, net	5	1,040,422	1,549,643
Selling and distribution expenses		(1,530,306)	(1,518,238)
Administrative expenses		(1,472,499)	(1,288,087)
Impairment losses on financial and contract assets, net		(111,380)	(228,102)
Other expenses		(288,739)	(200,775)
Finance costs	7	(503,220)	(438,773)
Share of profits of:			
Joint ventures		246,851	221,117
Associates		32,486	20,769
PROFIT BEFORE TAX	6	<u>2,332,563</u>	<u>1,434,976</u>
Income tax expense	8	<u>(432,859)</u>	<u>(145,555)</u>
PROFIT FOR THE PERIOD		<u>1,899,704</u>	<u>1,289,421</u>
Profit attributable to:			
Owners of the Company		1,848,524	1,274,828
Non-controlling interests		<u>51,180</u>	<u>14,593</u>
		<u>1,899,704</u>	<u>1,289,421</u>

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER
COMPREHENSIVE INCOME - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2021

		For the six months ended 30 June	
	Note	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
<i>Other comprehensive income that will not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Changes in fair value of equity investments designated at fair value through other comprehensive income		2,749	12,421
<i>Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		(28,138)	29,242
Changes in fair value of debt investments measured at fair value through other comprehensive income		12,413	-
Cash flow hedges		(123,833)	219,404
Hedges of net investment in overseas operations		158,807	(758)
Cost of fair value hedges		10,465	(20,701)
Share of other comprehensive income/(expenses) of associates		38,319	(44,902)
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		68,033	182,285
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		70,782	194,706
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		1,970,486	1,484,127
Total comprehensive income attributable to:			
Owners of the Company		1,919,830	1,470,749
Non-controlling interests		50,656	13,378
		1,970,486	1,484,127
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (expressed in RMB per share)	10	0.41	0.29

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2021

	Notes	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	32,898,769	33,380,435
Investment properties		9,944	10,083
Right-of-use assets	12	2,694,530	2,614,810
Goodwill		344,283	354,785
Other intangible assets		6,136,440	4,374,044
Investments in joint ventures		4,798,268	4,807,309
Investments in associates		1,583,456	1,595,197
Equity investments designated at fair value through other comprehensive income	13	280,954	249,179
Financial assets at fair value through profit or loss	14	1,688,751	1,091,480
Other non-current financial assets	15	49,246	50,893
Deferred tax assets	16	2,132,134	2,244,779
Financial receivables	18	8,574,809	7,997,292
Prepayments, other receivables and other assets	19	2,827,867	2,536,275
Contract assets	23	3,303,692	3,381,528
Derivative financial instruments	20	259,052	303,801
Pledged deposits	22	108,863	108,026
Total non-current assets		<u>67,691,058</u>	<u>65,099,916</u>
CURRENT ASSETS			
Inventories	21	7,840,743	5,717,595
Trade and bills receivables	17	21,535,237	22,976,906
Prepayments, other receivables and other assets	19	5,438,373	4,464,901
Financial receivables	18	358,516	350,438
Derivative financial instruments	20	305,247	299,369
Financial assets at fair value through profit or loss	14	-	500,000
Other non-current financial assets	15	51,707	53,145
Pledged deposits	22	526,665	564,654
Contract assets	23	1,596,537	1,402,033
Cash and cash equivalents	22	5,044,943	7,709,224
		<u>42,697,968</u>	<u>44,038,265</u>
Assets of disposal groups classified as held for sale	26	1,227,875	-
Total current assets		<u>43,925,843</u>	<u>44,038,265</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
AT 30 JUNE 2021

	Notes	30 June 2021 (Unaudited) RMB'000	31 December 2020 (Audited) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	24	24,022,258	28,610,039
Other payables and accruals	25	12,433,998	10,949,195
Derivative financial instruments	20	64,052	275,858
Interest-bearing bank and other borrowings	27	5,955,340	5,612,238
Tax payable		397,215	413,531
Provision		2,450,813	1,983,972
		<u>45,323,676</u>	<u>47,844,833</u>
Liabilities directly associated with the assets classified as held for sale	26	<u>634,873</u>	<u>-</u>
Total current liabilities		<u>45,958,549</u>	<u>47,844,833</u>
NET CURRENT LIABILITIES		<u>(2,032,706)</u>	<u>(3,806,568)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>65,658,352</u>	<u>61,293,348</u>
NON-CURRENT LIABILITIES			
Trade payables	24	2,285,402	1,924,541
Other payables and accruals	25	407,203	494,663
Interest-bearing bank and other borrowings	27	24,194,276	19,942,934
Deferred tax liabilities	16	830,738	815,040
Provision		3,006,339	2,917,220
Government grants		207,095	211,007
Derivative financial instruments	20	554	-
Deferred income		14,653	14,653
Total non-current liabilities		<u>30,946,260</u>	<u>26,320,058</u>
Net assets		<u>34,712,092</u>	<u>34,973,290</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital	28	4,225,068	4,225,068
Reserves		29,695,368	29,943,184
		<u>33,920,436</u>	<u>34,168,252</u>
Non-controlling interests		791,656	805,038
Total equity		<u>34,712,092</u>	<u>34,973,290</u>

Wu Gang
Director

Cao Zhigang
Director

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Attributable to owners of the Company										Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Special reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Other equity instruments (Unaudited) RMB'000	Hedging reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000		
As at 1 January 2021	4,225,068	12,088,560	-	1,533,691	66,123	(32,686)	2,990,618	(96,457)	13,393,335	34,168,252	805,038	34,973,290
Profit for the period	-	-	-	-	-	-	-	-	1,848,524	1,848,524	51,180	1,899,704
Other comprehensive (expenses)/income for the period:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	2,749	-	-	-	-	2,749	-	2,749
Changes in fair value of debt instruments measured at fair value through other comprehensive income, net of tax	-	-	-	-	12,443	-	-	-	-	12,443	(30)	12,413
Cash flow hedges, net of tax	-	-	-	-	-	-	-	(123,833)	-	(123,833)	-	(123,833)
Hedges of net investment in foreign operations	-	-	-	-	-	-	-	158,807	-	158,807	-	158,807
Cost of fair value hedges, net of tax	-	-	-	-	-	-	-	10,465	-	10,465	-	10,465
Share of other comprehensive income of associates	-	38,319	-	-	-	-	-	-	-	38,319	-	38,319
Exchange differences on translation of foreign operations	-	-	-	-	-	(27,644)	-	-	-	(27,644)	(494)	(28,138)
Total comprehensive (expenses)/income for the period	-	38,319	-	-	15,192	(27,644)	-	45,439	1,848,524	1,919,830	50,656	1,970,486
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	18,994	18,994
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	4,900	4,900
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(49,877)	(49,877)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(12,243)	(12,243)	(14,055)	(26,298)
Final 2020 dividend declared	-	-	-	-	-	-	-	-	(1,056,267)	(1,056,267)	(24,000)	(1,080,267)
Transfer to special reserve	-	-	22,953	-	-	-	-	-	(22,953)	-	-	-
Utilisation of special reserve	-	-	(22,953)	-	-	-	-	-	22,953	-	-	-
Redemption of other equity instruments	-	-	-	-	-	-	(996,547)	-	-	(996,547)	-	(996,547)
Distribution of other equity instruments	-	-	-	-	-	-	-	-	(102,589)	(102,589)	-	(102,589)
At 30 June 2021	<u>4,225,068</u>	<u>*12,126,879</u>	<u>* -</u>	<u>*1,533,691</u>	<u>*81,315</u>	<u>*(60,330)</u>	<u>*1,994,071</u>	<u>*(51,018)</u>	<u>*14,070,760</u>	<u>33,920,436</u>	<u>791,656</u>	<u>34,712,092</u>

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2021

	Attributable to owners of the Company										Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) RMB'000
	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Special reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Other equity instruments (Unaudited) RMB'000	Hedging reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000		
As at 1 January 2020	4,225,068	12,091,099	-	1,438,513	25,384	(249,326)	1,993,618	(132,732)	11,283,497	30,675,121	1,549,128	32,224,249
Profit for the period	-	-	-	-	-	-	-	-	1,274,828	1,274,828	14,593	1,289,421
Other comprehensive (expenses)/income for the period:												
Changes in fair value of financial assets, net of tax	-	-	-	-	12,418	-	-	-	-	12,418	3	12,421
Cash flow hedges, net of tax	-	-	-	-	-	-	-	(44,819)	-	(44,819)	-	(44,819)
Release on disposal of subsidiaries(Note5)	-	-	-	-	-	-	-	264,223	-	264,223	-	264,223
Cost of fair value hedges, net of tax	-	-	-	-	-	-	-	(20,701)	-	(20,701)	-	(20,701)
Hedges of net investment in foreign operations	-	-	-	-	-	-	-	(758)	-	(758)	-	(758)
Share of other comprehensive income of associates	-	(44,902)	-	-	-	-	-	-	-	(44,902)	-	(44,902)
Exchange differences on translation of foreign operations	-	-	-	-	-	30,460	-	-	-	30,460	(1,218)	29,242
Total comprehensive (expenses)/income for the period	-	(44,902)	-	-	12,418	30,460	-	197,945	1,274,828	1,470,749	13,378	1,484,127
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	27,665	27,665
Cancellation of a subsidiary	-	-	-	-	-	-	-	-	-	-	(8,150)	(8,150)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(900)	(900)	(5,600)	(6,500)
Final 2019 dividend declared	-	-	-	-	-	-	-	-	(676,011)	(676,011)	-	(676,011)
Dividends declared to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(21,600)	(21,600)
Transfer of fair value reserve upon the disposal of equity investments at fair value through other comprehensive income	-	-	-	-	(19,413)	-	-	-	19,413	-	-	-
Transfer to special reserve	-	-	22,716	-	-	-	-	-	(22,716)	-	-	-
Utilisation of special reserve	-	-	(22,716)	-	-	-	-	-	22,716	-	-	-
Distribution of other equity instruments	-	-	-	-	-	-	-	-	(101,000)	(101,000)	-	(101,000)
At 30 June 2020	<u>4,225,068</u>	<u>*12,046,197</u>	<u>* -</u>	<u>*1,438,513</u>	<u>*18,389</u>	<u>*(218,866)</u>	<u>*1,993,618</u>	<u>*65,213</u>	<u>*11,799,827</u>	<u>31,367,959</u>	<u>1,554,821</u>	<u>32,922,780</u>

* As at 30 June 2021, these reserve accounts comprised the consolidated reserves of RMB29,695,368,000 (30 June 2020: RMB27,142,891,000) (unaudited) in the condensed consolidated statement of financial position.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

		For the six months ended 30 June	
	Notes	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,332,563	1,434,976
Adjustments for:			
Finance costs	7	503,220	438,773
Bank interest income		(117,737)	(150,238)
Share of profits of joint ventures		(246,851)	(221,117)
Share of profits of associates		(32,486)	(20,769)
Depreciation of property, plant and equipment and investment properties	6	854,881	695,034
Depreciation of right-of-use assets	6	69,749	39,615
Amortisation of other intangible assets	6	156,660	124,606
Gain on disposal of items of property, plant and equipment	5	(2,858)	(11,682)
Loss on disposal of items of property, plant and equipment and other intangible assets		3,280	792
Gain on disposal of investment properties	5	-	(19,193)
Gain on disposal of subsidiaries, including wind farm project companies	5	(254,667)	(264,708)
(Gain)/loss on cancellation and liquidation of subsidiaries		(5,341)	9,580
Gain on remaining equity interests in investees at the date of losing control	5	-	(775,356)
Gain on hold of financial assets at fair value through profit or loss	5	(8,725)	(27,766)
Dividend income from equity investments designated at fair value through other comprehensive income	5	(7,500)	(1,781)
Dividend income from other non-current financial assets	5	(10,889)	(29,620)
Gain on disposal of investment in an associate and joint ventures	5	(368,156)	(2,722)
Fair value losses/(gains), net:			
Derivative financial instruments	5	(77,830)	(29,621)
Unlisted equity investments	5	(47,999)	(51,422)
Listed equity investments	5	61,803	24,222
Wealth management products	5	-	(3,856)
Impairment of trade and other receivables	6	107,915	220,702
Impairment of contract assets	6	1,751	612
Impairment of other non-current financial assets	6	-	(92)
Impairment of financial receivables	6	1,714	6,880
Impairment of write-down of inventories to net realisable value	6	53,624	22,527
Impairment of property, plant and equipment	6	48,489	-
		<u>3,014,610</u>	<u>1,408,376</u>
Increase in inventories		(2,075,925)	(651,391)
Increase in contract assets		(329,337)	(168,711)
Decrease/(increase) in trade and bills receivables		977,300	(1,752,097)
Increase in prepayments, other receivables and other assets		(2,019,731)	(770,083)
Decrease in financial receivables		492,307	461,087
Decrease in trade and bills payables		(4,587,781)	(5,348,840)
Increase in other payables and accruals		296,795	8,343,141
Increase in provision		555,960	485,805
(Decrease)/increase in government grants and deferred revenue		(3,912)	33,470
Cash (used in)/generated from operations		<u>(3,679,714)</u>	<u>2,040,757</u>
Interest received		23,941	49,526
Income tax paid		<u>(432,859)</u>	<u>(421,625)</u>
Net cash flows (used in)/generated from operating activities		<u>(4,088,632)</u>	<u>1,668,658</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS - continued
FOR THE SIX MONTHS ENDED 30 JUNE 2021

		For the six months ended 30 June	
	Notes	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(3,226,222)	(2,194,799)
Purchases to other intangible assets		(95,540)	(18,051)
Purchases to right-of-use assets		(49,884)	(49,405)
Acquisition of subsidiaries, net of cash acquired	29	(559,093)	
Payment of purchase consideration payable for acquisition of subsidiaries in previous periods	29	(38,371)	(26,817)
Purchases of interests in joint ventures		(12,040)	(238,199)
Purchases of interests in associates		(525)	(24,000)
Purchases of equity investments designated at fair value through other comprehensive Income		(28,058)	(224,625)
Purchases of financial assets at fair value through profit or loss		(544,902)	(806,000)
Loans to third-parties		(12,796)	(60,247)
Purchases of other non-current financial assets		(12,900)	-
Proceeds from disposal of items of property, plant and equipment and other intangible assets		44,546	170,831
Disposal of subsidiaries, net of cash disposed of	30	602,795	1,275,469
Cash received on sales consideration receivable from disposal of subsidiaries in previous periods		-	763,487
Cash consideration received in advance on from disposal of subsidiaries		548,513	-
Decrease/(increase) in pledged time deposits		23,451	(43,586)
Dividends received from joint ventures and associates		554,289	36,936
Dividend received from equity investments at fair value through other comprehensive income	5	7,500	1,781
Dividend received from financial assets at fair value through profit or loss		10,889	3,500
Dividend received from other non-current financial assets		1,050	37,021
Proceeds from disposal of shareholding in joint ventures and associates		267,962	132,042
Proceeds from disposal of equity investments designated at fair value through other comprehensive income		-	28,083
Proceeds from disposal of financial assets at fair value through profit or loss		508,725	438,744
Proceeds from disposal of other non-current financial assets		-	140,000
Cash from other investments		11,275	8,882
Net cash flows used in investing activities		(1,999,336)	(648,953)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans and other borrowings		10,010,472	4,418,610
Repayment of bank loans and other borrowings		(4,964,782)	(4,506,087)
Interest paid		(535,626)	(444,255)
Capital contributions from non-controlling shareholders		18,994	27,665
Principal portion of lease liabilities payments		(129,892)	(62,975)
Fees for new bank and other borrowings		(12,378)	(18,240)
Acquisition of non-controlling interests in subsidiaries		-	(6,500)
Repayment of perpetual bonds		(1,000,000)	-
Dividends paid		(69,080)	(71,600)
Increase in amounts due to non-controlling shareholders		7,240	7,384
Cash received on sold of bills as collateral on securities lending		92,737	-
Increase in pledged time deposits		-	(30,765)
Net cash flows generated from/(used in) financing activities		3,417,685	(686,763)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(2,670,283)	332,942
Cash and cash equivalents at beginning of the period		7,705,323	6,807,417
Effect of foreign exchange rate changes, net		2,750	(95,195)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	22	5,037,790	7,045,164

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

1. CORPORATE AND GROUP INFORMATION

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

The Group is involved in the following principal activities:

- Research and development, manufacture and sale of wind turbine generators and wind power components;
- Wind farm construction, post-warranty service and asset management services, etc;
- 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 applicable; and
- Development and operation of water treatment plants and finance lease services.

The Company has no controlling shareholder.

2. BASIS OF PREPARATION AND CHANGES IN THE ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2021 have been prepared in accordance with International Accounting Standard 34 ("IAS 34") "Interim Financial Reporting" issued by the International Accounting Standards Board ("IASB") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the "Listing Rules").

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2020.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new amendments effective as of 1 January 2021 set out below. The Group has not early applied the new and amendments to International Financial Reporting Standards ("IFRSs") that have been issued but are not yet effective.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

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

2.2 Changes in accounting policies and disclosures - continued

Amendments to IFRS 16

Covid-19-Related Rent Concessions

Amendments to IFRS 9, IAS 39

IFRS 7, IFRS 4 and IFRS 16

Interest Rate Benchmark Reform – Phase 2

The application of the amendments to IFRSs in the current interim period has had no material impact on the Group's financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

3. OPERATING SEGMENT INFORMATION

The following tables present revenue and profit information about the Group's operating segments for the six months ended 30 June 2021 and 2020:

For the six months ended 30 June 2021

	Wind turbine generator manufacturing and sale (Unaudited) RMB'000	Wind power services (Unaudited) RMB'000	Wind farm investment and development (Unaudited) RMB'000	Others (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue:						
Revenue from external customers	12,872,363	1,644,632	2,780,356	555,428	-	17,852,779
Intersegment sales	1,323,080	301,157	10,093	124,101	(1,758,431)	-
Total revenue	14,195,443	1,945,789	2,790,449	679,529	(1,758,431)	17,852,779
Segment results:	490,691	(60,302)	2,053,251	526,986	(316,521)	2,694,105
Interest income	267,096	2,087	24,691	116,098	(268,294)	141,678
Finance costs	(170,188)	(74)	(525,244)	(60,590)	252,876	(503,220)
Profit before tax	587,599	(58,289)	1,552,698	582,494	(331,939)	2,332,563
Other segment information:						
Share of profits and losses of:						
Associates	5,535	(185)	6,650	20,486	-	32,486
Joint ventures	218	-	244,633	2,000	-	246,851
Depreciation and amortisation ⁽¹⁾	251,312	39,108	759,241	55,311	(2,116)	1,102,856
Impairment of inventories, net	53,624	-	-	-	-	53,624
Impairment of trade and other receivables, net	41,751	27,624	1,120	38,330	(910)	107,915
Impairment of contract assets, net	1,751	-	-	-	-	1,751
Impairment of financial receivables, net	-	-	-	(6,807)	8,521	1,714
Impairment of property, plant and equipment	-	-	48,489	-	-	48,489
Product warranty provision	1,050,333	-	-	-	(9,400)	1,040,933
Capital expenditure ⁽²⁾	341,160	27,876	2,751,986	1,698,082	(652,536)	4,166,568

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

3. OPERATING SEGMENT INFORMATION - continued

The following tables present revenue and profit information about the Group's operating segments for the six months ended 30 June 2021 and 2020:
- continued

For the six months ended 30 June 2020

	Wind turbine generator <u>manufacturing and sale</u> (Unaudited) RMB'000	Wind power <u>services</u> (Unaudited) RMB'000	Wind farm <u>investment and development</u> (Unaudited) RMB'000	<u>Others</u> (Unaudited) RMB'000	<u>Eliminations</u> (Unaudited) RMB'000	<u>Total</u> (Unaudited) RMB'000
Segment revenue:						
Revenue from external customers	14,565,637	2,227,595	2,100,895	471,985	-	19,366,112
Intersegment sales	958,810	290,419	93	105,795	(1,355,117)	-
Total revenue	15,524,447	2,518,014	2,100,988	577,780	(1,355,117)	19,366,112
Segment results:						
Interest income	41,133	(358,478)	1,578,535	216,834	245,487	1,723,511
Finance costs	233,964	3,435	48,925	118,849	(254,935)	150,238
	(87,952)	(21)	(462,685)	(104,556)	216,441	(438,773)
Profit before tax	187,145	(355,064)	1,164,775	231,127	206,993	1,434,976
Other segment information:						
Share of profits and losses of:						
Associates	(5,167)	(447)	14,135	12,248	-	20,769
Joint ventures	376	-	249,732	(28,991)	-	221,117
Depreciation and amortisation ⁽¹⁾	208,173	16,009	692,911	37,277	(47,248)	907,122
Impairment of inventories, net	22,527	-	-	-	-	22,527
Impairment of trade and other receivables, net	138,674	50,050	(8,272)	10,377	29,873	220,702
Impairment/(reversal) of contract assets, net	69	(308)	851	-	-	612
Impairment of financial receivables, net	-	-	6,810	70	-	6,880
Reversal of other non-current financial assets, net	-	-	(92)	-	-	(92)
Product warranty provision	538,919	-	-	-	(22,373)	516,546
Delayed operation expenses	-	-	327,079	-	-	327,079
Capital expenditure ⁽²⁾	225,130	417	2,242,480	56,959	(129,840)	2,395,146

- (1) Depreciation and amortisation mainly consists of depreciation and amortisation of property, plant and equipment, other intangible assets, investment properties, leasehold improvement and right-of-use assets.
- (2) Capital expenditure mainly consists of additions to property, plant and equipment, other intangible assets and right-of-use assets, including assets from the acquisition of subsidiaries.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

3. OPERATING SEGMENT INFORMATION - continued

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2021 and 31 December 2020:

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm investment and development RMB'000	Others RMB'000	Unallocations and eliminations RMB'000	Total RMB'000
Segment assets						
30 June 2021 (Unaudited)	83,392,393	7,657,098	59,406,215	26,974,833	(65,813,638)	111,616,901
31 December 2020 (Audited)	90,658,206	7,110,434	51,143,533	27,058,640	(66,832,632)	109,138,181
Segment liabilities						
30 June 2021 (Unaudited)	51,856,456	5,543,789	44,203,592	17,702,720	(42,401,748)	76,904,809
31 December 2020 (Audited)	57,673,808	4,878,992	37,050,014	18,213,989	(43,651,912)	74,164,891
Investments in joint ventures						
30 June 2021 (Unaudited)	3,530	-	4,774,332	20,406	-	4,798,268
31 December 2020 (Audited)	3,319	-	4,605,806	260,221	(62,037)	4,807,309
Investments in associates						
30 June 2021 (Unaudited)	483,809	10,000	532,600	557,047	-	1,583,456
31 December 2020(Audited)	481,601	10,185	538,896	573,128	(8,613)	1,595,197

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

3. OPERATING SEGMENT INFORMATION - continued

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
China	16,247,761	17,273,800
Other countries	1,605,018	2,092,312
	<u>17,852,779</u>	<u>19,366,112</u>

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

(b) Non-current assets

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
China	45,836,839	43,718,712
United States of America	104,561	111,585
Australia	4,406,451	4,437,087
Argentina	3,773,827	4,048,846
Germany	374,174	398,168
Other countries	101,397	10,063
	<u>54,597,249</u>	<u>52,724,461</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 six months ended 30 June 2021, revenues of approximately RMB2,445,861,000 were derived from sales by the wind farm investment and development to a single customer, including sales to a group of entities which are known to be under common control with that customer, which individually accounted for over 10% of the Group's total revenue.

For the six months ended 30 June 2020, revenues of approximately RMB1,965,968,000 were derived from sales by the wind farm investment and development to a single customer, including sales to a group of entities which are known to be under common control with that customer, which individually accounted for over 10% of the Group's total revenue.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>		
Sale of wind turbine generators and wind power components	12,872,363	14,565,637
Wind farm investment and development	2,780,356	2,100,895
Wind power services	1,644,632	2,227,595
Others	410,121	304,070
	<u>17,707,472</u>	<u>19,198,197</u>
<i>Revenue from other sources</i>		
Gross rental income	145,307	167,915
	<u>17,852,779</u>	<u>19,366,112</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2021 (Unaudited)

<u>Segments</u>	Sale of wind turbine generators and wind power components RMB'000	Wind farm investment and development RMB'000	Wind power services RMB'000	Others RMB'000	Total RMB'000
Type of goods or services					
Sale of wind turbine generators and wind power components	12,872,363	-	-	-	12,872,363
Wind farm investment and development	-	2,780,356	-	-	2,780,356
Wind power services	-	-	1,644,632	-	1,644,632
Others	-	-	-	410,121	410,121
Total revenue from contracts with customers	<u>12,872,363</u>	<u>2,780,356</u>	<u>1,644,632</u>	<u>410,121</u>	<u>17,707,472</u>
Geographical markets					
China	11,845,679	2,436,914	1,409,740	410,121	16,102,454
Other countries	1,026,684	343,442	234,892	-	1,605,018
Total revenue from contracts with customers	<u>12,872,363</u>	<u>2,780,356</u>	<u>1,644,632</u>	<u>410,121</u>	<u>17,707,472</u>
Timing of revenue recognition					
Goods transferred at a point in time	12,872,363	2,780,356	-	7,070	15,659,789
Services transferred over time	-	-	1,644,632	403,051	2,047,683
Total revenue from contracts with customers	<u>12,872,363</u>	<u>2,780,356</u>	<u>1,644,632</u>	<u>410,121</u>	<u>17,707,472</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

4. REVENUE - continued

Revenue from contracts with customers - continued

(i) Disaggregated revenue information - continued

For the six months ended 30 June 2020 (Unaudited)

<u>Segments</u>	<u>Sale of wind turbine generators and wind power components</u> RMB'000	<u>Wind farm investment and development</u> RMB'000	<u>Wind power services</u> RMB'000	<u>Others</u> RMB'000	<u>Total</u> RMB'000
Type of goods or services					
Sale of wind turbine generators and wind power components	14,565,637	-	-	-	14,565,637
Wind farm investment and development	-	2,100,895	-	-	2,100,895
Wind power services	-	-	2,227,595	-	2,227,595
Others	-	-	-	304,070	304,070
Total revenue from contracts with customers	<u>14,565,637</u>	<u>2,100,895</u>	<u>2,227,595</u>	<u>304,070</u>	<u>19,198,197</u>
Geographical markets					
China	14,166,648	1,920,190	714,977	304,070	17,105,885
Other countries	398,989	180,705	1,512,618	-	2,092,312
Total revenue from contracts with customers	<u>14,565,637</u>	<u>2,100,895</u>	<u>2,227,595</u>	<u>304,070</u>	<u>19,198,197</u>
Timing of revenue recognition					
Goods transferred at a point in time	14,565,637	2,100,895	-	29,042	16,695,574
Services transferred over time	-	-	2,227,595	275,028	2,502,623
Total revenue from contracts with customers	<u>14,565,637</u>	<u>2,100,895</u>	<u>2,227,595</u>	<u>304,070</u>	<u>19,198,197</u>

(ii) Performance obligation

Information about the Group's performance obligations is summarised below:

Sale of wind turbine generators and wind power components

The contracts with customers for the sales of wind turbine include one performance obligation, which is satisfied upon delivery of the control rights of goods.

Wind farm investment and development

The performance obligations are satisfied upon power transmission, and measured based on the volume of wind power transmitted and the applicable fixed tariff rates.

Wind power services

Wind power services include service-type warranties and construction services. Performance obligation of service-type warranties will be satisfied over the period during which the services are provided. The construction contracts between the Group and its customers usually include performance obligations for wind farm construction. The performance obligations are satisfied over time in accordance with the progress of construction.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

4. **REVENUE** - continued

Revenue from contracts with customers - continued

(ii) Performance obligation - continued

Others

The others revenue mainly engages in the operation of water treatment plants under the service concession arrangements, the performance obligations are satisfied over time in accordance with progress of service provided.

5. **OTHER INCOME AND GAINS, NET**

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

	For the six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Bank interest income	141,678	150,238
Dividend income from equity investments designated at fair value through other comprehensive income	7,500	1,781
Dividend income from other non-current financial assets	10,889	29,620
Gross rental income from investment properties and equipment	21,675	6,897
Government grants and deferred revenue	80,282	38,363
Value-added tax ("VAT") refund	50,760	32,886
Insurance compensation on product warranty expenditures	-	96,932
Provision of technical service	9,863	11,312
Gain on disposal of investments in joint ventures and associates(i)	368,156	2,722
Gain on disposal of subsidiaries:		
Gain on disposal of interests in subsidiaries(Note 30)	254,667	528,931
Loss previously reported in other comprehensive income	-	(264,223)
Gain on remaining equity interests in investees at the date of losing control	-	775,356
Gain on disposal of financial assets at fair value through profit or loss	8,725	27,766
Gain on disposal of items of property, plant and equipment	2,858	11,682
Gain on disposal of investment properties	-	19,193
Fair value gains/(losses), net:		
Derivative financial instruments	77,830	29,621
Unlisted equity investments	47,999	51,422
Listed equity investments	(61,803)	(24,222)
Wealth management products	-	3,856
Others	19,343	19,510
	<u>1,040,422</u>	<u>1,549,643</u>

Note (i): For the six months ended 30 June 2021, the Group disposal 2.57% shares of JL Mag Rare-Earth Co., Ltd., The Group believes that it still has a significant impact on it, and the rest equity investment is accounted as an investment in associate.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

6. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Cost of inventories sold		10,308,058	12,820,871
Cost of wind power generation		767,301	605,699
Cost of wind power services		1,530,644	2,419,167
Cost of others		327,828	202,953
		<u>12,933,831</u>	<u>16,048,690</u>
Depreciation provided for:			
Property, plant and equipment	11	854,743	694,515
Right-of-use assets	12	69,749	39,615
Investment properties		138	519
		<u>924,630</u>	<u>734,649</u>
Amortisation of other intangible assets		<u>156,660</u>	<u>124,606</u>
Impairment of trade receivables	17	120,535	233,748
Reversal of impairment of trade receivables	17	(21,057)	(67,582)
		<u>99,478</u>	<u>166,166</u>
Impairment of other receivables	19	12,566	58,346
Reversal of impairment of other receivables	19	(4,129)	(3,810)
		<u>8,437</u>	<u>54,536</u>
Impairment of financial receivables	18	3,407	6,910
Reversal of impairment of financial receivables	18	(1,693)	(30)
		<u>1,714</u>	<u>6,880</u>
Impairment of contract assets	23	5,290	2,802
Reversal of impairment of contract assets	23	(3,539)	(2,190)
		<u>1,751</u>	<u>612</u>
Impairment of other non-current financial assets		-	47
Reversal of impairment of other non-current financial assets		-	(139)
		<u>-</u>	<u>(92)</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

6. PROFIT BEFORE TAX - continued

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

	Note	For the six months ended 30 June	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Impairment of property, plant and equipment	11	48,489	-
Impairment of inventories		53,624	22,527
Auditor's remuneration		2,100	1,651
Employee benefit expenses (including directors', supervisors' and the chief executive's remuneration):			
Wages and salaries		1,112,977	866,396
Pension scheme contributions (defined contribution scheme)		73,704	70,096
Welfare and other expenses		130,962	123,173
		<u>1,317,643</u>	<u>1,059,665</u>
Research and development costs:			
Staff costs		288,577	224,573
Amortisation and depreciation		51,674	62,601
Materials expenditure and others		172,766	136,511
		<u>513,017</u>	<u>423,685</u>
Product warranty provision:			
Additional provision		1,358,613	793,753
Reversals of unutilised provision		(317,680)	(277,207)
		<u>1,040,933</u>	<u>516,546</u>
Delayed operation expenses (Note)		-	327,079

Note:

During the period from 1 January 2020 to 30 June 2020, as a result of the delay in the commercial operation date as agreed in the power purchase agreements signed with the local power grid company, certain subsidiaries of the Group undertook the delayed operation expenses amounting to RMB327,079,000 to local power grid company.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

7. FINANCE COSTS

	For the six months ended 30 June	
	2021	2020
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Interest on bank loans and other borrowings	532,948	476,064
Interest on lease liabilities	82,786	33,432
Less: Interest capitalised	(112,514)	(70,723)
	<u>503,220</u>	<u>438,773</u>

8. INCOME TAX EXPENSE

The Company and eight subsidiaries of the Company (31 December 2020: the Company and eight subsidiaries of the Company) have been identified as "high and new technology enterprises" and were entitled to preferential income tax at a rate of 15% for the six months ended 30 June 2021 in accordance with the PRC Corporate Income Tax Law.

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

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

During the period from 1 January 2019 to 31 December 2021, for certain subsidiaries of the Company in China which are small and micro-sized enterprises, the following Tax policy applies: for annual income amount of RMB1 million or below, the taxable income amount should be computed at 25% of the annual income and subject to a tax rate of 20%; for annual income amount of over RMB1 million but does not exceed RMB3 million, the taxable income amount should be computed at 50% of the annual income and subject to a tax rate of 20%.

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

Certain subsidiaries of the Company in overseas countries are subject to corporate income tax at a rate varying from 10% to 35% (for the six months ended 30 June 2020: 10% to 34%).

Hong Kong profits tax has been provided at the rate of 16.5% (for the six months ended 30 June 2020: 16.5%) on the estimated assessable profits arising in Hong Kong, China during the year.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

8. INCOME TAX EXPENSE - continued

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

	Note	For the six months ended 30 June	
		2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Current		646,040	297,955
Deferred	16	(213,181)	(152,400)
Tax charge for the period		<u>432,859</u>	<u>145,555</u>

9. DIVIDENDS

The proposed final cash dividends of RMB2.5 (tax included) per each 10 shares, which amounted to RMB1,056,267,000 of cash dividends for the year ended 31 December 2020, were approved by the Company's shareholders on 28 June 2021.

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2021 (six months ended 30 June 2020: Nil).

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

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

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2021 and 2020.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

10. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY - continued

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

	For the six months ended 30 June	
	<u>2021</u>	<u>2020</u>
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Profit attributable to ordinary equity holders of the Company	1,848,524	1,274,828
Less: distribution relating to the perpetual medium-term notes (i)	(102,589)	(50,224)
Profit used to determine basic earnings per share	<u>1,745,935</u>	<u>1,224,604</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,225,068</u>	<u>4,225,068</u>
Basic and diluted earnings per shares (expressed in RMB per share)	0.41	0.29

- (i) The long-term option-embedded medium-term notes (the "Perpetual Medium-term Notes") issued by the Company in May 2016 (redeemed in May 2021), September 2016, December 2018 and August 2020 were classified as other equity instruments with deferrable cumulative interest distribution and payment. The interest from Perpetual Medium-term Notes which has been generated but not yet declared, from 1 January 2021 to 30 June 2021 and from 1 January 2020 to 30 June 2020, was deducted from earnings when calculating the earnings per share for the six months ended 30 June 2021 and 2020.

11. PROPERTY, PLANT AND EQUIPMENT

	Notes	For the six months ended 30 June 2021 (Unaudited) RMB'000	Year ended 31 December 2020 (Audited) RMB'000
At beginning of the period/year		33,380,435	29,010,372
Additions		2,855,438	8,122,839
Disposals		(10,692)	(162,438)
Depreciation provided for the period/year	6	(854,743)	(1,615,683)
Acquisition of subsidiaries	29	7,390	574,953
Disposal of subsidiaries	30	(1,262,886)	(1,858,329)
Transfer to right-of-use assets	12	(133,400)	(320,925)
Transfer to assets classified as held for sale	26	(803,292)	-
Unrealized gains for the period/year		(42,901)	(12,368)
Impairment	6	(48,489)	(151,532)
Exchange realignment		(188,091)	(206,454)
At end of the period/year		<u>32,898,769</u>	<u>33,380,435</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

12. LEASES

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period are as follows:

	Notes	For the six months ended 30 June 2021 (Unaudited) RMB'000	Year ended 31 December 2020 (Audited) RMB'000
At beginning of the period/year		2,614,810	1,169,505
New leases		67,546	935,029
Depreciation provided during the period/year	6	(69,749)	(131,337)
Acquisition of a subsidiary		-	472,173
Disposals of subsidiaries	30	(19,087)	(102,373)
Transfer from property, plant and equipment	11	133,400	320,925
Transfer to assets of disposal groups classified as held for sale	26	(12,826)	-
Others		-	(482)
Exchange realignment		(19,564)	(48,630)
At end of the period/year		2,694,530	2,614,810

(b) Lease liabilities

The carrying amount of lease liabilities (included under interest-bearing bank and other borrowings) and the movements during the period are as follows:

	Note	For the six months ended 30 June 2021 (Unaudited) RMB'000	Year ended 31 December 2020 (Audited) RMB'000
At beginning of the period/year		2,118,308	779,626
New leases		225,775	1,035,361
Accretion of interest recognised during the period/ year		82,786	79,997
Acquisition of a subsidiary		-	472,173
Disposals of a subsidiary	30	(10,636)	(101,587)
Payments		(209,790)	(144,929)
Exchange realignment		(8,673)	(2,333)
At end of the period/year		2,197,770	2,118,308
Analysed into:			
Current portion		153,755	213,783
Non-current portion		2,044,015	1,904,525

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

13. EQUITY INVESTMENTS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Unlisted equity investments	280,954	249,179

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Investment in Limited Partnership(Note)	997,224	500,000
Listed equity investments, at fair value	290,578	354,150
Unlisted equity investments, at fair value	378,105	237,330
Wealth management products, at fair value	-	500,000
Other	22,844	-
	1,688,751	1,591,480
Portion classified as non-current portion	(1,688,751)	(1,091,480)
Current portion	-	500,000

Note: As at 30 June 2021, the investment in Three Gorges Clean Energy Fund as a limited partner of RMB505,000,000 constitutes a connected transaction of the Group.

15. OTHER NON-CURRENT FINANCIAL ASSETS

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Corporate bonds	51,757	53,195
Debt investments	49,296	50,944
	101,053	104,139
Provision for other non-current financial assets	(100)	(101)
	100,953	104,038
Portion classified as non-current assets	(49,246)	(50,893)
Current portion	51,707	53,145

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15. OTHER NON-CURRENT FINANCIAL ASSETS - continued

The movements in the provision for other non-current financial assets are as follows:

	For the six months ended 30 June 2021 RMB'000	Year ended 31 December 2020 RMB'000
At beginning of the period/year	101	306
Impairment losses recognised	-	-
Impairment losses reversed	-	(206)
Exchange rate movement	(1)	1
At end of the period/year	<u>100</u>	<u>101</u>

In December 2016, the Company subscribed for the 2016 corporate bonds issued by Xinjiang New Energy (Group) Co., Ltd. with an aggregate principal amount of RMB50,000,000, maturing in December 2021 with an applicable interest rate of 5.1% per annum. The issue price for each of the corporate bonds is RMB100.

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16. DEFERRED TAX

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

For the six months ended 30 June 2021

Deferred tax assets

	Provision for impairment of assets (Unaudited) RMB'000	Tax losses (Unaudited) RMB'000	Provisions and accruals (Unaudited) RMB'000	Government grants received not yet recognised as income (Unaudited) RMB'000	Unrealised gains arising from intra-group sales (Unaudited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income/ profit or loss (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 1 January 2021	393,384	596,153	1,075,782	28,055	412,568	42,327	17,368	2,565,637
Deferred tax (charged)/ credited to profit or loss during the period (Note 8)	5,590	80,310	(10,236)	(2,273)	64,172	3,916	10,766	152,245
Deferred tax credited to other comprehensive income during the period	-	-	-	-	-	3,545	-	3,545
Deferred tax generated from acquisition of subsidiaries(Note 29)	26,770	-	-	-	-	-	9,878	36,648
Disposal of subsidiaries(Note 30)	(1,938)	-	-	-	-	-	-	(1,938)
At 30 June 2021	<u>423,806</u>	<u>676,463</u>	<u>1,065,546</u>	<u>25,782</u>	<u>476,740</u>	<u>49,788</u>	<u>38,012</u>	<u>2,756,137</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

16. DEFERRED TAX - continued

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

For the six months ended 30 June 2021 - continued

Deferred tax liabilities

	Excess of fair values of identifiable assets over carrying values arising from acquisition of subsidiaries (Unaudited) RMB'000	Depreciation of assets (Unaudited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income/profit or loss (Unaudited) RMB'000	Service concession arrangements (Unaudited) RMB'000	Discount of long-term payables (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 1 January 2021	475,673	2,513	110,563	177,687	55,901	313,561	1,135,898
Deferred tax (credited)/charged to profit or loss during the period (Note 8)	(29,510)	(490)	11,167	30,540	(4,430)	(68,213)	(60,936)
Deferred tax charged to other comprehensive income during the period	-	-	44,378	-	-	-	44,378
Deferred tax generated from acquisition of subsidiaries(Note 29)	256,143	-	-	84,775	-	-	340,918
Disposal of subsidiaries(Note 30)	(17,323)	-	-	-	-	-	(17,323)
Exchange realignment	1,479	-	7,937	-	-	2,390	11,806
At 30 June 2021	<u>686,462</u>	<u>2,023</u>	<u>174,045</u>	<u>293,002</u>	<u>51,471</u>	<u>247,738</u>	<u>1,454,741</u>

As at 30 June 2021 and 31 December 2020, the deferred tax assets and deferred tax liabilities of the group after offset amount was as follows:

	<u>As at 30 June 2021</u> (Unaudited) RMB'000	<u>As at 31 December 2020</u> (Audited) RMB'000
Deferred tax assets	2,132,134	2,244,779
Deferred tax liabilities	(830,738)	(815,040)

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FOR THE SIX MONTHS ENDED 30 JUNE 2021

16. DEFERRED TAX - continued

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

For the year ended 31 December 2020

Deferred tax assets

	Provision for impairment of assets (Audited) RMB'000	Tax losses (Audited) RMB'000	Provisions and accruals (Audited) RMB'000	Government grants received not yet recognised as income (Audited) RMB'000	Unrealised gains arising from intra-group sales (Audited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income/ profit or loss (Audited) RMB'000	Others (Audited) RMB'000	Total (Audited) RMB'000
At 1 January 2020	265,509	296,721	728,892	24,363	499,778	-	49,007	1,864,270
Deferred tax (charged)/credited to profit or loss during the year	125,193	299,432	346,890	3,692	(87,210)	(9,239)	(31,639)	647,119
Deferred tax credited to other comprehensive income during the year	-	-	-	-	-	51,566	-	51,566
Deferred tax generated from acquisition of a subsidiary	2,682	-	-	-	-	-	-	2,682
At 31 December 2020	393,384	596,153	1,075,782	28,055	412,568	42,327	17,368	2,565,637

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

16. DEFERRED TAX - continued

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

For the year ended 31 December 2020 - continued

Deferred tax liabilities

	Excess of fair values of identifiable assets over carrying values arising from acquisition of <u>subsidiaries</u> (Audited) RMB'000	Depreciation <u>of assets</u> (Audited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive <u>income/profit or loss</u> (Audited) RMB'000	Service concession <u>arrangements</u> (Audited) RMB'000	Discount of <u>long-term payables</u> (Audited) RMB'000	<u>Others</u> (Audited) RMB'000	<u>Total</u> (Audited) RMB'000
At 1 January 2020	463,543	21,837	128,193	150,728	51,277	132,159	947,737
Deferred tax (credited)/ charged to profit or loss during the year	12,130	4,139	(52,490)	26,959	4,624	120,238	115,600
Deferred tax charged to other comprehensive income during the year	-	-	34,860	-	-	-	34,860
Deferred tax generated from acquisition of a subsidiary	42,694	-	-	-	-	-	42,694
Disposal of a subsidiary	-	(23,463)	-	-	-	-	(23,463)
Exchange realignment	(42,694)	-	-	-	-	61,164	18,470
At 31 December 2020	<u>475,673</u>	<u>2,513</u>	<u>110,563</u>	<u>177,687</u>	<u>55,901</u>	<u>313,561</u>	<u>1,135,898</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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17. TRADE AND BILLS RECEIVABLES

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Trade receivables	22,185,453	22,056,522
Bills receivable	686,688	2,161,393
	<u>22,872,141</u>	<u>24,217,915</u>
Provision for impairment	(1,336,904)	(1,241,009)
	<u>21,535,237</u>	<u>22,976,906</u>

The Group's trading terms with its customers are mainly on credit, except for new customers, where payment in advance is normally required. The credit period is generally one month, extending up to three months for major customers. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

As part of its normal business, the Group endorsed or discounted bills receivable accepted by banks, bills receivable are held within a business model whose objective is achieved by both collecting contractual cash flows and selling bills receivable. Therefore, the Group has classified bills receivable presented in trade and bills receivable as at 30 June 2021 amounting RMB686,688,000 (31 December 2020: RMB2,161,393,000) as debt investments measured at fair value through other comprehensive income, but still listed as trade and bills receivables.

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

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Within 3 months	5,798,491	9,480,752
3 to 6 months	3,566,402	4,268,961
6 months to 1 year	5,569,969	3,674,685
1 to 2 years	4,460,920	4,096,594
2 to 3 years	1,559,938	985,538
Over 3 years	579,517	470,376
	<u>21,535,237</u>	<u>22,976,906</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

17. TRADE AND BILLS RECEIVABLES - continued

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

	<u>Note</u>	For the six months ended <u>30 June 2021</u> (Unaudited) RMB'000	Year ended 31 December <u>2020</u> (Audited) RMB'000
At beginning of the period/year		1,241,009	1,192,071
Impairment losses recognised	6	120,535	204,962
Impairment losses reversed	6	(21,057)	(142,891)
Amounts written off as uncollectible		-	(7,417)
Exchange realignment		(3,583)	(5,716)
At end of the period/year		<u>1,336,904</u>	<u>1,241,009</u>

The amount due from beneficial shareholders, Xinjiang Wind Power Company Limited ("Xinjiang Wind Power") (新疆風能有限責任公司) and China Three Gorges New Energy Co., Ltd. (中國三峽新能源有限公司) and the amounts due from the Group's joint ventures and associates included in the Group's trade and bills receivables are as follows:

	As at <u>30 June 2021</u> (Unaudited) RMB'000	As at <u>31 December 2020</u> (Audited) RMB'000
Beneficial shareholders of the Company	1,409,696	966,186
Joint ventures	80,583	56,787
Associates	34,670	14,812
	<u>1,524,949</u>	<u>1,037,785</u>

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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18. FINANCIAL RECEIVABLES

	As at <u>30 June 2021</u> (Unaudited) RMB'000	As at <u>31 December 2020</u> (Audited) RMB'000
Receivables for service concession agreements	4,603,355	3,689,072
Receivables for finance lease services	3,773,832	4,102,350
Accrued VAT on finance lease receivables	365,548	414,928
Loans to joint ventures	217,130	166,254
Provision for impairment	(26,540)	(24,874)
	<u>8,933,325</u>	<u>8,347,730</u>
Portion classified as non-current assets	(8,574,809)	(7,997,292)
Current portion	<u>358,516</u>	<u>350,438</u>

Receivables for service concession agreements arose from service concession contracts to build and operate water treatment plants and were recognised to the extent that the Group has an unconditional right to receive cash from or at the direction of the Group.

Receivables for finance lease services arose from finance lease contracts to lease equipment to customers and were recognised to the extent that the Group has the right to collect rental income from customers.

The movements in the loss allowance for impairment of financial receivables based on 12-month ECL are as follows:

	<u>Note</u>	For the six months ended <u>30 June 2021</u> (Unaudited) RMB'000	Year ended <u>31 December</u> <u>2020</u> (Audited) RMB'000
At beginning of the period/year		24,874	20,845
Impairment losses recognised	6	3,407	12,466
Impairment losses reversed	6	(1,693)	(8,411)
Exchange realignment		(48)	(26)
At end of the period/year		<u>26,540</u>	<u>24,874</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	<u>Note</u>	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Advances to suppliers		1,729,339	1,723,314
Prepayments		598,827	684,900
Deductible VAT		3,449,438	2,772,234
Deposits and other receivables		2,660,274	2,009,385
		8,437,878	7,189,833
Impairment allowance		(171,638)	(188,657)
		8,266,240	7,001,176
Portion classified as non-current assets	(i)	(2,827,867)	(2,536,275)
Current portion		5,438,373	4,464,901

- (i) The non-current portion of deposits and other receivables mainly represented advances to suppliers and non-current deductible input VAT at 30 June 2021 and 31 December 2020.

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

	<u>Note</u>	For the six months ended 30 June 2021 (Unaudited) RMB'000	Year ended 31 December 2020 (Audited) RMB'000
At beginning of the period/year		188,657	108,615
Impairment losses recognised	6	12,566	98,528
Impairment losses reversed	6	(4,129)	(15,313)
Amounts written off as uncollectible		(33,721)	-
Exchange realignment		8,265	(3,173)
At end of the period/year		171,638	188,657

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS - continued

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

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Beneficial shareholders of the Company	57,363	-
Joint ventures	268,426	281,329
Associates	7,739	55,594
	<u>333,528</u>	<u>336,923</u>

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

20. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2021 <u>Assets</u> (Unaudited) RMB'000	As at 31 December 2020 <u>Assets</u> (Audited) RMB'000
Forward currency contracts - not designated for hedge purposes	79,918	9,426
Forward currency contracts - designated for hedge purposes	396,104	433,831
Call option	88,277	159,913
	<u>564,299</u>	<u>603,170</u>
Portion classified as non-current:		
Forward currency contracts - not designated for hedge purposes	(402)	(1,311)
Forward currency contracts - designated for hedge purposes	(170,373)	(213,349)
Call option	(88,277)	(89,141)
	<u>(259,052)</u>	<u>(303,801)</u>
Current portion	<u>305,247</u>	<u>299,369</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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20. DERIVATIVE FINANCIAL INSTRUMENTS - continued

	As at 30 June 2021 <u>Liabilities</u> (Unaudited) RMB'000	As at 31 December 2020 <u>Liabilities</u> (Audited) RMB'000
Forward currency contracts - not designated for hedge purposes	6,137	20,371
Forward currency contracts - designated for hedge purposes	58,469	226,071
Interest rate swaps - not designated for hedge purposes	-	17,396
Interest rate swaps - designated for hedge purposes	-	12,020
	<u>64,606</u>	<u>275,858</u>
Portion classified as non-current:		
Forward currency contracts - not designated for hedge purposes	(554)	-
	<u>(554)</u>	<u>-</u>
Current portion	<u>64,052</u>	<u>275,858</u>

21. INVENTORIES

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Raw materials	2,355,425	1,683,268
Work in progress, finished and semi-finished goods	5,422,330	4,027,324
Low-value consumables and others	62,988	7,003
	<u>7,840,743</u>	<u>5,717,595</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Cash and bank balances	5,625,600	8,238,497
Time deposits	54,871	143,407
	<u>5,680,471</u>	<u>8,381,904</u>
Less: Pledged for:		
- Bank loans, letters of credit, bills issued and others	(172,069)	(67,860)
- Provision for risk and mandatory reserve deposits	(463,459)	(604,820)
	<u>(635,528)</u>	<u>(672,680)</u>
Cash and cash equivalents in the condensed consolidated statement of financial position	5,044,943	7,709,224
Less: Non-pledged time deposits with original maturity of more than three months when acquired	(7,153)	(3,901)
Cash and cash equivalents in the condensed consolidated statement of cash flows	<u>5,037,790</u>	<u>7,705,323</u>
Pledged deposits	635,528	672,680
Portion classified as non-current assets	(108,863)	(108,026)
Current portion	<u>526,665</u>	<u>564,654</u>
Cash and cash equivalents and pledged deposits denominated in:		
- RMB	5,322,037	7,509,931
- Australian dollar	56,648	100,127
- United States dollar	102,783	269,174
- Euro	22,374	349,939
- Hong Kong dollar	13,326	12,038
- Argentine peso	82,112	1,846
- Other currencies	81,191	138,849
	<u>5,680,471</u>	<u>8,381,904</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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23. CONTRACT ASSETS

	Notes	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Contract assets arising from:			
Retention receivables on the sale of wind turbines	(i)	3,397,609	3,448,783
Construction services	(ii)	1,341,861	1,012,525
Services concession arrangement		170,520	330,006
		<u>4,909,990</u>	<u>4,791,314</u>
Impairment		<u>(9,761)</u>	<u>(7,753)</u>
		<u>4,900,229</u>	<u>4,783,561</u>
Portion classified as non-current assets		<u>(3,303,692)</u>	<u>(3,381,528)</u>
Current portion		<u>1,596,537</u>	<u>1,402,033</u>

(i) For retention money receivables, the due dates usually range from two to five years after the completion of commissioning for wind turbines.

(ii) Contract assets are initially recognised for revenue earned from the provision of construction services. Upon billing of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables.

The movements in the loss allowance for impairment of contract assets are as follows:

	Note	For the six months ended 30 June 2021 (Unaudited) RMB'000	Year ended 31 December 2020 (Audited) RMB'000
At beginning of period/year		7,753	8,040
Impairment losses recognised	6	5,290	3,886
Impairment losses reversed	6	(3,539)	(3,474)
Exchange realignment		257	(699)
At end of period/year		<u>9,761</u>	<u>7,753</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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24. TRADE AND BILLS PAYABLES

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Trade payables	18,500,123	18,743,809
Bills payable	7,807,537	11,790,771
	<u>26,307,660</u>	<u>30,534,580</u>
Portion classified as non-current liabilities	(2,285,402)	(1,924,541)
Current portion	<u>24,022,258</u>	<u>28,610,039</u>

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

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

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Within 3 months	12,469,664	15,734,244
3 to 6 months	7,036,827	8,001,180
6 months to 1 year	2,634,633	2,884,827
1 to 2 years	1,718,537	1,592,466
2 to 3 years	1,384,940	1,127,959
Over 3 years	1,063,059	1,193,904
	<u>26,307,660</u>	<u>30,534,580</u>

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

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Beneficial shareholders of the Company	361	227
Joint ventures	4,499	5,823
Associates	270,478	159,394
	<u>275,338</u>	<u>165,444</u>

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24. TRADE AND BILLS PAYABLES - continued

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

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

25. OTHER PAYABLES AND ACCRUALS

	<u>Note</u>	As at <u>30 June 2021</u> (Unaudited) RMB'000	As at <u>31 December 2020</u> (Audited) RMB'000
Receipt in advance		8,552	6,694
Contract liabilities		7,832,234	8,373,914
Accrued salaries, wages and benefits		731,235	892,447
Other taxes payable		308,645	391,675
Dividends payable		1,195,573	81,797
Payable for equity transfer		1,162,865	239,669
Others		1,602,097	1,457,662
		<u>12,841,201</u>	<u>11,443,858</u>
Portion classified as non-current liabilities	(i)	<u>(407,203)</u>	<u>(494,663)</u>
Current portion		<u>12,433,998</u>	<u>10,949,195</u>

- (i) The non-current portion of other payables mainly represented output VAT to be recognized, guaranteed deposit and finance lease payable born by the Group as at 30 June 2021 (31 December 2020: output VAT to be recognized, guaranteed deposit and finance lease payable).

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

	As at <u>30 June 2021</u> (Unaudited) RMB'000	As at <u>31 December 2020</u> (Audited) RMB'000
Beneficial shareholders of the Company	380,143	643,913
Joint ventures	188,940	157,044
Associates	7,404	5,383
	<u>576,487</u>	<u>806,340</u>

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

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26. ASSETS OF DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE/LIABILITIES DIRECTLY ASSOCIATED WITH THE ASSETS CLASSIFIED AS HELD FOR SALE

On 18 June 2021, Beijing Tianrun New Energy Investment Co., Ltd. ("Beijing Tianrun"), a wholly-owned subsidiary of the Company, entered into the equity transfer agreement with Three Gorges Clean Energy Equity Investment Fund (Tianjin) Partnership (Limited Partnership) ("Three Gorges Clean Energy Fund") and its sub-fund Ruiqing (Tianjin) Industrial Investment Fund Partnership (Limited Partnership) ("Ruiqing Fund") in relation to the transfer of the 100% equity interests in Hami Xintian Energy Co., Ltd ("Hami Xintian") in which Beijing Tianrun will dispose 0.01% equity interests in Hami Xintian to Three Gorges Clean Energy Fund and 99.99% equity interests in Hami Xintian to the Ruiqing Fund.

The total consideration was RMB731,350,000 for equity transfer. As at 30 June 2021, the Group has received prepaid consideration of RMB548,513,000. The above equity transfer and settlement procedures have not been completed, but a legally binding agreement has been signed. The above transaction is expected to be completed within one year, so the assets and liabilities of Hami Xintian were classified as assets and liabilities held for sale. On July 2021, both parties have completed the equity delivery procedures.

The specific details of the disposal group held for sale by the Group are as follows:

	Notes	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Cash and cash equivalents		10,434	-
Trade and bills receivables		381,671	-
Prepayments, other receivables and other assets		19,207	-
Property, plant and equipment	11	803,292	-
Right-of-use assets	12 (a)	12,826	-
Other intangible assets		445	-
Assets classified as held for sale		<u>1,227,875</u>	<u>-</u>
Tax payable		3,014	-
Interest-bearing bank and other borrowings		<u>631,859</u>	<u>-</u>
Liabilities classified as held for sale		<u>634,873</u>	<u>-</u>
Net assets directly associated with the disposal group		<u>593,002</u>	<u>-</u>

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27. INTEREST-BEARING BANK AND OTHER BORROWINGS

	<u>As at 30 June 2021</u> (Unaudited) RMB'000	<u>As at 31 December</u> 2020 (Audited) RMB'000
Current		
Short-term bank loans:		
- Unsecured	1,666,440	2,487,543
- Secured	-	152,976
Current portion of long-term bank loans:		
- Unsecured	100,317	801,175
- Secured	3,891,700	1,656,628
Corporate bonds:		
- Secured	143,128	300,133
Lease liabilities:		
- Secured	153,755	213,783
	<u>5,955,340</u>	<u>5,612,238</u>
Non-current		
Long-term bank loans:		
- Unsecured	4,511,528	1,456,512
- Secured	17,638,733	16,581,897
Lease liabilities:		
- Secured	2,044,015	1,904,525
	<u>24,194,276</u>	<u>19,942,934</u>
	<u>30,149,616</u>	<u>25,555,172</u>
Interest-bearing bank and other borrowings are denominated in:		
- RMB	27,913,612	22,373,027
- Euro	56,275	95,861
- United States dollar	2,179,729	2,334,577
- Australian dollar	-	751,707
	<u>30,149,616</u>	<u>25,555,172</u>

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28. SHARE CAPITAL

	As at 30 June 2021 (Unaudited)		As at 31 December 2020 (Audited)	
	Number of shares	Value	Number of shares	Value
	'000	RMB'000	'000	RMB'000
Shares				
Issued and fully paid:				
A shares of RMB1.00 each	3,451,496	3,451,496	3,451,496	3,451,496
H shares of RMB1.00 each	773,572	773,572	773,572	773,572
	<u>4,225,068</u>	<u>4,225,068</u>	<u>4,225,068</u>	<u>4,225,068</u>

29. BUSINESS COMBINATIONS

During the period from 1 January 2021 to 30 June 2021, the following entities were acquired from independent third parties for the purpose of expanding business. Acquisitions of equity interests in these entities have been accounted for using the acquisition method of accounting effective from the dates when the entities were controlled by the Group. Details are as follows:

Company name	Acquisition date	Percentage of equity interests acquired	Cash consideration RMB'000	Revenue from the purchase date to the end of the year RMB'000	Net profit/(loss) from the purchase date to the end of the year RMB'000
Guodian Yinhe Water Co., Ltd ("Guodian Yinhe")	June 2021	100%	735,690	22,477	3,083
Rongcheng Yichen Sewage Treatment Co., Ltd ("Rongcheng Yichen")	January 2021	100%	116,327	11,835	1,516
Shandong Chengwu YingYuan Industrial Co., Ltd ("Shandong Chengwu")	January 2021	100%	58,370	7,014	59
Shanxi Tianchen Bangnuo New Energy Co., Ltd ("Shanxi Tianchen")	January 2021	100%	63,140	-	(13)
Tianjin Zhengfa New Energy Co., Ltd ("Tianjin Zhengfa")	June 2021	100%	4,000	-	-
Shanxi Yuhong New Energy Co., Ltd ("Shanxi Yuhong")	May 2021	100%	18,000	-	206
Nanyang Tongji Energy Technology Co., Ltd ("Nanyang Tongji")	January 2021	51%	5,100	-	-
			<u>1,000,627</u>	<u>41,326</u>	<u>4,851</u>

As of 30 June 2021, the fair value of the identifiable assets and liabilities of Guodian Yinhe, Rongcheng Yichen, Shandong Chengwu, Shanxi Tianchen, Tianjin Zhengfa, Shanxi Yuhong and Nanyang Tongji obtained in the merger can only be determined provisionally. Therefore, the Group recognizes and measures the business combination based on the determined temporary value. Adjustments to the provisional value of the above identifiable assets and liabilities, including any additional depreciation, amortisation and other gain or loss effects, if any, will be recognized within 12 months after the purchase date.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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29. BUSINESS COMBINATIONS - continued

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

	Notes	Fair value recognized on acquisition date RMB'000
Property, plant and equipment	11	7,390
Other intangible assets		1,283,819
Prepayments, other receivables and other assets		180,026
Cash and cash equivalents		22,949
Trade and bills receivable		116,414
Financial receivable		1,076,236
Inventories		288
Deferred tax assets	16	36,648
Interest-bearing bank and other borrowings		(1,015,897)
Trade and bills payables		(286,664)
Other payables and accruals		(75,359)
Deferred tax liabilities	16	(340,918)
Non-controlling interests		(4,900)
Total identifiable net assets at fair value		<u>1,000,032</u>
Goodwill		<u>595</u>
Total consideration		<u>1,000,627</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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29. BUSINESS COMBINATIONS - continued

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

	RMB'000
Cash consideration	1,000,627
Cash and cash equivalents paid during the current year	(582,042)
Cash and cash equivalents acquired	22,949
	<u>(559,093)</u>
Cash and cash equivalents paid for prior year transactions	<u>(38,371)</u>
Net outflow of cash and cash equivalents included in the condensed consolidated statement of cash flow for the six month ended 30 June 2021	<u>(597,464)</u>

Included in the gain for the year is RMB4,851,000 attributable to the additional business generated by Guodian Yinhe, Rongcheng Yichen, Shandong Chengwu, Shanxi Tianchen, Tianjin Zhengfa, Shanxi Yuhong and Nanyang Tongji. Revenue for the current interim period generated by above entities were RMB41,326,000. Had the acquisition of Guodian Yinhe, Rongcheng Yichen, Shandong Chengwu, Shanxi Tianchen, Tianjin Zhengfa, Shanxi Yuhong and Nanyang Tongji been completed on 1 January 2021, revenue for the current year of the Group would have been RMB17,979,687,000 and the profit for the current interim period would have been RMB1,881,815,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2021, nor is it intended to be a projection of future results.

30. DISPOSAL OF SUBSIDIARIES

On 28 February 2021, the Group disposed of its 100% equity of Ningbo Pingru Moteng Energy Technology Co., Ltd. to an independent third party for a cash consideration of RMB28,000,000.

On 30 April 2021, the Group disposed of its 100% equity of Oranage Creek Energy Pty Ltd . to an independent third party for a cash consideration of AUD 4,342,014(equivalent to RMB21,854,000).

On 1 May 2021, the Group disposed of its 100% equity of Jiangsu Xinqifeng New Energy Co., Ltd. to an independent third party for a cash consideration of RMB15,600,000.

On 1 May 2021, the Group disposed of its 100% equity of Fuyun Tianrun Wind Power Co., Ltd., Itay Liyuan Tianye Wind Power Generation Co., Ltd., Buerjin Tianrun New Energy Co., Ltd., Yiwu Tianrun Wind Power Co., Ltd. and its 51% equity of Xinjiang Jinshang Fengxiang Energy Investment Co., Ltd. to an independent third party for a cash consideration of RMB 558,996,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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30. DISPOSAL OF SUBSIDIARIES - continued

The net assets/liabilities of the subsidiaries disposed of during the period ended 30 June 2021 were as follows:

	<u>Notes</u>	<u>(Unaudited)</u> RMB'000
Net assets disposed of:		
Property, plant and equipment	11	1,262,886
Right-of-use assets	12 (a)	19,087
Other intangible assets		70,188
Inventories		65
Trade and bills receivables		491,363
Cash and cash equivalents		15,405
Deferred tax assets	16	1,938
Prepayments, other receivables and other assets		94,871
Trade and bills payables		(28,014)
Other payables and accruals		(410,782)
Interest-bearing bank and other borrowings		(1,069,388)
Lease liabilities	12 (b)	(10,636)
Deferred tax liabilities	16	(17,323)
Non-controlling interests		(49,877)
		<u>369,783</u>
	<u>Note</u>	<u>(Unaudited)</u> RMB'000
Net assets disposed of		369,783
Gain on disposal of subsidiaries	5	<u>254,667</u>
Total consideration		<u>624,450</u>
Satisfied:		
Cash		618,200
Advanced received, which has been accounted for as other payables and accruals, as at 31 December 2020		<u>6,250</u>
		<u>624,450</u>
Net cash inflow arising on disposal:		
Total cash consideration received		618,200
Bank balances and cash disposed of		<u>(15,405)</u>
		<u>602,795</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

31. CONTINGENT ASSETS/LIABILITIES

As at 30 June 2021 and 31 December 2020 contingent liabilities not provided for in the condensed consolidated financial statements were as follows:

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Letters of credit issued	3,373	5,197
Letters of guarantee issued	18,875,322	18,404,653
Guarantees given to banks in connection with bank loans granted to:		
Associates	415,604	429,606
A third party	234,429	244,763
	<u>19,528,728</u>	<u>19,084,219</u>

In 2015, Beijing Tianrun New Energy Investment Co., Ltd ("Beijing Tianrun") entered into an agreement with the creditor bank, Chifeng Jinneng New Energy Investment Co., Ltd. ("Chifeng Jinneng") and Chifeng Xinneng New Energy Investment Co., Ltd. ("Chifeng Xinneng"). According to the agreement, in the case where Chifeng Xinneng fails to repay the bank loans on schedule, Beijing Tianrun shall repurchase the entire share interest in Chifeng Xinneng, and the consideration equals a certain percentage of the net assets of Chifeng Xinneng at that time. As at 30 June 2021, Chifeng Xinneng made profit and the Directors are of the view that it could pay the principal and interest of relevant loans on schedule. Therefore, the risk exposure from above repurchase clause is insignificant.

As at 30 June 2021, certain subsidiaries of the Group undertook the delayed operation expenses provision of RMB346,265,000(as at 31 December 2020:RMB382,313,000) under the power purchase agreement as a result of the delay in the commercial operation date of its wind farms. Based on the information available on the approval date of these condensed consolidated financial statements, the Directors are of the view that the Group has the legal right to claim such expenses from its EPC contractor in accordance with EPC contract, and it is probable that their claim will be successful. However, the financial impact of this compensation income cannot be measured with sufficient reliability at the end of this reporting period. Hence, the Group has not recognized this contingent asset in these condensed consolidated financial statements.

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

As at 30 June 2021, the amount of the subject matter of the pending litigation formed by the Group as the defendant was RMB 2,243,860,000 (as at 31 December 2020: RMB 2,196,954,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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32. COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	As at 30 June 2021 (Unaudited) RMB'000	As at 31 December 2020 (Audited) RMB'000
Contracted, but not provided for property, plant and equipment and land use rights	8,833,653	4,555,172

33. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June	
	2021 (Unaudited) RMB'000	2020 (Unaudited) RMB'000
Continuing transactions		
Beneficial shareholders of the Company:		
Sales of wind turbine generators and spare parts	1,756,263	529,478
Provision of technical services	5,517	2,946
Other sales	300	66
Other expenses	750	650
Associates:		
Sales of wind turbine generators and spare parts	32	568
Sales of construction services	497	(102,636)
Purchases of spare parts	144,384	121,303
Purchases of processing services	22,035	99,203
Provision of technical services	28,515	25,508
Other expenses	50	4,037
Joint ventures:		
Sales of wind turbine generators and spare parts	1,810	2,188
Sales of construction services	13,565	639,067
Purchases of spare parts	4,303	4,532
Provision of technical services	47,296	53,885
Purchases of processing services	114	-
Other sales	-	10,511
Other expenses	55	361

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

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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33. RELATED PARTY TRANSACTIONS - continued

(b) Commitments with related parties

The amount of total transactions with related parties for the period is included in Note 33(a) to the condensed consolidated financial statements. The Group expects the total transactions with related parties as follows:

	The second <u>half of 2021</u> (Unaudited) RMB'000	Year ended 31 <u>December 2022</u> RMB'000
Continuing transactions		
Beneficial shareholders of the Company:		
Sales of wind turbine generators and spare parts	4,054,647	-
Associates:		
Provision of technical services	437	-
Purchases of spare parts	6,300	36,000
Jointly-controlled entities:		
Provision of technical services	<u>3,599</u>	<u>-</u>

(c) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in Notes 17, 19, 24 and 25 to these condensed consolidated financial statements.

(d) Compensation of key management personnel of the Group

	<u>For the six months ended 30 June</u>	
	<u>2021</u>	<u>2020</u>
	(Unaudited)	(Unaudited)
	RMB'000	RMB'000
Short term employee benefits	10,200	9,358
Pension scheme contributions	<u>254</u>	<u>117</u>
Total compensation paid to key management personnel	<u>10,454</u>	<u>9,475</u>

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33. RELATED PARTY TRANSACTIONS - continued

(e) Guarantee for related parties

<u>Guarantee</u>	<u>As at 30 June 2021</u> (Unaudited) RMB'000	<u>Guarantee period</u>
An associate	<u>299,660</u>	From 28 May 2018 to 21 July 2023
An associate	<u>115,943</u>	From 28 March 2019 to 28 March 2024
<u>Guarantee</u>	<u>As at 31 December 2020</u> (Audited) RMB'000	<u>Guarantee period</u>
An associate	<u>309,757</u>	From 28 May 2018 to 21 July 2023
An associate	<u>119,849</u>	From 28 March 2019 to 28 March 2024

The related party transactions with beneficial shareholders of the Company above also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

The main risks arising from the Group's financial instruments are fair value and cash flow interest rate risks, foreign currency risk, credit risk and liquidity risk.

As at 30 June 2021, the Group's net current liabilities amounted to approximately RMB2,033 million, its net cash outflow from operating activities was approximately RMB4,089 million, and its net cash outflow used in investing activities and net cash inflow from financing activities amounted to approximately RMB1,999 million and RMB3,418 million for period. The Group recorded a decrease in cash and cash equivalents (not including effect of foreign exchange rate changes) of approximately RMB2,670 million for the period.

The Group is dependent on its ability to maintain adequate cash inflow from operations, its ability to maintain existing external financing, and its ability to obtain new external financing to meet its debt obligations as they fall due and to meet its committed future capital expenditures. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. As at 30 June 2021, the Group had banking facilities with several banks and financial institutions for providing sufficient financing.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(a) Financial risk factors - continued

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool. This tool considers the maturity of both its financial instruments and financial assets (e.g., trade receivables) and projected cash flows from operations. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest bearing bank and other borrowings. The Group's policy is that not more than 70% of borrowings should mature in any 12-month period.

Under these circumstances, the Directors are of the opinion that the Group will be able to meet its liabilities as and when they fall due within the next 12-month and therefore have prepared these condensed consolidated financial statements on a going concern basis.

These condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2020 annual financial statements. There has not been any change in the risk management department or risk management policies since the year end of 2020.

(b) Financial instruments by category

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

Financial assets

	As at 30 June 2021			
	Financial assets at fair value through profit or loss RMB'000	Financial assets at fair value through other comprehensive income RMB'000	Financial assets at amortised cost RMB'000	Total RMB'000
Equity investments at fair value through other comprehensive income	-	280,954	-	280,954
Financial assets at fair value through profit or loss	1,688,751	-	-	1,688,751
Other non-current financial assets	-	-	100,953	100,953
Trade and bills receivables	-	686,688	20,848,549	21,535,237
Financial receivables	-	-	4,806,941	4,806,941
Financial assets included in prepayments, other receivables and other assets	-	-	2,456,821	2,456,821
Derivative financial instruments	465,954	98,345	-	564,299
Contract assets	-	-	3,564,746	3,564,746
Pledged deposits	-	-	635,528	635,528
Cash and cash equivalents	-	-	5,044,883	5,044,883
	<u>2,154,705</u>	<u>1,065,987</u>	<u>37,458,421</u>	<u>40,679,113</u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(b) Financial instruments by category - continued

Financial assets - continued

	As at 31 December 2020			<u>Total</u> RMB'000
	Financial assets at fair value through <u>profit or loss</u> RMB'000	Financial assets at fair value through other <u>comprehensive income</u> RMB'000	Financial assets at <u>amortised cost</u> RMB'000	
Equity investments at fair value through other comprehensive income	-	249,179	-	249,179
Financial assets at fair value through profit or loss	1,591,480	-	-	1,591,480
Other non-current financial assets	-	-	104,038	104,038
Trade and bills receivables	-	2,161,393	20,815,513	22,976,906
Financial receivables	-	-	3,848,521	3,848,521
Financial assets included in prepayments, other receivables and other assets	-	-	1,820,728	1,820,728
Derivative financial instruments	510,587	92,583	-	603,170
Contract assets	-	-	3,775,141	3,775,141
Pledged deposits	-	-	672,680	672,680
Cash and cash equivalents	-	-	7,709,154	7,709,154
	<u>2,102,067</u>	<u>2,503,155</u>	<u>38,745,775</u>	<u>43,350,997</u>

Financial liabilities

	As at 30 June 2021			<u>Total</u> RMB'000
	Financial liabilities at fair value through <u>profit or loss</u> RMB'000	Financial liabilities at fair value through other comprehensive <u>income</u> RMB'000	Financial liabilities at <u>amortised cost</u> RMB'000	
Trade and bills payables	-	-	26,307,660	26,307,660
Financial liabilities included in other payables and accruals	-	-	3,544,703	3,544,703
Derivative financial instruments	8,801	55,805	-	64,606
Interest-bearing bank and other borrowings	-	-	27,951,846	27,951,846
	<u>8,801</u>	<u>55,805</u>	<u>57,804,209</u>	<u>57,868,815</u>

	As at 31 December 2020			<u>Total</u> RMB'000
	Financial liabilities at fair value through <u>profit or loss</u> RMB'000	Financial liabilities at fair value through other comprehensive <u>income</u> RMB'000	Financial liabilities at <u>amortised cost</u> RMB'000	
Trade and bills payables	-	-	30,534,580	30,534,580
Financial liabilities included in other payables and accruals	-	-	1,305,737	1,305,737
Derivative financial instruments	37,767	238,091	-	275,858
Interest-bearing bank and other borrowings	-	-	23,436,864	23,436,864
	<u>37,767</u>	<u>238,091</u>	<u>55,277,181</u>	<u>55,553,039</u>

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34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(c) Fair value of financial instruments

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

	As at 30 June 2021		As at 31 December 2020	
	Carrying amounts	Fair values	Carrying amounts	Fair values
	RMB'000	RMB'000	RMB'000	RMB'000
Financial liabilities				
Interest-bearing bank and other borrowings, non-current portion	22,150,261	22,103,254	18,038,409	17,314,653

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, contract assets, trade and bills receivables, financial receivables, financial assets included in prepayments, other receivables and other assets, other non-current financial assets, trade and bills payables, financial liabilities included in other payables and accruals, the current portion of interest-bearing bank and other borrowings approximate to their carrying amounts.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the audit committee. At each reporting date, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

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

The fair values of pledged deposits, trade and bills receivables, financial receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 30 June 2021 was assessed to be insignificant.

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34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(c) Fair value of financial instruments - continued

The fair values of listed equity investments are based on quoted market prices. The fair value of unlisted equity investments designated at fair value through other comprehensive income have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The valuation requires the Directors to determine comparable public companies (peers) based on industry, size, leverage and strategy, and calculates an appropriate price multiple, such as enterprise value to earnings before interest, taxes, depreciation and amortisation ("EV/EBITDA") multiple and price to earnings ("P/E") multiple, for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by an earnings measure. The trading multiple is then discounted for considerations such as illiquidity and size differences between the comparable companies based on company-specific facts and circumstances. The discounted multiple is applied to the corresponding earnings measure of the unlisted equity investments to measure the fair value. The Directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the consolidated statement of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The Group invests in unlisted investments, which represent wealth management products issued by banks in China. The Group has estimated the fair value of these unlisted investments by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

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

As at 30 June 2021, the marked to market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(d) Fair value hierarchy of financial instruments

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

Assets measured at fair value:

	As at 30 June 2021			
	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	Total (Unaudited) RMB'000
Equity investments designated at fair value through other comprehensive income:				
Unlisted equity investments	-	-	280,954	280,954
Trade and bills receivables	-	686,688	-	686,688
	-	686,688	280,954	967,642
Financial assets at fair value through profit or loss:				
Investment in Limited Partnership	-	-	997,224	997,224
Listed equity investments	290,578	-	-	290,578
Unlisted equity investments	-	-	378,105	378,105
Others	-	-	22,844	22,844
	290,578	-	1,398,173	1,688,751
Derivative financial instruments:				
Forward currency contracts	-	476,022	-	476,022
Call option	-	-	88,277	88,277
	-	476,022	88,277	564,299
	290,578	1,162,710	1,767,404	3,220,692

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(d) Fair value hierarchy of financial instruments - continued

Assets measured at fair value - continued

	As at 31 December 2020			
	Fair value measurement using			
	Quoted prices in active markets (Level 1) RMB'000	Significant observable inputs (Level 2) RMB'000	Significant unobservable inputs (Level 3) RMB'000	Total RMB'000
Equity investments designated at fair value through other comprehensive income:				
Unlisted equity investments	-	-	249,179	249,179
Trade and bills receivables	-	2,161,393	-	2,161,393
	-	2,161,393	249,179	2,410,572
Financial assets at fair value through profit or loss:				
Investment in Limited Partnership	-	-	500,000	500,000
Listed equity investments	354,150	-	-	354,150
Unlisted equity investments	-	-	237,330	237,330
Wealth management products	-	500,000	-	500,000
	354,150	500,000	737,330	1,591,480
Derivative financial instruments:				
Foreign exchange forward contracts	-	443,257	-	443,257
Call option	-	-	159,913	159,913
	-	443,257	159,913	603,170
	354,150	3,104,650	1,146,422	4,605,222

Liabilities measured at fair value:

	As at 30 June 2021			
	Fair value measurement using			
Quoted prices in active markets <u>(Level 1)</u> (Unaudited) RMB'000	Significant observable inputs <u>(Level 2)</u> (Unaudited) RMB'000	Significant unobservable inputs <u>(Level 3)</u> (Unaudited) RMB'000	<u>Total</u> (Unaudited) RMB'000	
Derivative financial instruments:				
Forward currency contracts	-	64,606	-	64,606
	-	64,606	-	64,606

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(d) Fair value hierarchy of financial instruments - continued

Liabilities measured at fair value - continued

	As at 31 December 2020			
	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	RMB'000	RMB'000	RMB'000	RMB'000
Derivative financial instruments:				
Interest rate swaps	-	29,416	-	29,416
Foreign exchange forward contracts	-	246,442	-	246,442
	-	275,858	-	275,858

During the six months ended 30 June 2021, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3.

Liabilities for which fair values are disclosed:

	As at 30 June 2021			
	Fair value measurement using			
	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	Total (Unaudited) RMB'000
Interest-bearing bank and other borrowings, non-current portion	-	22,150,261	-	22,150,261

	As at 31 December 2020			
	Fair value measurement using			
Quoted prices in active markets <u>(Level 1)</u> RMB'000	Significant observable inputs <u>(Level 2)</u> RMB'000	Significant unobservable inputs <u>(Level 3)</u> RMB'000	<u>Total</u> RMB'000	
Interest-bearing bank and other borrowings, non-current portion	-	18,038,409	-	18,038,409

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2021

34. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS - continued

(d) Fair value hierarchy of financial instruments - continued

Reconciliation of level 3 fair value measurements

	Financial assets at fair value through profit or loss RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Derivative financial instruments RMB'000
At 1 January 2021 (audited)	737,330	249,179	159,913
Total gains (losses):	47,999	5,115	(2,420)
-in profit or loss	47,999	-	(2,420)
-in other comprehensive expense	-	5,115	-
Purchased	612,918	28,058	-
Disposals	-	-	(67,675)
Exchange realignment	(74)	(1,398)	(1,541)
At 30 June 2021 (unaudited)	<u>1,398,173</u>	<u>280,954</u>	<u>88,277</u>
	Financial assets at fair value through profit or loss RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Derivative financial instruments RMB'000
At 1 January 2020	578,137	209,786	90,678
Total gains (losses):	(125,331)	46,617	69,235
-in profit or loss	(125,331)	-	69,235
-in other comprehensive expense	-	46,617	-
Purchased	500,000	8,000	-
Disposals	(215,476)	(7,101)	-
Exchange realignment	-	(8,123)	-
At 31 December 2020	<u>737,330</u>	<u>249,179</u>	<u>159,913</u>

35. EVENTS AFTER THE DATE OF THE BALANCE SHEET

As at the date of this report, there was not any significant subsequent event since 30 June 2021.

36. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 20 August 2021.

Management Discussion and Analysis

I. OVERVIEW

As the COVID-19 pandemic takes a turn for the better, the global economy is recovering in the first half of 2021, but such recovery is obviously diverged and unbalanced. A few major economies including China and the US are leading the global recovery, while some emerging markets and developing economies are still plagued by the pandemic, with their economies recovering slowly. Global growth is projected at 6% in 2021, moderating to 4.9% in 2022, according to the latest issue of the *World Economic Outlook* (《世界經濟展望》) released by the International Monetary Fund (IMF).

The Chinese economy has been reviving steadily and continuously since 2021, with industrial production picking up and overall development gaining traction. China's GDP grew by 12.7% YoY to RMB 53,216.7 billion in the first half of the year, according to data provided by National Bureau of Statistics. On a quarterly basis, the YoY growth was 18.3% in Q1 and slid to 7.9% in Q2. In the context of fragile recovery of the global economy, the Chinese economy has managed to maintain sound growth.

Statistics released by NEA indicate that in the first six months of 2021, the country's electricity consumption grew by 16.2% YoY to 3,933.9 billion kWh, of which total power consumption in June came in at 703.3 billion kWh, up by 9.8% YoY. On the power supply side, China's installed power generation capacity was about 2.26 billion kW by the end of June, representing a 9.5% YoY increase. The country's installed wind power capacity expanded by 34.7% YoY to about 292 million kW. From January to June, the investment in power supply projects of major power generation enterprises was RMB 189.3 billion, up by 8.9% YoY, while the investment in power grid projects amounted to RMB 173.4 billion, up by 4.7% YoY.

i. MAIN POLICY REVIEW

2021 marks the start of China's 14th Five-Year Plan. The aims to achieve Carbon Peak by 2030 and Carbon Neutrality by 2060 announced by the government are creating unparalleled opportunities for the country's wind power industry. The industry regulators introduced a package of policies relevant to the development course of the industry, good practices in market operations, consumption and subsidization, among other things, in the first half of the year, offering strong support to large-scale and quality development of wind power in the days to come.

1. Foster proper development of the industry

On 11 May 2021, the NEA issued the *Notice on the Development and Construction of Wind and Photovoltaic Power Generation* (《關於2021年風電、光伏發電開發建設有關事項的通知》). China will seek to raise its power generation from solar and wind plants to around 11% of the country's total power consumption in 2021 and to ramp up the percentage year by year thereafter, aiming for non-fossil fuels to account for about 20% of total energy consumption by 2025. Newly grid-connected wind and photovoltaic power generation projects and approved additions will be assessed against the goals defined in the 14th Five-Year Plan, the non-hydropower minimum reduction responsibility weight target and the target utilization rate of new energy. Meanwhile, a combination of supporting mechanisms, guaranteed grid-connection and market-based grid connection, for example, will be put in place, to make sure at least 90GW of new incremental wind and solar capacity will be guaranteed with full grid connection in 2021.

On 7 June 2021, the NDRC released the *Notice on On-grid Pricing Policy for New Energy* (《關於2021年新能源上網電價政策有關事項的通知》). China will end subsidies for newly approved onshore wind power projects from the central government budget from 2021 and electricity generated from the new projects will be sold at local benchmark coal-fired power prices to execute grid parity connection. New projects may form on-grid prices by participating in market trading voluntarily. On-grid electricity prices for offshore wind power projects will be decided by the province-level price regulators and can be formed by competitive allocation if feasible.

2. Assure consumption and solve the subsidization problem with financial measures

On 24 February 2021, the NDRC, the Ministry of Finance (MOF), the People's Bank of China (PBC), the China Banking and Insurance Regulatory Commission (CBIRC) and NEA jointly issued the *Notice on Encouraging Greater Financial Support to Boost Sound and Proper Development of Wind Power and Photovoltaic Power* (《關

於引導加大金融支持力度 促進風電和光伏發電等行業健康有序發展的通知》) 。 Financial institutions are required to extend loans for confirmed entitlement to subsidies at their discretion in a market-based and lawful manner, and to support loans for confirmed entitlement to subsidies, so as to ease the liquidity strains experienced by some renewable energy enterprises.

On 21 May 2021, the NDRC released the *Notice on Responsibility Weight of Renewable Energy Power Consumption and Related Matters* (《關於2021年可再生能源電力消納責任權重及有關事項的通知》) . The responsibility weight of renewable energy power consumption in 2021 and expected target in 2022 per province were proposed, based on an evaluation of the performance of the consumption responsibility weight in 2020 and in line with the aim for non-fossil fuels to account for about 20% of total energy consumption by 2025.

3. Optimize the market environment and establish a market-based mechanism

On 26 April 2021, the NDRC and NEA jointly issued the *Notice on Doing Further Well in Pilot Power Spot Market Development* (《關於進一步做好電力現貨市場建設試點工作的通知》) , encouraging new energy projects to enter into long-term (20 years or longer) Contracts for Difference (CFD) with power grid companies, users and power sellers and participate in the power market transactions. New energy projects are advised to trade 10% of their expected current electricity in the market and compete for grid access. The market traded portion can be excluded from hours of lifecycle guaranteed purchase. A green power trading market will be built as early as possible to drive green power trading.

On 26 July 2021, the NDRC released the *Notice on Further Optimizing the Time-of-use (TOU) Electricity Price Mechanism* (《關於進一步完善分時電價機制的通知》) , aiming to better guide users to contribute to peak shaving and valley filling, improve power supply and demand balance, boost new energy power consumption, support the construction of a new power system in which new energy has a dominant role, and guarantee safe, sound and economical operation of the power system.

ii. INDUSTRY DEVELOPMENT REVIEW

1. The global wind power industry is expected to grow in the mid-to-long term thanks to supportive policies

The global wind power industry continues to grow strongly in 2021, driven by two major market leaders, China and the US. The US market is expected to maintain the same installed capacity level in 2021 as last year, stimulated by the Production Tax Credit (PTC) which is about to expire. The Chinese market, guided by the Carbon Neutrality goal and universal grid parity, has moved on to a new development phase. In the meantime, Vietnam, Australia and Brazil, among other emerging markets, show a similar growth momentum. The UK, Spain and Turkey are aiming for sustainable prosperity of their wind power markets by simplifying project review and approval and expanding the scale of market trading. Germany raised its goal for the installed wind power capacity by 2030 to 95GW in May from 71GW, showing its confidence in the growth of wind power. Some research agency has forecasted that the global cumulative installed wind power capacity will double between 2021 and 2030 and offshore wind power will gradually become the engine of global wind power growth from 2025 onwards.

2. China continues to ramp up wind power capacity and operating efficiency

10.84 GW installed wind power was newly connected to the grid in China in the first half of 2021, up by 71.5% YoY, according to NEA statistics. Out of the total, additions to installed onshore and offshore wind power capacity were 8.694 GW and 2.146 GW, respectively. The country-wide cumulative installed wind power capacity came in at 292 GW by the end of June, representing a 34.7% YoY increase and accounting for 12.9% of the installed capacity of the grid. In the first half of the year, wind power generation totaled 344.18 billion kWh, up by 44.6% YoY; wind power utilization was 1,212 hours on average in the country; and the wind curtailment rate edged down 0.3 percentage point YoY to 3.6%.

3. Offshore wind power development picks up speed

Offshore wind power development picks up speed as the deadline for grid connection of the existing offshore wind power projects in China draws near. In the first six months of 2021, additions to grid-connected installed capacity doubled YoY to reach 2.146 GW. The cumulative grid-connected installed capacity of offshore wind power was 11.134 GW by the end of June, marking a 59.2% YoY hike. Driven by full-fledged industrial chains and mass application, popularization of large-sized wind turbines and advancement of technologies, offshore wind power

projects have been able to save costs and increase efficiency, and the offshore wind power market has a promising future.

4. Soaring YoY growth of open bids for wind power turbines is seen

Wind power bids, all being onshore wind power, in the domestic market grossed 31.5 GW, soaring by 167.5% YoY in the first six months of 2021. Of the total, 70% is located in north China, a major source of wind power demand. 3MW-unit turbines or higher are dominant types in bids. Along with technical iteration of wind power turbines and a trend of evolving towards larger size, the average price in bids is declining. According to non-exhaustive statistics, the average price of 3S-series turbines in market-wide bids by all vendors was RMB 2,616/kW, and that of 4S was RMB 2,473/kW as of 30 June 2021.

II.MAIN BUSINESS ANALYSIS

2021 marks the beginning of grid parity of onshore wind power in China and the wind power industry has ushered in a new era. Meanwhile, driven by the Carbon Peak by 2030 and Carbon Neutrality by 2060 goals, wind power embraces new opportunities and prospects. Goldwind will seize industrial development opportunities when they arise, follow a customer-centered strategy, persist in exploration and innovation and pursue quality development and economy of scale.

During the Reporting Period, revenue for the Group was RMB17,852.78 million, representing a decrease of 7.81% YoY. Net Profit attributable to Owners of the Company was RMB1,848.52 million, representing an increase of 45.00% YoY.

i. WTG Manufacturing, R&D and Sales

1. WTG Manufacturing and Sales

For the six months ended 30 June 2021, the Group's revenue from the sales of WTGs and components was RMB12,872.36 million, representing a decrease of 11.63% YoY. The Group's external sales totaled 2,965.85 MW, a decrease of 27.66% YoY.

The following table sets out the details of products sold by the Group in the first half of 2021 and 2020:

	Six months ended 30 June				
	2021		2020		Change in Capacity Sold
	Units Sold	Capacity Sold (MW)	Units Sold	Capacity Sold (MW)	
6S/8S	123	794.90	25	165.80	379.43%
3S/4S	301	1,151.90	79	276.37	316.80%
2S	418	1,017.40	1,516	3,571.70	-71.51%
1.5MW	1	1.65	57	86.10	-98.08%
Total	843	2,965.85	1,677	4,099.97	-27.66%

During the Reporting Period, the capacity sold of 3S/4S-series turbines and 6S/8S-series turbines surged by 316.80% and 379.43% YoY, respectively, in contrast to a significant drop in the share of 2S-series turbines. This coincides with the trend towards larger size. The capacity sold of 3S/4S-series turbines as a percentage of the total rose to 38.84% from 6.74% a year ago, and that of 6S/8S-series turbines also rose to 26.80% from 4.04%.

As of 30 June 2021, the Company's external order backlog totaled 12,953.22MW, which included 75.00MW of 1.5MW-unit turbines, 4,850.00MW of 2S-series turbines, 7,196.92MW of 3S/4S-series turbines, and 831.30MW of 6S/8S-series turbines. The Company also had 2,085.10MW unsigned contracts, which included 606.50MW of 2S-series turbines, 1,478.60MW of 3S/4S-series turbines. The Company's external orders totaled 15,038.32MW. In addition, the Company's internal orders totaled 1,357.00MW.

2. Technology R&D and Product Certification

Quality growth is the must-have choice of wind power companies. During the Reporting Period, the Company combined the resources and technical strengths of eight R&D centers around the world to quicken the pace of technological revolution, enrich the smart wind turbine portfolio and drive technological innovation and digital transformation.

a. Product R&D and Mass Production

The Company has optimized and upgraded the existing R&D platform and product portfolio to meet the demand of the market and its customers, according to its product and technology leadership strategy. Continued R&D efforts on 2S, 3S/4S, and 6S/8S series and the global debut of the 5S series have made the product portfolio more competitive.

The GP21 platform has rolled out GW165-4.2 and GW171-3.6/3.85 turbines, upgraded versions of GW165-4.0. Load control technology, generation enhancement technology, health and safety diagnosis and alarm technology, fault troubleshooting and fault ride-through technology are applied to offer comprehensive solutions of higher generation performance and adaptability for the sake of development of low-wind-speed & medium-to-low-wind-speed resources under different application scenarios in the country. The said two series have passed design and type certifications and the first unit as part of batch projects has been installed.

With respect to medium-to-high-speed wind resources, the Company has launched the GW165-5.0 turbine of the 3S/4S series, which has passed design and type certifications. The product is designed and developed on the mature 4S platform and features high reliability and economy. Combining Radar-assisted load control technology, power generation enhancement technology, and twin-wire control technology, the turbine is able to make the most of different environmental conditions on each project site and meet customer-specific needs with customization. GW165-5.0 has raked in a load of orders so far.

During the Reporting Period, the Company launched the 5S series globally. The series comprises GW165-5.2, GW165-5.6 and GW165-6.0 turbines. It represents the new-generation permanent-magnetic direct-drive wind turbine of the Company and is designed with innovative technologies such as single blade hoisting, three-level converter, constant pressure pitch, deflector-less design and sliding yawing, while inheriting the technical features of the Company's direct-drive technology. Moreover, based on the historical run-time performance and experience of direct-drive turbines, the product has drawn upon the upsides of the proven 3S/4S platform and the GP21 platform and adopted a modular design to improve reliability of the turbines. Designed with adaptability to diverse environments around the world in mind, the product works in almost any region and the most demanding environment, including the weak-current grid environment in Australia, the high-temperature and high-humidity environment in Southeast Asia, the strict noise control requirement of Europe and the frigid environment in central Asia. Global marketing and promotion have started.

Goldwind is strongly committed to independent R&D of offshore wind power products and is making progress in industrialization of the 6S/8S series. During the Reporting Period, batch delivery of large-vane GW184-6.45 and the first 8-MW turbine of E-TOP series was realized. GW175-8.0, GW171-6.45, GW154-6.7 and GW184-6.45, as well as all offshore types, passed type certifications. In March 2021, the on-grid adaptability test of GW175-8.0 was completed successfully, making it the first 8MW-unit type in China to pass the test. In June 2021, the on-grid type test of GW171-6.45 installed at the Xuwen project in Yangjiang, Guangdong was completed over one and a half months and the report was obtained. The Company was the first wind turbine manufacturer to pass the on-grid type certification in China Southern Power Grid and effectively helped the owner secure the grid license and derive income from power generation timely.

During the Reporting Period, the 155m prefabricated steel reinforced concrete tower developed and installed by the Company independently was connected to the grid at the Baiqiao project of State Power Henggang and started running, marking the start of commercialization of 155m steel reinforced concrete towers. Total capacity of steel reinforced concrete towers under construction by the Company has exceeded 300,000 kW.

b. Product Certificate

Goldwind received 92 certificates in total in the first half of 2021, including 73 for turbines in China, 17 for turbines internationally, and 2 for key components; as of the end of the Reporting Period, the Company had received more than 550 certificates for turbines cumulatively, securing the top spot in China's wind power manufacturing sector.

c. Intellectual Property and Standard-setting

Goldwind always attaches significance to R&D investment, and actively protects its core technologies through intellectual property rights. The number of patent applications at home and abroad has kept increasing, and the patent application structure has been optimized continuously.

During the Reporting Period, Goldwind filed 136 patent applications, including 100 invention patent applications, accounting for 73% of the patent applications. 8 new patent applications were filed abroad, among which 2 were filed in the United States. 43 new software copyright applications were filed; and 33 new domestic trademark applications were filed. Meanwhile, the Company obtained 191 patent licenses, including 128 invention patent licenses, accounting for 67% of the patent licenses obtained. 31 new overseas patent licenses and 8 new domestic registered trademarks were obtained.

The Company actively participated in the formulation and revision of domestic and international standards for wind power technology. As of the end of the Reporting Period, Goldwind participated in the formulation and revision of 20 International Electrotechnical Commission (IEC) standards, and was a participant in 12 International Energy Agency (IEA) projects. The Company participated in the formulation and revision of 240 standards, including 105 national standards, 106 industrial standards and 29 regional and association standards, among which 160 were already published.

3. *Quality Management*

Goldwind always considers quality as a key element to the competitiveness of its products. “Do things right in the first place” defines the Company’s quality culture. While pursuing high reputation of products, the Company seeks to assure controllable quality risk, higher efficiency, and growth in terms of both scale and profitability.

By creating, optimizing and iterating the Issue To Resolution (ITR) process, the Company has charted out a quality responsibility map. A quick response mechanism is available to handle customers’ problems in line with the customer management guidelines and improve turbine performance from the perspective of customers. Quality control over technical research programs was put in place. The Company continues to promote the implementation of APQP (Advanced Product Quality Planning) and FMEA (Failure Mode and Effects Analysis) modules. And a sharing and prevention mechanism of problems on the same platform was created to realize a closed-loop management of all problems.

During the Reporting Period, the Company enhanced profitability and delivered added value through quality and cost management. A reliability system covering all levels, from raw materials, subsystems, turbines to wind farms, was implemented. An alarm system was built and lifetime extension solutions and new technologies were applied to prevent new or recurring problems from happening. Meanwhile, with increasing depth and breadth of quality management, the Company imposed prevention and control throughout the product lifecycle and the project process and delivered a customer-oriented closed-loop quality management system.

ii. Wind Power Services

After the government unveiled the 14th Five-Year Energy Development Plan and the Carbon Peak and Carbon Neutrality goals, the wind power service market sees new opportunities. The Company embraces these market changes and seeks to meet diversified customer needs with innovations in services, products and marketing.

During the Reporting Period, the Company drove service transformation and the shift from operation & maintenance to asset management, and pursued the core values of safety, efficiency, maximum generation and value, by providing customers and the industry with solutions that enable maximum running rate of existing assets and high quality development. During the Reporting Period, the Company entered into a contract on operation & maintenance services for a 800,000 kW wind farm with a large-sized energy and power group and will provide the latter with discretionary operation & maintenance services. Meanwhile, a multi-year supply contract of spare parts and components to the customer was concluded, to take full advantage of the Company’s countrywide service network and jurisdiction-based quick response.

The Company focuses on green energy investment and value chain, and constantly improves the operating efficiency of assets under the condition of safety and reliability, driven by digitalization, technological empowerment and model innovation. As of the end of the Reporting Period, China-based wind farm assets under management by the Company totaled 9,797,900 kW, up by 70.24% YoY. The Company was awarded several external asset management service programs and concluded the first non-Goldwind wind turbine asset management service contract, the first digital custody, value custody asset management service contract in the first half of 2021.

When it comes to the revamping of outdated wind turbines, the Company is committed to seeking out technical solutions that offer higher reliability and better economy. In the first half of 2021, the Company was awarded by a customer a technical renovation and lifetime extension service contract for old turbines. The customer's worn-out assets have a renewed life and practical solutions and are proposed to solve some difficult problems faced by the industry.

The capacity of operating projects post-warranty served by the Company in China and elsewhere totaled 17,170MW as of the end of the Reporting Period.

During the Reporting Period, revenue from the Wind Power Services was RMB1,644.63 million, among which the Post-Warranty Service revenue totaled RMB748.97 million, an increase of 29.05% YoY.

iii. Wind Farm Investment and Development

In the first half of 2021, the Company saw good progress in its wind farm investment and development, growing generation revenue, above-average hours of electricity consumption, steady growth of assets under management and innovation-driven development of power sales.

During the Reporting Period, the grid-connected installed capacity of new interests in wind farms run by the Company in China and abroad amounted to 302MW, and that of transferred interests was 273MW. As of the end of the Reporting Period, the grid-connected installed capacity of global cumulative interests totaled 5,619MW, and the attributable capacity in wind farms under construction at home and abroad was 2,531MW. In the first half of the year, 1,392 hours of consumption of electricity generated by units in China were recorded on average, above the country-wide average of 180 hours. At consolidated sites in China, total power generation was 5.03 billion kWh and on-grid electricity was 4.916 billion kWh.

During the Reporting Period, power generation revenue from wind farm investment and development was RMB2,780.36 million, representing an increase of 32.34% YoY.

During the Reporting Period, the Company continued to boost power sales and with customer value and market trends in mind, developed the AI ALPHA aggregation platform, serving as the brain of power sales business in the spot power system. The platform, with built-in load-side data warehouse, algorithm cluster and operation interface, realizes automatic capture of massive data and model training; enables automatic sensing and rolling forecasts of prices, demand and other key signals; and delivers on pre-sales proposal optimization, declaration policy optimization and energy storage control policy optimization on the load side in the new power system.

In a market of serious homogeneity and intense competition, it is important to carve out a holistic load-side solution, develop distributed solar power and wind power as appropriate, customize the best proposal by combining energy storage and saving, realize the most economical operation, and allow the customers to enjoy power sales and payment services, as well as low-cost, low-risk and low-carbon power consumption solutions, integrating source, grid, load and storage.

During the Reporting Period, the 49.5MW Wind Power Project at Hepingyingzi, Wenniute Banner invested and developed by the Company won China Installation Quality Excellence Award (China Star of Installation) 2019-2020 from China Installation Association.

iv. Water Treatment Business

Applying risk control and sound business strategy, the Company's water treatment business maintained healthy development and the Company has made great progress in smart water treatment and technological innovation in the first half of 2021.

With respect to smart water treatment, the Company has built a digital water treatment platform to install alarms on below-standard water and instant message push and assure up-to-standard water supply and real-time monitoring. Meanwhile, a water plant troubleshooting model has been developed based on probability distribution of historical data, algorithm and empirical diagnosis by experts, and a solution is provided to help improve operation and maintenance efficiency of water plants.

With respect to technological innovation, the Company has developed an integrated machine capable of precise medicine dispensing, which is already in use by some water plants in Shandong. It proves to be able to improve water quality, result in material cost savings related to carbon-sourced agents and enhance water treatment efficiency.

The Company was awarded the “2020 Most Professional Operation Service Enterprise” in the 2021 (19th) Water Business Strategy Forum.

As of the end of the Reporting Period, the Company owned 69 water treatment companies, with water treatment scale of 4.3 million tons per day, covering 33 cities in China. During the Reporting Period, the Company’s revenue from water treatment business totaled RMB329.76 million, among which water operation business totaled RMB297.63 million, an increase of 38.85% YoY.

v. Major Subsidiaries

As at 30 June 2021, the Group had 492 subsidiaries, among which 45 were directly owned subsidiaries and 447 were indirectly owned subsidiaries. In addition, the Group had 18 joint ventures, 26 associate companies and 18 equity investments. These subsidiaries included WTG R&D and manufacturing companies, wind power investment and development companies, wind power services companies, water treatment and finance lease companies, etc. The following table sets out major financial information of the principal subsidiaries of the Company (reported in accordance with CASBE):

As at 30 June 2021
Unit: RMB

No	Company Name	Registered Capital (RMB ten thousand)	Total Assets	Net Assets	Revenue from Operations	Net Profits
1	Jiangsu Goldwind Technology Co., Ltd.	75,961	10,851,253,185.27	2,157,181,379.70	3,822,977,530.16	317,061,618.48
2	Beijing Tianrun New Energy Investment Co., Ltd.	555,000	43,980,176,709.99	14,868,524,757.55	2,524,349,863.90	1,439,218,407.40
3	Goldwind Investment Holding Co., Ltd.	100,000	3,208,370,493.39	2,580,169,126.75	0.00	348,566,973.46

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

During the six months ended 30 June 2021, the Group’s operating revenue was RMB17,852.78 million, representing a decrease of 7.81% compared with RMB19,366.11 million for the corresponding period in 2020. Net profit attributable to owners of the Company was RMB1,848.52 million, representing an increase of 45.00% compared with RMB1,274.83 million for the corresponding period in 2020. The Company reported basic earnings per share of RMB0.41.

Revenue

The Group’s revenues were generated mainly from: (i) WTG Manufacturing and Sale; (ii) Wind Power Services; (iii) Wind Farm Investment and Development; and (iv) Others. Revenue from WTG Manufacturing and Sale was mainly generated through sales of WTGs and components. Revenue from Wind Power Services was mainly generated through wind farm construction, post-warranty services and asset management services, etc. Revenue from Wind Farm Investment and Development was mainly generated from the sale of wind power generation service provided by the Group’s wind farms. Revenues from other business segments include revenues from finance lease services and from water treatment business, etc.

During the six months ended 30 June 2021, the Group’s operating revenue was RMB17,852.78 million, representing a decrease of 7.81% compared with RMB19,366.11 million for the corresponding period in 2020. Details are set out below:

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2021	2020	Change	Change
WTG Manufacturing and Sale	12,872,363	14,565,637	(1,693,274)	-11.63%
Wind Power Services	1,644,632	2,227,595	(582,963)	-26.17%
Wind Farm Investment and Development	2,780,356	2,100,895	679,461	32.34%
Others	555,428	471,985	83,443	17.68%
Total	17,852,779	19,366,112	(1,513,333)	-7.81%

Revenue decreased during the Reporting Period mainly due to: (i) in 2021, as onshore wind power enters the grid-parity era, the Company's sale volume of WTGs decreased YoY; (ii) during the Reporting Period, the decline in revenue from wind farm engineering and construction overseas leading to decreased revenue from wind power services YoY; (iii) during the Reporting Period, the growing capacity of operational wind farms of the Group, along with greater hours of power generation led to the YoY increase in the revenue from wind farm investment and development; and (iv) during the Reporting Period, the sound development of water treatment business led to increased revenue from other business services YoY.

Cost of Sales

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2021	2020	Change	Change
WTG Manufacturing and Sale	10,308,058	12,820,871	(2,512,813)	-19.60%
Wind Power Services	1,530,644	2,419,167	(888,523)	-36.73%
Wind Farm Investment and Development	767,301	605,699	161,602	26.68%
Others	327,828	202,953	124,875	61.53%
Total	12,933,831	16,048,690	(3,114,859)	-19.41%

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

Gross Profit

Unit: RMB thousand

	Six months ended 30 June		Amount	Percentage
	2021	2020	Change	Change
WTG Manufacturing and Sale	2,564,305	1,744,766	819,539	46.97%
Wind Power Services	113,988	(191,572)	305,560	159.50%
Wind Farm Investment and Development	2,013,055	1,495,196	517,859	34.63%
Others	227,600	269,032	(41,432)	-15.40%
Total	4,918,948	3,317,422	1,601,526	48.28%

During the Reporting Period, the Group's gross profit increased mainly due to increased gross profits from WTG Manufacturing and Sale and Wind Farm Investment and Development business. The decreased percentage of finance lease service revenue led to decreased margin of other business services YoY.

For the six months ended 30 June 2021 and 2020, the Group's entire gross profit margin were 27.55%

and 17.13%, respectively. The gross profit margin for WTG Manufacturing and sales segment were 19.92% and 11.98%, respectively.

The following table sets out the gross profit margins for the Group's WTGs by unit capacity including the 1.5MW series, 2S series, 3S/4S series, 6S/8S series (prepared in accordance with CASBE):

Gross Profit Margin	Six months ended 30 June		Change (percentage points)
	2021	2020	
6S/8S	25.94%	16.80%	9.14%
3S/4S	18.80%	15.74%	3.06%
2S	14.50%	10.98%	3.52%
1.5MW	20.75%	35.21%	-14.46%

During the Reporting Period, gross profit margin for 2S series, 3S/4S series and 6S/8S series of WTG had various degrees of increase.

Other Income and Gains, Net

The Group's other income and gains primarily consisted of gains from the disposal of wind farms (including gains from the sale of WTGs installed at the disposed wind farms), gain on disposal of investments in joint ventures and associates, bank interest income, government grants received for R&D projects and upgrades of production facilities, Value-added tax ("VAT") refund, etc.

Other income and gains of the Group for the six months ended 30 June 2021 was RMB1,040.42 million, representing a decrease of 32.86% compared with RMB1,549.64 million for the corresponding period in 2020. This was mainly attributed to the decrease in gain on disposal of subsidiaries, etc, which was offset by the increase in gain on disposal of investment in joint ventures and associates, etc.

Selling and Distribution Expenses

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

Selling and distribution expenses of the Group for the six months ended 30 June 2021 was RMB1,530.31 million, maintaining approximately the same level compared with RMB1,518.24 million for the corresponding period in 2020.

Administrative Expenses

The Group's administrative expenses primarily consisted of R&D expenses, employee benefit expenses, depreciation, consultation fees, travel expenses, etc.

Administrative expenses of the Group for the six months ended 30 June 2021 was RMB1,472.50 million, representing an increase of 14.32% compared with RMB1,288.09 million for the corresponding period in 2020. This was mainly attributed to the increase in employee benefit expenses, R&D expenses, which was offset by the decrease in consultation fees, land amortizations, etc.

Impairment Losses on Financial and Contract Assets, Net

The Group's impairment losses on financial and contract assets primarily consisted of impairment losses on trade receivables, other receivables, contract assets, etc.

Impairment losses on financial and contract assets for the six months ended 30 June 2021 was RMB111.38 million, representing a decrease of 51.17% compared with RMB228.10 million for the corresponding period in 2020. This was mainly attributed to the decrease in impairment of trade

receivables, other receivables, etc.

Other Expenses

The Group's other expenses primarily consisted of foreign exchange loss, bank charges and others, asset impairment losses, etc.

Other expenses of the Group for the six months ended 30 June 2021 was RMB288.74 million, representing an increase of 43.81% compared with RMB200.78 million for the corresponding period in 2020. This was mainly attributed to the increase in foreign exchange loss, impairment loss of long-term assets, etc.

Finance Costs

Finance costs of the Group for the six months ended 30 June 2021 was RMB503.22 million, representing an increase of 14.69% compared with RMB438.77 million for the corresponding period in 2020. This was mainly attributed to the increase in interest expense on interest-bearing bank and other borrowings, interest expense on lease liabilities, etc.

Income Tax Expense

Income tax expense of the Group for the six months ended 30 June 2021 was RMB432.86 million, representing an increase of 197.39% compared with RMB145.56 million for the corresponding period in 2020. This was mainly attributed to the increase in taxable profit during the Reporting Period.

Financial Position

As at 30 June 2021 and 31 December 2020, total assets of the Group were RMB111,616.90 million and RMB109,138.18 million, respectively. Total current assets of the Group were RMB43,925.84 million and RMB44,038.27 million, respectively. The ratio of current assets to total assets of the Group were 39.35% and 40.35%, respectively. The Group's current assets decreased mainly due to the decrease in cash and cash equivalents, trade receivables, financial assets at fair value through profit or loss, which was offset by the increase in inventories, assets of disposal groups classified as held for sale, the current portion of prepayments, other receivables and other assets, etc.

As at 30 June 2021 and 31 December 2020, total non-current assets of the Group were RMB67,691.06 million and RMB65,099.92 million, respectively. The Group's non-current assets increased mainly due to the increase in other intangible assets, financial assets at fair value through profit or loss, financial receivables, which was offset by the decrease in property, plant and equipment, etc.

As at 30 June 2021 and 31 December 2020, total liabilities of the Group were RMB76,904.81 million and RMB74,164.89 million, respectively. Current liabilities of the Group were RMB45,958.55 million and RMB47,844.83 million, respectively. The Group's current liabilities decreased mainly due to the decrease in trade and bills payables, etc, which was offset by the increase in other payables and accruals, liabilities directly associated with the assets classified as held for sale, provisions, etc.

As at 30 June 2021 and 31 December 2020, total non-current liabilities of the Group were RMB30,946.26 million and RMB26,320.06 million, respectively. The Group's non-current liabilities increased mainly due to the increase in interest-bearing bank and other borrowings, trade payables, etc.

As at 30 June 2021 and 31 December 2020, net current liabilities of the Group were RMB2,032.71 million and RMB3,806.57 million, respectively. Net assets of the Group were RMB34,712.09 million and RMB34,973.29 million, respectively.

As at 30 June 2021 and 31 December 2020, cash and cash equivalents of the Group were RMB5,044.94 million and RMB7,709.22 million, respectively. Total interest-bearing bank and other borrowings of the Group were RMB30,149.62 million and RMB25,555.17 million, respectively.

Financial Resources and Liquidity

Cash Flow Statements

	Six months ended 30 June	
	2021	2020
Net cash flows (used in)/from operating activities	(4,088,632)	1,668,658
Net cash flows used in investment activities	(1,999,336)	(648,953)
Net cash flows from/(used in) financing activities	3,417,685	(686,763)
Net (decrease)/increase in cash and cash equivalents	(2,670,283)	332,942
Cash and cash equivalents at beginning of the Reporting Period	7,705,323	6,807,417
Net effect of foreign exchange rate changes	2,750	(95,195)
Cash and cash equivalents at end of the Reporting Period	5,037,790	7,045,164

1. Net cash flows used in operating activities

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

For the six months ended 30 June 2021, the Group reported net cash flows used in operating activities of RMB4,088.63 million. Cash outflows were principally comprised of a RMB4,587.78 million decrease in trade and bills payables, a RMB2,075.93 million increase in inventories, a RMB2,019.73 million increase in prepayments, other receivables and other assets, etc. Such cash outflows were offset by the profit before tax of RMB2,332.56 million, adjusted for a RMB977.30 million decrease in trade and bill receivables, a RMB924.63 million occurrence of depreciations, a RMB503.22 million increase in finance costs, etc.

For the six months ended 30 June 2020, the Group reported net cash flows from operating activities of RMB1,668.66 million. Cash inflows were principally comprised of profit before tax of RMB1,434.98 million, adjusted for a RMB8,343.14 million increase in other payables and accruals, a RMB734.65 million occurrence of depreciation, a RMB124.61 million increase in amortisation of other intangible assets, etc. Such cash inflows were offset by a RMB5,348.84 million decrease in trade and bills payables, a RMB1,752.10 million increase in trade and bills receivables, a RMB1,040.06 million gain on disposal of subsidiaries, a RMB770.08 million increase in prepayments, other receivables and other assets, etc.

2. Net cash flow used in investing activities

The Group's net cash flows used in investing activities primarily consist of the purchases of items of property, plant and equipment, the acquisition of subsidiaries, the purchase of financial assets, investment in joint ventures and associates, other intangible assets, etc.

For the six months ended 30 June 2021, the Group reported net cash flows used in investing activities of RMB1,999.34 million. Cash outflows were principally comprised of the purchases of items of property, plant and equipment of RMB3,226.22 million, the acquisition of subsidiaries, net of cash acquired of RMB559.09 million, the purchases of financial assets at fair value through profit or loss of RMB544.90 million. Such cash outflows were offset by disposal of subsidiaries, net of cash disposed of RMB602.80 million, dividends received from joint ventures and associates of RMB554.29 million, cash received in advance on sales consideration from disposal of subsidiaries of RMB548.51 million, proceeds from disposal of financial assets at fair value through profit or loss of RMB508.73 million, proceeds from disposal of shareholding in joint ventures and associates of RMB267.96 million, etc.

For the six months ended 30 June 2020, the Group reported net cash flows used in investing activities of RMB648.95 million. Cash outflows were principally comprised of the purchases of items of property, plant and equipment of RMB2,194.80 million, the purchases of financial assets at fair value through profit or loss of RMB806.00 million, the purchases of interests in joint ventures of RMB238.20 million, etc. Such cash outflows were offset by disposal of subsidiaries, net of cash disposed of RMB1,275.47 million, cash received on sales consideration receivable from disposal of subsidiaries in previous periods of RMB763.49 million, proceeds from disposal of financial assets at fair value through profit or loss of RMB438.74 million, proceeds from disposal of shareholding in joint ventures and associates of RMB132.04 million, etc.

3. *Net cash flows from financing activities*

The Group's net cash flows from financing activities primarily consist of repayments of perpetual bonds, bank loans and interests, etc. The Group's net cash flows from financing activities primarily consist of new bank loans, the rights issue, etc.

For the six months ended 30 June 2021, the Group reported net cash flows from financing activities of RMB3,417.69 million. Cash inflows were principally contributed by the increase in new bank loans and other borrowings of RMB10,010.47 million. Such cash inflows were offset by the repayment of bank loans and other borrowings of RMB4,964.78 million, repayment of perpetual bonds of RMB1,000.00 million, interest paid of RMB535.63 million, etc.

For the six months ended 30 June 2020, the Group reported net cash flows used in financing activities of RMB686.76 million. Cash outflows were principally contributed by repayment of bank loans and other borrowings of RMB4,506.09 million, interest paid of RMB444.26 million, dividend paid of RMB71.60 million, principal portion of lease liabilities payments of RMB62.98 million, etc. Such cash outflows were offset by the increase in new bank loans and other borrowings of RMB4,418.61 million, etc.

Capital Expenditure

Capital expenditure of the Group for the six months ended 30 June 2021 were RMB4,166.57 million, representing an increase of 73.96% compared with RMB2,395.15 million for the six months ended 30 June 2020. The Group's primary financing resources for capital expenditure included bank loans and cash flows from operations of the Group.

Bank Loans and Other Borrowings

As at 30 June 2021, the total amount of interest-bearing bank loans of the Group was RMB27,808.72 million, including amounts due within one year of RMB5,658.46 million, in the second year of RMB4,024.15 million, in the third to fifth year of RMB9,227.16 million, and above five years of RMB8,898.95 million. In addition, as at 30 June 2021, the total amount of other borrowings of the Group was RMB2,340.90 million, including amounts due within one year of RMB296.88 million, in the second year of RMB125.17 million, in the third to fifth year of RMB387.42 million and above five years of RMB1,531.43 million.

As at 31 December 2020, the Group's interest-bearing bank loans were RMB23,136.73 million, including bank loans repayable within one year of RMB5,098.32 million, in the second year of RMB3,730.66 million, in the third to fifth year of RMB4,886.24 million, and above five years of RMB9,421.51 million. In addition, as at 31 December 2020, the Group's other borrowings were RMB2,418.44 million, including other borrowings repayable within one year of RMB513.92 million, in the second year of RMB266.74 million, in the third to fifth year of RMB801.51 million, and above five years of RMB836.27 million.

Restricted Assets

As at 30 June 2021, the following assets of the Group with a total carrying value of RMB21,600.36 million were restricted as security for certain bank loans, other banking facilities, finance lease assets and power price swap contract. Such assets included property, plant and equipment of RMB11,501.64 million, trade and bills receivables of RMB5,377.80 million, financial receivables of RMB2,768.51

million, assets of disposal groups classified as held for sale of RMB1,184.96 million, bank deposits of RMB635.53 million, right-of-use assets of RMB131.92 million.

As at 31 December 2020, certain assets of the Group with a total carrying value of RMB20,880.76 million were pledged as security for certain bank loans, other banking facilities, power price swap contract, finance leases, etc. Such assets included bank deposits of RMB672.69 million, trade and bills receivables of RMB5,319.28 million, financial receivables of RMB1,807.79 million, property, plant and equipment of RMB12,920.74 million, right-of-use asset of RMB160.26 million.

Gearing Ratio

As at 30 June 2021 and 31 December 2020, the Group's gearing ratios, defined as net liabilities divided by total capital, were 61.80% and 59.25%, respectively.

Exposure to Fluctuations in Exchange Rates and any Related Hedges

The Group primarily operates its businesses in China. Over 88% of the Group's revenue, expenditure, financial assets and liabilities are denominated in RMB. The exchange rate of the RMB against foreign currencies did not have a significant impact on the Group's businesses. For the six months ended 30 June 2021, the Group's foreign exchange exposure associated with such transactions (except for the functional currency of the relevant operating entities) maintained at a relatively low level. The currency exchange difference incurred by the Group in respect of the long-term equity investment by our subsidiaries incorporated outside China was recorded under the exchange reserve.

Contingent Liabilities

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

As at 30 June 2021 and 31 December 2020, contingent liabilities of the Group were RMB19,528.73 million and RMB19,084.22 million, respectively.

Major Investments

The Group made no major investment during the six months ended 30 June 2021.

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals during the six months ended 30 June 2021.

Future Plans for Material Investments or Capital Assets

The Group had no specific future plans for material investments or capital assets as at 30 June 2021.

IV. OUTLOOK FOR THE SECOND HALF OF 2021

In the *Renewable Energy Market Report* (《可再生能源市場報告》), the International Renewable Energy Agency (IRENA) predicts that global renewable energy growth will reach a new normal in 2021 and 2022 and the growth trend will continue. An additional 270GW capacity of renewable energy is expected to become operational worldwide in 2021, followed by another 280GW in 2022. Meanwhile, IRENA projects that the additions to renewable energy capacity in China will be pared down by one-fourth YoY in 2021, owing to the Chinese government's decision to phase out its subsidies for wind and solar power projects by the end of 2020.

The Global Wind Energy Council (GWEC) pointed out in *Global Wind Report 2021* (《全球風能報告2021》) that the world needs to be installing wind power three times faster over the next decade in order to stay on a net-zero pathway. As the clean energy technology with the most decarbonization potential per MW, the current rate of wind power deployment will not be enough to achieve carbon neutrality by the middle of this century. GWEC is calling on policymakers to take a true 'climate emergency' approach to allow a faster ramp up of wind power installation.

BloombergNEF (BNEF) published its *IH 2021 Global Wind Market Outlook* (《2021年上半年全球風電市場展望》). The report predicts strong growth of global wind power installations in 2021; from 2022 onwards, offshore projects are expected to account for the greater part of the growth of global wind power installations. New offshore wind power installations will exceed the 10GW mark for the first time in 2021 and hit 30GW by 2030, representing one-fourth of total new installed capacity in that year. Between 2021 and 2030, the global cumulative wind power capacity will double to reach 1.7TW.

According to the *Notice on the Development and Construction of Wind and Solar PV Power Generation in 2021* (《關於2021年風電、光伏發電開發建設有關事項的通知》) issued by NEA, China will seek to raise its power generation from solar and wind plants as a percentage of the country's total power consumption year by year, aiming for non-fossil fuels to account for about 20% of total energy consumption by 2025; and the capacity of wind and solar power with guaranteed grid connection will be no less than 90 GW in 2021.

The Company will seize the opportunities arising out of fast development of the wind power industry, and sharpen its core competitive strengths by means of innovations in technologies, business model and management, to create maximum customer value; consolidate its leading market position, seize every opportunity to get resources, expand its competitive advantage in a wide range of scenarios, such as big base, centralized, distributed and offshore, and pursue quality development and economy of scale.

Possible Risks

(1) Policy Risk

The development of wind power industry is impacted by national policies and industrial development policies, and the changes of policies will inherently impact the production and sales of major products of the Company.

(2) Market Competition Risk

Along with market consolidation, competition among peer companies may intensify due to demands in expanding market share, seizing of advantageous resources, and improving product quality.

(3) Economic Environment and Exchange Rate Fluctuations

An increasingly complicated current domestic and international economic environment, rising geopolitical risks, emerging trade protectionism, and arduous task of global economic recovery have brought uncertainties to domestic and international macro economy which might affect the Company's international strategy and business expansion. The Company's overseas business is mainly settled in U.S. dollars, Australian dollars or local currencies, thus there might be a risk of loss caused by exchange rate fluctuation.

(4) Continual Impacts by the COVID-19 Pandemic

The overseas COVID pandemic shows diverging trends. The virus spread is gradually contained in developed economies, but emerging markets and developing economies are experiencing more waves of infection, posing

adverse impact on the global industrial chains and supply chains. If the pandemic is not brought under control effectively globally, it may have adverse impact on the Company's production and business activities.

Faced with the said possible risks, the Company will consolidate the manufacturing base, roll out products and solutions of higher quality, lower prices and better performance, with technological innovation and product upgrade as main drivers, and bring into play its advantage in full industrial chain competition. At the same time, it will continue to develop comprehensive energy services, including environmental protection and water treatment, distributed energy and energy storage, strengthen its profitability through diversification, and achieve sustainability. In view of the changing pandemic situation in China and abroad, the Company will further tighten risk control, strengthen communication and cooperation with its customers, and do well in both infection prevention & control and domestic & international business development.

Corporate Competitive Advantages

(1) Market Leading Position

Goldwind was among the earliest enterprises to enter into the field of WTG manufacturers in China. After 20 years of development, Goldwind has become an industry-leading, comprehensive wind power solution provider in both China and overseas. The Group's 1.5MW-unit, 2S-series, 3S/4S-series and 6S/8S-series Permanent Magnet Direct Drive (PMDD) Wind Turbine Generators (WTGs) with independent intellectual property rights represent the most promising technology in global wind power industry. Goldwind was ranked the largest wind power manufacturer in China by market share for ten consecutive years and was ranked the second largest wind power manufacturer in the world in 2020, symbolising its industry-leading position for many years.

(2) Advanced Products and Technology

Goldwind's PMDD WTGs are trusted by customers for their superior performance, including high efficiency, low operation and maintenance cost, grid-friendly features, and high reliability. The Company has eight R&D centers in the world and more than 2,000 R&D staff with extensive industry experience, providing the market with client-satisfactory products through continuous technological innovation. Through mastering more cutting-edge technologies, the Company constantly develops and streamlines its serialised product portfolio to ensure the application of products in diversified usage scenarios and the adaptation to various meteorological and geographical conditions, such as low temperature, high temperature, high altitude, low wind speed, and offshore, which ensures the Company's market coverage. The Company's outstanding product quality and performance has been demonstrated by its substantial order backlog, which provides visibility to Company's revenue in the foreseeable future.

(3) Brand Awareness and Reputation

The Company attaches great importance to the quality of wind turbine products, and insists on the approach of quality benefits. With more than 20 years of WTG R&D and manufacturing experience, the Company ensures the quality and reliability of the WTGs and to reduce the levelized cost of energy (LCOE) throughout turbine lifecycle. Goldwind has earned good reputation and industry leverage after years of industry precipitation thanks to its advanced technology, excellent quality, high power generation efficiency, warranty service and overall solutions for its customers. It has been highly recognized by the government, customers, partners and investors.

(4) Comprehensive Solution Provider

Relying on Goldwind's advanced technology, products and years of experience in wind power development, construction, and O&M, in addition to WTG sales, the Company continues to strengthen its capabilities in wind farm services and systematic development solutions of wind farms and to expand wind power services, wind power investment and other business to satisfy customer needs throughout the value chain. Through years of development, these solutions have become important components to the Company's profit, and have been tested and verified successfully in the market. Meanwhile, these solutions have enhanced the Company's competitiveness as a whole and gained a unique advantage in market competition. In the field of energy conservation and environmental protection, the Company quickly accumulated water treatment and environmental protection assets, and developed smart water treatment solutions. Goldwind is committed to becoming a global leader in clean energy, energy conservation and environmental protection solutions.

(5) Internationalisation

As one of the first domestic wind power enterprises in China to have expanded overseas business, Goldwind has actively promoted its internationalisation strategy for many years, adhering to the aim of "promoting internationalisation through localisation". The Company has not only made breakthroughs in key target markets including Australia, and Europe, but also expanded to emerging markets including Africa and Asia. Goldwind actively participated in international market competition and has achieved remarkable accomplishments. As of now, the Company's international business has spread across six continents with eight overseas regional centers around the world, fully realising the internationalisation of capital, market, technology, talent, and management.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

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

PURCHASE, SALE AND REDEMPTION OF SECURITIES

During the six months ended 30 June 2021, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any listed securities of the Company.

INTERIM DIVIDEND

The Board has decided not to distribute payment of interim dividend for the six months ended 30 June 2021.

REVIEW OF INTERIM RESULTS

As at the date of this announcement, the Audit Committee consisted of two independent non-executive Directors, namely Dr. Tin Yau Kelvin Wong and Ms. Yang Jianping, and one non-executive Director, namely Mr. Lu Hailin. The chairman of the Audit Committee was Dr. Tin Yau Kelvin Wong. The Audit Committee and the Company's auditors, Deloitte Touche Tohmatsu, have reviewed the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2021.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 30 June 2021 which would materially affect the Group's operating and financial performance as at the date of this announcement.

Definitions

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

“2020 AGM”	the annual general meeting of the Company held on Monday, 28 June 2021;
“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;
“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;
“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;
“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 unaudited consolidated financial statements of the Group for the six months ended 30 June 2021, prepared in accordance with IFRSs
“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 Hong Kong 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;
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“IFRSs”	<i>International Financial Reporting Standards</i> ;
“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;
“Reporting Period”	six months ended 30 June 2021;
“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);
“subsidiary”	has the meaning as ascribed in the Listing Rules;
“SZSE”	Shenzhen Stock Exchange;
“Wind Farm Investment and Development”	the Group’s Wind Farm Investment and Development 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, 20 August 2021

As of the date of this announcement, the executive directors of the Company are Mr. Wu Gang, Mr. Cao Zhigang, and Mr. Wang Haibo; the non-executive directors of the Company are Mr. Gao Jianjun, Mr. Lu Hailin and Mr. Wang Kaiguo; and the independent non-executive directors of the Company are Dr. Tin Yau Kelvin Wong, Mr. Wei Wei and Ms. Yang Jianping.