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Goldwind

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.*

新疆金風科技股份有限公司

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

Stock Code : 02208

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The board of the Company hereby announces the audited consolidated financial results of the Group for the financial year ended 31 December 2022 (the “**Reporting Period**”) (collectively, the “**2022 Annual Results**”).

** For identification purpose*

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	Year ended 31 December	
		<u>2022</u>	<u>2021</u>
		RMB'000	(Restated) RMB'000
REVENUE	5	46,253,534	50,746,321
Cost of sales	6	<u>(38,215,342)</u>	<u>(39,269,825)</u>
Gross profit		8,038,192	11,476,496
Other income and gains, net	5	3,107,369	2,784,095
Selling and distribution expenses		(3,193,270)	(3,173,720)
Administrative expenses		(3,725,721)	(3,529,854)
Impairment reversal/(losses) under expected credit loss model, net		269,881	(707,593)
Other expenses	7	(614,743)	(1,380,354)
Finance costs	8	(1,333,909)	(1,149,116)
Share of results of:			
Joint ventures		21,741	318,859
Associates		202,244	(10,149)
PROFIT BEFORE TAX	6	<u>2,771,784</u>	<u>4,628,664</u>
Income tax expense	9	<u>(334,909)</u>	<u>(847,748)</u>
PROFIT FOR THE YEAR		<u>2,436,875</u>	<u>3,780,916</u>
Profit attributable to:			
Owners of the Company		2,383,433	3,731,394
Non-controlling interests		53,442	49,522
		<u>2,436,875</u>	<u>3,780,916</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
- continued
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Year ended 31 December	
		2022	2021 (Restated)
		RMB'000	RMB'000
OTHER COMPREHENSIVE (EXPENSE)/INCOME			
<i>Other comprehensive (expense)/income that will not 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 (expense)/income		(89,488)	7,284
		<u>(89,488)</u>	<u>7,284</u>
<i>Other comprehensive income/(expenses) that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		49,675	(122,977)
Changes in fair value of debt instruments measured at fair value through other comprehensive (expense)/income		(2,275)	10,235
Cash flow hedges		(52,416)	(91,139)
Cost of fair value hedges		39,072	80,639
Hedges of net investment in foreign operations		10,211	123,852
Share of other comprehensive income of joint ventures and associates		<u>125,647</u>	<u>94,552</u>
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods		<u>169,914</u>	<u>95,162</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>80,426</u>	<u>102,446</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		<u>2,517,301</u>	<u>3,883,362</u>
Total comprehensive income attributable to:			
Owners of the Company		2,463,878	3,831,524
Non-controlling interests		<u>53,423</u>	<u>51,838</u>
		<u>2,517,301</u>	<u>3,883,362</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (expressed in RMB per share)	11	<u>0.52</u>	<u>0.85</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2022

	Notes	As at 31 December	
		2022	2021
		RMB'000	(Restated) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	12	37,461,032	37,262,589
Investment properties		9,529	9,806
Right-of-use assets		2,925,924	2,706,771
Goodwill	13	178,228	163,265
Other intangible assets	14	6,469,891	5,810,090
Interests in joint ventures		3,890,595	4,553,804
Interests in associates		1,509,933	1,348,973
Equity investments designated at fair value through other comprehensive income		157,316	282,942
Financial assets at fair value through profit or loss		1,581,427	1,372,264
Other non-current financial assets		388,849	145,575
Deferred tax assets		3,262,327	2,604,434
Financial receivables		8,922,837	8,890,041
Prepayments, other receivables and other assets	17	3,380,478	3,380,188
Contract assets	18	4,297,565	3,003,533
Derivative financial instruments		13,558	85,083
Pledged deposits	19	-	109,707
Total non-current assets		<u>74,449,489</u>	<u>71,729,065</u>
CURRENT ASSETS			
Inventories		9,847,658	4,817,569
Trade and bills receivables	15	26,141,390	25,900,856
Contract assets	18	2,665,484	1,483,206
Prepayments, other receivables and other assets	17	5,310,374	4,531,944
Financial receivables	16	392,859	408,679
Derivative financial instruments		184,702	691,218
Financial assets at fair value through profit or loss		500,000	400,000
Other non-current financial assets		3,576	1,538
Pledged deposits	19	381,838	435,994
Cash and cash equivalents	19	15,246,143	8,141,296
		<u>60,674,024</u>	<u>46,812,300</u>
Assets of disposal groups classified as held for sale		1,698,865	1,123,632
Total current assets		<u>62,372,889</u>	<u>47,935,932</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued
AT 31 DECEMBER 2022

	Notes	As at 31 December	
		2022	2021 (Restated)
		RMB'000	RMB'000
CURRENT LIABILITIES			
Trade and bills payables	20	39,533,030	31,876,046
Other payables and accruals		9,905,056	9,618,225
Derivative financial instruments		66,437	31,273
Interest-bearing bank and other borrowings		6,483,525	4,864,007
Tax payable		572,061	797,655
Provisions		2,569,811	1,975,805
		<u>59,129,920</u>	<u>49,163,011</u>
Liabilities directly associated with the assets of disposal group classified as held for sale		-	723,063
Total current liabilities		<u>59,129,920</u>	<u>49,886,074</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>3,242,969</u>	<u>(1,950,142)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>77,692,458</u>	<u>69,778,923</u>
NON-CURRENT LIABILITIES			
Trade payables	20	1,091,028	1,762,492
Other payables and accruals		171,340	392,794
Interest-bearing bank and other borrowings		31,699,785	26,413,378
Deferred tax liabilities		991,713	941,083
Provisions		3,167,427	3,343,374
Government grants		224,870	197,363
Derivative financial instruments		-	38
Total non-current liabilities		<u>37,346,163</u>	<u>33,050,522</u>
Net assets		<u>40,346,295</u>	<u>36,728,401</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		4,225,068	4,225,068
Reserves		33,870,011	31,606,522
		<u>38,095,079</u>	<u>35,831,590</u>
Non-controlling interests		2,251,216	896,811
Total equity		<u>40,346,295</u>	<u>36,728,401</u>

Wu Gang
Director

Cao Zhigang
Director

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Attributable to owners of the Company											
	Share capital RMB'000	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Other equity instruments RMB'000	Hedging reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 1 January 2022 (restated)	4,225,068	12,174,120	-	1,646,282	83,644	(157,981)	1,997,000	16,895	15,846,562	35,831,590	896,811	36,728,401
Profit for the year	-	-	-	-	-	-	-	-	2,383,433	2,383,433	53,442	2,436,875
Other comprehensive (expenses)/income for the year:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	(113,914)	-	-	-	24,426	(89,488)	-	(89,488)
Changes in fair value of debt instruments measured at fair value through other comprehensive expense, net of tax	-	-	-	-	(2,256)	-	-	-	-	(2,256)	(19)	(2,275)
Cash flow hedges, net of tax	-	-	-	-	-	-	-	(52,416)	-	(52,416)	-	(52,416)
Hedges of net investment in foreign operations, net of tax	-	-	-	-	-	-	-	10,211	-	10,211	-	10,211
Cost of fair value hedges, net of tax	-	-	-	-	-	-	-	39,072	-	39,072	-	39,072
Share of other comprehensive income of joint ventures and associates	-	125,647	-	-	-	-	-	-	-	125,647	-	125,647
Exchange differences on translation of foreign operations	-	-	-	-	-	49,675	-	-	-	49,675	-	49,675
Total comprehensive income/(expenses) for the year	-	125,647	-	-	(116,170)	49,675	-	(3,133)	2,407,859	2,463,878	53,423	2,517,301
Capital contributions from non-controlling shareholders (note (i))	-	-	-	-	-	-	-	-	-	-	1,307,503	1,307,503
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	12,976	12,976
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(2,432)	(2,432)
Acquisition of non-controlling interests	-	141	-	-	-	-	-	-	-	141	(4,995)	(4,854)
Final 2021 dividend declared	-	-	-	-	-	-	-	-	(1,056,267)	(1,056,267)	(12,070)	(1,068,337)
Profit appropriation to reserves	-	-	-	77,096	-	-	-	-	(77,096)	-	-	-
Other changes of investments in associates	-	41,861	-	-	-	-	-	-	-	41,861	-	41,861
Transfer to special reserve (note (ii))	-	-	99,063	-	-	-	-	-	-	99,063	146	99,209
Utilisation of special reserve (note (ii))	-	-	(99,063)	-	-	-	-	-	-	(99,063)	(146)	(99,209)
Capital contributions from other equity instruments holders	-	-	-	-	-	-	998,875	-	-	998,875	-	998,875
Distribution of other equity instruments	-	-	-	-	-	-	-	-	(184,999)	(184,999)	-	(184,999)
At 31 December 2022	<u>4,225,068</u>	<u>12,341,769</u>	<u>-</u>	<u>1,723,378</u>	<u>(32,526)</u>	<u>(108,306)</u>	<u>2,995,875</u>	<u>13,762</u>	<u>16,936,059</u>	<u>38,095,079</u>	<u>2,251,216</u>	<u>40,346,295</u>

Note (i): As at 31 December 2022, the main consolidated structured entities which set up by the Group amounted to RMB875,000,000, and the Group's subscribed amount is RMB175,000,000. As at 31 December 2022, the Group's paid-in amount is RMB175,000,000 and other parties is RMB700,000,000. The Group classified other parties' paid-in amount as non-controlling interests. The Group has no obligation and intention to provide financial supporting to these structured entities.

XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - continued
FOR THE YEAR ENDED 31 DECEMBER 2021

	Attributable to owners of the Company											
	Share capital RMB'000	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Other equity instruments RMB'000	Hedging reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
As at 31 December 2020	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
Accounting policy change	-	-	-	-	-	-	-	-	15,366	15,366	-	15,366
As at 1 January 2021 (restated)	4,225,068	12,088,560	-	1,533,691	66,123	(32,686)	2,990,618	(96,457)	13,408,701	34,183,618	805,038	34,988,656
Profit for the year (restated)	-	-	-	-	-	-	-	-	3,731,394	3,731,394	49,522	3,780,916
Other comprehensive income/(expenses) for the year:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	7,284	-	-	-	-	7,284	-	7,284
Changes in fair value of debt instruments measured at fair value through other comprehensive income/(expense), net of tax	-	-	-	-	10,237	-	-	-	-	10,237	(2)	10,235
Cash flow hedges, net of tax	-	-	-	-	-	-	-	(91,139)	-	(91,139)	-	(91,139)
Hedges of net investment in foreign operations, net of tax	-	-	-	-	-	-	-	123,852	-	123,852	-	123,852
Cost of fair value hedges, net of tax	-	-	-	-	-	-	-	80,639	-	80,639	-	80,639
Share of other comprehensive income of joint ventures and associates	-	94,552	-	-	-	-	-	-	-	94,552	-	94,552
Exchange differences on translation of foreign operations	-	-	-	-	-	(125,295)	-	-	-	(125,295)	2,318	(122,977)
Total comprehensive income/(expenses) for the year (restated)	-	94,552	-	-	17,521	(125,295)	-	113,352	3,731,394	3,831,524	51,838	3,883,362
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	128,222	128,222
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	9,908	9,908
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(49,882)	(49,882)
Acquisition of non-controlling interests	-	2,407	-	-	-	-	-	-	-	2,407	(17,300)	(14,893)
Final 2020 dividend declared	-	-	-	-	-	-	-	-	(1,056,267)	(1,056,267)	(31,013)	(1,087,280)
Profit appropriation to reserves	-	-	-	112,591	-	-	-	-	(112,591)	-	-	-
Other changes of an investment in associate	-	(4,055)	-	-	-	-	-	-	-	(4,055)	-	(4,055)
Transfer to special reserve (note (ii))	-	-	56,815	-	-	-	-	-	-	56,815	105	56,920
Utilisation of special reserve (note (ii))	-	-	(56,815)	-	-	-	-	-	-	(56,815)	(105)	(56,920)
Capital contributions from other equity instruments holders	-	(1,415)	-	-	-	-	1,000,000	-	-	998,585	-	998,585
Redemption of other equity instruments	-	(5,929)	-	-	-	-	(1,993,618)	-	-	(1,999,547)	-	(1,999,547)
Distribution of other equity instruments	-	-	-	-	-	-	-	-	(124,675)	(124,675)	-	(124,675)
As at 31 December 2021 (restated)	4,225,068	12,174,120	-	1,646,282	83,644	(157,981)	1,997,000	16,895	15,846,562	35,831,590	896,811	36,728,401

Note (ii): In preparation of these consolidated financial statements, the Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") has appropriated certain amounts of retained profits to a special reserve fund for each of the years ended 31 December 2021 and 2022, for safety production expense purposes as required by directives issued by the relevant People's Republic of China ("PRC") government authorities. The Group charged the safety production expenses to profit or loss when such expenses were incurred, and at the same time the corresponding amounts of special reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 31 December	
		2022	2021
		RMB'000	(Restated) RMB'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		2,771,784	4,628,664
Adjustments for:			
Finance costs	8	1,333,909	1,149,116
Foreign exchange loss/(gain), net		105,614	(95,223)
Interest income	5	(475,601)	(410,539)
Share of results of joint ventures		(21,741)	(318,859)
Share of results of associates		(202,244)	10,149
Depreciation of property, plant and equipment and investment properties	6	2,124,015	1,821,142
Depreciation of right-of-use assets	6	216,882	145,833
Amortisation of other intangible assets	6	402,126	362,229
Gain on disposal of items of property, plant and equipment and other intangible assets, net	6	(4,395)	(98)
Gain on disposal of subsidiaries	5	(759,167)	(718,171)
Gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss	5	(601,987)	-
Gain on re-measurement of the remaining equity interests in investees at the date of losing control	5	(193,862)	(64,637)
Gain on disposal of interests in associates and joint ventures, net	5	(510,247)	(815,121)
Gain on disposal of financial assets at fair value through profit or loss	5	(73,925)	(76,539)
Loss on disposal of other financial assets	5	24,435	31,787
Dividend income from other non-current financial assets	5	(18,105)	(13,660)
Dividend income from financial assets at fair value through profit and loss	5	(25,467)	(15,850)
Dividend income from financial assets at fair value through other comprehensive income	5	(1,258)	(8,732)
Fair value loss, net on financial assets of fair value through profit or loss	5	36,035	57,588
Fair value loss/(gain), net on derivative financial instruments	5	81,353	(124,115)
(Reversal)/Impairment of trade and other receivables	6	(304,322)	648,938
Impairment of financial receivables	6	29,018	54,520
Impairment of contract assets	6	5,424	4,185
Reversal of impairment of other non-current financial assets	6	-	(50)
Impairment of inventories to net realisable value	6	70,111	118,557
Impairment of property, plant and equipment	6	134,420	143,192
Impairment of goodwill	6	53,755	175,682
Impairment of interests in an associate	6	8,601	-
Impairment of right-of-use assets	6	17,488	-
Impairment of other intangible assets	6	40,611	612,511
Operating cash flows before working capital changes		4,263,260	7,302,499
(Increase)/decrease in inventories		(5,062,341)	982,517
(Increase)/decrease in contract assets		(2,476,310)	293,624
Decrease/(increase) in trade and bills receivables		204,471	(3,460,315)
Increase in financial receivables		(16,976)	(1,006,577)
Increase in prepayments, other receivables and other assets		(782,158)	(2,187,495)
Increase in trade and bills payables		7,027,736	3,058,649
Increase in other payables and accruals		3,317,935	289,913
Increase in provisions		418,059	432,325
Increase/(decrease) in government grants and deferred income		27,507	(13,644)
Cash generated from operations		6,921,183	5,691,496
Income tax paid		(1,284,140)	(847,748)
Interest received		244,278	123,895
Net cash flows from operating activities		5,881,321	4,967,643

CONSOLIDATED STATEMENT OF CASH FLOWS - continued
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Year ended 31 December	
		2022	2021
		RMB'000	(Restated) RMB'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(7,947,870)	(9,797,546)
Additions of right-of-use assets		(250,987)	(73,269)
Additions of other intangible assets		(826,555)	(817,719)
Acquisitions of subsidiaries, net of cash acquired		(250,348)	(508,568)
Payment of purchase consideration payable for acquisition of subsidiaries in previous periods		(388,859)	(227,462)
Acquisitions of interests in joint ventures		(342,390)	(515,000)
Acquisitions of interests in associates		(109,720)	(68,764)
Purchases of equity investments at fair value through other comprehensive income		-	(28,058)
Purchases of financial assets at fair value through profit or loss		(100,000)	(355,794)
Purchases of financial assets measured at amortized cost		(137,722)	-
Proceeds from disposal of items of property, plant and equipment and other intangible assets		296,630	116,681
Proceeds from disposal of other non-current financial assets		359,493	-
Disposals of financial assets at fair value through profit or loss		-	112,478
Disposals of subsidiaries, net of cash disposed of		2,077,606	1,515,002
Cash received from disposal of subsidiaries during previous year		18,171	-
Disposals of other non-current financial assets		(185,000)	53,195
Disposal of equity investments designated at fair value through other comprehensive income		500	-
Disposals of shareholding in associates and joint ventures		917,777	2,275,586
Dividend income from financial assets at fair value through profit or loss		25,467	15,850
Dividend received from other non-current financial assets		41,482	13,660
Dividend received from joint ventures and associates		182,274	499,353
Dividend received from equity investments at fair value through other comprehensive income		1,258	8,732
Increase in non-pledged time deposits with original maturity of three months or more when acquired		(417,331)	(2,886)
Loans to joint ventures, associates and third parties		(44,007)	(186,947)
Prepayment for acquisitions of equity investments		(423,218)	-
Cash received relating to the disposal of subsidiaries		1,276,039	-
Cash from other investments		88,432	17,528
Net cash flows used in investing activities		(6,138,878)	(7,953,948)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank and other borrowings		17,432,208	15,738,126
Repayment of bank and other borrowings		(9,654,236)	(8,432,364)
Interest paid		(1,478,254)	(1,251,854)
Fees and other payments		(7,388)	(30,984)
Capital contributions from non-controlling shareholders		1,307,503	128,222
Dividend paid		(1,193,919)	(1,238,110)
Capital contributions from other equity instruments holders		998,875	998,585
Other cash payment to pre-shareholders		(93,500)	(370,000)
Cash receivable from related parties		200,488	-
Increase in pledged time deposit		-	(76,686)
Repayment on sold of bills as collateral on securities lending		(594,320)	-
Repayment of other equity instruments		-	(1,993,618)
Net cash flows from financing activities		6,917,457	3,471,317
NET INCREASE IN CASH AND CASH EQUIVALENTS		6,659,900	485,012
Cash and cash equivalents at beginning of year		8,140,281	7,705,323
Effect of foreign exchange rate changes, net		42,640	(50,054)
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	14,842,821	8,140,281

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL INFORMATION

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

During the year, the Group was involved in the following principal activities:

- Research and development, manufacture and sale of wind turbine generators and spare parts;
- Wind farm construction, post-warranty service and asset management services;
- Development and operation of wind farms, consisting of wind power generation service provided by the Group's wind farms as well as the sale of wind farms; and
- Development and operation of water treatment plants.

In the opinion of the directors of the Company (the "Directors"), the Company has no controlling shareholders.

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

Amendments to IFRSs that are mandatorily effective for the current year

In the current year, the Group's has applied the following amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatory effective for the annual period beginning on 1 January 2022 for the preparation of the consolidated financial statements:

Amendments to IFRS 3	<i>Reference to the conceptual Framework</i>
Amendments to IFRS 16	<i>Covid-19-Related Rent Concessions beyond 30 June 2021</i>
Amendments to IAS 16	<i>Property, Plant and Equipment: Proceeds before Intended Use</i>
Amendments to IAS 37	<i>Onerous Contracts-Cost of Fulfilling a Contract</i>
Amendments to IFRSs	<i>Annual Improvements to IFRSs 2018-2020</i>

Except as described below, the application of the amendments to IFRSs in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued****2.1 Impacts on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use**

The Group has applied the amendments for the first time in the current year. The amendments specify that the costs of any item that were produced while bringing an item of property, plant and equipment to the location and condition necessary for it to be capable of operating in the manner intended by management (such as samples produced when testing whether the relevant property, plant and equipment is functioning properly) and the proceeds from selling such items should be recognised and measured in the profit or loss in accordance with applicable standards. The cost of the items are measured in accordance with IAS 2 Inventories.

In accordance with the transitional provisions, the Group has applied the new accounting policy retrospectively to property, plant and equipment made available for use on or after the beginning of 1 January 2021. The details of the impacts are set out under "Impacts of application of amendments to IFRSs on the consolidated financial statements" in this note. Comparative figures have been restated.

2.2 Impacts of application of amendments to IFRSs on the consolidated financial statements

The effects of the changes in accounting policy as a result of application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use on the consolidated statement of profit or loss and other comprehensive income and earnings per share, are as follows:

	Year ended 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
<i>Impact on profit and total comprehensive income for the year</i>		
Increase in revenue	342,838	330,242
Increase in costs of sale	88,981	40,803
Increase in income tax expense	20,687	-
Net increase in profit for the year	<u>233,170</u>	<u>289,439</u>
Increase in profit and total comprehensive income for the year attributable to:		
- Owners of the Company	212,372	274,441
- Non-controlling interests	20,798	14,998
	<u>233,170</u>	<u>289,439</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued

2.2 Impacts of application of amendments to IFRSs on the consolidated financial statements - continued

	Year ended 31 December	
	<u>2022</u> RMB	<u>2021</u> RMB
<i>Impact on basic and diluted earnings per share</i>		
Basic and diluted earnings per share before adjustments	0.47	0.79
Net adjustments arising from change in accounting policy in relation to:		
- Amendments to IAS 16	0.05	0.06
Reported basic and diluted earnings per share	<u>0.52</u>	<u>0.85</u>

The effects of the changes in accounting policy as a result of application of amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use on the consolidated statement of financial position at the end of the immediately preceding financial year, i.e. 31 December 2021 and the beginning of the comparative period, i.e. 1 January 2021, are as follows:

	31 December 2021 (Originally stated) RMB'000	Amendments to IAS 16 RMB'000	31 December 2021 (Restated) RMB'000
Property, plant and equipment	<u>36,957,784</u>	<u>304,805</u>	<u>37,262,589</u>
	31 December 2021 (Originally stated) RMB'000	Amendments to IAS 16 RMB'000	31 December 2021 (Restated) RMB'000
Non-controlling interests	881,813	14,998	896,811
Reserves	<u>31,316,715</u>	<u>289,807</u>	<u>31,606,522</u>
	1 January 2021 (Originally stated) RMB'000	Amendments to IAS 16 RMB'000	1 January 2021 (Restated) RMB'000
Property, plant and equipment	<u>33,380,435</u>	<u>15,366</u>	<u>33,395,801</u>
	1 January 2021 (Originally stated) RMB'000	Amendments to IAS 16 RMB'000	1 January 2021 (Restated) RMB'000
Non-controlling interests	805,038	-	805,038
Reserves	<u>29,943,184</u>	<u>15,366</u>	<u>29,958,550</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued

2.2 Impacts of application of amendments to IFRSs on the consolidated financial statements - continued

The effects of the changes in accounting policy as a result of application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use on the consolidated statement of cash flows, are as follows:

Impact on the consolidated statement of cash flows

	Year ended 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
<i>OPERATING ACTIVITIES</i>		
Increase in profit for the year	233,170	289,439
Impact of Amendments to IAS 16		
- Increase in trade and bills receivables	(15,936)	(208,304)
Net increase in operating cash flows before movements in working capital and net cash from operating activities	<u>217,234</u>	<u>81,135</u>
<i>INVESTING ACTIVITIES</i>		
Impact of Amendments to IAS 16		
Cash from other investments	(217,234)	(81,135)
Net decrease in cash (used in) investing activities	<u>(217,234)</u>	<u>(81,135)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

2. APPLICATION OF AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") - continued

New and amendments to IFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to IFRSs that have been issued but are not yet effective:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts ¹
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback ³
Amendments to IAS 1	Classification of Liabilities as Current or Non-current ³
Amendments to IAS 1	Non-current Liabilities with Covenants ³
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies ¹
Amendments to IAS 8	Definition of Accounting Estimates ¹
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction ¹

¹ Effective for annual periods beginning on or after 1 January 2023.

² Effective for annual periods beginning on or after a date to be determined.

³ Effective for annual periods beginning on or 1 January 2024.

The Directors anticipate that the application of all other new and amendments to IFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with IFRSs (which include all International Financial Reporting Standards, International Accounting Standards ("IASs") and interpretations) issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). They have been prepared under the historical cost convention, except for certain financial instruments, which have been measured at fair value. These consolidated financial statements are presented in Renminbi ("RMB"), which is also the functional currency of the Company, and all values are rounded to the nearest thousand except when otherwise indicated.

The Group has evaluated the going concern for twelve months from 31 December 2022 and was of the view that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements are prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2022. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (b) potential voting rights held by the Group, other vote holders or other parties;
- (c) rights arising from other contractual arrangements; and
- (d) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS - continued

Basis of consolidation - continued

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

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

Non-controlling interests in subsidiaries are presented separately from the Group's equity therein, which present ownership interests entitling their holders to a proportionate share of net assets of the relevant subsidiaries upon liquidation.

4. OPERATING SEGMENT INFORMATION

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

- (a) the wind turbine generator manufacturing and sale segment engages in the research and development, manufacture and sale of wind turbine generators and spare parts;
- (b) the wind power services segment provides wind power construction, post-warranty service and asset management services;
- (c) the wind farm development segment engages in the development of wind farms, which consists of wind power generation service provided by the Group's wind farms as well as the sale of wind farms; and
- (d) the others segment mainly engages in the operation of water treatment plants under the service concession arrangements.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

4. OPERATING SEGMENT INFORMATION - continued

Year ended 31 December 2022

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
Segment revenue (note 5):						
Revenue from external customers	32,602,459	5,646,746	6,910,178	1,094,151	-	46,253,534
Intersegment sales	3,887,915	1,461,770	42,048	5,232	(5,396,965)	-
Total revenue	36,490,374	7,108,516	6,952,226	1,099,383	(5,396,965)	46,253,534
Segment results	(953,528)	1,056,853	4,896,880	1,193,555	(2,563,668)	3,630,092
Interest income	621,596	14,839	160,309	317,602	(638,745)	475,601
Finance costs	(543,938)	(32,566)	(1,230,676)	(212,790)	686,061	(1,333,909)
(Loss)/profit before tax	(875,870)	1,039,126	3,826,513	1,298,367	(2,516,352)	2,771,784
Segment assets	96,155,525	19,765,543	63,965,149	27,232,811	(70,296,650)	136,822,378
Segment liabilities	62,670,466	15,703,685	46,519,180	18,266,270	(46,683,518)	96,476,083
Other segment information:						
Share of results of:						
Joint ventures	265	-	22,106	(630)	-	21,741
Associates	37,279	315	105,260	74,845	(15,455)	202,244
Depreciation and amortisation ⁽¹⁾	900,535	369,527	1,529,590	149,895	(165,993)	2,783,554
Impairment of inventories, net	64,196	5,915	-	-	-	70,111
(Reversal of impairment)/impairment of trade and other receivables, net	(298,791)	5,756	13,729	(20,910)	(4,106)	(304,322)
Impairment of contract assets, net	1,088	4,336	-	-	-	5,424
Impairment of financial receivables, net	82	-	-	28,005	931	29,018
Impairment of property, plant and equipment	10,742	3,131	119,460	900	187	134,420
Impairment of right-of-use assets	-	-	17,488	-	-	17,488
Impairment of interests in an associate	8,601	-	-	-	-	8,601
Impairment of other intangible assets	-	-	-	40,611	-	40,611
Impairment of goodwill	41,160	-	12,595	-	-	53,755
Product warranty provision	2,304,858	-	-	-	-	2,304,858
Interests in joint ventures	285,384	-	3,105,402	499,809	-	3,890,595
Interests in associates	248,164	10,060	626,691	625,018	-	1,509,933
Income tax expense	(570,121)	162,785	502,936	279,085	(39,776)	334,909
Capital expenditure ⁽²⁾	2,224,785	140,884	7,701,690	316,240	(668,475)	9,715,124

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

4. OPERATING SEGMENT INFORMATION - continued

Year ended 31 December 2021

	Wind turbine generator manufacturing and sale	Wind power services	Wind farm development (Restated)	Others	Eliminations	Total (Restated)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue (note 5):						
Revenue from external customers	39,932,082	4,082,038	5,657,346	1,074,855	-	50,746,321
Intersegment sales	4,169,175	894,791	18,376	13,969	(5,096,311)	-
Total revenue	44,101,257	4,976,829	5,675,722	1,088,824	(5,096,311)	50,746,321
Segment results						
Interest income	2,583,965	24,840	4,480,437	287,823	(2,009,824)	5,367,241
Finance costs	538,046	5,330	87,970	329,599	(550,406)	410,539
Profit before tax	(376,682)	(14,323)	(1,066,114)	(222,182)	530,185	(1,149,116)
	2,745,329	15,847	3,502,293	395,240	(2,030,045)	4,628,664
Segment assets	90,250,061	15,536,735	53,429,630	21,944,789	(61,496,218)	119,664,997
Segment liabilities	57,199,559	12,343,814	38,244,940	13,498,297	(38,350,014)	82,936,596
Other segment information:						
Share of results of:						
Joint ventures	252	-	317,729	2,000	(1,122)	318,859
Associates	(13,343)	60	(31,811)	24,790	10,155	(10,149)
Depreciation and amortisation ⁽¹⁾	742,348	226,844	1,379,688	132,297	(120,884)	2,360,293
Impairment/(reversal of impairment) of write-down of inventories, net	120,936	(2,379)	-	-	-	118,557
Impairment/(reversal of impairment) of trade and other receivables, net	474,897	35,747	27,718	111,177	(601)	648,938
Impairment/(reversal of impairment) of contract assets, net	-	(100)	-	-	4,285	4,185
Reversal of impairment of other non-current financial assets, net	(50)	-	-	-	-	(50)
Impairment/(reversal of impairment) of financial receivables, net	-	-	-	58,805	(4,285)	54,520
Impairment of property, plant and equipment	-	2,431	140,761	-	-	143,192
Impairment of other intangible assets	552,260	-	43,515	16,736	-	612,511
Impairment of goodwill	175,682	-	-	-	-	175,682
Product warranty provision	2,678,036	-	-	-	-	2,678,036
Interests in joint ventures	3,558	-	4,529,840	20,406	-	4,553,804
Interests in associates	314,797	10,244	461,557	562,375	-	1,348,973
Income tax expense	219,596	6,404	566,487	140,654	(85,393)	847,748
Capital expenditure ⁽²⁾	1,700,024	292,431	9,265,730	1,765,867	(1,194,477)	11,829,575

⁽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 CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

4. OPERATING SEGMENT INFORMATION - continued

Geographical information

(a) Revenue from external customers

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	(Restated) RMB'000
China	41,966,588	44,615,061
Overseas	4,286,946	6,131,260
	<u>46,253,534</u>	<u>50,746,321</u>

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

(b) Non-current assets

	As at 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	(Restated) RMB'000
China	55,503,790	51,547,803
United States of America	98,345	98,800
Australia	814,327	4,429,107
Argentina	3,582,073	3,601,077
Germany	217,292	224,033
Other countries	10,312	11,811
	<u>60,226,139</u>	<u>59,912,631</u>

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

Information about major customers

For the year ended 31 December 2022, revenue of approximately RMB6,326,642,000 was derived from sales by wind farm development segment to a single customer, including sales to a group of entities which are known to be under the control of that customer, which individually accounted for over 10% of the Group's total revenue.

For the year ended 31 December 2021, revenue of approximately RMB6,005,200,000 was derived from sales by wind turbine generator manufacturing and sale and wind power services segment to a single customer, including sales to a group of entities which are known to be under the control of that customer, which individually accounted for over 10% of the Group's total revenue.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

5. REVENUE, OTHER INCOME AND GAINS

An analysis of revenue is as follows:

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	(Restated) RMB'000
<i>Revenue from contracts with customers</i>	45,924,993	50,422,460
<i>Revenue from other sources</i>		
Finance lease service	328,541	323,861
	<u>46,253,534</u>	<u>50,746,321</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2022

	Wind turbine generator manufacturing <u>and</u> <u>sale</u> RMB'000	Wind power <u>services</u> RMB'000	Wind farm <u>development</u> RMB'000	<u>Others</u> RMB'000	<u>Total</u> RMB'000
Type of goods or services					
Wind turbine generator manufacturing and sale	32,602,459	-	-	-	32,602,459
Wind farm development	-	-	6,910,178	-	6,910,178
Wind power services	-	5,318,205	-	-	5,318,205
Others	-	-	-	1,094,151	1,094,151
Total revenue from contracts with customers	<u>32,602,459</u>	<u>5,318,205</u>	<u>6,910,178</u>	<u>1,094,151</u>	<u>45,924,993</u>
Geographical markets					
China	30,573,357	4,353,671	5,616,868	1,094,151	41,638,047
Other countries	2,029,102	964,534	1,293,310	-	4,286,946
Total revenue from contracts with customers	<u>32,602,459</u>	<u>5,318,205</u>	<u>6,910,178</u>	<u>1,094,151</u>	<u>45,924,993</u>
Timing of revenue recognition					
Goods transferred at a point in time	32,602,459	-	6,910,178	290,426	39,803,063
Services transferred over time	-	5,318,205	-	803,725	6,121,930
Total revenue from contracts with customers	<u>32,602,459</u>	<u>5,318,205</u>	<u>6,910,178</u>	<u>1,094,151</u>	<u>45,924,993</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

5. REVENUE, OTHER INCOME AND GAINS - continued

Revenue from contracts with customers - continued

(i) Disaggregated revenue information - continued

For the year ended 31 December 2021

	Wind turbine generator <u>manufacturing and sale</u>	Wind power <u>services</u>	Wind farm <u>development</u> (Restated)	Others	Total (Restated)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Type of goods or services					
Wind turbine generator manufacturing and sale	39,932,082	-	-	-	39,932,082
Wind farm development	-	-	5,657,346	-	5,657,346
Wind power services	-	3,758,177	-	-	3,758,177
Others	-	-	-	1,074,855	1,074,855
Total revenue from contracts with customers	<u>39,932,082</u>	<u>3,758,177</u>	<u>5,657,346</u>	<u>1,074,855</u>	<u>50,422,460</u>
Geographical markets					
China	35,168,437	3,234,274	4,813,634	1,074,855	44,291,200
Other countries	4,763,645	523,903	843,712	-	6,131,260
Total revenue from contracts with customers	<u>39,932,082</u>	<u>3,758,177</u>	<u>5,657,346</u>	<u>1,074,855</u>	<u>50,422,460</u>
Timing of revenue recognition					
Goods transferred at a point in time	39,932,082	-	5,657,346	507,737	46,097,165
Services transferred over time	-	3,758,177	-	567,118	4,325,295
Total revenue from contracts with customers	<u>39,932,082</u>	<u>3,758,177</u>	<u>5,657,346</u>	<u>1,074,855</u>	<u>50,422,460</u>

Set out below is the reconciliation of the revenue from contracts with customers to the amounts disclosed in the segment information:

For the year ended 31 December 2022

<u>Segments</u>	Wind turbine generator <u>manufacturing and sale</u> RMB'000	Wind power <u>services</u> RMB'000	Wind farm <u>development</u> RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers	<u>36,490,374</u>	<u>6,779,975</u>	<u>6,952,226</u>	<u>1,099,383</u>	<u>51,321,958</u>
External customers	32,602,459	5,318,205	6,910,178	1,094,151	45,924,993
Intersegment sales	3,887,915	1,461,770	42,048	5,232	5,396,965
Intersegment adjustments and eliminations	<u>(3,887,915)</u>	<u>(1,461,770)</u>	<u>(42,048)</u>	<u>(5,232)</u>	<u>(5,396,965)</u>
Total revenue from contracts with customers	<u>32,602,459</u>	<u>5,318,205</u>	<u>6,910,178</u>	<u>1,094,151</u>	<u>45,924,993</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

5. REVENUE, OTHER INCOME AND GAINS - continued

Revenue from contracts with customers - continued

(i) Disaggregated revenue information - continued

For the year ended 31 December 2021

<u>Segments</u>	Wind turbine generator manufacturing and sale	Wind power services	Wind farm development (Restated)	<u>Others</u>	<u>Total</u> (Restated)
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	44,101,257	4,652,968	5,675,722	1,088,824	55,518,771
External customers	39,932,082	3,758,177	5,657,346	1,074,855	50,422,460
Intersegment sales	4,169,175	894,791	18,376	13,969	5,096,311
Intersegment adjustments and eliminations	(4,169,175)	(894,791)	(18,376)	(13,969)	(5,096,311)
Total revenue from contracts with customers	39,932,082	3,758,177	5,657,346	1,074,855	50,422,460

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	<u>Year ended 31 December 2022</u> RMB'000	<u>Year ended 31 December 2021</u> RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Wind turbine generator manufacturing and sale	4,754,145	5,624,972
Construction services	262,685	684,198
Others	71,548	16,936
	<u>5,088,378</u>	<u>6,326,106</u>

5. REVENUE, OTHER INCOME AND GAINS - continued

Revenue from contracts with customers - continued

(ii) Performance obligations

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

Sale of wind turbine generators and spare parts and sales of power station project products

The contracts with customers for the sales of wind turbine or the sales of power station project products are standalone performance obligation, which is satisfied upon delivery of the control rights of goods.

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.

Sale of electricity

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

Others

For revenue generated from the operation of water treatment plants under the service concession arrangements, the performance obligations of which are satisfied over time in accordance with progress of service provided.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

5. REVENUE, OTHER INCOME AND GAINS - continued

Revenue from contracts with customers - continued

<u>Other income and gains</u>	Year ended 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Interest income	475,601	410,539
Dividend income from equity investments at fair value through other comprehensive income	1,258	8,732
Dividend income from other non-current financial assets	18,105	13,660
Dividend income from financial assets at fair value through profit and loss	25,467	15,850
Gross rental income from investment properties and equipment	28,049	54,147
Government grants	150,292	275,032
Value-added tax ("VAT") refund	222,239	143,452
Provision of technical service	21,418	34,169
Loss on disposal of financial assets measured at amortised cost	(24,435)	(31,787)
Gain on disposal of subsidiaries:		
Gain on disposal of interests in subsidiaries	759,167	718,171
Gain on re-measurement of the remaining equity interests in investees at the date of losing control	193,862	64,637
Gain on disposal of financial assets at fair value through profit or loss	73,925	76,539
Gain on disposal of items of property, plant and equipment and other intangible assets	4,418	630
Gain on disposal of associates and joint ventures, net	510,247	815,121
Gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss (Note (i))	601,987	-
Fair value (losses)/gains, net:		
Derivative financial instruments	(81,353)	124,115
Financial assets at fair value through profit or loss	(36,035)	(57,588)
Others	163,157	118,676
	<u>3,107,369</u>	<u>2,784,095</u>

Note (i): During the year, Landspace Technology Co., Ltd ("Landspace", an associate company of the Group) issued new shares to third party investors to raise further capital. Accordingly, the equity interest held by the Group in Landspace reduced to 4.9953% and the Group lost its right to assign director to the board of directors of Landspace. As a result, the Directors are of the view that the Group no longer maintains significant influence over Landspace and therefore, the investment in Landspace has been accounted for as financial assets at fair value through profit or loss since the date the Group lost significant influence.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

6. PROFIT BEFORE TAX

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

	Notes	Year ended 31 December	
		2022	2021
		RMB'000	(Restated) RMB'000
Cost of inventories sold		30,640,259	32,978,060
Cost of services provided		4,302,267	3,590,631
Cost of wind power generation		2,391,731	1,789,461
Cost of others		881,085	911,673
		<u>38,215,342</u>	<u>39,269,825</u>
Depreciation of property, plant and equipment	12	2,123,738	1,820,865
Depreciation of investment properties		277	277
Depreciation of right-of-use assets		216,882	145,833
Amortisation of other intangible assets	14	402,126	362,229
		<u>2,743,023</u>	<u>2,329,204</u>
Impairment of trade receivables	15	420,621	626,218
Reversal of impairment of trade receivables	15	(707,979)	(73,679)
		<u>(287,358)</u>	<u>552,539</u>
Impairment of other receivables	17	77,632	99,930
Reversal of impairment of other receivables	17	(94,596)	(3,531)
		<u>(16,964)</u>	<u>96,399</u>
Impairment of contract assets	18	6,464	5,001
Reversal of impairment of contract assets	18	(1,040)	(816)
		<u>5,424</u>	<u>4,185</u>
Reversal of impairment of other non-current financial assets		-	(50)
		<u>-</u>	<u>(50)</u>
Impairment of financial receivables	16	36,107	64,944
Reversal of impairment of financial receivables	16	(7,089)	(10,424)
		<u>29,018</u>	<u>54,520</u>
Impairment of write-down of inventories		81,157	126,115
Reversal of impairment of write-down of inventories		(11,046)	(7,558)
		<u>70,111</u>	<u>118,557</u>
Impairment of property, plant and equipment	12	134,420	143,192
Impairment of other intangible assets	14	40,611	612,511
Impairment of right-of-use assets		17,488	-
Impairment of interests in an associate		8,601	-
Impairment of goodwill	13	53,755	175,682
Gain on disposal of items of property, plant and equipment and other intangible assets, net		(4,395)	(98)
Lease payments not included in the measurement of lease liabilities		101,789	138,674

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**6. PROFIT BEFORE TAX - continued**

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

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	RMB'000
Auditors' remuneration:		
Audit and assurances	14,084	12,890
Non-assurances services	3,534	3,623
	<u>17,618</u>	<u>16,513</u>
Employee benefit expenses (including Directors' and supervisors' remuneration):		
Wages and salaries	2,583,443	2,127,711
Pension scheme contributions (i)	321,996	251,506
Welfare and other expenses	498,130	410,257
	<u>3,403,569</u>	<u>2,789,474</u>
Research and development costs:		
Staff costs	782,838	704,293
Amortisation and depreciation	163,857	158,935
Materials expenditure and others	641,959	720,292
	<u>1,588,654</u>	<u>1,583,520</u>
Product warranty provision:		
Additional provision	2,676,087	3,397,580
Reversal of unutilised provision	(371,229)	(719,544)
	<u>2,304,858</u>	<u>2,678,036</u>

- (i) During the year, there was no forfeited contributions made by the Group on behalf of employees who leave the scheme prior to vesting fully in such contributions may be used by the Group, as the employer, to reduce existing level of contributions (2021: Nil).

7. OTHER EXPENSES

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	RMB'000
Rental cost	3,473	8,072
Bank charges	113,923	151,384
Asset impairment provision	254,875	931,385
Foreign exchange loss, net	105,615	191,422
Loss on disposal of non-current assets	22	532
Penalty expenses	8,424	28,463
Public welfare donations	9,880	9,755
Others	118,531	59,341
	<u>614,743</u>	<u>1,380,354</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**8. FINANCE COSTS**

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	RMB'000
Interest on bank loans and other borrowings	1,432,100	1,229,841
Interest on lease liabilities	105,739	79,491
Less: Interest capitalised	(203,930)	(160,216)
	<u>1,333,909</u>	<u>1,149,116</u>

9. INCOME TAX EXPENSE

The Company and ten subsidiaries of the Company (2021: the Company and nine 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 year ended 31 December 2022 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.

Certain subsidiaries of the Company in China which are small and micro-sized enterprises, the following Tax policy applies: For annual income amount of RMB 1 million or below, the taxable income amount should be computed at 25% of the annual income and subject to a tax rate of 20%, and then reduce the corporate income tax by half. The preferential period is from January 1, 2021 to December 31, 2022. For annual income amount of over RMB 1 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%. The preferential period is from January 1, 2022 to December 31, 2024.

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 ranging from 10% to 35% (2021: 10% to 35%).

Hong Kong profits tax has been provided at the rate of 16.5% (2021: 16.5%) on the estimated assessable profits arising in Hong Kong, China during the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

9. 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.

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	RMB'000
Current		
- China	898,941	1,303,071
- Elsewhere	159,605	17,250
	<u>1,058,546</u>	<u>1,320,321</u>
Deferred	(723,637)	(472,573)
Tax expense for the year	<u>334,909</u>	<u>847,748</u>

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

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	(Restated) RMB'000
Profit before tax	<u>2,771,784</u>	<u>4,628,664</u>
Tax at the statutory tax rate of 25%	692,946	1,157,166
Effect of different income tax rates for overseas entities	83,293	(23,676)
Effect of the preferential income tax rates for domestic entities	(42,708)	(409,812)
Effect of income tax rate change	(5,393)	3,018
Tax effect on unrecognised tax losses and temporary differences	265,174	220,912
Utilisation of previously unrecognised tax losses and temporary differences	(34,940)	(35,298)
Income not subject to tax	(6,733)	(3,437)
Expenses not deductible for tax	28,613	28,688
Additional tax deduction for research and development expenditure	(212,662)	(90,665)
Profits attributable to joint ventures	(5,435)	(79,715)
Profits attributable to associates	(50,561)	2,537
Tax impact on re-measurement of the remaining equity interests in investees at the date of losing control	(48,465)	(16,159)
Others	(328,220)	94,189
Tax expense for the year at the effective rate of 12.1% (2021: 18.3%(restated))	<u>334,909</u>	<u>847,748</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

10. DIVIDENDS

For the year ended 31 December 2022, the board of Directors proposed to distribute cash dividends of RMB1.2 (tax included) per each 10 shares with total amount of RMB507,008,000 to the shareholders. The proposed final dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The 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 2021, were approved by the Company's shareholders on 22 June 2022.

11. 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 years ended 31 December 2022 and 2021.

The calculation of basic earnings per share is based on:

	Year ended 31 December	
	<u>2022</u>	<u>2021</u>
	RMB'000	(Restated) RMB'000
Profit attributable to ordinary equity holders of the parent	2,383,433	3,731,394
Less: Distribution relating to the medium-term notes (i)	<u>(184,999)</u>	<u>(124,675)</u>
Profit used to determine basic earnings per share	<u>2,198,434</u>	<u>3,606,719</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,225,068</u>	<u>4,225,068</u>
Basic earnings per share (expressed in RMB per share)	<u>0.52</u>	<u>0.85</u>

- (i) The long-term option-embedded medium-term notes (the "Perpetual Medium-term Notes") issued by the Company in September 2016, December 2018, August 2020, August 2021, December 2021, June 2022 and September 2022 were classified as other equity instruments with deferrable cumulative interest distribution and payment. The interest from the Perpetual Medium-term Notes which has been generated but not yet declared, during the years of 2022 and 2021, was deducted from earnings when calculating the earnings per share for the years ended 31 December 2022 and 31 December 2021.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

12. PROPERTY, PLANT AND EQUIPMENT

	Year ended 31 December 2022					
	<u>Buildings</u> RMB'000	<u>Machinery</u> RMB'000	<u>Vehicles</u> RMB'000	<u>Electronic equipment and others</u> RMB'000	<u>Construction in progress</u> RMB'000	<u>Total</u> RMB'000
Cost:						
At 1 January 2022(Restated)	1,887,920	28,690,258	84,728	672,624	11,980,044	43,315,574
Additions	102,913	450,793	3,834	57,590	6,852,803	7,467,933
Disposals	(770)	(511,321)	(6,644)	(61,525)	-	(580,260)
Acquisition of subsidiaries	-	6,789	-	1,602	426,322	434,713
Disposals of subsidiaries	(230,960)	(2,335,800)	-	(1,238)	(3,585,544)	(6,153,542)
Decrease on dissolving of subsidiaries	-	-	-	-	(26)	(26)
Transfers	386,786	7,965,112	-	1,820	(8,353,718)	-
Exchange realignment	6,382	355,638	670	4,904	31,323	398,917
At 31 December 2022	<u>2,152,271</u>	<u>34,621,469</u>	<u>82,588</u>	<u>675,777</u>	<u>7,351,204</u>	<u>44,883,309</u>
Accumulated depreciation and impairment:						
At 1 January 2022	(365,016)	(5,074,515)	(51,822)	(419,025)	(142,607)	(6,052,985)
Depreciation provided during the year (note 6)	(229,088)	(1,836,349)	(6,278)	(52,023)	-	(2,123,738)
Disposals	381	354,668	4,805	57,597	-	417,451
Disposals of subsidiaries	62,067	462,107	-	1,090	1,275	526,539
Impairment (note 6)	(14,899)	(109,294)	-	-	(10,227)	(134,420)
Exchange realignment	(973)	(50,794)	(545)	(2,812)	-	(55,124)
At 31 December 2022	<u>(547,528)</u>	<u>(6,254,177)</u>	<u>(53,840)</u>	<u>(415,173)</u>	<u>(151,559)</u>	<u>(7,422,277)</u>
Net carrying amount:						
At 31 December 2022	<u>1,604,743</u>	<u>28,367,292</u>	<u>28,748</u>	<u>260,604</u>	<u>7,199,645</u>	<u>37,461,032</u>
At 1 January 2022(Restated)	<u>1,522,904</u>	<u>23,615,743</u>	<u>32,906</u>	<u>253,599</u>	<u>11,837,437</u>	<u>37,262,589</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

12. PROPERTY, PLANT AND EQUIPMENT - continued

	Year ended 31 December 2021(Restated)					
	Buildings RMB'000	Machinery RMB'000	Vehicles RMB'000	Electronic equipment and others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At 1 January 2021	1,532,935	23,530,617	91,517	689,870	12,979,323	38,824,262
Changes in accounting policies	-	-	-	-	15,366	15,366
At 1 January 2021(Restated)	1,532,935	23,530,617	91,517	689,870	12,994,689	38,839,628
Additions(Restated)	198,042	443,659	7,990	49,472	9,138,499	9,837,662
Disposals	(43,302)	(417,828)	(12,137)	(48,047)	(26,660)	(547,974)
Acquisition of subsidiaries	-	764	154	25	31,320	32,263
Disposals of subsidiaries	(318,338)	(2,945,805)	(306)	(4,004)	(43,722)	(3,312,175)
Decrease on dissolving of subsidiaries	-	(678)	-	(160)	(15,014)	(15,852)
Transfers(Restated)	613,705	9,181,176	-	961	(9,795,842)	-
Transfer from right-of-use assets	31,448	-	-	-	-	31,448
Transfer to assets of disposal groups classified as held for sale	(111,579)	(1,004,269)	-	(1,006)	-	(1,116,854)
Exchange realignment	(14,991)	(97,378)	(2,490)	(14,487)	(303,226)	(432,572)
At 31 December 2021(Restated)	<u>1,887,920</u>	<u>28,690,258</u>	<u>84,728</u>	<u>672,624</u>	<u>11,980,044</u>	<u>43,315,574</u>
Accumulated depreciation and impairment:						
At 1 January 2021	(288,918)	(4,578,315)	(50,790)	(405,291)	(120,513)	(5,443,827)
Depreciation provided during the year (note 6)	(195,615)	(1,551,957)	(10,959)	(62,334)	-	(1,820,865)
Disposals	1,931	137,745	8,387	37,865	-	185,928
Disposals of subsidiaries	84,104	756,939	206	3,279	-	844,528
Decrease on dissolving of subsidiaries	-	588	-	66	11,789	12,443
Transfer from right-of-use assets	(1,438)	-	-	-	-	(1,438)
Transfer to assets of disposal groups classified as held for sale	35,019	254,644	-	515	-	290,178
Impairment (note 6)	(2,431)	(106,878)	-	-	(33,883)	(143,192)
Exchange realignment	2,332	12,719	1,334	6,875	-	23,260
At 31 December 2021	<u>(365,016)</u>	<u>(5,074,515)</u>	<u>(51,822)</u>	<u>(419,025)</u>	<u>(142,607)</u>	<u>(6,052,985)</u>
Net carrying amount:						
At 31 December 2021(Restated)	<u>1,522,904</u>	<u>23,615,743</u>	<u>32,906</u>	<u>253,599</u>	<u>11,837,437</u>	<u>37,262,589</u>
At 1 January 2021(Restated)	<u>1,244,017</u>	<u>18,952,302</u>	<u>40,727</u>	<u>284,579</u>	<u>12,874,176</u>	<u>33,395,801</u>

The net carrying amount of construction in progress of the Group included capitalised interest of RMB187,997,000 (2021: RMB159,972,000) charged for the year 2022 prior to being transferred to buildings, machinery, vehicles and electronic equipment.

As at 31 December 2022, certain of the Group's property, plant and equipment, with a net carrying amount of RMB17,667,630,000 (31 December 2021: RMB15,937,983,000) were pledged to secure certain of the Group's bank loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**13. GOODWILL**

	Note	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
Cost and net carrying amount at beginning of year		163,265	354,785
Acquisition of subsidiaries		162,762	-
Disposal of subsidiaries		(95,325)	-
Impairment of goodwill	6	(53,755)	(175,682)
Exchange realignment		1,281	(15,838)
Cost and net carrying amount at end of year		<u>178,228</u>	<u>163,265</u>

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

	Note	Year ended 31 December	
		2022 RMB'000	2021 RMB'000
At beginning of year		194,055	30,903
Impairment losses recognised	6	53,755	175,682
Exchange realignment		5,507	(12,530)
At end of year		<u>253,317</u>	<u>194,055</u>

Impairment testing of goodwill

For the purposes of impairment testing, goodwill have been allocated to individual cash-generating units, comprising PRACTEK and several subsidiaries engaged in wind farm development.

The recoverable amount of PRACTEK has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a five-year period approved by senior management. The discount rate applied to the cash flow projections is 14.52%. Based on the results of the impairment test, the Group recognized a goodwill impairment provision of RMB 41,160,000 for the current year.

The recoverable amount of subsidiaries engaged in wind farm development have been determined based on a value in use calculation using cash flow projections based on installed capacity of wind farms and applicable tariff rates. The discount rates before taxes applied to the cash flow projections are from 11.20% to 23.23% (2021: 9.63% to 20.17%). Based on the results of the impairment test, the Group recognized a goodwill impairment provision of RMB 12,595,000 for the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

13. GOODWILL - continued

Impairment testing of goodwill - continued

Assumptions were used in the value in use calculation of relevant units as at 31 December 2022 and 2021. The following describes each key assumption on which management has based its cash flow projection to undertake impairment testing of goodwill:

- Budgeted gross margins - The basis used to determine the value assigned to the budgeted gross margins is the average gross margin achieved in the year immediately before the budget year and expected market development.
- Discount rates - The discount rates used are before tax and reflect specific risks relating to the relevant units.

The values assigned to the key assumptions on market development and the discount rates are consistent with the Group's historical experience and external information sources.

14 OTHER INTANGIBLE ASSETS

	Year ended 31 December 2022						Total RMB'000
	Technology licences RMB'000	Office software RMB'000	Patents and technology know-how RMB'000	Development costs RMB'000	Water treatment operating concession RMB'000 Note (i)	Wind farm development and operating permit RMB'000	
Cost:							
At 1 January 2022	19,023	463,664	1,667,265	1,070,878	3,840,112	758,620	7,819,562
Additions	-	59,411	276	632,875	133,993	-	826,555
Acquisition of subsidiaries	-	50,186	-	-	-	285,000	335,186
Disposals	(18,172)	(15,564)	(117,687)	-	(100)	-	(151,523)
Disposals of subsidiaries	-	(1,730)	-	-	-	-	(1,730)
Transfer	-	62,505	894,320	(956,825)	-	-	-
Exchange realignment	-	637	5,716	-	-	47,324	53,677
At 31 December 2022	851	619,109	2,449,890	746,928	3,974,005	1,090,944	8,881,727
Accumulated amortisation and impairment:							
At 1 January 2022	(19,023)	(208,752)	(777,781)	(324,748)	(490,876)	(188,292)	(2,009,472)
Amortisation provided during the year (note 6)	-	(65,730)	(170,950)	-	(142,144)	(23,302)	(402,126)
Impairment (note 6)	-	-	-	-	(40,611)	-	(40,611)
Disposals	18,172	10,575	33,823	-	-	-	62,570
Disposals of subsidiaries	-	176	-	-	-	-	176
Exchange realignment	-	(470)	(5,734)	-	-	(16,169)	(22,373)
At 31 December 2022	(851)	(264,201)	(920,642)	(324,748)	(673,631)	(227,763)	(2,411,836)
Net carrying amount:							
At 31 December 2022	-	354,908	1,529,248	422,180	3,300,374	863,181	6,469,891
At 1 January 2022	-	254,912	889,484	746,130	3,349,236	570,328	5,810,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

14. OTHER INTANGIBLE ASSETS - continued

	Year ended 31 December 2021						Total RMB'000
	Technology licences RMB'000	Office software RMB'000	Patents and technology know-how RMB'000	Development costs RMB'000	Water treatment operating concession RMB'000 Note (i)	Wind farm development and operating permit RMB'000	
Cost:							
At 1 January 2021	19,023	418,144	1,441,523	678,524	2,112,306	782,433	5,451,953
Additions	-	41,126	10,502	653,922	185,438	-	890,988
Acquisition of subsidiaries	-	-	-	-	1,095,297	61,200	1,156,497
Disposals	-	(16,365)	-	-	-	-	(16,365)
Disposals of subsidiaries	-	(1,873)	-	-	-	(71,208)	(73,081)
Transfer	-	23,899	237,669	(261,568)	-	-	-
Transfer from financial receivables	-	-	-	-	447,071	-	447,071
Exchange realignment	-	(1,267)	(22,429)	-	-	(13,805)	(37,501)
At 31 December 2021	<u>19,023</u>	<u>463,664</u>	<u>1,667,265</u>	<u>1,070,878</u>	<u>3,840,112</u>	<u>758,620</u>	<u>7,819,562</u>
Accumulated amortisation and impairment:							
At 1 January 2021	(19,023)	(166,161)	(432,527)	-	(340,150)	(120,048)	(1,077,909)
Amortisation provided during the year (note 6)	-	(58,898)	(140,149)	-	(133,990)	(29,192)	(362,229)
Impairment (note 6)	-	-	(227,512)	(324,748)	(16,736)	(43,515)	(612,511)
Disposals	-	14,938	-	-	-	-	14,938
Disposals of subsidiaries	-	308	-	-	-	1,918	2,226
Exchange realignment	-	1,061	22,407	-	-	2,545	26,013
At 31 December 2021	<u>(19,023)</u>	<u>(208,752)</u>	<u>(777,781)</u>	<u>(324,748)</u>	<u>(490,876)</u>	<u>(188,292)</u>	<u>(2,009,472)</u>
Net carrying amount:							
At 31 December 2021	<u>-</u>	<u>254,912</u>	<u>889,484</u>	<u>746,130</u>	<u>3,349,236</u>	<u>570,328</u>	<u>5,810,090</u>
At 1 January 2021	<u>-</u>	<u>251,983</u>	<u>1,008,996</u>	<u>678,524</u>	<u>1,772,156</u>	<u>662,385</u>	<u>4,374,044</u>

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

As at 31 December 2022, certain of the Group's other intangible assets, with a net carrying amount of RMB155,371,000 (2021: RMB154,750,000), were pledged to secure certain of the Group's bank loans.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**15 TRADE AND BILLS RECEIVABLES**

	As at 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Trade receivables	25,746,211	25,350,870
Bills receivable	1,855,034	2,315,501
	<u>27,601,245</u>	<u>27,666,371</u>
Provision for impairment	(1,459,855)	(1,765,515)
	<u>26,141,390</u>	<u>25,900,856</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 is 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 31 December 2022 amounting to RMB 1,855,034,000 (31 December 2021: RMB2,315,501,000) as debt instruments measured at fair value through other comprehensive income, but still listed as trade and bills receivables.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

15. TRADE AND BILLS RECEIVABLES - continued

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

	As at 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Within 3 months	11,791,254	6,775,564
3 to 6 months	3,197,366	4,990,821
6 months to 1 year	4,145,013	5,741,007
1 to 2 years	4,317,733	6,918,000
2 to 3 years	2,153,800	839,827
Over 3 years	536,224	635,637
	<u>26,141,390</u>	<u>25,900,856</u>

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

	Note	Year ended 31 December	
		<u>2022</u> RMB'000	<u>2021</u> RMB'000
At beginning of year		1,765,515	1,241,009
Impairment losses recognised	6	420,621	626,218
Impairment losses reversed	6	(707,979)	(73,679)
Amounts written off as uncollectible		(30,455)	-
Disposal of subsidiaries		(2,025)	-
Exchange realignment		14,178	(28,033)
At end of year		<u>1,459,855</u>	<u>1,765,515</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**15. TRADE AND BILLS RECEIVABLES - continued**

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates are based on the ageing of the balances for groupings of various customer segments with similar credit risk patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables:

	As at 31 December 2022		
	<u>ECL rate</u>	Gross carrying <u>Amount</u> RMB'000	<u>ECL</u> RMB'000
Individually impaired	91.81%	1,069,107	981,521
Collectively impaired			
Within 6 months	0.16%	13,798,422	22,658
6 months to 1 year	1.32%	3,549,740	46,906
1 to 2 years	2.33%	4,420,842	103,109
2 to 3 years	6.15%	2,294,874	141,075
Over 3 years	26.84%	613,226	164,586
	1.94%	24,677,104	478,334
Total	5.67%	25,746,211	1,459,855
	As at 31 December 2021		
	<u>ECL rate</u>	Gross carrying <u>Amount</u> RMB'000	<u>ECL</u> RMB'000
Individually impaired	88.39%	1,435,292	1,268,596
Collectively impaired			
Within 6 months	0.15%	12,158,699	17,644
6 months to 1 year	1.14%	3,109,518	35,340
1 to 2 years	2.58%	7,079,731	182,574
2 to 3 years	6.06%	723,367	43,815
Over 3 years	25.77%	844,263	217,546
	2.08%	23,915,578	496,919
Total	6.96%	25,350,870	1,765,515

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**15. TRADE AND BILLS RECEIVABLES - continued**

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

	As at 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Beneficial shareholders of the Company	405	1,724,223
Joint ventures	242,715	114,863
Associates	18,601	460,868
	<u>261,721</u>	<u>2,299,954</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.

As at 31 December 2022, the Group's trade and bills receivables amounting to RMB 4,688,051,000 (31 December 2021: RMB5,230,445,000) were pledged to secure certain of the Group's interest-bearing bank and other borrowings.

16 FINANCIAL RECEIVABLES

	As at 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Receivables for service concession agreements	4,769,218	4,531,312
Receivables for finance lease services	4,430,379	4,323,493
Accrued VAT on finance lease receivables	164,968	257,701
Loans to joint ventures	60,610	266,675
Provision for impairment	(109,479)	(80,461)
	<u>9,315,696</u>	<u>9,298,720</u>
Portion classified as non-current assets	<u>(8,922,837)</u>	<u>(8,890,041)</u>
Current portion	<u>392,859</u>	<u>408,679</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

16. FINANCIAL RECEIVABLES - continued

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 grantor.

Receivables for finance lease services arose from finance lease contracts to lease equipment to customers.

The movements in the loss allowance for impairment of financial receivables based on a lifetime ECL are as follows:

	Note	Year ended 31 December	
		<u>2022</u>	<u>2021</u>
		RMB'000	RMB'000
At beginning of year		80,461	24,874
Impairment losses recognised	6	36,107	64,944
Impairment losses reversed	6	(7,089)	(10,424)
Exchange realignment		-	1,067
At end of year		<u>109,479</u>	<u>80,461</u>

As at 31 December 2022, the Group's financial receivables amounting to 1,602,780,000 (31 December 2021: RMB1,781,878,000) were pledged to secure certain of the Group's bank loans.

17 PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Note	As at 31 December	
		<u>2022</u>	<u>2021</u>
		RMB'000	RMB'000
Advances to suppliers		1,836,308	2,142,181
Prepayments		834,560	784,819
Deductible VAT		2,974,480	3,111,193
Deposits and other receivables		<u>3,276,657</u>	<u>2,120,812</u>
		8,922,005	8,159,005
Impairment allowance		<u>(231,153)</u>	<u>(246,873)</u>
		8,690,852	7,912,132
Portion classified as non-current assets	(i)	<u>(3,380,478)</u>	<u>(3,380,188)</u>
Current portion		<u>5,310,374</u>	<u>4,531,944</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS - continued

Note:

- (i) The non-current portion of deposits and other receivables mainly represented advances to suppliers and deductible input VAT at 31 December 2022 and 2021.

Movements in the loss allowance for impairment of prepayments, other receivables and other assets are as follows:

	Note	Year ended 31 December	
		<u>2022</u> RMB'000	<u>2021</u> RMB'000
At beginning of year		246,873	188,657
Impairment losses recognised	6	77,632	99,930
Impairment losses reversed	6	(94,596)	(3,531)
Amounts written off as uncollectible		(2,438)	(33,721)
Disposal of a subsidiary		(6)	-
Exchange realignment		3,688	(4,462)
At end of year		<u>231,153</u>	<u>246,873</u>

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 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Beneficial shareholders of the Company	-	413
Joint ventures	1,377,277	197,331
Associates	65,769	23,847
	<u>1,443,046</u>	<u>221,591</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

18 CONTRACT ASSETS

	Notes	As at 31 December	
		<u>2022</u> RMB'000	<u>2021</u> RMB'000
Contract assets arising from:			
Retention receivables on the sale of wind turbines	(i)	4,658,907	2,881,851
Construction services	(ii)	2,180,416	1,282,923
Services concession arrangement		139,088	332,916
		<u>6,978,411</u>	<u>4,497,690</u>
Impairment		(15,362)	(10,951)
		<u>6,963,049</u>	<u>4,486,739</u>
Portion classified as non-current assets		(4,297,565)	(3,003,533)
Current portion		<u>2,665,484</u>	<u>1,483,206</u>

Notes:

- (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 and financial receivables.

The expected timing of recovery or settlement for contract assets as at 31 December is as follows:

	As at 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Within one year	2,665,484	1,483,206
After one year	4,297,565	3,003,533
Total contract assets	<u>6,963,049</u>	<u>4,486,739</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

18. CONTRACT ASSETS - continued

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

	Note	Year ended 31 December	
		<u>2022</u> RMB'000	<u>2021</u> RMB'000
At beginning of year		10,951	7,753
Impairment losses recognised	6	6,464	5,001
Impairment losses reversed	6	(1,040)	(816)
Exchange realignment		(1,013)	(987)
At end of year		<u>15,362</u>	<u>10,951</u>

An impairment analysis is performed at each reporting date using a provision matrix to measure ECL. The provision rates for the measurement of the ECL of the contract assets are based on those of the trade receivables as the contract assets and the trade receivables are from the same customer bases. The provision rates of contract assets are based on trade receivables for groupings of various customer segments with similar credit risk patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's contract assets:

	As at 31 December <u>2022</u>	As at 31 December <u>2021</u>
ECL rate	0.22%	0.24%
	RMB'000	RMB'000
Gross carrying amount	6,978,411	4,497,690
ECL	15,362	10,951

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**19 CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS**

	As at 31 December	
	2022 RMB'000	2021 RMB'000
Cash and bank balances	14,903,941	8,544,310
Time deposits	724,040	142,687
	<u>15,627,981</u>	<u>8,686,997</u>
Less: Pledged for:		
- Bank loans, letters of credit, bills issued and others	(7,046)	(141,509)
- Provision for risk and mandatory reserve deposits	(374,792)	(404,192)
	<u>(381,838)</u>	<u>(545,701)</u>
Cash and cash equivalents in the consolidated statement of financial position	15,246,143	8,141,296
Less: Non-pledged deposits with original maturity of more than three months when acquired	(403,322)	(1,015)
Cash and cash equivalents in the consolidated statement of cash flows	<u>14,842,821</u>	<u>8,140,281</u>
Pledged deposits	381,838	545,701
Portion classified as non-current assets	-	(109,707)
Current portion	<u>381,838</u>	<u>435,994</u>
Cash and cash equivalents and pledged deposits denominated in:		
- RMB	13,027,956	7,284,310
- Australian dollar	666,908	265,916
- United States dollar	1,342,065	491,224
- Euro	137,053	290,979
- Hong Kong dollar	19,053	1,678
- Argentine peso	331,806	256,418
- Other currencies	103,140	96,472
	<u>15,627,981</u>	<u>8,686,997</u>

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term time deposits are made for varying periods of between seven days and ninety days depending on the immediate cash requirements of the Group, and earn interest at the respective short-term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued**20 TRADE AND BILLS PAYABLES**

	As at 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Trade payables	27,071,984	22,343,639
Bills payable(i)	13,552,074	11,294,899
	<u>40,624,058</u>	<u>33,638,538</u>
Portion classified as non-current liabilities (ii)	(1,091,028)	(1,762,492)
Current portion	<u>39,533,030</u>	<u>31,876,046</u>

(i) These relate to trade payables in which the Group has issued bills to the relevant suppliers for future settlement trade payables. The Group continues to recognize these trade payables as the relevant banks are obliged to make payments only on the due date of the bills, under the same conditions as agreed with the suppliers without further extension.

(ii) The non-current portion of trade payables mainly represented retention amounts held by the Group as at 31 December 2022 and 2021.

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 fall 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 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Within 3 months	22,534,009	19,216,460
3 to 6 months	9,290,990	6,487,290
6 months to 1 year	2,958,580	3,070,651
1 to 2 years	3,340,072	3,008,697
2 to 3 years	1,610,190	595,687
Over 3 years	890,217	1,259,753
	<u>40,624,058</u>	<u>33,638,538</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022 - continued

20. TRADE AND BILLS PAYABLES - continued

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

	As at 31 December	
	<u>2022</u> RMB'000	<u>2021</u> RMB'000
Beneficial shareholders of the Company	16,811	-
Joint ventures	16,719	25,906
Associates	413,942	587,308
	<u>447,472</u>	<u>613,214</u>

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

Management Discussion and Analysis

I. OVERVIEW

In 2022, international institutions such as the World Bank and the Organization for Economic Co-operation and Development repeatedly adjusted their economic growth forecasts for downwards in view of the impact of the Russia-Ukraine conflict, high inflation, energy crisis, recurring epidemic outbreaks and high-temperature drought. According to the latest World Economic Outlook published by the International Monetary Fund (IMF), global economic growth rate was 3.4% for 2022 and estimated to drop to 2.9% for 2023, as worldwide economic development remained subject to multiple difficulties.

Despite these challenges, China was able to stabilise and steer towards positive development against volatile conditions as it coordinated both economic and social development and anti-epidemic control. According to the data published by National Bureau of Statistic, China's gross domestic production (GDP) amounted to RMB121,020.7 billion in 2022, up by 3.0% YoY, as it played an important stabilising role in the world economy.

China registered ongoing growth in electricity demand during the Reporting Period. According to data released by the NEA, China's electricity consumption grew by 3.6% YoY to 8,637.2 billion kWh in 2022. As at the end of December 2022, the accumulated installed power generation capacity of China was approximately 2.56 billion kW, representing a 7.8% YoY increase, among which the accumulated installed capacity of wind power was approximately 370 GW, representing a 11.2% YoY increase.

i. MAIN POLICIES REVIEW

In 2022, China persisted in seeking steady progress in energy transformation in intensive implementation of its new strategy for energy security underpinned by "Four Revolutions and One Cooperation". Subject to protection of energy security, China was steadily advancing towards low-carbon green transformation. The NDRC, the NEA and other authorities promulgated policies and measures involving energy system planning, new electricity system, renewable energy consumption, reform of the structure and mechanism of the electricity market and construction of large wind power bases in a further effort to usher in a new stage of development for renewable energy.

1. Stepping up with design of new energy system and planning to facilitate high-quality development of new energy

On 22 March, the NDRC and the NEA issued the "14th Five-Year Plan Modern Energy System Plan" (《“十四五”現代能源體系規劃》), proposing the basic establishment of a modern energy system by 2035, whereby the ability to safeguard energy security will be significantly enhanced and the model of green production and consumption will be extensively applied. After reaching 25% by 2030, the weighting of non-fossil energy consumption will be further increased substantially.

On 30 May, the NDRC and the NEA issued the "Implementation Plan for Promoting the High-quality Development of New Energy in the New Era" (《關於促進新時代新能源高質量發展的實施方案》), proposing the goal of total installed capacity of wind power and solar power exceeding 1,200 GW by 2030; the acceleration of the construction of large-scale wind power photovoltaic bases focusing on desert, Gobi and barren areas; and guiding society as a whole towards consumption of green power such as new energy.

On 1 June, nine ministries and commissions, including the NDRC and the NEA, jointly issued the "14th Five-Year Plan Renewable Energy Development Plan" (《“十四五”可再生能源發展規劃》), proposing the main goals of renewable energy development during the 14th Five-Year underpinned by vigorous advancement of the development of wind power and photovoltaic power generation bases, active promotion of distributed development of wind power and photovoltaic power generation and coordinated advancement of the centralized development of integrated water, wind and photovoltaic power bases.

2. Coordinated development of energy security and low-carbon green transformation; construction of a new electricity system compatible with an increasing weighting of new energy

On 10 February, the NDRC and the NEA issued the “Opinions on Improving the System, Mechanism and Policy Measures for Energy Green and Low-Carbon Transformation” (《關於完善能源綠色低碳轉型體制機制和政策措施的意見》), proposing that the basic establishment of a complete primary system and policy framework for green and low-carbon energy development by 2030 to form a pattern for energy production and consumption in which non-fossil energy could basically fulfil increasing energy demands while replacing existing fossil energy in large scale, thereby comprehensively enhancing the ability to safeguard energy security.

On 17 March, the NEA issued the “Guiding Opinion on Energy Work 2022” which called for steady advancement of structural transformation (《2022 年能源工作指導意見》). The weighting of coal consumption should be steadily decreased, while non-fossil energy consumption as a percentage of total energy consumption should be increased to approximately 17.3% with 180 billion kWh of additional power generation using alternative energy, while wind and photovoltaic power generation will account for approximately 12.2% of total power consumption.

On 7 November, the NDRC General Office and the NEA General Department issued the Notice on Responsibility Weight of Renewable Energy Power Consumption and Related Matters 2022 (《關於 2022 年可再生能源電力消納責任權重及有關事項的通知》) to set out the responsibility weight of renewable energy power consumption for each province in 2022 and the target responsibility weight of renewable energy power consumption for 2023. The Notice emphasised the role of renewable energy power consumption in promoting the development of renewable energy and directing cross-provincial and cross-regional power trading and optimal allocation of renewable energy within the nation.

3. Deepening reform of the electricity supply system and accelerating development of the unified national electricity market system

On 28 January, the NDRC and the NEA issued the “Guiding Opinions on Accelerating the Construction of a National Unified Electricity Market System” (《關於加快建設全國統一電力市場體系的指導意見》), calling for the preliminary establishment by 2025 and basic completion by 2030 of a unified national electricity market system that caters to the requirements of a novel power system with full market trading of new energy.

On 21 February, the NDRC General Office and the NEA General Department issued the Notice on Accelerating the Development of Electricity Spot Market (《關於加快推進電力現貨市場建設工作的通知》), calling for further efforts to deepen the reform of the electricity supply system and accelerate development of a unified national electricity market system, with a view to facilitating optimized allocation of power resources with a market-oriented approach. Support was given to qualified pilot spot trade markets to operate on a non-intermittent basis so as to form as soon as possible a spot market with long-term stable operation.

4. Driving development of both large wind power bases and distributed wind power to encourage faster construction of offshore wind power facilities

On 6 January, the NEA, Ministry of Agriculture and Rural Affairs and National Rural Revitalization Administration issued the “implementation Opinion on Accelerating the Development of Agricultural Energy Transformation to Facilitate Rural Revitalization” (《加快農村能源轉型發展助力鄉村振興的實施意見》), calling for the establishment of pilot operations in low-carbon green energy for villages in multiple locations by 2025, such that wind power, solar energy, biomass energy and geothermal energy will account for an increasing weighting in the energy forms employed in village areas.

On 30 January, the NDRC and the NEA published the “Layout Plan for the Development of Large Wind Power Photovoltaic Bases Focused on Desert, Gobi and Barren Areas” (《以沙漠、戈壁、荒漠地區為重點的大型風電光伏基地規劃佈局方案》), proposing the planning and construction of wind power photovoltaic bases with a total installed capacity of approximately 455 GW by 2030, including planned installed capacity of 284 GW in bases and planned installed capacity of 37 GW in coal sediment areas in the Kubuqi, Ulan Buh, Tengri and Badain Jaran deserts, as well as planned installed capacity of 134 GW in other desert and Gobi areas.

On 16 March, the NDRC, Ministry of Foreign Affairs, Ministry of Ecology and Environment and Ministry of Commerce published the “Opinion on Driving Joint Effort in ‘Belt and Road’ Green Development” (《關於推進共建“一帶一路”綠色發展的意見》), calling for deeper cooperation in green and clean energy and driving low-carbon green transformation in international energy cooperation. Solar energy power generation and wind power enterprises were encouraged to develop on the international front and build projects featuring best practices in green energy.

ii. INDUSTRY REVIEW

1. China maintained steady growth in wind power capacity and a relatively high level of wind power utilization

According to NEA statistics, newly installed wind power connected to the grid in China amounted to 37.63GW in 2022, decreasing by 21.2% compared to 2021. In terms of distribution of new installation, Jilin, Inner Mongolia and Shandong were the forerunners.

In 2022, the accumulated installed wind power capacity in China came in at approximately 370GW, up by 11.2% YoY, including 335GW of onshore wind power and 30.46GW of offshore wind power. In terms of distribution of accumulated installed capacity, Inner Mongolia, Hebei and Xinjiang were the forerunners.

In 2022, annual wind power generation amounted to 762.4 billion kWh, up by 16.3% YoY; national wind power utilization was 2,221 hours on average, reducing by 9 hours YoY; and national average wind power utilization was 96.8%, which was basically level with the previous year.

2. Solid progress in the construction of onshore large wind power and photovoltaic power bases and systematic transition to parity of offshore wind power

The construction of large wind power and photovoltaic power bases in China as an important supporting force for energy transformation has further accelerated. Since the beginning of 2022, China has stepped up with the development of such bases with a special focus on desert, Gobi and barren areas, as construction of the first batch of bases with an aggregate capacity of 97.05 GW has fully commenced, with some of them having commenced operation upon completion. Construction of the second batch of base projects has started successively, while a project list has been generated for the third batch of bases. In 2022, offshore wind power development plans for the “14th Five-Year Plan Period” (“14th FYP”) have been announced by the coastal provinces, while regions such as Guangdong, Shandong, Zhejiang and Shanghai have launched policies for offshore wind power subsidies to support the systematic and stable transition of offshore wind power to parity.

3. Record-high volume of public bid for wind power turbines as large-scale wind power planning provided favourable support

In 2022, bids for wind power turbines in the domestic market grew rapidly as new bids for 98.5GW were reported, growing by 82% YoY, among which 83.8GW was attributable to onshore wind power and 14.7GW to offshore bids. Close to 70% were located in north China. According to statistics, the planned capacities for all provinces during the 14th FYP exceeded 338GW in aggregate, providing positive support for the volume of wind power bids in the latter stage of the 14th FYP.

4. Large-MW models became the mainstream in the market while ongoing breakthroughs in R&D and manufacturing competence were noted

Benefiting from the driving force of innovative technologies, the upgrading of domestic wind power products to large-MW models was gaining pace, wind turbine of 6MW or above became the mainstream products in the market for both onshore and offshore operations. In 2022, China completed the manufacturing of a number of ultra-large units that consistently smashed the “size” record of the nation’s wind power industry. In October and November 2022, the manufacturing of China’s proprietary 13.6MW and 16MW offshore wind power units was completed at the Three Gorges Offshore Wind Power International Industry Park in Fujian. The successful completion of ultra-large wind power units signifies an important breakthrough in the R&D and manufacturing capability for high-end equipment in China through the manufacturing of large-capacity offshore wind power units and a new milestone in the wind turbine equipment manufacturing industry, as well as setting a new benchmark for the global development of offshore wind power equipment.

II. MAIN BUSINESS ANALYSIS

Driven by China’s 14th Five-Year Energy Development Plan and the “3060” Dual Carbon goals, wind power embraces new opportunities and prospects. Meanwhile, it also faces the challenges of diversified market competition, diversified customer needs, and accelerated generational substitution of products. Facing both opportunities and challenges, the Company sustained stable growth in sales in terms of capacity and orders on hand as it persisted in technological progress and product innovation and embraced ever-changing market situations with an approach oriented to customer demands.

During the Reporting Period, the Company's operating revenue was RMB46,253.53 million. Net profit attributable to owners of the Company was RMB2,383.43 million.

i. WTG Manufacturing, R&D and Sales

According to Bloomberg New Energy Finance ("BNEF"), the Company added 11.36GW of domestic installed capacity in 2022, with a domestic market share of 23%, ranking first in China for twelve consecutive years. The Company added 12.7GW of installed capacity on a global basis, with a global market share of 14.82%, ranking first in the world.

1. WTG Manufacturing and Sales

During the Reporting Period, the Group's revenue from the sales of WTGs and components was RMB32,602.46 million. The Group's external sales totalled 13,870.64MW in 2022, among which the sale capacity of MSPM turbines rose significantly, representing an increase of 7,847.23% YoY, with the percentage to total sale capacity rose to 62.17% from 1.02% in 2021.

The following table lists out details of the Group's WTG sales in 2022 and 2021:

Model	Year ended 31 December				
	2022	Capacity Sold		2021	Change in Capacity Sold
Units Sold	(MW)	Units Sold	Capacity Sold (MW)		
MSPM	1,533	8,622.74	19	108.50	7,847.23%
6S/8S	60	368.00	299	1,950.75	-81.14%
3S/4S	890	3,778.70	1,090	4,449.42	-15.07%
2S	403	1,098.20	1,497	4,114.40	-73.31%
1.5MW	2	3.00	40	60.15	-95.01%
Total	2,888	13,870.64	2,945	10,683.22	29.84%

During the Reporting Period, the Company sustained stable growth for its orders on hand, as there were 20,767.56MW external orders to be executed, including 58.50MW of 1.5MW unit, 1,362.60MW of 2S platform unit, 5,299.07MW of 3S/4S platform unit, 1,396.80MW of 6S/8S platform unit, 12,650.59MW of MSPM turbines. The Company had 5,836.24MW of external unsigned contract orders, including 159.00MW of 2S platform unit, 109.50MW of 3S/4S platform unit, 5,567.74MW of MSPM turbines. The Company's external order on hand totaled 26,603.80MW (the proportion of MSPM unit orders in external order on hand increased to 68.48%), including 4,466.77MW overseas orders. In addition, the Company had 508.95MW of internal orders. The Company's total orders on hand amounted to 27,112.75MW, representing YoY growth of 55.53%.

2. R&D and Certification

In persistent adherence to the principle of scientific innovation, Goldwind seeks ongoing improvements in its R&D competence with a market-driven, innovation-driven and data-driven approach. We have been consistently optimising our product mix according to market demands and customers' requirements based on a strategy of advanced products and technologies to cover broader and more diversified application scenarios in response to the evolving global market.

a. Product R&D and Mass Production

In 2022, following the commercialized mass production of GWHV11 platforms, the Company added a number of new commercialized product platforms, including GWHV12, GWHV20 and GWHV21, to its portfolio of MSPM products and secured orders from numerous wind power projects. The first batch of projects employing our GWHV12 platforms have entered the grid-connected operation stage.

The GWHV12 platform is targeted at both the medium / low and medium / high wind speed onshore market segments. It can be effectively adapted to the complex geography and significant disparity in wind resources present in onshore wind power farms. In the “Best Wind Power Units Worldwide 2022” awards hosted by Windpower Monthly, the GWH191-4.0MW model and GWH191-6.7MW model of the platform won the Gold Prize and Silver Prize, respectively, for Best Onshore Wind Power Unit Worldwide. Moreover, the GWH191-5.0MW of the platform is the first domestic unit receiving Class A Certification for Grade 19X Models from China General Certification Center.

The Company’s GWHV20 platform unit targets the offshore medium / high wind speed market segment. Currently it has completed the development and manufacturing of the GWH252-13.6MW and GWH252-16MW units, the latter of which has smashed the record for the world’s largest single-unit capacity and impeller diameter and has successfully overcome a series of critical technical bottlenecks in relation to ultra-long flexible blades, domestic production of the main shaft bearing and size reduction of ultra-large capacity generators, for which it has been honoured with the title of “Most Important Components of the Nation 2022”. GWHV21 platform is primarily targeted at the offshore medium / low wind speed market segment. Currently the development, suspended prototype unit installation and on-grid connection of the GWH230-9.0MW model have been completed. All models in the GWHV20 and GWHV2T platform series are equipped with the ETOP technology, horizontal single blade suspended installation technology, 35/66kV optional voltage technology and one-touch activation solution, which will significantly enhance the efficiency of on-site installation and testing, thereby effectively reducing construction costs and cost per kWh of projects.

Goldwind’s MSPM drivetrain system, which has won the Silver Prize in Best Drivetrain System Worldwide in the “Best Wind Power Units Worldwide 2022” awards hosted by Windpower Monthly, is characterized by a more reasonable drive chain design, sound operating and working conditions of the generator gear box and high reliability of the unit as a whole.

The DDPM 5S platform targeted at the international market has obtained the EPD (Environmental Product Declaration) certification, while the GW165-5.6MW unit prototype of the platform has completed grid connection and related tests and obtained DNV certification.

In addition, the Company’s proprietary complete machine simulation software GTSim has obtained the authoritative certification of TÜV NORD, an international certification body, becoming the first wind power complete machine manufacturer in Asia to receive this certification. GTSim combines multi-disciplinary algorithms such as multi-body dynamics, aerodynamics, hydrodynamics, control, etc., and features the whole machine simulation function for the entire process and all working conditions. On the back of its advanced multibody dynamics framework combined with modular programming, it can realize rapid development and integration of algorithm modularization and effectively support the simulation design of future wind power units with large impellers, long flexible blades and high towers.

b. Intellectual Property and Standard-Setting, Product Certification

With a strong emphasis on investment in R&D, Goldwind has been actively engaged in new product accreditation and protection of its core technologies through intellectual property rights, as it owns an increasing number of patents at home and abroad with a consistently optimized mix of patent applications.

In 2022, Goldwind received 212 wind turbines certificates in total, including 102 development certificates, 101 project tender certificates, 9 technological project certificates, of which 155 were domestic certificates and 57 were international certificates. As at 31 December 2022, the Company had 5,469 patent applications in China, including 3,192 invention patent applications, accounting for 58% of the total. The Company obtained 3,918 patent licenses in China, including 1,737 invention patent, accounting for 44%. The Company had 1,066 patent applications and 467 patent licenses abroad.

The Company has actively participated in the formulation and revision of domestic and international standards for wind power technology. As at the end of 2022, Goldwind had participated in the formulation and revision of 31 IEC (International Electrotechnical Commission) standards, including the formulation of 1 standard in the capacity of lead drafting party. The Company had also participated in the formulation and revision of 363 domestic standards, including 129 national standards, 142 industrial standards and 92 regional and association standards, among which 289 had already been published.

3. Quality Management

Taking “high-quality development” as its guiding ideology, Goldwind endeavoured to deliver high quality and consistent reliability, as it seeks to safeguard and continuously enhance product quality for the ongoing improvement of customer experience based on a quality management approach that “emphasises prevention, refines management and facilitates development.”

In 2022, the Company’s quality management work was based on five segments (development, testing, assembly, service and software) and five components (generator, gearbox, blade, casting and converter). The Company has developed a comprehensive quality control plan that seeks to prevent and control quality issues throughout the entire life cycle of the product from the perspective of product reliability with the aid of APQP (Advanced Product Quality Planning) and FMEA (Failure mode and effects analysis) tools, with a view to continuously enhancing its competence in quality assurance and facilitating smooth delivery of the Company’s units.

Meanwhile, the Company achieved substantial improvement in the average trouble-free operating hours of the units and continuous decline in the power generation loss coefficient by: developing a turbine reliability system at the R&D end to procure enhancement in suppliers’ competence in quality; implementing quality risks streamlining at the manufacturing end and tiered management of quality issues at the on-site maintenance end to improve the efficiency of troubleshooting. According to the “2021 Annual Results on Power Industry Wind Power Operation Index Benchmarking” jointly issued by China Electricity Council in September 2022, with the best performance of unit availability in 8 benchmarking regions, Goldwind was awarded the Best Unit Availability Award with the top total score, which is also the third consecutive year that Goldwind has been the first in total. In addition, the number of award-winning wind farms installed with Goldwind’s units reached 139, of which 28 were 5A, 44 were 4A and 67 were 3A, accounting for 26.7%, 25.1%, and 25.7% of the total number of awards at each level respectively.

Moreover, Goldwind has drafted and published the “White Paper on Trouble-free Wind Power Farms” in association with more than 10 entities, including China Quality Certification Centre, in a bid to develop a platform for the construction process of trouble-free wind power farms and promote the trouble-free wind power farm model in the industry, thereby facilitating progress in new energy equipment management.

ii. Wind Power Service

As the wind power industry enters the stage of high-quality development, Goldwind has been consistently enriching the product types and improving the service technologies of its post-warranty service business, with a view to providing more comprehensive and systematic solutions covering the value chain along the entire life cycle of a wind power farm, including a range of services such as on-site maintenance, spare parts supply, component repair, software upgrade, technological conversion and optimization and power generation enhancement, among others, aimed at eliminating safety risks and safeguarding the security and reliable operation of customers’ assets.

In 2022, the Company continued to enhance the localized presence of its service business with the establishment of 10 major regional companies complemented by 5 new energy shared service centres that foster a 2-hour service radius providing all-encompassing and maximum service assurance at the customers’ locations.

The Company continued to promote the industrial application and product upgrades of its smart operational solutions (SOAM™). During the Reporting Period, the integrated high-precision wind and photovoltaic power estimation technology generated by SOAM™ won the Class I award for the “New Energy Power Generation Estimation” category in the State Grid Modulation AI Innovation Contest. The Company successfully passed the CMMI (Capability Maturity Model Integration) Level 5 evaluation, and is the first wind power complete machine enterprise in China to pass the CMMI Level 5 certification. The Company’s years of wind power software development capabilities and intelligent, digital innovation capabilities have been recognized by international authorities.

In connection with the conversion of outdated units, the Company has completed R&D upgrades for wind turbine control technologies and power generation enhancement technologies and the upgrade and conversion of the electrical system of a 300MW wind power farm in Gansu Province, a conversion project that currently features the largest number of units in the nation put to individual technological conversion. The converted wind power farm unit boasts an average utilization rate of over 97%, more than 90% YoY reduction in breakdown rate and close 10% YoY increase in power generation volume.

In connection with asset management service, the Company continued to play to its strengths in power trade and digital maintenance, utilising its nationwide maintenance system to comprehensively enhance the operating efficiency and project revenue of wind power assets and procure stable, premium investment return for customers. Moreover, the Company continued to promote the upgrading of asset management services and products and has currently expanded the scope of its services to cover all sections of the life cycle of the wind power industry. As at the end of the Reporting Period of the Company, the scale of the Company's wind power farm asset management service had reached 18,494.25MW, including 11,338.7MW in wind power farm asset management services provided to third parties.

In terms of electricity sales service business, the Company provides customers with cleaner, more efficient, and more affordable energy solutions based on distributed energy, green power transactions, carbon neutrality consulting services, energy storage and charging products and zero-carbon industry park construction service. The Company currently has 6 electricity sales companies with business presence covering more than 10 provinces. Currently, the Company provides green energy that is high reliable, reasonably priced and convenient to use to more than 3,000 electricity users through generation-side electricity trading and electricity sales companies. During the Reporting Period, the Company signed up for electricity sales business with a capacity of 15.96 billion kWh.

During the Reporting Period, the Company's post-warranty service at home and abroad covered projects in operation with a total capacity of nearly 28GW, representing an increase of 20.9% YoY.

During the Reporting Period, the Group's revenue from the Wind Power Service business was RMB5,646.75 million, among which the post-warranty service revenue totaled RMB2,463.00 million, representing an increase of 25.19% YoY.

iii. Wind Farm Investment and Development

In 2022, the Company reported smooth progress in wind farm investment and development activities, as it focused on both onshore and offshore facilities in centralized as well as distributed modes in tandem with the new energy development policy under the 14th FYP with a special emphasis on diversified business types such as large base projects and rural revitalization to acquire resources through systematic plans, resulting in the acquisition of project resources in 13 provinces, municipalities and autonomous regions including Xinjiang, Gansu, Inner Mongolia, Heilongjiang, Tianjin, Zhejiang and Hunan.

During the Reporting Period, newly added grid-connected attributable installed capacity of wind farms operated by the Company at home and abroad amounted to 1,744.78MW, while grid-connected capacity of transferred interests amounted to 684.79MW. As of the end of the Reporting Period, the global cumulative grid-connected attributable installed capacity totaled 7,078.38MW, while attributable capacity of wind farms under construction was 2,638.84MW.

During the Reporting Period, the Group's revenue from wind farm investment and development business was RMB6,910.18 million, representing an increase of 22.15% YoY. During the Reporting Period, gain on disposal of equity investment in wind farms totalled RMB1,119.15 million.

As of the end of the Reporting Period, the Company's wind power assets accounted for in its consolidated financial statements covered 24 provinces across China. During the Reporting Period, the number of average power generation utilization hours of domestic turbines was 2,456 hours, which exceeded the national average level by 235 hours, and the number of average power generation utilization hours of international turbines was 3,087 hours. The Company's power generation at home and abroad accounted for in the consolidated financial statements was 14.382 billion kWh, and on-grid power generation was 14.011 billion kWh.

Key information in production and operation

Item	Reporting Period	Corresponding period last year
Domestic projects		
Total installed capacity (0' 000 kW)	619.76	561.58
Installed capacity of new generators in operation (0' 000 kW)	116.35	120.36
Planned installed capacity of approved projects (0' 000 kW)	392.24	197.90

Planned installed capacity of projects under construction (0' 000 kW)	263.88	201.36
Power generation (000 million kWh)	116.62	96.68
On-grid power generation or electricity sales (000 million kWh)	113.61	94.30
Average on-grid tariff or electricity selling price (RMB/000 million kWh, tax inclusive)	0.50	0.52
Average power consumption rate of power plants (%)	2.58%	2.46%
Utilization hours of power plants (hours)	2,456	2,546
International Projects		
Total installed capacity (0' 000 kW)	88.08	45.24
Installed capacity of new generators in operation (0' 000kW)	58.13	20.48
Planned installed capacity of projects under construction (0' 000 kW)	0	58.13
Power generation (000 million kWh)	27.2	11.8
On-grid power generation or electricity sales (000 million kWh)	26.5	11.6
Average power consumption rate of power plants (%)	2.4%	2.0%
Utilization hours of power plants (hours)	3,087	2,756

In connection with engineering construction, the Company has focused on the development of engineering digitization capabilities, flexible procurement strategies, compliance risk control and lean project management and exercised effective control over construction cost, delivery cycles and delivery quality. During the Reporting Period, the Company's Anbei Project in Guazhou County and Pingyuan Project in Lingbi County won the 2022 "High Quality Electric Power Project of China" (中國電力優質工程) award and 2022 "High Quality Small- / Medium-sized Electric Power Project of China" (中國電力中小型優質工程) award presented by the China Electric Power Construction Association, while the Ertai Town Project in Zhangbei County was awarded the Five Star Certificate for On-site Management Diagnostics and Assessment presented by the China Association for Quality, representing the advanced level of these projects among domestic peer projects in the same period.

iv. Water Treatment Business

Goldwind combined green energy with water environmental protection to drive the construction of green and low-carbon water plants and improve the overall efficiency of water operations. The Company claims a strategic layout and business planning with multi-point support combining digital smart water operation, innovation of sewage treatment technology, sludge recycling and industrial water treatment.

In the industrial water operation, the Company has developed the MBBR (Moving Bed of Biofilm Reactor) 500, 800 and 1000+ series product spectrum and process technique pack and has received a number of project orders.

At the 19th Water Industry Enterprise Awards, the Company won the "2021 Best Enterprise in China's Water Industry for Professional Operational Services Award" for its strengths in professional operation service and leaping growth in the size of its water assets. This was the third consecutive year for which the Company won this award.

As of the end of the Reporting Period, the Company owned 66 water treatment companies covering 33 cities in China with an aggregate water treatment volume of 2,839,500 tons per day under the operating agreements.

During the Reporting Period, the Company's revenue from water operation business totaled RMB900.30 million, representing an increase of 22.64% YoY.

v. Major Subsidiaries

As at 31 December 2022, the Group had 759 subsidiaries, including 47 directly owned subsidiaries and 712 indirectly owned subsidiaries. In addition, the Group had 21 joint ventures, 29 associated companies and 20 equity investments. The Group's principal subsidiaries include R&D and manufacturing companies for WTG components, wind farm development companies, wind power service companies, water treatment plants, finance lease service companies, etc. The following table sets out the key financial information of principal subsidiaries of the Group (reported in accordance with CASBE):

As at 31 December 2022

Unit: RMB

No	Company Name	Registered Capital	Total Assets	Net Assets	Revenue from Operations	Net Profits
1	Beijing Tianrun New Energy Investment Co., Ltd.	5,550,000,000	56,944,622,136.18	16,558,430,993.78	6,765,489,108.49	2,753,738,248.64
2	Goldwind Investment Holding Co., Ltd.	1,000,000,000	3,898,768,160.96	2,777,765,416.79	-	718,521,898.24
3	Goldwind International Holdings (HK) Limited.	USD635,197,000	19,309,654,351.47	3,484,333,422.25	4,482,510,196.49	575,297,589.69

III. OPERATIONS PERFORMANCE AND ANALYSIS

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

Summary

For the year ended 31 December 2022, the Group's operating revenue was RMB46,253.53 million, net profit attributable to owners of the Company was RMB2,383.43 million. The Group reported basic earnings per share of RMB0.52.

The following table provides the Group's major financial indicators:

Financial indicators	Year ended 31 December		
	2022	2021 (restated)	Change (percentage points)
Profitability Index			
Sales margin attributable to owners of the Company	5.15%	7.35%	-2.20
Return on investment index			
Weighted average return on net assets [◆]	6.38%	11.55%	-5.17

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

Revenue

The Group's revenues were generated mainly from: (i) WTG Manufacturing and Sale; (ii) Wind Power Services; (iii) Wind Farm 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, asset management services, finance services, etc. Revenue from Wind Farm 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 water operation business, etc.

For the year ended 31 December 2022, The Group's operating revenue was RMB46,253.53 million. Details are set out as below:

Unit: RMB thousand

Revenue	Year ended 31 December		Amount Change	Percentage Change
	2022	2021(restated)		
WTG Manufacturing and Sale	32,602,459	39,932,082	(7,329,623)	-18.36%
Wind Power Services	5,646,746	4,082,038	1,564,708	38.33%
Wind Farm Development	6,910,178	5,657,346	1,252,832	22.15%
Others	1,094,151	1,074,855	19,296	1.80%
Total	46,253,534	50,746,321	(4,492,787)	-8.85%

Revenue decrease during the Reporting Period YoY was mainly due to: (i) in 2022, as the offshore wind power entered the era of grid-parity, the Group's sale capacity of offshore WTGs saw a decrease YoY; (ii) due to the steady increase in installed capacity of wind farms, the Group's revenue from post-warranty-service increased during the Reporting Period, leading to increased revenue from Wind Power Services business YoY; and (iii) the growing capacity of operational wind farms of the Group led to the increase in the revenue from wind farm development business YoY.

Cost of Sales

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

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

Unit: RMB thousand

Cost	Yearended31December		Amount Change	Percentage Change
	2022	2021(restated)		
Raw materials and components	34,835,125	36,840,222	(2,005,097)	-5.44%
Labour	586,378	541,712	44,666	8.25%
Depreciation and amortisation	2,500,879	2,044,730	456,149	22.31%
Other production costs	4,348,205	4,042,965	305,240	7.55%
Changes in inventories and transferred assets	(4,055,245)	(4,199,804)	144,559	-3.44%
Total	38,215,342	39,269,825	(1,054,483)	-2.69%

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

Unit: RMB thousand

Cost	Year ended 31 December		Amount Change	Percentage Change
	2022	2021(restated)		
WTG Manufacturing and Sale	30,640,259	32,978,060	(2,337,801)	-7.09%
Wind Power Services	4,302,267	3,590,631	711,636	19.82%
Wind Farm Development	2,391,731	1,789,461	602,270	33.66%
Others	881,085	911,673	(30,588)	-3.36%
Total	38,215,342	39,269,825	(1,054,483)	-2.69%

The decrease in cost of sales of the Group was mainly caused by the decrease in revenue of the Group in 2022.

Gross Profit

Unit: RMB thousand

Gross Profit	Year ended 31 December		Amount Change	Percentage Change
	2022	2021(restated)		
WTG Manufacturing and Sale	1,962,200	6,954,022	(4,991,822)	-71.78%
Wind Power Services	1,344,479	491,407	853,072	173.60%
Wind Farm Development	4,518,447	3,867,885	650,562	16.82%
Others	213,066	163,182	49,884	30.57%
Total	8,038,192	11,476,496	(3,438,304)	-29.96%

During the Reporting Period, the Group's gross profit decreased mainly due to the decrease in gross profits from WTG Manufacturing and Sale. Gross profits from other business segments increased YoY.

For the year ended 31 December 2022 and 2021, the Group's comprehensive gross profit margins were 17.38% and 22.62%, respectively. The gross profit margins for the WTG Manufacturing segment were 6.02% and 17.41%, respectively. The following table sets out the gross profit margins for WTGs (prepared in accordance with CASBE):

Gross Profit Margin	Year ended 31 December		Change (percentage points)
	2022	2021	
MSPM	3.00%	7.26%	-4.26
6S/8S	18.11%	27.98%	-9.87
3S/4S	8.76%	13.17%	-4.41
2S	5.02%	13.66%	-8.64
1.5MW	3.60%	22.57%	-18.97

During the Reporting Period, the Group's gross profit margins for WTG products had various degree of decrease .

Other Income and Gains, Net

Other income and gains of the Group mainly consist of gain on disposal of subsidiaries (including the sales revenue of wind power equipment realized due to the sales of such wind farms), gain on disposal of associates and joint ventures, interest income, fair value gain, gross rental income from investment properties and equipment, and government grants obtained for R&D projects and production facilities, etc.

Other net income and gains of the Group were RMB3,107.37 million for the year ended 31 December 2022, representing an increase of 11.61% compared with RMB2,784.10 million for the year ended 31 December 2021. This was mainly caused by the increase in gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss, gain on disposal of subsidiaries, bank interest income, etc. Such increase was offset by the decrease in gain on disposal of associates and joint ventures, fair value gains of derivative financial instruments, etc.

Selling and Distribution Expenses

The Group's selling and distribution expenses mainly include product warranty provisions, bidding service fees, staff costs, etc.

Selling and distribution expenses of the Group for the year ended 31 December 2022 was RMB3,193.27 million, maintaining roughly the same level compared with RMB3,173.72 million for the year ended 31 December 2021.

Administrative Expenses

The Group's administrative expenses mainly include R&D expenses, staff costs, depreciation, rental expenses, etc.

Administrative expenses of the Group for the year ended 31 December 2022 was RMB3,725.72 million, representing an increase of 5.55% compared with RMB3,529.85 million for the year ended 31 December 2021. This was mainly caused by the increase in staff costs, etc. Such increase was offset by the decrease in depreciation, rental expenses, etc.

Impairment reversal/(losses) under expected credit loss model, net

The Group's impairment losses under expected credit loss model primarily consisted of impairment losses on trade receivables, other receivables, financial receivables, contract assets, etc.

Impairment losses under expected credit loss model for the year ended 31 December 2022 was reversal of RMB269.88 million, representing a decrease of 138.14% compared with loss of RMB707.59 million for the corresponding period in 2021. This was mainly caused by the decrease in the impairment losses on trade receivables, other receivables, financial receivables.

Other Expenses

Other expenses of the Group mainly include bank charges, foreign exchange net losses, asset impairment provision, etc.

For the year ended 31 December 2022, the Group's other expenses were RMB614.74 million, representing a decrease of 55.46% compared with RMB1,380.35 million for the year ended 31 December 2021. This was mainly attributable to the decrease in asset impairment provision, and foreign exchange loss, net.

Finance Costs

For the year ended 31 December 2022, the Group's finance costs were RMB1,333.91 million, representing an increase of 16.08% compared with RMB1,149.12 million for the year ended 31 December 2021. This was mainly due to the increase in interest expenses for interest-bearing bank and other borrowings.

Income Tax Expense

For the year ended 31 December 2022, the Group's income tax expense was RMB334.91 million, representing a decrease of 60.49% compared with RMB847.75 million for the year ended 31 December 2021. This was mainly due to decreased taxable profit compared with prior year.

Financial Position

As of 31 December 2022 and 31 December 2021, the Group's total assets were RMB136,822.38 million and RMB119,665.00 million, respectively. Total current assets were RMB62,372.89 million and RMB47,935.93 million, respectively. The ratio of current assets to total assets were 45.59% and 40.06%, respectively. The increase in current assets was mainly due to the increase in cash and cash equivalents, inventories, contract assets, prepayments, other receivables and other assets, assets of disposal groups classified as held for sale, etc. Such increase was offset by the decrease in derivative financial instruments, etc.

As of 31 December 2022 and 31 December 2021, the Group's total non-current assets were RMB74,449.49 million and RMB71,729.07 million, respectively. The increase in total non-current asset was mainly due to the increase in contract assets, other intangible assets, deferred tax assets, other non-current financial assets, right-of-use assets, financial assets at fair value through profit or loss, property, plant and equipment, etc. Such increase was offset by the decrease in interests in joint ventures, equity investments designated at fair value through other comprehensive income, etc.

As of 31 December 2022 and 31 December 2021, the Group's total liabilities were RMB96,476.08 million and RMB82,936.59 million, respectively. Total current liabilities were RMB59,129.92 million and RMB49,886.07 million, respectively. The increase in current liabilities was mainly due to the increase in trade and bills payables, interest-bearing bank and other borrowings, provisions, etc. Such increase was offset by the decrease in liabilities directly associated with the assets of disposal group classified as held for sale, etc.

As of 31 December 2022 and 31 December 2021, the Group's total non-current liabilities were RMB37,346.16 million and RMB33,050.52 million, respectively. The increase in non-current liabilities was mainly due to the increase in interest-bearing bank and other borrowings, etc. Such increase was offset by the decrease in trade payables, other payables and accruals, etc.

As of 31 December 2022 and 31 December 2021, the Group's net current assets/(liabilities) were RMB3,242.97 million and RMB-1,950.14 million, respectively. The Group's net assets were RMB40,346.30 million and RMB36,728.40 million, respectively.

As of 31 December 2022 and 31 December 2021, the Group's cash and cash equivalents were RMB15,246.14 million and RMB8,141.30 million, respectively. The interest-bearing bank and other borrowings were RMB38,183.31 million and RMB31,277.39 million, respectively.

Financial Resources and Liquidity

	Unit: RMB thousand	
	Year ended 31 December	
	2022	2021(restated)
Net cash flows from operating activities	5,881,321	4,967,643
Net cash flows used in investing activities	(6,138,878)	(7,953,948)
Net cash flows from financing activities	6,917,457	3,471,317
Net increase in cash and cash equivalents	6,659,900	485,012
Cash and cash equivalents at beginning of year	8,140,281	7,705,323
Net effect of foreign exchange rate changes	42,640	(50,054)
Cash and cash equivalents at end of year	14,842,821	8,140,281

1. Cash flows from operating activities

The net cash receipts from the Group's operations mainly include pre-tax profits, plus adjustments for non-cash items, changes in operating capital, other income and gains, etc.

For the year ended 31 December 2022 the Group's net cash flows from operating activities were RMB5,881.32 million. Cash inflows consist mainly of profit before tax of RMB2,771.78 million, adjustments of the increase of RMB7,027.74 million in trade and bills payables, the increase of RMB3,317.94 million in other payables and accruals, the increase of RMB2,743.02 million in depreciation and amortization, the increase of RMB1,333.91 million in finance costs, the increase of RMB418.06 million in provisions, the increase of RMB244.28 million in interest received, the decrease of RMB204.47 million in trade and bills receivables, etc. The cash inflows were offset by the increase of RMB5,062.34 million in inventories, the increase of RMB2,476.31 million in contract assets, income tax paid of RMB1,284.14 million, the increase of RMB953.03 million in gain on disposal of subsidiaries, the increase of RMB782.16 million in prepayments, other receivables and other assets, the increase of RMB601.99 million in gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss, the increase of RMB510.25 million in gain on disposal of interests in associates and joint ventures, etc.

For the year ended 31 December 2021 the Group's net cash flows from operating activities were RMB4,967.64 million. Cash inflows consist mainly of profit before tax of RMB4,628.66 million, adjustments of the increase of RMB3,058.65 million in trade and bills payables, the increase of RMB2,329.20 million in depreciation and amortization, the increase of RMB1,149.12 million in finance costs, the decrease of RMB982.52 million in inventories, the increase of RMB648.94 million in impairment of trade and other receivables, the increase of RMB612.51 million in impairment of other intangible assets, the increase of RMB432.33 million in provisions etc. The cash inflows were offset by the increase of RMB3,460.32 million in trade and bills receivables, the increase of RMB2,187.50 million in prepayments, other receivables and other assets, the increase of RMB1,006.58 million in financial receivables, income tax payments of RMB847.75 million, the increase of RMB815.12 million in gain on disposal of interests in associates and joint ventures, the increase of RMB718.17 million in gain on disposal of subsidiaries, etc.

2. Cash flows used in investing activities

The net cash used in investing activities of the Group mainly consists of purchase of properties, plant and equipment, purchases of financial assets, disposals of subsidiaries, disposals of shareholding in associates and joint ventures, etc.

For the year ended 31 December 2022 the Group's net cash flows used in investing activities were RMB6,138.88 million. Cash outflows consist mainly of purchases of property, plant and equipment of RMB7,947.87 million, additions of other intangible assets of RMB826.56 million, increase in non-pledged time deposits with original maturity of three months or more when acquired of RMB417.33 million, increase in payment of purchase consideration payable for acquisition of subsidiaries in previous periods of RMB388.86 million, acquisitions of interests in joint ventures of RMB342.39 million, etc. The cash outflows were offset by the cash inflows from cash received relating to the disposal of subsidiaries of RMB2,077.61 million, cash received relating to the disposal of subsidiaries of RMB1,276.04 million, disposals of shareholding in associates and joint ventures of RMB917.78 million, etc.

For the year ended 31 December 2021 the Group's net cash flows used in investing activities were RMB7,953.95 million. Cash outflows consist mainly of purchases of property, plant and equipment of RMB9,797.55 million, additions of other intangible assets of RMB817.72 million, the acquisition of interest in joint ventures of RMB515.00 million, acquisitions of subsidiaries, net of cash acquired of RMB508.57 million, purchases of financial assets at fair value through profit or loss of RMB355.79 million, the increase in payment of purchase consideration payable for acquisition of subsidiaries in previous periods of RMB227.46 million, etc. The cash outflows were offset by the cash inflows from disposals of shareholding in associates and joint ventures of RMB2,275.59 million, disposals of

subsidiaries, net of cash disposed of RMB1,515.00 million, dividend received from joint ventures and associates of RMB499.35 million, etc.

3. Cash flows from financing activities

The net cash flows from financing activities of the Group mainly consist of new bank and other borrowings and proceeds from issuance of perpetual securities, net of issuance costs.

For the year ended 31 December 2022 the Group's net cash inflows from financing activities were RMB6,917.46 million. Cash inflows consist mainly of new bank and other borrowings of RMB17,432.21 million, capital contributions from non-controlling shareholders of RMB1,307.50 million, capital contributions from other equity instruments holders of RMB998.88 million, etc. Cash inflows were offset by repayment of bank and other borrowings of RMB9,654.24 million, interest paid of RMB1,478.25 million, dividend paid of RMB1,193.92 million, repayment on sold of bills as collateral on securities lending of RMB594.32 million, etc.

For the year ended 31 December 2021 the Group's net cash inflows from financing activities were RMB3,471.32 million. Cash inflows consist mainly of new bank and other borrowings of RMB15,738.13 million, capital contributions from other equity instruments holders of RMB998.59 million. Cash inflows were offset by repayment of bank and other borrowings of RMB8,432.36 million, repayment of other equity instruments of RMB1,993.62 million, interest paid of RMB1,251.85 million, dividend paid of RMB1,238.11 million, etc.

Capital Expenditure

For the year ended 31 December 2022 the Group's capital expenditures were RMB9,715.12 million, representing a decrease of 17.87% compared with RMB11,829.58 million for the year ended 31 December 2021. The primary sources of funds to finance capital expenditures are bank loans and cash flows from operating activities of the Group.

Interest-bearing bank and other borrowings

As at 31 December 2022, the Group's interest-bearing bank loans were RMB34,582.78 million, including bank loans repayable within one year of RMB6,216.59 million, in the second year of RMB6,098.51 million, in the third to fifth year of RMB8,931.22 million, and above five years of RMB13,336.46 million. In addition, as at 31 December 2022, the Group's other borrowings were RMB3,600.53 million, including other borrowings repayable within one year of RMB266.93 million, in the second year of RMB306.52 million, in the third to fifth year of RMB870.55 million, and above five year of RMB2,156.53 million.

As at 31 December 2021, the Group's interest-bearing bank loans were RMB28,546.33 million, including bank loans repayable within one year of RMB4,172.69 million, in the second year of RMB4,397.37 million, in the third to fifth year of RMB8,778.06 million, and above five years of RMB11,198.21 million. In addition, as at 31 December 2021, the Group's other borrowings were RMB2,731.06 million, including other borrowings repayable within one year of RMB691.32 million, in the second year of RMB567.00 million, in the third to fifth year of RMB379.74 million, and above five year of RMB1,093.00 million.

During the Reporting Period, the Group did not apply any interest rate hedging methods.

Capitalization of Interest

For the year ended 31 December 2022, the Group's capitalised interest expenses were RMB203.93 million.

Reserves

As at 31 December 2022, the Company's reserves distributable to shareholders were RMB1,255.54 million. This was the lower figure calculated under CASBE and IFRS.

Restricted Assets

As at 31 December 2022, certain assets of the Group with a total carrying value of RMB24,807.06 million were pledged as security for certain bank loans, other banking facilities, finance lease payments, power price swap contract, etc. Such assets include bank deposits of RMB381.84 million, trade and bills receivables of RMB4,688.05 million, property, plant and equipment of RMB17,667.63 million, right-of-use asset of RMB311.39 million, financial receivables of RMB1,602.78 million, other intangible assets of RMB155.37 million.

As at 31 December 2021, certain assets of the Group with a total carrying value of RMB24,611.09 million were pledged as security for certain bank loans, other banking facilities, finance lease payments, power price swap contract, etc. Such assets include bank deposits of RMB545.70 million, trade and bills receivables of RMB5,230.44 million, property, plant and equipment of RMB15,937.98 million, right-of-use asset of RMB153.46 million, financial receivables of RMB1,781.88 million, assets of disposal groups classified as held for sale of RMB806.88 million, other intangible assets of RMB154.75 million.

Gearing Ratio

As at 31 December 2022, the Group's gearing ratio, defined as net debt divided by the sum of capital and net debt, was 63.44%, representing an increase of 1.53 percentage point compared with 61.91% as at 31 December 2021.

Exposure to Fluctuations in Exchange Rates and Any Related Hedges

The Group primarily operated its businesses in China. Over 80% of the Group's revenue, expenditure, and financial assets and liabilities were denominated in RMB. The exchange rate of the RMB against foreign currencies did not have a significant impact on the Group's businesses. For the year ended 31 December 2022, 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 consisted of letters of credit issued, letters of guarantee issued, guarantees and compensation arrangements given to banks in connection with bank loans granted to joint ventures, associates or independent third parties.

As at 31 December 2022, the Group's contingent liabilities were RMB19,141.59 million, representing an increase of RMB1,729.80 million compared with RMB17,411.79 million as at 31 December 2021.

Significant Investments

The Group made no significant investment during the year ended 31 December 2022.

Material Acquisitions and Disposals

Save as disclosed in the section headed "Acquisitions and Disposals of Subsidiaries and Associates" in this announcement, the Group did not have any material acquisitions and disposals during the year ended 31 December 2022.

Future Plans for Material Investments or Capital Assets

As at the date of this announcement, there is no plan authorized by the Board for material investments or additions of capital assets.

IV. OUTLOOK FOR THE FUTURE

1. Overall Trend of Industrial Development

The landscape of international energy supply and demand was tough and complicated in 2022. Escalating geopolitical conflicts and security threats have had an extensive and profound impact on global energy supply while accelerating the development of renewable energy. Speeding up energy transformation, increasing the percentage share of renewable energy and achieving carbon reduction goals have become the core objectives of the long-term energy policy of global nations.

According to the “Renewables 2022” report published by International Energy Agency (IEA), the global installed capacity of renewable energy is expected to nearly double in the next five years, which means that renewable energy will overtake coal to become the largest source for power generation, making it possible to contain global warming within the limit of 1.5°C. According to IEA estimates, the total global installed capacity of renewable energy will grow by 2,400GW between 2022 and 2027, while renewable energy will account for over 90% of global new power supply in terms of installed capacity in the next five years and become the world’s largest power source ahead of coal by early 2025.

According to “BP Energy Outlook 2023” published by British Petroleum (BP), during the course of transition leading to substantial reduction in carbon emission by 2050, carbon emission will be reduced by approximately 75% under the scenario “rapid transformation” or by more than 95% under the “Net Zero” scenario. In both scenarios, wind and photovoltaic power generation in advantageous regions will account for 75% of the total volume of power generation, and the installed capacity will grow by 15 times.

According to forecast of the Global Wind Energy Council (GWEC) set out in its "Global Wind Report 2023", the newly installed wind power capacity will exceed 100GW in 2023; the newly installed onshore wind power capacity will exceed 100GW for the first time in 2024; the newly installed offshore wind power capacity will reach a new high by 2025 at 26GW. In the next five years, the newly installed global wind power capacity will reach 680GW, and it is expected that the average of newly installed wind power capacity will reach 136GW per year, achieving a compound growth rate of 15%. New policies to accelerate the development of renewable energy are being introduced around the world, and GWEC expects the global wind power market to continue to grow over the next decade and beyond.

2. Development Trend of Domestic Market

In 2022, with the energy revolution making further inroads, new breakthroughs were achieved in China’s development of renewable energy and had entered a new stage of high-quality leapfrog development. The wind power and photovoltaic power generation installed capacity reached 125 GW nationwide, exceeding 100 GW for the third consecutive year, representing another historic high.

The white paper “China’s Green Development in the New Era” published by the State Council Information Office has called for the development of low-carbon green energy and strong efforts to develop non-fossil energy. The construction of large wind power and photovoltaic power bases especially in desert, Gobi and barren areas should be expedited, while offshore wind power should be developed in an active yet prudent manner. Rooftop solar power should be actively promoted in cities, towns and villages, while distributed wind power should be encouraged in village areas. The construction of new electricity system compatible with the increasing proportion of new energy should be accelerated, while appraisal of responsibility weight for renewable energy power consumption should be conducted to drive efficient consumption of renewable energy.

According to “China Wind Power Outlook 2022” issued by Wood Mackenzie, China’s wind power market is estimated to grow at an CAGR of over 11% in the next ten years, driven by the renewable energy goals for 2030. From 2022 to 2031, the installed capacity of China’s new grid-connected wind power will reach 662GW, with offshore wind power accounting for 149GW. By the end of 2031, the cumulative grid-connected capacity of China’s wind power market will reach 959GW, accounting for 45% of the global cumulative grid-connected wind power capacity.

Currently, China is stepping up with the construction of seven major onshore new energy bases in the Yellow River upstream area, Hexi Corridor, Yellow River Ji Zi Wan Area and Xinjiang with a special focus on desert, Gobi and barren areas, two major integrated wind power and photovoltaic power bases in Southeastern Tibet and the Sichuan-Yunnan-Guizhou-Guangxi region and the offshore wind power base cluster. According to the estimates of the NEA, China’s wind power and solar power generation volume will double that of 2020 by 2025 and renewable energy power source will account for over 80% of the total volume of new electricity supply.

3. Corporate Strategy

Goldwind adheres to the mission of “innovating for a brighter tomorrow” and is committed to “becoming a trusted global strategic partner in clean energy.” During the 14th FYP, the Company will continue to drive technological innovation in its wind power and peripheral product solutions and direct balanced development along the industry chain to assist in the nation’s zero-carbon development and empower the attainment of the zero-carbon goal while enhancing quality and efficiency in stable growth in consistent adherence to the concept of high-quality development and in close tandem with trends of the times and the objective of empowering the attainment of the nation’s “3060” Dual Carbon goals.

4. Company Business Plan and Major Objectives

In 2023, the Company will persist in investment in the innovation of technology, product, management and business model in tandem with customers’ requirements under the guiding principle of “adherence to high-quality development”, in a bid to consistently enhance its profitability and maintain its global leading position in wind power equipment. We will seize market opportunities to drive large-scale development of resources, with a view to increasing the efficiency and yield rate of asset operation. We will drive the platform-based, uniform development of integrated energy services to forge the core competitiveness and brand influence of our services and products. Taking into account the characteristics of our business development, we will formulate target-specific development strategies for businesses such as water treatment and green power-based hydrogen production. In 2023, the Company will seek to realize the value of Goldwind’s end-to-end industry chain solutions in line with national policy trends and in close accord with the “Dual Carbon” development goals.

5. Capital Requirements

According to the Company’s operation objectives and plans for 2023, the Company’s working capital in 2023 will be financed mainly by sell-owned capital and bank loans. The Company has a strong solvency position with high reputation, in tandem with stable and smooth financing channels, and sources of capital are sufficiently guaranteed.

6. 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 impact the production and sales of the Company’s major products.

(2) Market Competition Risk

The “Dual Carbon” goals announced by the government create unparalleled opportunities for the wind power industry in China. Competition among peer companies may intensify due to demand in improving WTGs quality and efficiency, seizing of advantageous resources, and expanding market share.

(3) Economic Environment and Exchange Rate Fluctuations

The current economic landscapes at home and abroad are complicated and volatile, as developments such as the Russia-Ukraine conflict and global inflation have created immense difficulties for global economic recovery and uncertainties in domestic as well as international macro-economic conditions, which might affect the Company’s internationalization strategy and international business development. As the Company’s overseas businesses are mainly denominated in USD, AUD or other local currencies, it is subject to the risk of exchange rate loss arising from exchange rate movements.

Facing with the aforesaid possible risks, the Company will consolidate its manufacturing base, roll out products and solutions of high quality, lower prices and better performance, with technological innovation and product upgrade as main drivers, and bring into play its advantage in the whole industrial chain competition. Meanwhile, it will continue to strengthen its profitability through diversification, and achieve sustainability.

V. CORE COMPETITIVE ADVANTAGES

i. Market Leading Position

Goldwind was among the earliest enterprises to enter into the field of WTG manufacturing in China. After more than 20 years of development, Goldwind has become an industry-leading, comprehensive wind power solution provider both in China and overseas. The Company’s DDPM and MSPM turbines with independent intellectual property rights represent the most promising technology in global wind power industry. Goldwind ranked the largest wind power manufacture in China by market share for 12 consecutive years and ranked the first in the world in 2022, symbolizing its industry-leading position for many years.

ii. Advanced Products and Technology

Goldwind’s DDPM WTGs have superior performance, including high efficiency of power generation, wide range of rotational speeds, simple structure of excitation mode, cabin structure designed for easy maintenance, low cost for operation and maintenance (O&M), grid-friendly features and highly efficient utilization. The MSPM products inherit the advantages of grid-friendly and high reliability of DDPM turbines, but also feature flexible transportation, convenient installation and simple O&M. The Company has eight R&D centers in both China and overseas and more than 3,000 R&D staff with extensive industry experience, making active contributions to the Company’s new product development and technological innovation. Through mastering more cutting-edge technologies, the Company constantly develops and streamlines its serialized product portfolio to ensure the application of products in diversified usage scenarios and 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 the Company’s revenue in the foreseeable future.

iii. Brand Awareness and Reputation

The Company attaches great importance to the quality of WTGs 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 WTGs and reduces the levelized cost of energy 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 customer. It has been highly recognized by the government, customers, partners and investors.

iv. Comprehensive Solution Provider

Relying on the Company’s advanced technology and products, and years of experience in wind power development, construction, and O&M, in addition to WTG sales, the Company actively expands wind

farm services and comprehensive solution of wind farm development to satisfy customer demands throughout the value chain in wind power industry. Through years of development, the foresaid has become important components to the Company's profit, and has been tested and verified successfully by the market. Meanwhile, it has enhanced the Company's competitiveness as a whole and gained a unique advantage. In the field of energy conservation and environmental protection, the Company quickly accumulated water treatment and environmental protection assets, and developed smart water treatment comprehensive solutions. The Company is committed to becoming a global leader in clean energy, energy conservation and environmental protection comprehensive solutions.

v. Internationalisation

As one of the first domestic wind power enterprises in China to have expanded overseas business, the Company has actively promoted its internationalization strategy for many years, adhering to the aim of "promoting internationalization through localization". The Company has not only made breakthroughs in key target markets such as Australia and Europe, but also expanded to emerging markets including Africa and Asia. The Company actively participated in international market competition and has achieved remarkable accomplishments. Currently, the Company has established its international business presence in 38 countries across six continents worldwide, as overseas sales of wind power units account for close to 50% of China's export of wind power units in aggregate. The Company has deployed eight major overseas regional centres across the globe in a full achievement of internationalization in capital, market, technology, talents and management.

FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB1.2 per every 10 Shares (including tax) from the Company's retained undistributed profit for the financial year ended 31 December 2022, based on the issued share capital of the Company of 4,225,067,647 Shares. The dividend paid in total will be RMB507,008,117.64. This recommendation is subject to approval by the Shareholders at the forthcoming AGM for the year of 2022 in accordance with the provisions of the Articles, and will be implemented thereafter. The final dividend will be paid to the Shareholders on or before 30 August 2023. Information regarding the date of the AGM for the year of 2022, distribution of final dividend, and the relevant record dates and book close dates will be announced in due course.

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for implementing the Corporate Governance Code and managing the Group's corporate governance matters. The Board has reviewed the corporate governance policies and practices of the Company and its policies and practices relating to compliance with legal and regulatory requirements, as well as training and continuous professional development of the Directors and Senior Management. The Board has also reviewed the disclosure of its Corporate Governance Report for the year ended 31 December 2022.

The Company has complied with all applicable code provisions under the Corporate Governance Code during the year ended 31 December 2022.

EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2022 which would materially affect the Group's operating and financial performance as at the date of this announcement.

ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group acquired and disposed certain subsidiaries and interests in certain associates during the financial year ended 31 December 2022 in accordance with the development strategies of the Company and based on changes of the industry and market environments.

(1) The Equity Transfer relating to parts of the wholly-owned subsidiary of the Company

Beijing Tianrun, a wholly-owned subsidiary of the Company, (as transferor) entered into the Equity Transfer Agreement with ABC Financial Asset Investment Company Limited* (農銀金融資產投資有限公司) ("ABC Investment" or "Transferee") on 25 October 2019 in relation to the transfer of the 49% equity interests in each of Shuozhou Pinglu Tianshi Wind Power Co., Ltd.* (朔州市平魯區天石風電有限公司) ("Target Company I") and Shuozhou Pinglu Tianrun Wind Power Co., Ltd.* (朔州市平魯區天潤風電有限公司) ("Target Company II"). Upon completion, the Group will continue to hold 51% equity interests in each of Target Company I and Target Company II, which will be accounted for as jointly controlled entities of the Group.

Equity transfer consideration of RMB667 million pursuant to the Equity Transfer Agreement comprising (i) the consideration for the transfer of 49% equity interest of Target Company I of RMB276,716,374; and (ii) the consideration for the transfer of 49% equity interest of Target Company II of RMB390,283,626. ABC Investment has paid the consideration under the Equity Transfer Agreement, being RMB667 million, to Beijing Tianrun in cash.

The distributable profits of Target Company I and Target Company II are to be shared by ABC Investment and Beijing Tianrun for each year from the Payment Date (being the day on which the Transferee pays the consideration under the Equity Transfer Agreement to the escrow account within 30 days from the signing of the Equity Transfer Agreement) to 2037 pursuant to the Profit Sharing Agreement, which shall be allocated in the following manner:

(a) For the portion of distributable profits of Target Company I and Target Company II for the previous year which does not exceed the agreed profit benchmark, ABC Investment and Beijing Tianrun shall distribute such profits in proportion to their respective shareholding;

(b) For the portion of distributable profits of Target Company I and Target Company II for the previous year which exceeds the agreed profit benchmark, ABC Investment and Beijing Tianrun shall distribute the exceeding portion on a 20(ABC Investment):80(Beijing Tianrun) basis.

Based on the valuation report prepared by the independent valuer, the total profit attributable to Beijing Tianrun in excess of its shareholding from the Payment Date to 2037 is valued approximately at RMB123 million.

For the avoidance of doubt, in the event that the distributable profits for the previous year are lower than or equal to the profit benchmark, ABC Investment and Beijing Tianrun shall only distribute the profit in proportion to their respective shareholding and not on a 20:80 basis.

The above equity transfer was completed on 29 February 2020. As the distributable profits from 1 January 2022 to 31 December 2022 were lower than the profit benchmark, ABC Investment and Beijing Tianrun will distribute the profit in proportion to their respective shareholding.

(2) The acquisition relating to a 1 million kW wind power project in Tieling City in Liaoning Province

On 2 September 2022, the Board resolved to approve Beijing Tianrun, a wholly-owned subsidiary of the Company, to acquire a 1 million kW wind power project in Tieling City in Liaoning Province at a price of RMB8.67 per watt (total acquisition price). The People's Government of Tieling City in Liaoning Province initiated a wind power project tendering, which is a wind power project with the development indicators of 1 million kW wind power project. As of the date of this announcement, Ningbo Runming New Energy Co., Ltd. had won the bid of the 1 million kW wind power project in the "Selection of Competitive Allocation of new Wind Power Project of Tieling City for 2021", and intended to complete the resource development and infrastructure investment of the 1 million kW wind power project through the Target Companies or their Wholly-owned Subsidiaries. Beijing Tianrun proposes to enter into the Share Purchase Agreement with Ningbo Runming New Energy Co., Ltd. to acquire 100% of the equity interest in the Target Companies (consideration of Target Shares).

For details, please refer to the announcement of the Company dated 2 September 2022.

(3) Disposals of subsidiaries owning Moorabool wind farm and grant of call options regarding 26% of the issued capital of each of the subsidiaries

On 12 December 2022, Goldwind International Moorabool Limited and Goldwind International Moorabool South Limited (the "**Vendors**"), indirect wholly-owned subsidiaries of the Company, and the Goldwind International Holdings (HK) Limited (the "**Guarantor**") entered into the Nebras SPAs with Nebras Power Australia Pty Limited (the "**Purchaser 1**"), pursuant to which the Vendor to the corresponding Nebras SPA agreed to sell, and Purchaser 1 agreed to acquire, 49% of the issued capital of each of Moorabool North and Moorabool South. The Guarantor has guaranteed the obligations of the Vendors under the Nebras SPAs.

On 20 December 2022, each of the Vendors entered into the MNS SPAs with MNS Wind Finance Pty Ltd. (the "**Purchaser 2**"), pursuant to which the Vendor to the corresponding MNS SPA agreed to sell, and Purchaser 2 agreed to acquire, 25% of the issued capital of each of Moorabool North and Moorabool South.

On 20 December 2022, each of the Vendors entered into the Call Option Deeds with Purchaser 2, pursuant to which the Vendor to the corresponding Call Option Deed irrevocably granted to Purchaser 2 the Call Options to purchase, and require the respective Vendors to sell, 26% of the issued capital of each of Moorabool North and Moorabool South.

For details, please refer to the announcement of the Company dated 20 December 2022.

DEBT FINANCING PLAN

On 19 May 2022, the Board has reviewed and passed the "Proposal on Application for Filing of Listed Debt Financing Plan", approving the application for filing of listed debt financing plan of not more than RMB500 million on the Beijing Financial Assets Exchange ("**BJFAE**"). The proceeds are mainly used to repay the interest-bearing debts of the Company and/or their subsidiaries. On 7 June 2022, the Company received the "Notice of Filing Acceptance (Debt Financing Plan [2022] No. 0302)" from BJFAE, in which the BJFAE decided to accept the filing

of the Company's debt financing plan. Pursuant to the requirements of the "Notice of Filing Acceptance", the filing amount of the Company's debt financing plan is RMB500 million, which is valid for 2 years from the date of the "Notice of Filing Acceptance" issued by the BJFAE and is underwritten by China Merchants Bank. On 15 June 2022, the Company issued the 2022 first tranche debt financing plan with actual issuance amount RMB500 million and filing rate 5.22%.

For details, please refer to the announcement of the Company dated 16 June 2022.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

During the financial year ended 31 December 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities of the Company, save as the debt financing plan disclosed in this announcement

SCOPE OF WORK MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 30 March 2023. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

REVIEW OF 2022 ANNUAL RESULTS

The Audit Committee of the Company has reviewed and approved the 2022 Annual Results.

Definitions

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

“A Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the SZSE and traded in RMB;
“AGM”	annual general meeting of the Company;
“Articles”	the <i>Articles of Association</i> of the Company, as amended, modified or otherwise supplemented from time to time;
“attributable capacity”	represents the capacity attributed to the Group calculated by multiplying the Group’s percentage ownership in a power project by the total capacity of such power project;
“Beijing Tianrun”	Beijing Tianrun New Energy Investment Co., Ltd. (北京天潤新能投資有限公司), a company incorporated under the laws of the PRC on 11 April 2007 and a wholly owned subsidiary of the Company;
“Board”	the board of directors of the Company;
“CASBE”	<i>China Accounting Standards for Business Enterprises</i> ;
“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 audited consolidated financial statements of the Group for the financial year ended 31 December 2022, prepared in accordance with IFRSs;
“gearing ratio”	net debt divided by the sum of capital and net debt;
“Goldwind Environmental Protection”	Goldwind Environmental Protection Co., Ltd. (金風環保有限公司), a company incorporated under the laws of the PRC in August 2015 and a wholly owned subsidiary of the Company;

“Group”, “Goldwind”, “us” or “we”	the Company and its subsidiaries;
“GW”	gigawatt, a unit of power, 1GW equals 1,000MW;
“H Shares”	ordinary shares issued by the Company, with RMB- denominated par value of RMB1.00 each, which are listed on the Stock Exchange and traded in HKD;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IFRSs”	<i>International Financial Reporting Standards</i> ;
“kV”	kilovolt, a unit of potential difference between two terminals, 1kV equals 1,000 volts;
“kW”	kilowatt, a unit of power, 1kW equals 1,000 watts;
“kWh”	kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kWh is the work completed by a kilowatt generator running continuously for one hour at the rated output capacity;
“Listing Rules”	the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i> ;
“MNS SPAs”	the sale and purchase agreements dated 20 December 2022 entered into between Goldwind International Moorabool Limited and Goldwind International Moorabool South Limited (the “Vendors”), and MNS Wind Finance Pty Ltd. (the “Purchaser 2”) pursuant to which the Vendor to the corresponding MNS SPA agreed to sell, and Purchaser 2 agreed to acquire, 25% of the issued capital of each of Moorabool North and Moorabool South;
“Moorabool North”	Moorabool Wind Farm (Holding) Pty Limited, a company incorporated in Australia and an indirect wholly-owned subsidiary of the Company;
“Moorabool South”	Moorabool South Wind Farm (Holding) Pty Ltd, a company incorporated in Australia and an indirect wholly-owned subsidiary of the Company;
“MSPM”	Medium speed permanent magnet, a technology that combines a) a transmission method using an impeller connected to a medium-speed gearbox (transmission ratio 10 to 70) to drive the turbine rotor; and b) electric current generated by generator rotor in which permanent magnet is used on.
“MW”	megawatt, a unit of power, 1MW equals 1,000kW;
“NEA”	National Energy Administration of the PRC (中國國家能源局);
“Nebras SPAs”	the sale and purchase agreements dated 12 December 2022 entered into between Goldwind International Moorabool Limited and Goldwind International Moorabool South Limited (the “Vendors”), Goldwind International Holdings (HK) Limited and Nebras Power Australia Pty Limited (the “Purchaser 1”), pursuant to which the Vendor to the corresponding Nebras SPA agreed to sell, and Purchaser 1 agreed to acquire, 49% of the issued capital of each of Moorabool North and Moorabool South;
“NDRC”	National Development and Reform Commission of the PRC (中國國家發展和改革委員會);

“R&D”	research and development;
“RMB”	Renminbi, the lawful currency of the PRC;
“Senior Management”	the members of the senior management of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning as ascribed in the Listing Rules;
“SZSE”	Shenzhen Stock Exchange;
“Target Company(ies)”	Tieling Runqin New Energy Co., Ltd., Tieling Runyun New Energy Co., Ltd., Tieling Runliang New Energy Co., Ltd. and Tieling Runqing New Energy Co., Ltd., the companies which Ningbo Runming New Energy Co., Ltd. intends to sell to Beijing Tianrun (the number of Target Companies are subject to the number of Project Companies);
“Target Shares”	100% equity interest in Tieling Runqin New Energy Co., Ltd., Tieling Runyun New Energy Co., Ltd., Tieling Runliang New Energy Co., Ltd. and Tieling Runqing New Energy Co., Ltd., which Ningbo Runming New Energy Co., Ltd. holds directly and intends to transfer to Beijing Tianrun;
“USD”	United States dollars, the lawful currency of the United States;
“Wholly-owned Subsidiary”	a legal entity to legally hold the 1 million kW wind power project;
“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, 30 March 2023

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. Lu Hailin, Mr. Gao Jianjun and Mr. Wang Yili; and the independent non-executive directors of the Company are Ms. Yang Jianping, Mr. Tsang Hin Fun Anthony and Mr. Wei Wei.