



新疆金风科技股份有限公司
XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO., LTD.*

(A joint stock limited liability company incorporated in the People's Republic of China)
Stock Code: 2208

INTERIM REPORT 2022



Innovating for a
BRIGHTER
TOMORROW

* For identification purpose only

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Definitions

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

“2021 AGM”	the 2021 annual general meeting of the Company held on 22 June 2022;
“A Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the SZSE and traded in RMB;
“A Shareholders”	the holders of the A Shares;
“Articles”	the Articles of Association of the Company, as amended, modified or otherwise supplemented from time to time;
“associate”	has the meaning as ascribed in the Listing Rules;
“attributable capacity”	represents the capacity attributed to the Group calculated by multiplying the Group’s percentage ownership in a power project by the total capacity of such power project;
“Audit Committee”	the audit committee of the Board;
“availability rate”	a percentage calculated by dividing the amount of time a WTG is not experiencing technical defaults over a certain period by the amount of time in such period;
“Board”	the board of directors of the Company;
“CASBE”	China Accounting Standards for Business Enterprises;
“Chairman”	the chairman of the Board;
“Chief Executive”	has the meaning as ascribed in the Listing Rules;
“China” or “PRC”	the People’s Republic of China. References in this interim report to the PRC and China exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“China Three Gorges Corporation”	China Three Gorges Corporation (中國長江三峽集團公司), a company incorporated under the laws of the PRC and the parent company of China Three Gorges Energy;

“China Three Gorges Energy”	China Three Gorges New Energy (Group) Co., Ltd. (中國三峽新能源(集團)股份有限公司), a joint stock limited company incorporated under the laws of the PRC, a wholly-owned subsidiary of China Three Gorges Corporation, and a former substantial shareholder of the Company;
“Company”	Xinjiang Goldwind Science & Technology Co., Ltd. (新疆金風科技股份有限公司);
“Corporate Governance Code”	Corporate Governance Code, as set out in Appendix 14 of the Listing Rules;
“DDPM”	direct-drive permanent magnet, a technology that combines a) a drive-train concept in which the need for a gearbox is eliminated and the turbine rotor directly drives the generator rotor; and b) a synchronous generator in which permanent magnet is used on the generator;
“Directors”	the directors of the Company;
“Financial Statements”	the condensed consolidated financial statements of the Group for the six months ended 30 June 2022, prepared in accordance with IFRSs;
“gearing ratio”	net debt divided by the sum of capital and net debt;
“Group”, “Goldwind”, “us” or “we”	the Company and its subsidiaries;
“GW”	gigawatt, a unit of power, 1GW equals 1,000MW;
“H Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the Stock Exchange and traded in HKD;
“H Shareholders”	the holders of the H Shares;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IFRSs”	International Financial Reporting Standards;
“kW”	kilowatt, a unit of power, 1kW equals 1,000 watts;

Definitions

“kWh”	kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kWh is the work completed by a kilowatt generator running continuously for one hour at the rated output capacity;
“Latest Practicable Date”	15 September 2022, being the latest practicable date prior to the publication of this interim report for ascertaining certain information contained in this report;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules;
“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);
“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;
“Reporting Period”	six months ended 30 June 2022;
“RMB”	Renminbi, the lawful currency of the PRC;
“Senior Management”	the members of the senior management of the Company;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time;

“Shareholders”	shareholders of the Company;
“State Council”	the State Council of the PRC (中國國務院);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning as ascribed in the Listing Rules;
“Supervisors”	the supervisors of the Company;
“Supervisory Committee”	the supervisory committee of the Company;
“SZSE”	Shenzhen Stock Exchange;
“Wind Farm Investment and Development”	the Group’s wind farm investment and development segment, one of the three primary business segments of the Group;
“Wind Power Services”	the Group’s wind power services business segment, one of the three primary business segments of the Group;
“WTG”	wind turbine generator;
“WTG Manufacturing”	the Group’s WTG R&D, manufacturing and sales business segment, the core business of the Group and one of the three primary business segments of the Group;
“Xinjiang”	the Xinjiang Uyghur Autonomous Region of the PRC;
“Xinjiang Wind Power”	Xinjiang Wind Power Co., Ltd. (新疆風能有限責任公司), a state-owned enterprise incorporated under the laws of the PRC and a substantial shareholder of the Company;
“YoY”	year-over-year, a method of evaluating two or more measured events to compare the results at one time period with those from another time period on an annualised basis; and
“%”	percent, in this interim report, calculations of percentage shall be based on the financial data contained in the Financial Statements including the relevant notes (where applicable).

BOARD OF DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Lu Hailin
Mr. Gao Jianjun
Mr. Wang Kaiguo

Independent Non-executive Directors

Ms. Yang Jianping
Mr. Tsang Hin Fun Anthony
Mr. Wei Wei

SUPERVISORS

Ms. Li Tiefeng
(*Chairman of the Supervisory Committee*)
Mr. Luo Jun
Mr. Wang Yan
Mr. Lu Min
Ms. Ji Tian

COMPANY SECRETARY

Ms. Ma Jinru

PLACE OF BUSINESS

In the PRC

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

In Hong Kong

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

LEGAL COUNSEL

Morrison & Foerster

AUDITORS

International Auditors

Deloitte Touche Tohmatsu

PRC Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants LLP

LISTING PLACES

H Shares:
The Stock Exchange of Hong Kong Limited
Stock name: Goldwind
Stock code: 2208

A Shares:
Shenzhen Stock Exchange
Stock name: Goldwind
Stock code: 002202

SHARE REGISTRARS

H Shares:
Computershare Hong Kong Investor Services Limited

A Shares:
China Securities Depository and Clearing Corporation
Limited, Shenzhen Branch

PRINCIPAL BANKS

China Development Bank
Export-import Bank of China, Xinjiang Branch
Bank of China Limited, Xinjiang Branch
China Construction Bank Corporation, Xinjiang Branch
Agricultural Bank of China Limited, Xinjiang Branch
Industrial and Commercial Bank of China Limited,
Xinjiang Branch

COMPANY WEBSITE

www.goldwindglobal.com

I. PRIMARY ACTIVITIES OF THE COMPANY DURING THE REPORTING PERIOD

The Company is mainly engaged in three primary activities, namely WTG manufacturing, wind power services and wind farm investment and development and other activities such as water treatment, which provide the Company with diversified sources of profits. Drawing from the Company's extensive experience in R&D and manufacturing of WTGs and wind farm construction, the Company is able to provide its customers with high quality WTGs as well as comprehensive solutions, which include wind power services and wind farm investment and development, allowing the Company to meet its customers' demands in multiple segments of the wind power industry's value chain. The Company adopts technology routes composed of DDPM and MSPM, which are capable of sustained operation in many varying environments, from high to low temperatures, high altitude, low wind speed and marine environments. In terms of market expansion, the Company has actively expanded into the global wind power market while consolidating the domestic market, with development spreading across six continents.

II. 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 eleven consecutive years and ranked the second largest in the world in 2021, symbolising its industry-leading position for many years.

ii. Advanced Products and Technology

Goldwind's DDPM WTGs are trusted by customers for their superior performance, including high efficiency 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.

Management Discussion and Analysis

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. Internationalization

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's international business has spread across six continents with eight overseas regional centers around the world, fully realizing the internationalization of capital, market, technology, talent, and management.

III. MAIN BUSINESS ANALYSIS

i. Overview

Since 2022, the International Monetary Fund (IMF) has been pessimistic about global economic growth as the global economy has been continuously affected by high inflation, the Russia-Ukraine conflict, and the COVID-19 epidemic. According to the IMF's latest World Economic Outlook, the global economic growth forecast in 2022 has been lowered to 3.2%, and the global economic growth forecast in 2023 has been lowered to 2.9%.

Facing the complicated difficult international environment and domestic epidemic, the Chinese government has achieved economic growth through coordination between economic and development and epidemic prevention and control. According to the data published by National Bureau of Statistic, China's gross domestic product (GDP) recorded RMB56,264.2 billion in the first half of the year, up by 2.5% YoY.

Statistics released by the NEA indicate that in the first six months of 2022, China's electricity consumption grew by 2.9% YoY to 4,097.7 billion kWh. On the power supply side, the accumulated installed power generation capacity of China was about 2.441 billion kW by the end of June, representing a 8.1% YoY increase. Among which, the accumulated installed capacity of wind power was about 342 GW, representing a 17.2% YoY increase.

1. Main Policies Review

2022 is a crucial year for China to implement the 14th Five-Year Plan and the Carbon Peak goal. In order to further implement the requirements of Carbon Peak and Carbon Neutrality goals, China has vigorously developed non-fossil energy, promoted the large-scale development of renewable energy, accelerated the green and low-carbon transformation of energy to ensure energy supply capacity and quality. In the first half of the year, several ministries, and commissions, including the NDRC and the NEA, has continued to improve policies and systems, further promoted the establishment of a clean, low-carbon, safe and efficient energy system, advanced quality leaping development of renewable energy, and promoted the independent and market-oriented development of the renewable energy sector.

(1) *Promote the establishment of a modern energy system, with an aim to lead the promotion of large-scale and high-quality development of new energy*

On 10 February 2022, 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 during the 14th Five-Year period, an institutional framework for promoting green and low-carbon energy development should be basically established, relatively complete policies, standards, market and regulatory system should be formed, and an energy green and low-carbon transformation promotion mechanism led by the “dual control” of energy consumption and non-fossil energy target system should be established.

On 22 March 2022, 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 following major goals of the establishment of the modern energy system: more than 4.6 billion tons of standard coal of comprehensive energy productivity; cumulative drop by 18% in the carbon emission per unit of GDP in five years; reduction by 13.5% of the energy consumption per unit of GDP; by 2025, non-fossil energy power generation should account for 39%; non-fossil energy consumption should reach 20%; the electrification rate should reach 30%; flexible power supply should account for 34%; the power demand side response capacity should reach 3%-5% of the maximum electricity load.

On 30 May 2022, 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 that the goal of total installed capacity of wind power and solar power reaching more than 1.2 billion kW should be achieved by 2030; the acceleration of the construction of large-scale wind power photovoltaic bases focusing on desert, Gobi and barren land; the promotion of new energy development and utilization and rural revitalization and integrated development; the pushing forward of the application of new energy in industry and construction; guiding the whole society towards consumption of green power such as new energy.

Management Discussion and Analysis

On 1 June 2022, 9 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; meanwhile, it proposed to vigorously push forward the development of wind power and photovoltaic power generation bases, actively promote the distributed development of wind power and photovoltaic power generation, coordinate and advance the integrated development of water, wind and photovoltaic power comprehensive bases, and steadily promote the diversified development of biomass energy; it also proposed storage consumption and high utilization ratio of renewable energy.

(2) *Support the promotion of wind power in rural areas and decentralized wind power, and promote the construction of offshore energy bases*

On 6 January 2022, the NEA, the Ministry of Agriculture and Rural Affairs, and the Rural Revitalization Administration jointly issued a notice on “Implementation Opinions on Accelerating Rural Energy Transformation and Development to Help Rural Revitalization” (《加快農村能源轉型發展助力鄉村振興的實施意見》), proposing to support large-scale, distributed, clean heating and other forms development and utilization of rural new energy; by 2025, a batch of rural energy green and low-carbon pilot projects should be built and the proportion of wind power, solar energy, biomass energy, and geothermal energy in rural energy should increase continuously.

On 23 May 2022, the General Office of the CPC Central Committee and the General Office of the State Council issued the “Rural Construction Action Implementation Plan” (《鄉村建設行動實施方案》), proposing to consolidate and improve the rural power security level, promote the construction of urban and rural power distribution networks, improve the power supply security capacity in remote areas, develop solar energy, wind energy, hydro energy, geothermal energy, biomass energy and other clean energy, and explore the construction of multi-energy complementary distributed low-carbon comprehensive energy networks in areas with suitable conditions.

On 7 April 2022, the NDRC issued a notice on the “14th Five-Year Plan Implementation Plan for the Construction of Beibu Gulf Urban Agglomeration” (《北部灣城市群建設“十四五”實施方案》), proposing to accelerate the construction of a diversified low-carbon and clean energy system, establish the Beibu Gulf offshore wind power base, and develop distributed photovoltaics and decentralized wind power according to local conditions; build a wind power base in Beibu Gulf and push forward the construction of offshore wind farm in Shapa in Yangjiang, Wailuo in Zhanjiang, Qinzhou, and western Hainan; build pumped storage power stations in Nanning and Yangjiang and study and demonstrate the feasibility of the second channel of the Hainan Cross-sea Network.

(3) *Establish a unified national electricity market and further promote the reform of the energy industry*

On 28 January 2022, the NDRC and the NEA issued the “Guiding Opinions on Accelerating the Construction of a National Unified Electricity Market System” (《加快建設全國統一電力市場體系的指導意見》). The target is the initial establishment of a national unified electricity market system by 2025 and coordinated operation of the national market and provincial (regional/municipal) markets, integrated design and joint operation of medium and long-term power, spot and auxiliary service markets, market-oriented allocation of resources across provinces and regions and a significant increase in the scale of green power transactions, which is conducive to market transactions in the development of new energy and energy storage and the initial formation of price mechanism. On 23 July 2022, the launch meeting for the trial operation of the southern regional power market was held, marking the first implementation of the national unified power market system in the southern region. After the southern regional power market started trial operation, the medium and long-term trading cycle will fully cover yearly, monthly, and weekly trading; spot trading will be expanded from Guangdong to Yunnan, Guizhou, Guangxi and Hainan, enabling cross-regional and cross-provincial electricity spot trading in the five southern provinces.

On 7 June 2022, the NDRC and the NEA issued a notice on “Further Promoting the Participation of New Energy Storage in the Electricity Market and Dispatching Application” (《進一步推動新型儲能參與電力市場和調度運用》), proposing to establish and improve a market mechanism that adapts to energy storage participation, encourage new energy storage to independently choose to participate in the electricity market, insist on forming prices in a market-oriented way, continue to improve the allocation and operation mechanism, fully utilized the advantages of energy storage technology, improve the overall utilization level of energy storage, ensure reasonable income of energy storage, and promote healthy development of the industry.

2. Industry Review

(1) *Wind energy plays an important role in global energy, and China's wind power will continue to lead the growth of the global wind power industry*

Under the Carbon Peak and Carbon Neutrality goals, wind energy will play a major role in the global energy transition. The Global Wind Energy Council (“GWEC”) expects that the world will have 557GW of additional wind power installed capacity in the next five years. It means that from 2022 to 2026, the world will have 110GW of additional wind power installed capacity every year in the future. Among them, the newly installed capacity of offshore wind power will reach 90GW in the next five years. After fully entering into the affordable era, China’s wind power will continue to lead the growth of the global wind power industry. According to GWEC’s expectations, under the guidance of China’s 2030 renewable energy newly installed capacity target, China will add more than 50GW of wind power installed capacity each year from 2022 to 2026, and China’s wind power will become the growth pillar of the global wind power industry.

Management Discussion and Analysis

(2) *China ramps up wind power capacity and operating efficiency steadily*

12.94 GW installed wind power was newly connected to the grid in China in the first half of 2022, up by 19.4% YoY, according to NEA statistics. The country-wide cumulative installed wind power capacity came in at 342 GW by the end of June 2022, representing a 17.2% YoY increase and accounting for 14% of the installed capacity of the grid. In the first half of 2022, wind power generation was up by 7.8% YoY; wind power utilization was 1,156 hours on average in the country; and national average wind power utilization was 95.8%, representing a decrease of 0.6 percentage point.

(3) *Vigorously promote the construction of large-scale wind and photovoltaic bases focusing on desert, Gobi and barren lands*

The NEA recently proposed that the construction of large-scale wind power photovoltaic bases focusing on deserts, Gobi and barren lands will be the top priority of new energy development in the 14th Five-Year Plan. The construction of large-scale wind and photovoltaic bases in deserts, Gobi, and barren lands is an important initiative to implement the spirit of General Secretary Xi Jinping's important instructions, support the realization of the Carbon Peak Carbon Neutrality goal as scheduled, promote clean and low-carbon transformation of energy, improve energy security and supply capacity, and expand investment and stabilize growth. Currently, the list of the second batch of base projects has been issued, which are mainly in Inner Mongolia, Ningxia, Xinjiang, Qinghai, Gansu and other regions. All parties are stepping up to carry out the preliminary works of the projects and actively promoting the construction of the projects.

(4) *Soaring YoY growth of open bids for wind power turbines*

From January to June in 2022, bids in the domestic market grossed 51.1 GW, an increase by 62.3% YoY, in which offshore bids reached 9.14GW. Among them, 67% is located in north China, which is a major source of wind power demand. Along with technical iteration of wind power turbines and a trend of evolving towards larger size, 5MW-unit turbines or higher are dominant types in bids.

ii. Main Business Analysis

Driven by China's 14th Five-Year Energy Development Plan and the Carbon Peak by 2030 and Carbon Neutrality by 2060 goals, wind power embraces new opportunities and prospects. Meanwhile, it also faces the challenges of diversified market competition, diversified customer needs, and accelerated product iteration. Facing both opportunities and challenges, the Company has insisted on embracing the ever-changing market situations with technological progress and product innovation as the growth driver and being oriented to customer demands.

During the Reporting Period, revenue for the Group was RMB16,511.62 million, representing a decrease of 8.67% YoY. Net profit attributable to owners of the Company was RMB1,919.91 million, representing a decrease of 5.92% YoY.

1. WTG Manufacturing, R&D and Sales

(1) WTG Manufacturing and Sales

For the six months ended 30 June 2022, the Group's revenue from the sales of WTGs and components was RMB10,829.38 million, representing a decrease of 15.87% YoY. The Group's external sales totaled 4,086.10 MW, representing an increase of 37.77% YoY.

The following table sets out the details of products sold by the Group in the first half of 2022 and 2021:

	Six months ended 30 June		2021		Change in Capacity Sold
	2022		Units Sold	Capacity Sold (MW)	
	Units Sold	Capacity Sold (MW)	Units Sold	Capacity Sold (MW)	
MSPM	127	701.55	–	–	–
6S/8S	22	138.00	123	794.90	–82.64%
3S/4S	562	2,333.05	301	1,151.90	102.54%
2S	332	912.00	418	1,017.40	–10.36%
1.5MW	1	1.50	1	1.65	–9.09%
Total	1,044	4,086.10	843	2,965.85	37.77%

During the Reporting Period, the Company had 15,500.60MW external orders to be executed, including 58.50MW of 1.5MW unit, 1,675.10MW of 2S platform unit, 6,360.85MW of 3S/4S platform unit, 194.00MW of 6S/8S platform unit, 7,212.15MW of MSPM turbines. The Company had 8,193.67MW of external unsigned contract orders, including 192.00MW of 2S platform unit, 493.50MW of 3S/4S platform unit, 7,508.17MW of MSPM turbines. The Company's external order totaled 23,694.27MW, including 2,711.00MW overseas orders. In addition, the Company had 431.15MW of internal orders.

(2) Technology R&D and Product Certification

Quality growth has become the must-have choice of wind power enterprises. During the Reporting Period, the Company adhered to the concept of innovation-driven development, focused on customers and value, integrated its resources and technology advantages from the eight major R&D centers, accelerated technological change of products, enriched its product series of smart WTGs, and promoted technological innovation and digital transformation.

a. Product R&D and Mass Production

Focusing on the product and technology leadership strategy, the Company has optimized and upgraded the existing products and platform to continue the promotion of the research and development and industrialization of MSPM and DDPM turbines.

Management Discussion and Analysis

The Company's MSPM products have formed four major platforms, GWHV11, GWHV12, GWHV20, and GWHV21, and have achieved rapid delivery for wind power projects in many provinces and cities. Its first commercial projects have gradually entered the grid-connected operation stage.

The Company's GWH171-5.3MW unit of GWHV11 platform has been successfully connected to the grid in two wind power projects, Jingneng's 50MW project in Sanfengyuan, Jingyuan County, Baiyin, Gansu and Jingneng's 50MW project in Xiaoheishan. It is expected to provide about 290 million kWh of clean electricity every year, which will effectively improve the local power grid structure and promote the development of the local new energy industry. The first prototype of the Company's GWH191-4.X unit of GWHV12 platform has been successfully installed and debugged in the Liuyuan project in Guazhou, Gansu, and has entered the stage of stable operation, once again setting the record for the largest impeller diameter of wind power units installed on land in the world. The GWH191-4.X model has a super large impeller diameter and a super high tower, which effectively improves the overall power generation of the unit. During the Reporting Period, the GWH191-6.7MW unit of GWHV12 platform won the honor of "2021 'wind Power Leader' of Onshore Wind Power Unit (6MW+)" selected by China Wind News.

The Company's GWHV20 platform unit targets the offshore medium and high wind speed market area, and the GWHV21 platform targets the offshore medium and low wind speed market area. It has the characteristics of high power and large impeller, and the power generation can also be effectively guaranteed while maximizing the saving of aircraft points and improving the utilization rate of sea areas. In terms of engineering construction, the units are all designed with ETOP, using a single blade hoisting and one-key start-up solution, which can greatly improve the efficiency of on-site installation and debugging and effectively save construction costs. In addition, the demonstration project for the development and application of super-large offshore wind power units (GWHV20 platform) jointly developed by the Company and China Three Gorges Corporation has been included in the major task of the NDRC's "open competition mechanism".

The Company has continued to promote DDPM 5S platform series products in the international market, including GW165-5.6MW and GW165-6.0MW units. During the Reporting Period, the platform has obtained the EPD (Environmental Product Declaration) certification; the GW165-5.6MW unit prototype has completed grid connection and related tests, and obtained the DNV certification. During the Reporting Period, orders for the model have been received in Turkey.

The Company's GW77-1.1MW unit was successfully connected to the grid for power generation in Dachen Island, Taizhou, Zhejiang. It is the world's first DDPM low-frequency wind power unit, marking the commercial use of a brand new wind power unit power source. The successful development and application of the low-frequency wind power unit has eliminated the technical obstacles of power supply side matching for the popularization of medium- and long-distance flexible low-frequency power transmission, and is of great significance to the large-scale development of wind power resources in medium- and long-distance sea in the future.

The Company's self-developed 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 has the whole machine simulation function of the whole process and all working conditions. With the advanced multi-body dynamics framework combined with modular programming, it can realize the rapid development and integration of algorithm modularization; effectively support the simulation design of wind power units with large impellers, long flexible blades and high towers in the future.

b. Product Certificate

In the first half of 2022, Goldwind received 77 wind turbines certificates in total, including 34 design and assessment certificates and 33 type certificates, 7 specific site certificates and 3 technology certificates. Among them, 57 domestic turbines certificates and 20 foreign turbines certificates are included.

c. Intellectual Property and Standard-setting

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

As at 30 June 2022, the Company had 5,087 patent applications in China, including 2,942 invention patent applications, accounting for 57.8% of the total. The Company obtained 3,514 patent licenses in China, including 1,499 invention patent licenses, accounting for 42.7%. The Company had 829 patent applications and 411 patent licenses abroad.

The Company actively participated in the formulation and revision of domestic and international standards for wind power technology. As of the end of June 2022, Goldwind participated in the formulation and revision of 31 International Energy Commission (IEC) standards, led the formulation for one standard, and was a participant in 12 International Energy Agency (IEA) projects. The Company also participated in the formulation and revision of 330 domestic standards, including 124 national standards, 128 industrial standards and 78 regional and association standards, among which 256 were already published.

Management Discussion and Analysis

(3) *Quality Management*

The Company always considers quality leadership a key element to the core comprehensiveness of its product, implements the quality concept of “high quality and constant reliability”, and focuses on the quality management idea of “focusing on prevention, fine management, and promoting development” to ensure and continuously upgrade product quality and constant improvement of customer experience.

During the Reporting Period, the Company’s MSPM 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, and implement “one factory, one policy” differentiated control in the manufacturing process according to product technical characteristics. At the same time, the Company’s DDPM quality management work continues to prevent and control the occurrence of quality problems from the perspective of product life cycle and product reliability, and continuously improves quality assurance capabilities combining the promotion and application of APQP (Advanced Product Quality Planning) and FMEA (Failure mode and effects analysis) tools.

The Company emphasized improving customer experience, carried out customer visits, technical exchanges, return visits, etc., and regularly organizes surveys in stages on projects and customers’ satisfaction, actively promotes customer problem solving, and continues to build trouble-free wind farms to establish industry benchmarks and increase customer satisfaction.

2. **Wind Power Services**

With the steady increase in cumulative wind installation capacity, prospects for the medium and long-term development of the wind power post-warranty service market are positive. The Company’s online and offline integrated smart operation solutions have been rapidly commercialized, providing customers with a guarantee for optimizing asset performance, improving operational efficiency, and increasing power generation revenue. At the same time, the Company explores new business areas to provide customers with solutions that enable maximum running rate of assets and high development to improve the quality and efficiency of customer assets.

During the Reporting Period, the Company had achieved remarkable results in asset management services and the electricity sales business.

In terms of asset management services, the Company continues to promote the upgrading and transformation of asset management service business, aiming at ensuring and improving the profitability and capital efficiency of customer assets, and relying on the digital trading system to launch a competitive SaaS (Software-as-a-Service) product. The software product is equipped with four technologies: market forecasting model, dynamic quantitative trading strategy, AI virtual trading engine and risk factor control model. During the Reporting Period, the Company has completed the signing of the first SaaS service contract with a new energy investment company.

Relying on its advantages in power trading and digital operation and maintenance, the Company comprehensively improves the economical operation efficiency of on-site wind power unit equipment through load-side business layout and linkage of power generation and sales, and achieves stable and high-quality investment returns for customers. As of the end of the Reporting Period, external wind farm assets under management by the Company totaled 7,197MW.

In terms of electricity sales service business, the Company provides customers with cleaner, more efficient, and more affordable energy solutions based on distributed energy, energy storage products, green power transactions, and carbon neutrality consulting services to increase customers' asset value. The Company currently has six electricity sales companies with business scope covering Jiangsu, Shandong, Shanxi, Xinjiang, Shaanxi, Sichuan, Henan, Beijing, Tianjin, Hebei, and other region. Combined with China's electricity market-oriented reform, the Company has established a power trading digital system and a trader team that adapt to the trading rules of all regions in China to carry out electricity retailing through generation-side electricity trading and electricity sales companies, providing over 2,000 power users with green energy of high reliability, reasonable cost and convenient use. During the Reporting Period, the newly contracted capacity of the Company's electricity sales business was 1.4 billion kWh.

During the Reporting Period, the Company's post warranty projects under operation at home and abroad totaled 25.3 GW, representing an increase of 48% YoY. During the Reporting Period, revenue from the Wind Power Services was RMB1,934.33 million, representing an increase of 17.61% YoY, among which the Post-Warranty Service revenue totaled RMB1,035.61 million, representing an increase of 38.27% YoY.

3. Wind Farm Investment and Development

In 2022, there has been a satisfactory progress in the wind farm investment and development activities. In combination with China's new energy development policy, the Company has promoted the resource layout of large base projects, participated in the NEA's "wind riding campaign in thousands of townships and villages" and developed the load side projects, and captured project resources in Xinjiang, Jilin, Jiangxi, Inner Mongolia and other provinces, municipalities, and autonomous regions.

During the Reporting Period, the newly added grid-connected attributable installed capacity in wind farms run by Company at home and abroad amounted to 350MW, and that of transferred interests was 283MW. As of the end of the Reporting Period, the global cumulative grid-connected attributable installed capacity totaled 6,135MW and the attributable capacity in wind farms under construction was 2,861MW.

As of the end of the Reporting Period, the Company's wind power assets accounted in the consolidated financial statements covered 24 provinces across China. During the Reporting Period, the average power generation utilization hours of domestic turbines were 1,270 hours, above the country-wide average of 114 hours. The Company's domestic power generation accounted in the consolidated financial statements was 5.861 billion kWh, and on-grid power generation was 5.708 billion kWh.

During the Reporting Period, power generation revenue from wind farm investment and development business was RMB3,294.18 million, representing an increase of 9.54% YoY. During the Reporting Period, gain on disposal of equity investment in wind farms totaled RMB596.10 million.

Management Discussion and Analysis

In terms of engineering construction, the Company has focused on the development of engineering digitization capabilities, flexible procurement strategies and lean project management. While improving intelligent design, informatization of project management, and standardization of engineering operations, resources are dynamically and efficiently allocated to achieve the best project construction cost, delivery cycle and delivery quality through various methods such as refined management of project design and whole-process management of project cost. During the Reporting Period, the Company's 200MW project in Zone C of the second wind farm in Anbei, Guazhou County and the wind farm project in the plain in Lingbi County have won the 2022 "China Electric Power High Quality Project" (中國電力優質工程) award issued by the China Electric Power Construction Association, representing the advanced level of the project among similar projects in the same period.

In terms of production management, by virtue of its data-driven digital independent research and development capabilities, the Company has obtained the authoritative software development capability maturity model CMMI Level 3 evaluation certification, which is internationally recognized in the software industry, and obtained the ISO9001 quality management system certification in the same period. This signifies that the Company's wind farm management measures are mature and complete in terms of digital system design, development, project management and product quality, and have reached international technical standards and management requirements.

4. Water Treatment Business

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

In terms of asset appreciation, the Company has finished the upgrading and transformation of some sewage treatment projects. Currently, water treatment with the effluent quality reaching first-class A or above standards under the Discharge Standard of Pollutants for Municipal Wastewater Treatment Plant (GB18918-2002) accounts for 96.81% of the total volume of waste water treatment by the Company.

On the 19th water industry enterprise selection list, the Company has won the "2021 Most Professional Operational Service Enterprise" award for its professional operation service strength and leaping growth in water assets scale, which is the third consecutive year for the Company to win this award.

As of the end of the Reporting Period, the Company owned 68 water treatment companies, with water treatment scale of 4.2 million tons per day, covering 33 cities in China. During the Reporting Period, the Company's revenue from water operation business totaled RMB373.43 million, representing an increase of 25.47% YoY.

5. Outlook for the Future

The International Energy Agency (IEA) has published the Renewable Energy Market Report: Outlook 2022-2023. Solar photovoltaic and wind power costs are expected to be higher than global pre-pandemic levels in 2022-2023 due to rising commodity prices. However, renewable energy remains somewhat competitive due to sharp increases in gas and coal prices. The installed renewable energy capacity set to further increase by over 8% to nearly 320GW by 2022; if no other new policies are introduced, the growth trend of renewable energy installations will remain stable in 2023.

The Global Wind Energy Council (GWEC) pointed out in the Global Wind Report 2022 that, to achieve global temperature rise within 1.5°C by the end of this century and net-zero emissions in 2050, the annual wind power installation shall quadruple by 2030 and grid investment shall be three times of the current level.

The “1H 2022 Offshore Wind Power Market Outlook” (《2022年上半年海上風電市場展望》) released by BloombergNEF (BNEF) predicts that new markets in Asia and the Americas will continue to drive offshore wind power installations after 2025, with a YoY surge in new global offshore wind power installed capacity between 2025 and 2030. It also forecasts that the global cumulative offshore wind power installed capacity will reach 504GW by 2035, representing a nine-fold increase from 2021.

As a major country in energy consumption and carbon emission, China will take the lead in fulfilling the Carbon Peak and Carbon Neutrality goals, actively push forward green and low-carbon transformation of energy and promote the improvement of energy efficiency in economic and social development and the gradual reduction of its dependence on energy consumption. Facing the opportunities brought by the rapid development of the clean energy industry, the Company will increase investment in research and development, explore the application of new materials in the field of wind power, independently develop a digital software platform, and create units with high power generation, high safety, high reliability, and low load. With creating value for customers as the core, the Company will layout localization strategy, carry out “one province, one policy” and maximize access to project resources through various ways; pursue innovation in product solutions, business models and management, expand its competitive advantage in a wide range of scenarios, such as big base, centralized, distributed and offshore, and continue to pursue quality development and economy of scale, help China’s zero-carbon development and help customers achieve zero-carbon goals.

Management Discussion and Analysis

6. Major Subsidiaries

As at 30 June 2022, the Group had 723 subsidiaries, among which 48 were directly owned subsidiaries and 675 were indirectly owned subsidiaries. In addition, the Group had 23 joint ventures, 33 associate companies and 21 equity investments. These subsidiaries include WTG R&D and manufacturing companies, wind power investment and development companies, wind power services companies, water treatment and finance lease companies, etc. The following table sets out major financial information of the principal subsidiaries of the Company (reported in accordance with CASBE):

As at 30 June 2022
Unit: RMB

No	Company Name	Registered Capital (RMB ten thousand)	Total Assets	Net Assets	Revenue from Operations	Net Profits
1	Beijing Tianrun New Energy Investment Co., Ltd.	555,000	52,615,612,050.10	16,182,651,552.53	3,145,551,298.71	1,554,453,917.61
2	Goldwind Investment Holding Co., Ltd.	100,000	3,513,735,854.59	2,814,786,033.64	0.00	368,122,564.16

IV. OPERATIONS PERFORMANCE AND ANALYSIS

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

Summary

During the six months ended 30 June 2022, the Group's operating revenue was RMB16,511.62 million, representing a decrease of 8.67% compared with RMB18,079.67 million for the corresponding period in 2021. Net profit attributable to owners of the Company was RMB1,919.91 million, representing a decrease of 5.92% compared with RMB2,040.71 million for the corresponding period in 2021. The Company reported basic earnings per share of RMB0.44 for the Reporting Period.

Revenue

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

Management Discussion and Analysis

During the six months ended 30 June 2022, the Group's operating revenue was RMB16,511.62 million. Details are set out below:

Unit: RMB thousand

	Six months ended 30 June		Amount Change	Percentage Change
	2022	2021 (Restated)		
WTG Manufacturing and Sale	10,829,380	12,872,363	(2,042,983)	-15.87%
Wind Power Services	1,934,327	1,644,632	289,695	17.61%
Wind Farm Investment and Development	3,294,181	3,007,246	286,935	9.54%
Others	453,734	555,428	(101,694)	-18.31%
Total	16,511,622	18,079,669	(1,568,047)	-8.67%

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; (iii) the growing capacity of operational wind farms of the Group led to the increase in the revenue from wind farm investment and development business YoY; and (iv) the revenue from other business decreased YoY.

Cost of Sales

Unit: RMB thousand

	Six months ended 30 June		Amount Change	Percentage Change
	2022	2021 (Restated)		
WTG Manufacturing and Sale	9,483,451	10,308,058	(824,607)	-8.00%
Wind Power Services	1,551,153	1,530,644	20,509	1.34%
Wind Farm Investment and Development	1,044,508	787,818	256,690	32.58%
Others	351,552	327,828	23,724	7.24%
Total	12,430,664	12,954,348	(523,684)	-4.04%

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

Management Discussion and Analysis

Gross Profit

Unit: RMB thousand

	Six months ended 30 June		Amount Change	Percentage Change
	2022	2021 (Restated)		
WTG Manufacturing and Sale	1,345,929	2,564,305	(1,218,376)	-47.51%
Wind Power Services	383,174	113,988	269,186	236.15%
Wind Farm Investment and Development	2,249,673	2,219,428	30,245	1.36%
Others	102,182	227,600	(125,418)	-55.10%
Total	4,080,958	5,125,321	(1,044,363)	-20.38%

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

For the six months ended 30 June 2022 and 2021, the Group's overall gross profit margin were 24.72% and 28.35%, respectively. The gross profit margin for WTG Manufacturing and sales segment were 12.43% and 19.92%, respectively.

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

Gross Profit Margin	Six months ended 30 June		Change (percentage points)
	2022	2021	
MSPM	10.17%	–	–
6S/8S	25.07%	25.94%	-0.87%
3S/4S	12.36%	18.80%	-6.44%
2S	12.17%	14.50%	-2.33%
1.5MW	4.78%	20.75%	-15.97%

During the Reporting Period, gross profit margin of WTGs for 1.5MW series, 2S series, 3S/4S series and 6S/8S series had various degrees of decrease.

Other Income and Gains, Net

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

Other income and gains of the Group for the six months ended 30 June 2022 were RMB1,591.27 million, representing an increase of 52.94% compared with RMB1,040.42 million for the corresponding period in 2021. This was mainly attributable to 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 interests in subsidiaries, gain on re-measurement of the remaining equity interests in investees at the date of losing control, etc. Such increase was offset by the decrease in gain on disposal of investments in joint ventures and associates, etc.

Selling and Distribution Expenses

The Group's selling and distribution expenses primarily consisted of product warranty provisions, bidding service fees, employee benefit expenses, etc.

Selling and distribution expenses of the Group for the six months ended 30 June 2022 was RMB1,450.75 million, representing a decrease of 5.20% compared with RMB1,530.31 million for the corresponding period in 2021. This was mainly attributable to the decrease in employees benefit expenses, etc. Such decrease was offset by the increase in product warranty expenses, etc.

Administrative Expenses

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

Administrative expenses of the Group for the six months ended 30 June 2022 was RMB1,477.83 million, maintaining roughly the same level compared with RMB1,472.50 million for the corresponding period in 2021.

Impairment Losses on Financial and Contract Assets, Net

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

Impairment losses on financial and contract assets for the six months ended 30 June 2022 was reversal of RMB122.07 million, representing a decrease of 209.60% compared with loss of RMB111.38 million for the corresponding period in 2021. This was mainly attributable to the decrease in impairment of trade receivables, other receivables, etc.

Other Expenses

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

Other expenses of the Group for the six months ended 30 June 2022 were RMB126.64 million, representing a decrease of 56.14% compared with RMB288.74 million for the corresponding period in 2021. This was mainly attributable to the decrease in foreign exchange loss, bank charge and other fees, etc.

Management Discussion and Analysis

Finance Costs

Finance costs of the Group for the six months ended 30 June 2022 was RMB609.76 million, representing an increase of 21.17% compared with RMB503.22 million for the corresponding period in 2021. This was mainly attributable to the increase in interest expense on interest-bearing bank and other borrowings, etc. Such increase was offset by the decrease in interest expense on lease liabilities, etc.

Income Tax Expense

Income tax expense of the Group for the six months ended 30 June 2022 was RMB387.51 million, representing a decrease of 10.48% compared with RMB432.86 million for the corresponding period in 2021. This was mainly attributable to the decrease in taxable profit during the Reporting Period.

Financial Position

As at 30 June 2022 and 31 December 2021, total assets of the Group were RMB124,070.79 million and RMB119,665.00 million, respectively. Total current assets of the Group were RMB49,782.85 million and RMB47,935.93 million, respectively. The ratio of current assets to total assets of the Group were 40.12% and 40.06%, respectively. The Group's current assets increased mainly due to the increase in inventory, trade and bill receivables, contract assets, etc. Such increase was offset by the decrease in cash and cash equivalents, assets of disposal groups classified as held for sale, etc.

As at 30 June 2022 and 31 December 2021, total non-current assets of the Group were RMB74,287.94 million and RMB71,729.07 million, respectively. The Group's non-current assets increased mainly due to the increase in property, plant and equipment, investments in joint ventures, other intangible assets, financial assets at fair value through profit or loss, contract assets, deferred tax assets, etc. Such increase was offset by the decrease in financial receivables, prepayments, other receivables and other assets, etc.

As at 30 June 2022 and 31 December 2021, total liabilities of the Group were RMB85,860.39 million and RMB82,936.59 million, respectively. Current liabilities of the Group were RMB49,789.66 million and RMB49,886.07 million, respectively. The Group's current liabilities decreased mainly due to the decrease in trade and bills payables, liabilities directly associated with the assets classified as held for sale, etc. Such decrease was offset by the increase in interest-bearing bank and other borrowings, other payables and accruals, etc.

As at 30 June 2022 and 31 December 2021, total non-current liabilities of the Group were RMB36,070.73 million and RMB33,050.52 million, respectively. The Group's non-current liabilities increased mainly due to the increase in interest-bearing bank and other borrowings, provisions, etc.

As at 30 June 2022 and 31 December 2021, net current liabilities of the Group were RMB6.82 million and RMB1,950.14 million, respectively. Net assets of the Group were RMB38,210.40 million and RMB36,728.40 million, respectively.

As at 30 June 2022 and 31 December 2021, cash and cash equivalents of the Group were RMB6,969.62 million and RMB8,141.30 million, respectively. Total interest-bearing bank and other borrowings of the Group were RMB36,480.43 million and RMB31,277.39 million, respectively.

Financial Resources and Liquidity

Unit: RMB thousand

Cash Flow Statements	Six months ended 30 June	
	2022	2021
Net cash flows used in operating activities	(3,827,262)	(4,088,632)
Net cash flows used in investment activities	(3,439,473)	(1,999,336)
Net cash flows from financing activities	6,135,390	3,417,685
Net decrease in cash and cash equivalents	(1,131,345)	(2,670,283)
Cash and cash equivalents at beginning of the Reporting Period	8,140,281	7,705,323
Net effect of foreign exchange rate changes	(40,363)	2,750
Cash and cash equivalents at end of the Reporting Period	6,968,573	5,037,790

1. Net cash flows used in operating activities

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

For the six months ended 30 June 2022, the Group reported net cash flows used in operating activities of RMB3,827.26 million. Cash outflows were principally comprised of the decrease in trade and bills payables of RMB3,116.41 million, the increase in inventory of RMB3,096.63 million, the increase in contract assets of RMB831.58 million, income tax paid of RMB830.28 million, the increase in prepayments, other receivables and other assets of RMB670.88 million, the gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss of RMB601.99 million, the increase in trade and bills receivables of RMB397.23 million, etc. Such cash outflows were offset by profit before tax of RMB2,359.15 million, adjustments for the increase in other payables and accruals of RMB1,320.16 million, the increase in depreciation of RMB1,053.41 million, the increase in finance costs of RMB609.76 million, the decrease in financial receivables of RMB580.98 million, etc.

For the six months ended 30 June 2021, the Group reported net cash flows used in operating activities of RMB4,088.63 million. Cash outflows were principally comprised of the decrease in trade and bills payables of RMB4,587.78 million, the increase in inventories of RMB2,075.93 million, the increase in prepayments, other receivables and other assets of RMB2,226.10 million, etc. Such cash outflows were offset by profit before tax of RMB2,538.94 million, the decrease in trade and bill receivables of RMB977.30 million, the increase in depreciation of RMB924.63 million, the increase in finance costs of RMB503.22 million, etc.

Management Discussion and Analysis

2. Net cash flow used in investing activities

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

For the six months ended 30 June 2022, the Group reported net cash flows used in investing activities of RMB3,439.47 million. Cash outflows were principally comprised of the purchases of items of property, plant and equipment of RMB3,333.13 million, the payment of purchase consideration payable for acquisition of subsidiaries in previous periods of RMB352.21 million, purchases of interests in joint ventures of RMB342.39 million, prepayments for equity investments of RMB338.53 million, etc. Such cash outflows were offset by the inflows from disposal of subsidiaries, net of cash disposed of RMB807.96 million, refund of prepayment for equity investments in previous periods of RMB300.00 million, etc.

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

3. Net cash flows from financing activities

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

For the six months ended 30 June 2022, the Group reported net cash flows from financing activities of RMB6,135.39 million. Cash inflows were principally contributed by the increase in new bank loans and other borrowings of RMB11,508.92 million, etc. Such cash inflows were offset by the repayment of bank loans and other borrowings of RMB4,795.73 million, interest paid of RMB716.60 million, etc.

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

Capital Expenditure

Capital expenditure of the Group for the six months ended 30 June 2022 was RMB5,122.54 million, representing an increase of 22.94% compared with RMB4,166.57 million for the corresponding period in 2021. The Group's primary financing resources for capital expenditure included bank loans and cash flows from operations of the Group.

Interest-Bearing Bank Loans and Other Borrowings

As at 30 June 2022, the total amount of interest-bearing bank loans of the Group was RMB34,008.27 million, including amounts due within one year of RMB6,943.03 million, in the second year of RMB6,883.44 million, in the third to fifth year of RMB7,982.36 million, and above five years of RMB12,199.44 million. In addition, as at 30 June 2022, the total amount of other borrowings of the Group was RMB2,472.16 million, including amounts due within one year of RMB413.70 million, in the second year of RMB136.29 million, in the third to fifth year of RMB638.21 million and above five years of RMB1,283.96 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 years of RMB1,093.00 million. During the Reporting Period, the Group did not apply any interest rate hedging methods.

Restricted Assets

As at 30 June 2022, the following assets of the Group with a total carrying value of RMB29,929.78 million were restricted as security for certain bank loans, other banking facilities, finance lease assets and power price swap contract. Such assets included property, plant and equipment of RMB19,910.29 million, trade and bills receivables of RMB6,539.67 million, financial receivables of RMB2,356.20 million, bank deposits of RMB576.90 million, other intangible assets of RMB370.96 million, right-of-use assets of RMB175.76 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 30 June 2022 and 31 December 2021, the Group's gearing ratios were 62.73% and 61.91%, respectively.

Exposure to Fluctuations in Exchange Rates and any Related Hedges

The Group primarily operates its businesses in China. Over 90% of the Group's revenue, expenditure, financial assets and liabilities are denominated in RMB. The exchange rate of the RMB against foreign currencies did not have a significant impact on the Group's businesses. For the six months ended 30 June 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.

Management Discussion and Analysis

Contingent Liabilities

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

As at 30 June 2022 and 31 December 2021, contingent liabilities of the Group were RMB16,797.89 million and RMB17,411.79 million, respectively.

Significant Investments

The Group made no significant investment during the six months ended 30 June 2022.

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals during the six months ended 30 June 2022.

Future Plans for Material Investments or Capital Assets

The Group had no specific future plans for material investments or capital assets as at 30 June 2022.

V. 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

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

(3) Economic Environment and Exchange Rate Fluctuations

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

(4) Continual Impacts by the COVID-19 Pandemic

The global epidemic prevention and control is still full of uncertainties, posing adverse impact on the global industrial chains and supply chains. If the epidemic reoccurs, it may have adverse impact on the Company's production and business activities.

Faced with the foresaid possible risks, the Company will consolidate the manufacturing base, roll out products and solutions of higher quality and better performance, with technological innovation and product upgrade as main drivers, bring into play its advantage in full industrial chain competition, strengthen its profitability through diversification, and achieve sustainability. In view of the changing pandemic situation in China and abroad, the Company will further tighten risk control, strengthen communication and cooperation with its customers, and do well in both infection prevention and control and domestic and international business development.

Other Information

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

Based on information known to the Directors, as at 30 June 2022, the interests and short positions of the Directors, Supervisors and the Chief Executive in shares of the Company are set out as follows:

Long position:

Name	Capacity	Share Category	Number of Shares	As a Percentage of A Shares	As a Percentage of Total Shares
Mr. Wu Gang	Beneficial owner	A Shares	62,138,411	1.80%	1.47%
Mr. Cao Zhigang	Beneficial owner	A Shares	12,343,283	0.36%	0.29%
Mr. Wang Haibo	Beneficial owner	A Shares	672,100	0.02%	0.02%

Other than as disclosed above, as at 30 June 2022, as far as known to the Company, none of the Directors, Supervisors or Chief Executive of the Company had any interests or short positions in shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO), or as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

PURCHASE, SALE AND REDEMPTION OF SHARES

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company, save as the debt financing plan disclosed in this report.

DEBT FINANCING PLAN

On 19 May 2022, the Board considered and approved the “*Proposal on Application for Filing of Listed Debt Financing Plan*”. On 7 June 2022, the Company received the “*Notice of Filing Acceptance (Debt Financing Plan [2022] No. 0302)*” from Beijing Financial Assets Exchange (“BJFAE”), in which BJFAE accepted the filing of the Company’s debt financing plan. On 15 June 2022, the Company completed the issuance of the 2022 first tranche debt financing plan, with an issuance amount RMB500 million and issuance rate 5.22%, for a term of 18+N months.

INTERIM DIVIDENDS

The Board has decided not to distribute interim dividends for the six months ended 30 June 2022 (six months ended 30 June 2021: nil).

SHARE CAPITAL STRUCTURE

The particulars of the issued share capital of the Company as at 30 June 2022 are set out as follows:

Share Category	Number of Shares	As a Percentage of Total Shares
A Shares	3,451,495,248	81.69%
H Shares	773,572,399	18.31%
Total	4,225,067,647	100%

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, as far as known to the Directors, the following persons (not being the Directors, the Supervisors or the Chief Executive) had an interest or short position in shares of the Company which would require disclosure under the provisions of Divisions 2 and 3 of Part XV of the SFO:

H Shares:

(L) – Long Position, (S) – Short Position, (P) – Lending Pool

Name of Shareholder	Capacity	Number of Shares	As a Percentage of H Shares	As a Percentage of Total Shares
BlackRock, Inc.	Interest of controlled corporation	133,979,761 (L) ¹ 1,337,200 (S) ¹	17.32% 0.17%	3.17% 0.03%
Citigroup Inc.	Interest of controlled corporation	2,794,587 (L) ² 1,524,753 (S) ²	0.36% 0.19%	0.07% 0.04%
GIC Private Limited	Approved lending agent	82,148,489 (L,P) ²	10.61%	1.94%
JPMorgan Chase & Co.	Investment manager	61,965,164 (L)	8.01%	1.47%
	Interest of controlled corporation	12,223,296 (L) ³ 3,315,564 (S) ³	1.58% 0.42%	0.29% 0.08%
	Approved lending agent	49,400,232 (L,P) ³	6.38%	1.17%
BlackRock Global Funds	Beneficial owner	42,814,200 (L)	5.53%	1.01%

Other Information

A Shares (Long Position):

Name of Shareholder	Capacity	Number of Shares	Total	As a Percentage of A Shares	As a Percentage of Total Shares
Hexie Health Insurance Co., Ltd.	Beneficial owner	528,335,542	528,335,542	15.31%	12.50%
Xinjiang Wind Power	Beneficial owner	497,510,186	497,510,186	14.41%	11.78%
China Three Gorges Energy ⁴	Beneficial owner	352,723,945	850,234,131	24.63%	20.12%
	Interest in controlled corporation	497,510,186			
China Three Gorges Corporation ⁵	Interest in controlled corporation	850,234,131	850,234,131	24.63%	20.12%

Notes:

- Among which, 1,322,800 H Shares (long position) and 1,047,000 H Shares (short position) were held through derivatives, categorised as held through cash settled unlisted derivatives.
- Among which, 200,266 H Shares (long position) and 731,353 H Shares (short position) were held through derivatives, categorised as held through physically settled unlisted derivatives; 305,800 H Shares (long position) and 793,400 H Shares (short position) were held through derivatives, categorised as held through cash settled unlisted derivatives.
- Among which, 826,220 H Shares (long position) and 751,086 H Shares (short position) were held through derivatives, categorised as held through physically settled unlisted derivatives; 3,347,795 H Shares (long position) and 1,259,600 H Shares (short position) were held through derivatives, categorised as held through cash settled unlisted derivatives.
- China Three Gorges Energy directly holds 352,723,945 A Shares. China Three Gorges Energy holds 43.33% of the issued share capital of Xinjiang Wind Power. Under the SFO, besides directly holding interests in our Company, China Three Gorges Energy is deemed to be interested in the 497,510,186 A Shares held by Xinjiang Wind Power.
- China Three Gorges Corporation is the holding company of China Three Gorges Energy. Under the SFO, the 497,510,186 A Shares held by Xinjiang Wind Power in which China Three Gorges Energy is deemed to be interested, and the 352,723,945 A Shares directly held by China Three Gorges Energy are deemed to be the interests of China Three Gorges Corporation in our Company.

Other than as disclosed above, as at 30 June 2022, as far as is known to the Directors, no other persons (excluding Directors, Supervisors, and the Chief Executive) had an interest or short position in shares of the Company which would require disclosure under the provisions of Divisions 2 and 3 of Part XV of the SFO.

NUMBER OF SHAREHOLDERS

As at 30 June 2022, the total number of the Shareholders was 291,645, among which the numbers of holders of A Shares and H Shares were 290,586 and 1,059, respectively.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE LISTING RULES

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

Pursuant to the Articles and the relevant laws, regulations and rules of the PRC, the seventh session of the Board ceased to be in office after the election of the eighth session of the Board by the Shareholders at the 2021 AGM, and the term of office of members of the various committees established under the Board (including the Audit Committee, the remuneration and assessment committee, the nomination committee and the strategic committee) expired as well. The Board appointed members to each of the Board committees at the Board meeting held on 4 July 2022. Accordingly, during the short interval between the 2021 AGM and the said Board meeting, the Company did not comply with the relevant requirements regarding its Audit Committee, remuneration and assessment committee and nomination committee under Rule 3.21, Rule 3.25 and Rule 3.27A respectively, of the Listing Rules. Following the appointment of the chairman and members of the Board committees on 4 July 2022, the Company fully complies with Rule 3.21, Rule 3.25 and Rule 3.27A of the Listing Rules.

COMPLIANCE WITH THE MODEL CODE

During the Reporting Period, the Company has adopted a code of conduct governing Directors', Supervisors' and relevant employees' dealings in the Company's securities transactions on terms no less exacting than the required standard set out in the Model Code. Upon specific enquiries by the Company, all Directors, Supervisors and relevant employees have confirmed that they have complied with the provisions of the Model Code during the six months ended 30 June 2022 and up to the Latest Practicable Date.

REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at the Latest Practicable Date, the Audit Committee consisted of two independent non-executive Directors, namely Ms. Yang Jianping and Mr. Tsang Hin Fun Anthony, and one non-executive Director, namely Mr. Lu Hailin. The chairman of the Audit Committee was Ms. Yang Jianping. The Audit Committee and the Company's auditors, Deloitte Touche Tohmatsu, have reviewed the unaudited interim condensed consolidated Financial Statements of the Group for the six months ended 30 June 2022.

CHANGES TO MEMBERS OF THE BOARD AND SUPERVISORY COMMITTEE

The Shareholders at the 2021 AGM approved the proposal relating to the election of the eighth session of the Board. The proposal to re-elect Mr. Wu Gang, Mr. Cao Zhigang and Mr. Wang Haibo as executive Directors, Mr. Lu Hailin, Mr. Gao Jianjun, and Mr. Wang Kaiguo as non-executive Directors, and Ms. Yang Jianping, and Mr. Wei Wei as independent non-executive Directors, and elect Mr. Tsang Hin Fun Anthony as independent non-executive Directors. The term of office of the eighth session of the Board shall be three years beginning from the day following the date of the 2021 AGM. As at the Latest Practicable Date, the Company has entered into a service contract with each of the Directors for their services to the Company, stating, among other things, their respective annual remuneration and length of service with the Company.

Other Information

The Shareholders at the 2021 AGM approved the proposal to elect Ms. Li Tiefeng and re-elect Mr. Luo Jun and Mr. Wang Yan as Supervisors for the eighth session of the Supervisory Committee. The employee representative meeting of the Company has been held on 22 June 2022. The proposal to re-elect Mr. Lu Min and Ms. Ji Tian have been approved, which shall form the eighth session of the Supervisory Committee with the above Supervisors together. The term of office of the eighth session of the Supervisory Committee shall be three years. As at the Latest Practicable Date, the Company has entered into a service contract with each of the Supervisors for their services to the Company, stating, among other things, their respective annual remuneration and length of service with the Company.

Due to the expiration of the term of office, Dr. Tin Yau Kelvin Wong retired as an independent non-executive Director and Mr. Han Zongwei retired as a Supervisor, both with effect from 23 June 2022.

CHANGES TO INFORMATION ON DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE

On 8 February 2022, Mr. Wei Wei was appointed as an independent non-executive Director of Shenzhen Sunshine Global Circuits Co., Ltd., the securities of which are listed on the Shenzhen Stock Exchange (stock code: 300739.SZ).

Other than as disclosed above, as far as is known to the Company, during the six months ended 30 June 2022, there were no changes to information that was required to be disclosed by the Directors, Supervisors and Chief Executive pursuant to paragraphs (a) to (e) and (g) of Rule 13.51(2) of the Listing Rules.

EMPLOYEES

As at 30 June 2022, the Group had a total of 10,994 employees. As at 30 June 2021, the Group had a total of 9,388 employees.

During the six months ended 30 June 2022, the remuneration of Group's employees amounted to RMB1,752,362,000, which comprises of wages and salaries, pension scheme contributions, and welfare and other expenses. During the six months ended 30 June 2021, the remuneration of Group's employees amounted to RMB1,317,643,000.

REMUNERATION OF EMPLOYEES

The Company enters into individual employment contracts with its employees, terms include, among other things, salaries, benefits, training, workplace health and safety, confidentiality obligations relating to trade secrets, and grounds for termination. Remuneration packages offered to its employees are in line with the prevailing market terms and reviewed on a regular basis. Discretionary bonuses may be rewarded to employees, taking into consideration the Group's performance and performance of individual employees. The Company provides pension to its employees as a certain percentage of their applicable salary in accordance with relevant laws and regulations of the PRC and abroad, as well as other benefits such as medical insurance and rental subsidies.

As at 30 June 2022, the Company had no share option schemes for employees.

TRAINING FOR EMPLOYEES

The Company follows the principle of “position-related, input-output, division-based management, and collaborative sharing”, and establishes a three-tier training management system comprising of Goldwind Learning & Development Center, Human Resources Departments, and various departments. It takes fully into account the strategic planning and personalized growth needs of employees, and creates diverse learning opportunities and platforms for employees based on different training goals and requirements. It makes full use of internal and external knowledge resources to develop, formulate and introduce training courses suitable for the company’s current and future needs to create a learning-oriented environment and accelerate the personal development of employees.

During the first half of 2022, the Company made full use of online learning platforms to expand the coverage of training, as well as broaden the range of training and enrich learning content; focusing on leadership and management capability development, transferable skill development and talent cultivation at key posts, the Company carried out training activities such as new managers, new employees, Goldwind Lectures and precise empowerment for key talents. During the six months ended 30 June 2022, the average training hours per capita reached 19.88 hours.

SUFFICIENCY OF PUBLIC FLOAT

From publicly available information and to the best knowledge of the Directors, the Company had maintained a sufficient public float as required under the Listing Rules throughout the six months ended 30 June 2022 and up to the Latest Practicable Date.

The percentage of public float was 74.71%, based on information that was publicly available and within the knowledge of the Directors as at the Latest Practicable Date.

AMENDMENT OF ARTICLES

On 25 July 2022, the Board has approved the proposal in relation to the revision of the Articles, for details please refer to the announcement dated 25 July 2022 of the Company, which will take effect after the approval of Shareholders.

INVESTOR RELATIONS

The Company is committed to protecting the interests of its investors. The Company adheres to strict disclosure principles and strives to ensure that the information disclosed in its announcements, circulars and periodic reports is true, accurate and complete, and disclosures are made in a timely manner. In addition, the Company encourages regular communication and interaction with its investors and potential investors in order to allow them to better understand the wind power industry, the status of the Company’s operation, and its long-term development strategies. The Company had established the Investor Relations division within its Office of Secretary of the Board which is responsible for organizing investor visits and conferences, responding to queries from the Investor Relations Hotline, attending to the Investor Relations email inbox and SZSE’s investor interactive platform, analyzing information contained in the Company’s disclosure documents and assisting investors with related queries, and updating the “Investor Relations” section on the Company’s website in a timely manner.

During the Reporting Period, the Company strictly complied with its disclosure obligations, improved its communications with investors, and strived to provide investors with a fair and transparent investment environment. During the Reporting Period, the Company’s Investor Relations division organized two results announcement telephone conferences, accommodating a total of 738 investors in such events, organized two online Q&A investor interactive session, and answered 103 questions from investors. In addition, the Company organized two performance roadshows, communicated with 363 institutional investors, and hosted 4 investor calls.

Report on Review of Condensed Consolidated Financial Statements

Deloitte.
德勤

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

INTRODUCTION

We have reviewed the condensed consolidated financial statement of Xinjiang Goldwind Science & Technology Co., Ltd. (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 37 to 104, which comprise the condensed consolidated statement of financial position as of 30 June 2022 and the related condensed consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the six months period then ended, and certain explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 Interim Financial Reporting ("IAS 34") issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of these condensed consolidated financial statements in accordance with IAS 34. Our responsibility is to express a conclusion on these condensed consolidated financial statements based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

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

CONCLUSION

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

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
19 August 2022

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
REVENUE	4	16,511,622	18,079,669
Cost of sales		(12,430,664)	(12,954,348)
Gross profit		4,080,958	5,125,321
Other income and gains, net	5	1,591,268	1,040,422
Selling and distribution expenses		(1,450,748)	(1,530,306)
Administrative expenses		(1,477,830)	(1,472,499)
Impairment losses on financial and contract assets, net		122,073	(111,380)
Other expenses		(126,639)	(288,739)
Finance costs	7	(609,755)	(503,220)
Share of profits of:			
Joint ventures		141,698	246,851
Associates		88,123	32,486
PROFIT BEFORE TAX	6	2,359,148	2,538,936
Income tax expense	8	(387,507)	(432,859)
PROFIT FOR THE PERIOD		1,971,641	2,106,077
Profit attributable to:			
Owners of the Company		1,919,914	2,040,706
Non-controlling interests		51,727	65,371
		1,971,641	2,106,077

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2022

		For the six months ended 30 June	
		2022	2021
		(Unaudited)	(Unaudited)
			(Restated)
	Note	RMB'000	RMB'000
<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 income		(81,525)	2,749
<i>Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		(44,698)	(28,138)
Changes in fair value of debt instruments measured at fair value through other comprehensive income		12,110	12,413
Cash flow hedges		(3,018)	(123,833)
Hedges of net investment in foreign operations		42,571	158,807
Cost of fair value hedges		49,278	10,465
Share of other comprehensive income of associates		118,403	38,319
Net other comprehensive income that may be reclassified to profit or loss in subsequent periods, net of tax		174,646	68,033
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		93,121	70,782
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		2,064,762	2,176,859
Total comprehensive income attributable to:			
Owners of the Company		2,013,399	2,112,012
Non-controlling interests		51,363	64,847
		2,064,762	2,176,859
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY			
Basic and diluted (expressed in RMB per share)	10	0.44	0.46

Condensed Consolidated Statement of Financial Position

At 30 June 2022

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) (Restated) RMB'000
NON-CURRENT ASSETS			
Property, plant and equipment	11	38,436,200	37,262,589
Investment properties		9,668	9,806
Right-of-use assets	12	2,775,633	2,706,771
Goodwill		326,065	163,265
Other intangible assets		6,344,923	5,810,090
Investments in joint ventures		5,265,144	4,553,804
Investments in associates		1,423,988	1,348,973
Equity investments designated at fair value through other comprehensive income	13	188,713	282,942
Financial assets at fair value through profit or loss	14	1,851,958	1,372,264
Other non-current financial assets	15	210,381	145,575
Deferred tax assets	16	2,821,168	2,604,434
Financial receivables	18	8,190,312	8,890,041
Prepayments, other receivables and other assets	19	2,941,120	3,380,188
Contract assets	23	3,392,113	3,003,533
Derivative financial instruments	20	–	85,083
Pledged deposits	22	110,557	109,707
Total non-current assets		74,287,943	71,729,065
CURRENT ASSETS			
Inventories	21	7,873,629	4,817,569
Trade and bills receivables	17	26,762,840	25,900,856
Contract assets	23	1,926,208	1,483,206
Prepayments, other receivables and other assets	19	4,574,842	4,531,944
Financial receivables	18	527,426	408,679
Derivative financial instruments	20	379,253	691,218
Financial assets at fair value through profit or loss	14	300,000	400,000
Other non-current financial assets	15	2,680	1,538
Pledged deposits	22	466,345	435,994
Cash and cash equivalents	22	6,969,624	8,141,296
		49,782,847	46,812,300
Assets of disposal groups classified as held for sale		–	1,123,632
Total current assets		49,782,847	47,935,932

Condensed Consolidated Statement of Financial Position

At 30 June 2022

	Notes	30 June 2022 (Unaudited) RMB'000	31 December 2021 (Audited) (Restated) RMB'000
CURRENT LIABILITIES			
Trade and bills payables	24	29,163,036	31,876,046
Other payables and accruals	25	10,730,182	9,618,225
Derivative financial instruments	20	14,494	31,273
Interest-bearing bank and other borrowings	26	7,356,728	4,864,007
Tax payable		381,614	797,655
Provision		2,143,608	1,975,805
		49,789,662	49,163,011
Liabilities directly associated with the assets classified as held for sale		–	723,063
Total current liabilities		49,789,662	49,886,074
NET CURRENT LIABILITIES		(6,815)	(1,950,142)
TOTAL ASSETS LESS CURRENT LIABILITIES		74,281,128	69,778,923
NON-CURRENT LIABILITIES			
Trade payables	24	1,326,159	1,762,492
Other payables and accruals	25	542,464	392,794
Interest-bearing bank and other borrowings	26	29,123,703	26,413,378
Deferred tax liabilities	16	1,207,287	941,083
Provision		3,670,871	3,343,374
Government grants		199,940	197,363
Derivative financial instruments	20	309	38
Total non-current liabilities		36,070,733	33,050,522
Net assets		38,210,395	36,728,401
EQUITY			
Equity attributable to owners of the Company			
Share capital	27	4,225,068	4,225,068
Reserves		32,981,864	31,606,522
Non-controlling interests		1,003,463	896,811
Total equity		38,210,395	36,728,401

Wu Gang
Director

Cao Zhigang
Director

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022

	Attributable to owners of the Company											
	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Special reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Other equity instruments (Unaudited) RMB'000	Hedging reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) 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 period	-	-	-	-	-	-	-	-	1,919,914	1,919,914	51,727	1,971,641
Other comprehensive (expenses)/income for the period:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	(81,525)	-	-	-	-	(81,525)	-	(81,525)
Changes in fair value of debt instruments measured at fair value through other comprehensive income, net of tax	-	-	-	-	12,135	-	-	-	-	12,135	(25)	12,110
Cash flow hedges, net of tax	-	-	-	-	-	-	-	(3,018)	-	(3,018)	-	(3,018)
Hedges of net investment in foreign operations, net of tax	-	-	-	-	-	-	-	42,571	-	42,571	-	42,571
Cost of fair value hedges, net of tax	-	-	-	-	-	-	-	49,278	-	49,278	-	49,278
Share of other comprehensive income of associates	-	118,403	-	-	-	-	-	-	-	118,403	-	118,403
Exchange differences on translation of foreign operations	-	-	-	-	-	(44,359)	-	-	-	(44,359)	(339)	(44,698)
Total comprehensive income/(expenses) for the period	-	118,403	-	-	(69,390)	(44,359)	-	88,831	1,919,914	2,013,399	51,363	2,064,762
Capital contributions from shareholders	-	-	-	-	-	-	-	-	-	-	67,667	67,667
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	3,413	3,413
Final 2021 dividend declared	-	-	-	-	-	-	-	-	(1,056,267)	(1,056,267)	(15,791)	(1,072,058)
Transfer to special reserve	-	-	44,801	-	-	-	-	-	(44,801)	-	-	-
Utilisation of special reserve	-	-	(44,801)	-	-	-	-	-	44,801	-	-	-
Capital contributions from other equity instruments holders	-	-	-	-	-	-	498,875	-	-	498,875	-	498,875
Distribution of other equity instruments	-	-	-	-	-	-	-	-	(80,665)	(80,665)	-	(80,665)
At 30 June 2022	4,225,068	*12,292,523	*	*1,646,282	*14,254	*(202,340)	*2,495,875	*105,726	*16,629,544	37,206,932	1,003,463	38,210,395

	Attributable to owners of the Company											
	Share capital (Unaudited) RMB'000	Capital reserve (Unaudited) RMB'000	Special reserve (Unaudited) RMB'000	Statutory surplus reserve (Unaudited) RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income (Unaudited) RMB'000	Exchange fluctuation reserve (Unaudited) RMB'000	Other equity instruments (Unaudited) RMB'000	Hedging reserve (Unaudited) RMB'000	Retained profits (Unaudited) RMB'000	Total (Unaudited) RMB'000	Non-controlling interests (Unaudited) RMB'000	Total equity (Unaudited) 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 period (restated)	-	-	-	-	-	-	-	-	2,040,706	2,040,706	65,371	2,106,077
Other comprehensive income/(expenses) for the period:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	2,749	-	-	-	-	2,749	-	2,749
Changes in fair value of debt instruments measured at fair value through other comprehensive income, net of tax	-	-	-	-	12,443	-	-	-	-	12,443	(30)	12,413
Cash flow hedges, net of tax	-	-	-	-	-	-	-	(123,833)	-	(123,833)	-	(123,833)
Hedges of net investment in foreign operations, net of tax	-	-	-	-	-	-	-	158,807	-	158,807	-	158,807
Cost of fair value hedges, net of tax	-	-	-	-	-	-	-	10,465	-	10,465	-	10,465
Share of other comprehensive income of associates	-	38,319	-	-	-	-	-	-	-	38,319	-	38,319
Exchange differences on translation of foreign operations	-	-	-	-	-	(27,644)	-	-	-	(27,644)	(494)	(28,138)
Total comprehensive income/(expenses) for the period (restated)	-	38,319	-	-	15,192	(27,644)	-	45,439	2,040,706	2,112,012	64,847	2,176,859
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	18,994	18,994
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	4,900	4,900
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(49,877)	(49,877)
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(12,243)	(12,243)	(14,055)	(26,298)
Final 2020 dividend declared	-	-	-	-	-	-	-	-	(1,056,267)	(1,056,267)	(24,000)	(1,080,267)
Transfer to special reserve	-	-	22,953	-	-	-	-	-	(22,953)	-	-	-
Utilisation of special reserve	-	-	(22,953)	-	-	-	-	-	22,953	-	-	-
Redemption of other equity instruments	-	-	-	-	-	-	(996,547)	-	-	(996,547)	-	(996,547)
Distribution of other equity instruments	-	-	-	-	-	-	-	-	(102,589)	(102,589)	-	(102,589)
At 30 June 2021 (restated)	4,225,068	*12,126,879	*	*1,533,691	*81,315	*(60,330)	*1,994,071	*(51,018)	*14,278,308	34,127,984	805,847	34,933,831

* As at 30 June 2022, these reserve accounts comprised the consolidated reserves of RMB32,981,864,000 (30 June 2021: RMB29,902,916,000(restated)) (unaudited) in the condensed consolidated statement of financial position.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

For the six months ended 30 June
2022
(Unaudited)
RMB'000

2021
(Unaudited)
(Restated)
RMB'000

Notes

CASH FLOWS FROM OPERATING ACTIVITIES

Profit before tax		2,359,148	2,538,936
Adjustments for:			
Finance costs	7	609,755	503,220
Bank interest income	5	(192,399)	(117,737)
Share of profits of joint ventures		(141,698)	(246,851)
Share of profits of associates		(88,123)	(32,486)
Depreciation of property, plant and equipment and investment properties	6	962,398	854,881
Depreciation of right-of-use assets	6	91,010	69,749
Amortisation of other intangible assets	6	184,317	156,660
Loss on disposal of items of property, plant and equipment and other intangible assets		9,148	422
Gain on disposal of subsidiaries, including wind farm project companies	5	(460,557)	(254,667)
Gain on cancellation and liquidation of subsidiaries		(27,419)	(5,341)
Gain on re-measurement of the remaining equity interests in investees at the date of losing control	5	(136,502)	–
Gain on hold of financial assets at fair value through profit or loss	5	(5,980)	(8,725)
Dividend income from equity investments designated at fair value through other comprehensive income	5	(14,733)	(7,500)
Dividend income from other non-current financial assets	5	(1,400)	(10,889)
Gain on disposal of investment in an associate and joint ventures	5	(10,445)	(368,156)
Gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss	5	(601,987)	–
Gain on disposal of other non-current financial assets	5	(34,382)	–
Fair value losses/(gains), net:			
Derivative financial instruments	5	124,749	(77,830)
Unlisted equity investments	5	(13,645)	(47,999)
Listed equity investments	5	126,290	61,803
Impairment of trade and other receivables	6	(119,411)	107,915
Impairment of contract assets	6	107	1,751
Impairment of financial receivables	6	(2,769)	1,714
Impairment of write-down of inventories to net realisable value	6	17,644	53,624
Impairment of property, plant and equipment	6	343	48,489
		2,633,459	3,220,983

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Notes	For the six months ended 30 June	
		2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
Increase in inventories		(3,096,629)	(2,075,925)
Increase in contract assets		(831,582)	(329,337)
(Increase)/decrease in trade and bills receivables		(397,229)	977,300
Increase in prepayments, other receivables and other assets		(670,879)	(2,226,104)
Decrease in financial receivables		580,982	492,307
Decrease in trade and bills payables		(3,116,414)	(4,587,781)
Increase in other payables and accruals		1,320,155	296,795
Increase in provision		495,300	555,960
Increase/(decrease) in government grants and deferred revenue		2,577	(3,912)
Cash used in operations		(3,080,260)	(3,679,714)
Interest received		83,278	23,941
Income tax paid		(830,280)	(432,859)
Net cash flows used in operating activities		(3,827,262)	(4,088,632)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(3,333,129)	(3,226,222)
Purchases of other intangible assets		(322,220)	(95,540)
Purchases of right-of-use assets		(133,464)	(49,884)
Acquisition of subsidiaries, net of cash acquired	28	(144,505)	(559,093)
Payment of purchase consideration payable for acquisition of subsidiaries in previous periods	28	(352,206)	(38,371)
Purchases of interests in joint ventures		(342,390)	(12,040)
Purchases of interests in associates		(79,390)	(525)
Purchases of equity investments designated at fair value through other comprehensive income		–	(28,058)
Purchases of financial assets at fair value through profit or loss		–	(544,902)
Loans to third-parties		(44,427)	(12,796)
Purchases of other non-current financial assets		(51,020)	(12,900)
Prepayment for equity investments		(338,525)	–
Proceeds from disposal of items of property, plant and equipment and other intangible assets		213,432	44,546
Disposal of subsidiaries, net of cash disposed of	29	807,956	602,795
Cash received on sales consideration receivable from disposal of subsidiaries in previous periods		3,370	–
Cash consideration received in advance from disposal of subsidiaries		–	548,513
(Increase)/decrease in pledged time deposits		(3,083)	23,451
Dividends received from joint ventures and associates		18,603	554,289
Dividend received from equity investments at fair value through other comprehensive income	5	14,733	7,500
Dividend received from financial assets at fair value through profit or loss		5,980	10,889
Dividend received from other non-current financial assets		7,697	1,050
Proceeds from disposal of shareholding in joint ventures and associates		214,502	267,962
Proceeds from disposal of financial assets at fair value through profit or loss		–	508,725
Proceeds from disposal of other non-current financial assets		109,381	–
Refund of prepayment for equity investments in previous periods		300,000	–
Cash from other investments		9,232	11,275
Net cash flows used in investing activities		(3,439,473)	(1,999,336)

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2022

	Note	For the six months ended 30 June	
		2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank loans and other borrowings		11,508,921	10,010,472
Repayment of bank loans and other borrowings		(4,795,727)	(4,964,782)
Interest paid		(716,595)	(535,626)
Capital contributions from non-controlling shareholders		67,667	18,994
Proceeds from issuance of perpetual securities, net of issuance costs		498,875	–
Principal portion of lease liabilities payments		(46,645)	(129,892)
Fees for new bank and other borrowings		–	(12,378)
Repayment of perpetual bonds		–	(1,000,000)
Dividends paid		(43,597)	(69,080)
Increase in amounts due to non-controlling shareholders		–	7,240
Repayment of loans to pre-shareholders		(9,025)	–
Cash (repayment)/received on sale of bills as collateral on securities lending		(328,484)	92,737
Net cash flows generated from financing activities		6,135,390	3,417,685
NET DECREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the period		8,140,281	7,705,323
Effect of foreign exchange rate changes, net		(40,363)	2,750
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	22	6,968,573	5,037,790

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

1. CORPORATE AND GROUP INFORMATION

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

During the current interim period, 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, if applicable; and
- Development and operation of water treatment plants.

In the opinion of the directors of the Company (the “Directors”), the Company has no controlling shareholder.

2. BASIS OF PREPARATION AND CHANGES IN THE ACCOUNTING POLICIES

2.1 Basis of preparation

The condensed consolidated financial statements for the six months ended 30 June 2022 have been prepared in accordance with International Accounting Standard 34 (“IAS 34”) “Interim Financial Reporting” issued by the International Accounting Standards Board (“IASB”) as well as the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange (the “Listing Rules”).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2021.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

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

2.2 Changes in accounting policies and disclosures

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021, except for the adoption of new amendments effective as of 1 January 2022 set out below. The Group has not early applied the new and amendments to International Financial Reporting Standards ("IFRSs") that have been issued but are not yet effective.

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

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

2.3 Impacts and accounting policies on application of Amendments to IAS 16 Property, Plant and Equipment – Proceeds before Intended Use

Accounting policies

Property, plant and equipment

Costs include any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including costs of testing the related assets functioning properly and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Sale proceeds of items that are 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 asset is functioning properly), and the related costs of producing those items are recognised in the profit or loss.

Transition and summary of effects

The Group has applied the new accounting policy retrospectively to property, plant and equipment made available for use on or after the beginning of the earliest period presented. The details of the impacts on each financial statement line item and earning per share arising from the application of the amendments are set out under "Impacts of application of amendments to IFRSs on the condensed consolidated financial statements" in this Note. Comparative figures have been restated.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

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

2.4 Impacts of application of amendments to IFRSs on the condensed 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 condensed consolidated statement of profit or loss and other comprehensive income and earnings per share, are as follows:

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
<i>Impact on profit and total comprehensive income for the period</i>		
Increase in revenue	199,732	226,890
Increase in costs of sale	(50,215)	(20,517)
Increase in income tax expense	(19,751)	–
Net increase in profit for the period	129,766	206,373
Increase in profit and total comprehensive income for the period attributable to:		
– Owners of the Company	129,766	192,182
– Non-controlling interests	–	14,191
	129,766	206,373
	For the six months ended 30 June	
	2022 (Unaudited) RMB	2021 (Unaudited) RMB
<i>Impact on basic and diluted earnings per share</i>		
Basic and diluted earnings per share before adjustments	0.40	0.41
Net adjustments arising from change in accounting policy in relation to:		
– Determination of costs of property, plant and equipment	0.04	0.05
Reported basic and diluted earnings per share	0.44	0.46

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

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

2.4 Impacts of application of amendments to IFRSs on the condensed 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 condensed consolidated statement of financial position as at the end of the immediately preceding financial year, 31 December 2021, are as follows:

	31 December 2021 (Originally stated) RMB'000	Adjustments RMB'000	31 December 2021 (Restated) RMB'000
Property, plant and equipment	36,957,784	304,805	37,262,589
	31 December 2021 (Originally stated) RMB'000	Adjustments RMB'000	31 December 2021 (Restated) RMB'000
Non-controlling interests	881,813	14,998	896,811
Reserves	31,316,715	289,807	31,606,522

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

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

2.4 Impacts of application of amendments to IFRSs on the condensed consolidated financial statements (continued)

The effect 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 condensed consolidated statement of financial position as at the beginning of the comparative period, 1 January 2021, is as follows:

	1 January 2021 (Originally stated) RMB'000	Adjustments RMB'000	1 January 2021 (Restated) RMB'000
Property, plant and equipment	33,380,435	15,366	33,395,801
	1 January 2021 (Originally stated) RMB'000	Adjustments RMB'000	1 January 2021 (Restated) RMB'000
Non-controlling interests	805,038	–	805,038
Reserves	29,943,184	15,366	29,958,550

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. OPERATING SEGMENT INFORMATION

The following tables present revenue and profit information about the Group's operating segments for the six months ended 30 June 2022 and 2021:

For the six months ended 30 June 2022

	Wind turbine generator manufacturing and sale (Unaudited) RMB'000	Wind farm development (Unaudited) RMB'000	Wind power services (Unaudited) RMB'000	Others (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) RMB'000
Segment revenue:						
Revenue from external customers	10,829,380	3,294,181	1,934,327	453,734	–	16,511,622
Intersegment sales	2,486,164	13,887	82,481	146,715	(2,729,247)	–
Total revenue	13,315,544	3,308,068	2,016,808	600,449	(2,729,247)	16,511,622
Segment results:						
Interest income	312,300	73,756	2,139	139,863	(335,659)	192,399
Finance costs	(250,000)	(588,778)	(15,997)	(98,442)	343,462	(609,755)
(Loss)/profit before tax	(284,075)	2,212,994	111,619	751,672	(433,062)	2,359,148
Other segment information:						
Share of profits and losses of:						
Associates	10,827	54,766	(294)	22,824	–	88,123
Joint ventures	–	141,109	–	589	–	141,698
Depreciation and amortisation ⁽¹⁾	347,097	868,610	65,010	74,569	(91,136)	1,264,150
Impairment of inventories, net	17,644	–	–	–	–	17,644
Impairment of trade and other receivables, net	(108,412)	200	(3,535)	(426)	(7,238)	(119,411)
Impairment of contract assets, net	107	–	–	–	–	107
Impairment of financial receivables, net	–	–	–	(2,769)	–	(2,769)
Impairment of property, plant and equipment	–	343	–	–	–	343
Product warranty provision	1,149,222	–	–	–	(9,867)	1,139,355
Capital expenditure ⁽²⁾	526,560	4,760,573	48,954	126,236	(339,787)	5,122,536

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. OPERATING SEGMENT INFORMATION (continued)

The following tables present revenue and profit information about the Group's operating segments for the six months ended 30 June 2022 and 2021: (continued)

For the six months ended 30 June 2021

	Wind turbine generator manufacturing and sale (Unaudited) RMB'000	Wind farm development (Unaudited) (Restated) RMB'000	Wind power services (Unaudited) RMB'000	Others (Unaudited) RMB'000	Eliminations (Unaudited) RMB'000	Total (Unaudited) (Restated) RMB'000
Segment revenue:						
Revenue from external customers	12,872,363	3,007,246	1,644,632	555,428	–	18,079,669
Intersegment sales	1,323,080	10,093	301,157	124,101	(1,758,431)	–
Total revenue	14,195,443	3,017,339	1,945,789	679,529	(1,758,431)	18,079,669
Segment results:						
Interest income	490,691	2,259,624	(60,302)	526,986	(316,521)	2,900,478
Interest income	267,096	24,691	2,087	116,098	(268,294)	141,678
Finance costs	(170,188)	(525,244)	(74)	(60,590)	252,876	(503,220)
Profit/(loss) before tax	587,599	1,759,071	(58,289)	582,494	(331,939)	2,538,936
Other segment information:						
Share of profits and losses of:						
Associates	5,535	6,650	(185)	20,486	–	32,486
Joint ventures	218	244,633	–	2,000	–	246,851
Depreciation and amortisation ⁽¹⁾	251,312	759,241	39,108	55,311	(2,116)	1,102,856
Impairment of inventories, net	53,624	–	–	–	–	53,624
Impairment of trade and other receivables, net	41,751	1,120	27,624	38,330	(910)	107,915
Impairment of contract assets, net	1,751	–	–	–	–	1,751
Impairment of financial receivables, net	–	–	–	(6,807)	8,521	1,714
Impairment of property, plant and equipment	–	48,489	–	–	–	48,489
Product warranty provision	1,050,333	–	–	–	(9,400)	1,040,933
Capital expenditure ⁽²⁾	341,160	2,751,986	27,876	1,698,082	(652,536)	4,166,568

⁽¹⁾ Depreciation and amortisation mainly consists of depreciation and amortisation of property, plant and equipment, other intangible assets, investment properties, leasehold improvement and right-of-use assets.

⁽²⁾ Capital expenditure mainly consists of additions to property, plant and equipment, other intangible assets and right-of-use assets, including assets from the acquisition of subsidiaries.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. OPERATING SEGMENT INFORMATION (continued)

The following table presents segment assets and liabilities of the Group's operating segments as at 30 June 2022 and 31 December 2021:

	Wind turbine generator manufacturing and sale RMB'000	Wind farm development RMB'000	Wind power services RMB'000	Others RMB'000	Unallocations and eliminations RMB'000	Total RMB'000
Segment assets						
30 June 2022 (Unaudited)	90,316,129	57,356,193	13,842,953	22,605,446	(60,049,931)	124,070,790
31 December 2021 (Audited)	90,250,061	*53,429,630	15,536,735	21,944,789	(61,496,218)	119,664,997
Segment liabilities						
30 June 2022 (Unaudited)	58,045,925	40,255,722	9,884,069	13,677,620	(36,002,941)	85,860,395
31 December 2021 (Audited)	57,199,559	38,244,940	12,343,814	13,498,297	(38,350,014)	82,936,596
Investments in joint ventures						
30 June 2022 (Unaudited)	3,557	4,960,674	280,507	20,406	–	5,265,144
31 December 2021 (Audited)	3,558	4,529,840	–	20,406	–	4,553,804
Investments in associates						
30 June 2022 (Unaudited)	229,380	588,296	9,450	596,862	–	1,423,988
31 December 2021 (Audited)	314,797	461,557	10,244	562,375	–	1,348,973

* Restated.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. OPERATING SEGMENT INFORMATION (continued)

Geographical information

(a) Revenue from external customers

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
China	15,295,841	16,460,644
Other countries	1,215,781	1,619,025
	16,511,622	18,079,669

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

(b) Non-current assets

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) (Restated) RMB'000
	China	53,117,331
Australia	4,124,572	4,429,106
Argentina	3,631,482	3,601,077
Germany	213,753	224,033
United States of America	99,913	98,800
Other countries	12,474	11,811
	61,199,525	59,912,631

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

3. OPERATING SEGMENT INFORMATION (continued)

Information about major customers

For the six months ended 30 June 2022, revenues of approximately RMB2,763,008,000 were derived from sales by the wind farm investment and development to a single customer, including sales to a group of entities which are known to be under common control with that customer, which individually accounted for over 10% of the Group's total revenue.

For the six months ended 30 June 2021, revenues of approximately RMB2,445,861,000 were derived from sales by the wind farm investment and development to a single customer, including sales to a group of entities which are known to be under common control with that customer, which individually accounted for over 10% of the Group's total revenue.

4. REVENUE

An analysis of revenue is as follows:

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
Revenue from contracts with customers		
Sale of wind turbine generators and wind power components	10,829,380	12,872,363
Wind farm development	3,294,181	3,007,246
Wind power services	1,740,990	1,644,632
Others	453,734	410,121
	16,318,285	17,934,362
Revenue from other sources		
Gross rental income	193,337	145,307
	16,511,622	18,079,669

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4. REVENUE (continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

For the six months ended 30 June 2022 (Unaudited)

Segments	Sale of wind turbine generators and wind power components RMB'000	Wind farm development RMB'000	Wind power services RMB'000	Others RMB'000	Total RMB'000
Type of goods or services					
Sale of wind turbine generators and wind power components	10,829,380	–	–	–	10,829,380
Wind farm investment and development	–	3,294,181	–	–	3,294,181
Wind power services	–	–	1,740,990	–	1,740,990
Others	–	–	–	453,734	453,734
Total revenue from contracts with customers	10,829,380	3,294,181	1,740,990	453,734	16,318,285
Geographical markets					
China	10,303,334	2,794,401	1,551,035	453,734	15,102,504
Other countries	526,046	499,780	189,955	–	1,215,781
Total revenue from contracts with customers	10,829,380	3,294,181	1,740,990	453,734	16,318,285
Timing of revenue recognition					
Goods transferred at a point in time	10,829,380	3,294,181	–	250,399	14,373,960
Services transferred over time	–	–	1,740,990	203,335	1,944,325
Total revenue from contracts with customers	10,829,380	3,294,181	1,740,990	453,734	16,318,285

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4. REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

For the six months ended 30 June 2021 (Unaudited)

Segments	Sale of wind turbine generators and wind power components RMB'000	Wind farm development (Restated) RMB'000	Wind power services RMB'000	Others RMB'000	Total (Restated) RMB'000
Type of goods or services					
Sale of wind turbine generators and wind power components	12,872,363	–	–	–	12,872,363
Wind farm investment and development	–	3,007,246	–	–	3,007,246
Wind power services	–	–	1,644,632	–	1,644,632
Others	–	–	–	410,121	410,121
<hr/>					
Total revenue from contracts with customers	12,872,363	3,007,246	1,644,632	410,121	17,934,362
<hr/>					
Geographical markets					
China	11,845,679	2,663,804	1,409,740	410,121	16,329,344
Other countries	1,026,684	343,442	234,892	–	1,605,018
<hr/>					
Total revenue from contracts with customers	12,872,363	3,007,246	1,644,632	410,121	17,934,362
<hr/>					
Timing of revenue recognition					
Goods transferred at a point in time	12,872,363	3,007,246	–	7,070	15,886,679
Services transferred over time	–	–	1,644,632	403,051	2,047,683
<hr/>					
Total revenue from contracts with customers	12,872,363	3,007,246	1,644,632	410,121	17,934,362

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

4. REVENUE (continued)

Revenue from contracts with customers (continued)

(i) Disaggregated revenue information (continued)

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:

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Wind turbine generator manufacturing and sale	2,899,909	4,152,684
Construction services	281,977	84,516
Others	58,794	20,040
	3,240,680	4,257,240

(ii) Performance obligation

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

Sale of wind turbine generators and wind power components

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

Wind farm development

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

Wind power services

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

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.

The performance obligations relating to service-type warranties are expected to be satisfied within five years. All the other remaining performance obligations are expected to be recognised within one year.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

5. OTHER INCOME AND GAINS, NET

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

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Bank interest income	192,399	141,678
Dividend income from equity investments designated at fair value through other comprehensive income	14,733	7,500
Dividend income from other non-current financial assets	1,400	10,889
Gross rental income from investment properties and equipment	15,871	21,675
Government grants and deferred revenue	86,588	80,282
Value-added tax ("VAT") refund	87,304	50,760
Provision of technical service	12,365	9,863
Gain on disposal of investment in an associate and joint ventures	10,445	368,156
Gain on disposal of interests in subsidiaries (Note 29)	460,557	254,667
Gain on disposal of other non-current financial assets	34,382	–
Gain on re-measurement of the remaining equity interests in investees at the date of losing control (Note 29)	136,502	–
Gain on hold of financial assets at fair value through profit or loss	5,980	8,725
Gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss (Note (i))	601,987	–
(Loss)/gain on disposal of items of property, plant and equipment	(564)	2,858
Fair value (losses)/gains, net:		
Derivative financial instruments	(124,749)	77,830
Unlisted equity investments	13,645	47,999
Listed equity investments	(126,290)	(61,803)
Others	168,713	19,343
	1,591,268	1,040,422

Note (i):

During the current interim period, 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 5.05% and the Group lost its right to assign one director to the board of directors of Landspace. As a result of this, the Directors are of the view that the Group no longer maintains significant influence on 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 on Landspace.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

6. PROFIT BEFORE TAX

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

	Notes	For the six months ended 30 June	
		2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
Cost of inventories sold		9,483,451	10,308,058
Cost of wind power generation		1,044,508	787,818
Cost of wind power services		1,551,153	1,530,644
Cost of others		351,552	327,828
		12,430,664	12,954,348
Depreciation provided for:			
Property, plant and equipment	11	962,260	854,743
Right-of-use assets	12	91,010	69,749
Investment properties		138	138
		1,053,408	924,630
Amortisation of other intangible assets		184,317	156,660
Impairment of trade receivables	17	196,810	120,535
Reversal of impairment of trade receivables	17	(288,355)	(21,057)
		(91,545)	99,478
Impairment of other receivables	19	33,109	12,566
Reversal of impairment of other receivables	19	(60,975)	(4,129)
		(27,866)	8,437

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

6. PROFIT BEFORE TAX (continued)

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

	Notes	For the six months ended 30 June	
		2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
Impairment of financial receivables	18	791	3,407
Reversal of impairment of financial receivables	18	(3,560)	(1,693)
		(2,769)	1,714
Impairment of contract assets	23	1,271	5,290
Reversal of impairment of contract assets	23	(1,164)	(3,539)
		107	1,751
Impairment of property, plant and equipment	11	343	48,489
Impairment of inventories		20,403	53,624
Reversal of impairment of inventories		(2,759)	–
		17,644	53,624
Auditor's remuneration		2,100	2,100
Employee benefit expenses (including directors', supervisors' and the chief executive's remuneration):			
Wages and salaries		1,435,852	1,112,977
Pension scheme contributions (defined contribution scheme)		147,556	73,704
Welfare and other expenses		168,954	130,962
		1,752,362	1,317,643

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

6. PROFIT BEFORE TAX (continued)

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

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) (Restated) RMB'000
Research and development costs:		
Staff costs	291,403	288,577
Amortisation and depreciation	60,824	51,674
Materials expenditure and others	150,206	172,766
	502,433	513,017
Product warranty provision:		
Additional provision	1,283,029	1,358,613
Reversals of unutilised provision	(143,674)	(317,680)
	1,139,355	1,040,933

7. FINANCE COSTS

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Interest on bank loans and other borrowings	668,599	532,948
Interest on lease liabilities	47,455	82,786
Less: Interest capitalised	(106,299)	(112,514)
	609,755	503,220

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

8. INCOME TAX EXPENSE

The Company and nine subsidiaries of the Company (31 December 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 six months ended 30 June 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 RMB1 million or below, the taxable income amount should be computed at 25% of the annual income and subject to a tax rate of 20%, and then reduce the corporate income tax by half. The preferential period is from 1 January 2021 to 31 December 2022. For annual income amount of over RMB1 million but does not exceed RMB3 million, the taxable income amount should be computed at 50% of the annual income and subject to a tax rate of 20%. The preferential period is from 1 January 2022 to 31 December 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 varying from 10% to 35% (for the six months ended 30 June 2021: 10% to 35%).

Hong Kong profits tax has been provided at the rate of 16.5% (for the six months ended 30 June 2021: 16.5%) on the estimated assessable profits arising in Hong Kong, China during the period.

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

		For the six months ended 30 June	
		2022	2021
		(Unaudited)	(Unaudited)
	Note	RMB'000	RMB'000
Current		414,239	646,040
Deferred	16	(26,732)	(213,181)
Tax charge for the period		387,507	432,859

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

9. DIVIDENDS

The proposed final cash dividends of RMB2.5 (tax included) per each 10 shares, which amounted to RMB1,056,267,000 of cash dividends for the year ended 31 December 2021, were approved by the Company's shareholders on 22 June 2022.

The board of directors of the Company does not recommend the payment of any interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

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

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

The Group had no potentially dilutive ordinary shares in issue during the six months ended 30 June 2022 and 2021.

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

	For the six months ended 30 June	
	2022	2021
	(Unaudited)	(Unaudited)
		(Restated)
	RMB'000	RMB'000
Profit attributable to ordinary equity holders of the Company	1,919,914	2,040,706
Less: distribution relating to the perpetual medium-term (note (i))	(80,665)	(102,589)
Profit used to determine basic earnings per share	1,839,249	1,938,117
Weighted average number of ordinary shares in issue ('000)	4,225,068	4,225,068
Basic and diluted earnings per shares (expressed in RMB per share)	0.44	0.46

Note (i):

The long-term option-embedded medium-term notes (the "Perpetual Medium-term Notes") issued by the Company in August 2020, November 2021 and June 2022 were classified as other equity instruments with deferrable cumulative interest distribution and payment. The interest from Perpetual Medium-term Notes which has been generated but not yet declared, from 1 January 2022 to 30 June 2022 and from 1 January 2021 to 30 June 2021, was deducted from earnings when calculating the earnings per share for the six months ended 30 June 2022 and 2021.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

11. PROPERTY, PLANT AND EQUIPMENT

	Notes	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) (Restated) RMB'000
At beginning of the period/year		37,262,589	33,380,435
Changes in accounting policies (Note 2.4)		–	15,366
		37,262,589	33,395,801
Additions		3,341,272	9,837,662
Disposals		(17,648)	(362,046)
Depreciation provided for the period/year	6	(962,260)	(1,820,865)
Acquisition of subsidiaries	28	26,577	32,263
Disposal of subsidiaries		(1,383,488)	(2,467,647)
Decrease on dissolving of subsidiaries		–	(3,409)
Transfer from right-of-use assets	12	–	30,010
Transfer to assets of disposed groups classified as held for sale		–	(826,676)
Impairment	6	(343)	(143,192)
Exchange realignment		169,501	(409,312)
At end of the period/year		38,436,200	37,262,589

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

12. LEASES

(a) Right-of-use assets

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

	Notes	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) RMB'000
At beginning of the period/year		2,706,771	2,614,810
New leases		190,380	1,138,742
Depreciation provided during the period/year	6	(91,010)	(145,833)
Acquisition of a subsidiary	28	5,960	514
Disposals of subsidiaries	29	(30,905)	(779,454)
Transfer to property, plant and equipment	11	–	(30,010)
Transfer to assets of disposal groups classified as held for sale		–	(3,774)
Others		(11,501)	(56,989)
Exchange realignment		5,938	(31,235)
At end of the period/year		2,775,633	2,706,771

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

12. LEASES (continued)

(b) Lease liabilities

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

	Note	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) RMB'000
At beginning of the period/year		2,149,164	2,118,308
New leases		49,430	920,134
Accretion of interest recognised during the period/year		47,455	79,491
Acquisition of a subsidiary	28	5,530	–
Disposals of a subsidiary		–	(702,954)
Payments		(46,645)	(269,490)
Exchange realignment		5,522	3,675
At end of the period/year		2,210,456	2,149,164
Analysed into:			
Current portion		151,988	109,428
Non-current portion		2,058,468	2,039,736

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Unlisted equity investments	188,713	282,942

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

14. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Investment in limited partnership	587,580	583,007
Listed equity investments, at fair value	176,193	371,434
Unlisted equity investments, at fair value	1,078,185	407,823
Wealth management products, at fair value	300,000	400,000
Others	10,000	10,000
	2,151,958	1,772,264
Portion classified as non-current portion	(1,851,958)	(1,372,264)
	300,000	400,000

The above equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.

The above wealth management products issued by banks in Mainland China. They were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest ("SPPI") on the principal amount outstanding.

15. OTHER NON-CURRENT FINANCIAL ASSETS

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Debt investments	213,110	147,160
Provision for other non-current financial assets	(49)	(47)
	213,061	147,113
Portion classified as non-current assets	(210,381)	(145,575)
	2,680	1,538

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

15. OTHER NON-CURRENT FINANCIAL ASSETS (continued)

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

	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) RMB'000
At beginning of the period/year	47	101
Impairment losses reversed	–	(50)
Exchange realignment	2	(4)
At end of the period/year	49	47

16. DEFERRED TAX

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

For the six months ended 30 June 2022

Deferred tax assets

	Provision for impairment of assets (Unaudited) RMB'000	Tax losses (Unaudited) RMB'000	Provisions and accruals (Unaudited) RMB'000	Government grants received not yet recognised as income (Unaudited) RMB'000	Unrealised gains arising from intra-group sales (Unaudited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income/profit or loss (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 1 January 2022	540,620	531,053	1,197,718	24,620	456,803	35,427	37,125	2,823,366
Deferred tax (charged)/credited to profit or loss during the period (Note 8)	(11,505)	16,474	32,639	55	43,482	(162)	45,660	126,643
Deferred tax charged to other comprehensive income during the period	–	–	–	–	–	(162)	–	(162)
Disposal of subsidiaries (Note 29)	(1)	(1,966)	–	–	–	–	–	(1,967)
Exchange realignment	–	–	–	–	–	–	16,187	16,187
At 30 June 2022	529,114	545,561	1,230,357	24,675	500,285	35,103	98,972	2,964,067

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

16. DEFERRED TAX (continued)

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

For the six months ended 30 June 2022 (continued)

Deferred tax liabilities

	Excess of fair values of identifiable assets over carrying values arising from acquisition of subsidiaries (Unaudited) RMB'000	Depreciation of assets (Unaudited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income/profit or loss (Unaudited) RMB'000	Service concession arrangements (Unaudited) RMB'000	Discount of long-term payables (Unaudited) RMB'000	Others (Unaudited) RMB'000	Total (Unaudited) RMB'000
At 1 January 2022	690,124	2,383	134,536	277,783	43,684	11,505	1,160,015
Deferred tax (credited)/charged to profit or loss during the period (Note 8)	(8,770)	(1,513)	80,645	345	(11,747)	40,951	99,911
Deferred tax charged to other comprehensive income during the period	-	-	3,338	-	-	-	3,338
Deferred tax generated from acquisition of subsidiaries (Note 28)	105,149	-	-	-	-	-	105,149
Exchange realignment	(671)	-	-	-	-	(17,556)	(18,227)
At 30 June 2022	785,832	870	218,519	278,128	31,937	34,900	1,350,186

As at 30 June 2022 and 31 December 2021, the deferred tax assets and deferred tax liabilities of the Group after offset amount was as follows:

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Deferred tax assets	2,821,168	2,604,434
Deferred tax liabilities	(1,207,287)	(941,083)

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

16. DEFERRED TAX (continued)

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

For the year ended 31 December 2021

Deferred tax assets

	Provision for impairment of assets (Audited) RMB'000	Tax losses (Audited) RMB'000	Provisions and accruals (Audited) RMB'000	Government grants received not yet recognized as income (Audited) RMB'000	Unrealised gains arising from intra-group sales (Audited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income/profit or loss (Audited) RMB'000	Others (Audited) RMB'000	Total (Audited) RMB'000
At 1 January 2021	393,384	596,153	1,075,782	28,055	412,568	42,327	17,368	2,565,637
Deferred tax credited/(charged) to profit or loss during the year	144,919	(65,100)	121,936	(3,435)	44,235	(72,504)	19,757	189,808
Deferred tax charged to other comprehensive income during the year	-	-	-	-	-	65,604	-	65,604
Deferred tax asset arised from acquisition of subsidiaries	5,893	-	-	-	-	-	-	5,893
Deferred tax asset generated from disposal of subsidiaries	(3,576)	-	-	-	-	-	-	(3,576)
At 31 December 2021	540,620	531,053	1,197,718	24,620	456,803	35,427	37,125	2,823,366

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

16. DEFERRED TAX (continued)

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

For the year ended 31 December 2021 (continued)

Deferred tax liabilities

	Excess of fair values of identifiable assets over carrying values arising from acquisition of subsidiaries (Audited) RMB'000	Depreciation of assets (Audited) RMB'000	Fair value adjustments of equity investments at fair value through other comprehensive income/profit or loss (Audited) RMB'000	Service concession arrangements (Audited) RMB'000	Discount of long-term payables (Audited) RMB'000	Others (Audited) RMB'000	Total (Audited) RMB'000
At 1 January 2021	475,673	2,513	110,563	177,687	55,901	313,561	1,135,898
Deferred tax (credited)/charged to profit or loss during the year	(15,225)	(130)	(8,864)	30,056	(12,217)	(276,385)	(282,765)
Deferred tax charged to other comprehensive income during the year	-	-	32,837	-	-	-	32,837
Deferred tax liability arised from acquisition of subsidiaries	250,497	-	-	70,040	-	-	320,537
Deferred tax liability decreased upon disposal of subsidiaries	(17,323)	-	-	-	-	-	(17,323)
Exchange realignment	(3,498)	-	-	-	-	(25,671)	(29,169)
At 31 December 2021	690,124	2,383	134,536	277,783	43,684	11,505	1,160,015

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

17. TRADE AND BILLS RECEIVABLES

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Trade receivables	26,984,264	25,350,870
Bills receivable	1,461,745	2,315,501
	28,446,009	27,666,371
Provision for impairment	(1,683,169)	(1,765,515)
	26,762,840	25,900,856

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

As part of its normal business, the Group endorsed or discounted bills receivable accepted by banks, bills receivable are held within a business model whose objective is achieved by both collecting contractual cash flows and selling bills receivable. Therefore, the Group has classified bills receivable presented in trade and bills receivable as at 30 June 2022 amounting to RMB1,461,745,000 (31 December 2021: RMB2,315,501,000) as debt investments measured at fair value through other comprehensive income, but still listed as trade and bills receivables.

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Within 3 months	8,880,938	6,775,564
3 to 6 months	4,340,054	4,990,821
6 months to 1 year	5,706,154	5,741,007
1 to 2 years	4,216,815	6,918,000
2 to 3 years	2,451,135	839,827
Over 3 years	1,167,744	635,637
	26,762,840	25,900,856

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

17. TRADE AND BILLS RECEIVABLES (continued)

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

	Note	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) RMB'000
At beginning of the period/year		1,765,515	1,241,009
Impairment losses recognised	6	196,810	626,218
Impairment losses reversed	6	(288,355)	(73,679)
Amounts written off as uncollectible		(4,900)	–
Exchange realignment		14,099	(28,033)
At end of the period/year		1,683,169	1,765,515

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Beneficial shareholders of the Company	576	1,724,223
Joint ventures	148,628	114,863
Associates	10,349	460,868
	159,553	2,299,954

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

18. FINANCIAL RECEIVABLES

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Receivables for service concession agreements	4,719,513	4,531,312
Receivables for finance lease services	3,641,401	4,323,493
Accrued VAT on finance lease receivables	138,045	257,701
Loans to joint ventures	296,479	266,675
Provision for impairment	(77,700)	(80,461)
	8,717,738	9,298,720
Portion classified as non-current assets	(8,190,312)	(8,890,041)
	527,426	408,679

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 12-month ECL are as follows:

	Note	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) RMB'000
At beginning of the period/year		80,461	24,874
Impairment losses recognised	6	791	64,944
Impairment losses reversed	6	(3,560)	(10,424)
Exchange realignment		8	1,067
		77,700	80,461

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	Note	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Advances to suppliers		1,419,375	2,142,181
Prepayments		836,381	784,819
Deductible VAT		3,338,872	3,111,193
Deposits and other receivables		2,139,751	2,120,812
		7,734,379	8,159,005
Impairment allowance		(218,417)	(246,873)
		7,515,962	7,912,132
Portion classified as non-current assets	(i)	(2,941,120)	(3,380,188)
Current portion		4,574,842	4,531,944

(i) The non-current portion of deposits and other receivables mainly represented advances to suppliers and non-current deductible input VAT at 30 June 2022 and 31 December 2021.

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

	Note	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) RMB'000
At beginning of the period/year		246,873	188,657
Impairment losses recognised	6	33,109	99,930
Impairment losses reversed	6	(60,975)	(3,531)
Amounts written off as uncollectible		(35)	(33,721)
Exchange realignment		(555)	(4,462)
At end of the period/year		218,417	246,873

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS (continued)

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Beneficial shareholders of the Company	–	413
Joint ventures	348,459	197,331
Associates	55,922	23,847
	404,381	221,591

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

20. DERIVATIVE FINANCIAL INSTRUMENTS

	As at 30 June 2022 Assets (Unaudited) RMB'000	As at 31 December 2021 Assets (Audited) RMB'000
Forward currency contracts – not designated for hedge purposes	42,862	120,144
Forward currency contracts – designated for hedge purposes	336,391	570,220
Forward equity contracts – not designated for hedge purposes	–	85,937
	379,253	776,301
Portion classified as non-current:		
Forward currency contracts – designated for hedge purposes	–	(85,083)
	–	(85,083)
Current portion	379,253	691,218

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

20. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

	As at 30 June 2022 Liabilities (Unaudited) RMB'000	As at 31 December 2021 Liabilities (Audited) RMB'000
Forward currency contracts – not designated for hedge purposes	5,037	1,951
Forward currency contracts – designated for hedge purposes	9,766	29,360
	14,803	31,311
Portion classified as non-current:		
Forward currency contracts – designated for hedge purposes	(309)	(38)
	(309)	(38)
Current portion	14,494	31,273

21. INVENTORIES

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Raw materials	3,610,983	1,963,783
Work in progress, finished and semi-finished goods	3,163,684	2,380,243
Low-value consumables and others	19,224	8,158
Development cost of power station	1,079,738	465,385
	7,873,629	4,817,569

The capitalisation amount of interest included in the development cost of power station was RMB3,020,000 (as at 31 December 2021: RMB244,000).

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

22. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Cash and bank balances	7,527,209	8,544,310
Time deposits	19,317	142,687
	7,546,526	8,686,997
Less: Pledged for:		
– Bank loans, letters of credit, bills issued and others	(248,798)	(141,509)
– Provision for risk and mandatory reserve deposits	(328,104)	(404,192)
	(576,902)	(545,701)
Cash and cash equivalents in the condensed consolidated statement of financial position	6,969,624	8,141,296
Less: Non-pledged time deposits with original maturity of more than three months when acquired	(1,051)	(1,015)
Cash and cash equivalents in the condensed consolidated statement of cash flows	6,968,573	8,140,281
Pledged deposits	576,902	545,701
Portion classified as non-current assets	(110,557)	(109,707)
Current portion	466,345	435,994
Cash and cash equivalents and pledged deposits denominated in:		
– RMB	6,469,617	7,284,310
– Australian dollar	208,093	265,916
– United States dollar	490,507	491,224
– Euro	155,780	290,979
– Hong Kong dollar	15,247	1,678
– Argentine peso	131,660	256,418
– Other currencies	75,622	96,472
	7,546,526	8,686,997

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

23. CONTRACT ASSETS

	Notes	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Contract assets arising from:			
Retention receivables on the sale of wind turbines	(i)	3,738,878	2,881,851
Construction services	(ii)	1,404,228	1,282,923
Services concession arrangement		187,244	332,916
		5,330,350	4,497,690
Impairment		(12,029)	(10,951)
		5,318,321	4,486,739
Portion classified as non-current assets		(3,392,113)	(3,003,533)
Current portion		1,926,208	1,483,206

- (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.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

23. CONTRACT ASSETS (continued)

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

	Note	For the six months ended 30 June 2022 (Unaudited) RMB'000	Year ended 31 December 2021 (Audited) RMB'000
At beginning of period/year		10,951	7,753
Impairment losses recognised	6	1,271	5,001
Impairment losses reversed	6	(1,164)	(816)
Exchange realignment		971	(987)
At end of period/year		12,029	10,951

24. TRADE AND BILLS PAYABLES

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Trade payables	21,439,848	22,343,639
Bills payable	9,049,347	11,294,899
Portion classified as non-current liabilities	30,489,195 (1,326,159)	33,638,538 (1,762,492)
Current portion	29,163,036	31,876,046

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

24. TRADE AND BILLS PAYABLES (continued)

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Within 3 months	17,150,003	19,216,460
3 to 6 months	5,817,273	6,487,290
6 months to 1 year	3,921,057	3,070,651
1 to 2 years	1,923,740	3,008,697
2 to 3 years	782,545	595,687
Over 3 years	894,577	1,259,753
	30,489,195	33,638,538

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Beneficial shareholders of the Company	17,080	–
Joint ventures	101,250	25,906
Associates	293,620	587,308
	411,950	613,214

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

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

25. OTHER PAYABLES AND ACCRUALS

	Note	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Receipt in advance		13,523	15,284
Contract liabilities		6,892,064	6,096,273
Accrued salaries, wages and benefits		885,963	1,094,444
Other taxes payable		395,351	397,387
Interest payable		3,833	1,206
Dividends payable		1,166,714	55,642
Others		1,915,198	2,350,783
		11,272,646	10,011,019
Portion classified as non-current liabilities	(i)	(542,464)	(392,794)
Current portion		10,730,182	9,618,225

- (i) The non-current portion of other payables mainly represented output VAT to be recognized, guaranteed deposit and finance lease payable by the Group as at 30 June 2022 (31 December 2021: output VAT to be recognized and guaranteed deposit).

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Beneficial shareholders of the Company	3	208,424
Joint ventures	227,587	33,384
Associates	138	2,857
	227,728	244,665

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

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For the six months ended 30 June 2022

26. INTEREST-BEARING BANK AND OTHER BORROWINGS

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Current		
Short-term bank loans:		
– Unsecured	1,242,508	471,520
Current portion of long-term bank loans:		
– Unsecured	484,720	86,174
– Secured	5,215,802	3,614,992
Lease liabilities:		
– Secured	151,988	109,428
Financial assets sold under repurchase agreements	261,710	581,893
	7,356,728	4,864,007
Non-current		
Long-term bank loans:		
– Unsecured	3,533,278	2,794,708
– Secured	23,531,957	21,578,934
Lease liabilities:		
– Secured	2,058,468	2,039,736
	29,123,703	26,413,378
	36,480,431	31,277,385
Interest-bearing bank and other borrowings are denominated in:		
– RMB	34,596,850	29,190,067
– Euro	45,586	49,376
– United States dollar	1,837,995	2,037,942
	36,480,431	31,277,385

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

27. SHARE CAPITAL

	As at 30 June 2022 (Unaudited)		As at 31 December 2021 (Audited)	
	Number of shares '000	Value RMB'000	Number of shares '000	Value RMB'000
Shares				
Issued and fully paid:				
A shares of RMB1.00 each	3,451,496	3,451,496	3,451,496	3,451,496
H shares of RMB1.00 each	773,572	773,572	773,572	773,572
	4,225,068	4,225,068	4,225,068	4,225,068

28. BUSINESS COMBINATIONS

During the period from 1 January 2022 to 30 June 2022, the following entities were acquired from independent third parties for the purpose of expanding business. Acquisitions of equity interests in these entities have been accounted for using the acquisition method of accounting effective from the dates when the entities were controlled by the Group. Details are as follows:

Company name	Acquisition date	Percentage of equity interests acquired	Cash consideration (Unaudited) RMB'000	Revenue from the purchase date to the end of the period (Unaudited) RMB'000	Net (loss)/ profit from the purchase date to the end of the period (Unaudited) RMB'000
PRACTEK Technology Co., Ltd. ("PRACTEK")	January 2022	90%	180,000	42,769	(12,173)
Shuo Zhou Pinglu Runheng New Energy Co., Ltd. ("Pinglu Runheng")	March 2022	100%	3,300	–	1
Qinggang Weilaiguangneng Wind Power Co., Ltd. ("Weilaiguangneng")	April 2022	100%	150,000	–	–
Daqing Gaodengsai Wind Power Co., Ltd. ("Daqing Gaodengsai")	May 2022	100%	125,000	–	1
			458,300	42,769	(12,171)

As of 30 June 2022, the fair value of the identifiable assets and liabilities of Pinglu Runheng, Weilaiguangneng and Daqing Gaodengsai obtained in the merger can only be determined provisionally. Therefore, the Group recognizes and measures the business combination based on the determined temporary value. Adjustments to the provisional value of the above identifiable assets and liabilities, including any additional depreciation, amortisation and other gain or loss effects, if any, will be recognized within 12 months after the purchase date.

Notes to the Condensed Consolidated Financial Statements

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28. BUSINESS COMBINATIONS (continued)

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

	Notes	Fair value recognized on acquisition date (Unaudited) RMB'000
Property, plant and equipment	11	26,577
Other intangible assets		416,853
Prepayments, other receivables and other assets		41,719
Cash and cash equivalents		9,860
Trade and bills receivable		92,297
Inventories		40,986
Right-of-use assets	12(a)	5,960
Interest-bearing bank and other borrowings		(70,487)
Trade and bills payables		(139,447)
Other payables and accruals		(14,688)
Lease liabilities	12(b)	(5,530)
Deferred tax liabilities	16	(105,149)
Non-controlling interests		(3,413)
Total identifiable net assets at fair value		295,538
Goodwill		162,762
Total consideration		458,300

Notes to the Condensed Consolidated Financial Statements

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28. BUSINESS COMBINATIONS (continued)

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

	RMB'000
Cash consideration	458,300
Cash and cash equivalents paid during the current period	(154,365)
Cash and cash equivalents acquired	9,860
	(144,505)
Cash and cash equivalents paid for prior year acquisition transactions	(352,206)
Net outflow of cash and cash equivalents included in the condensed consolidated statement of cash flow for the six month ended 30 June 2022	(496,711)

Included in the loss for the current interim period is RMB12,171,000 attributable to the additional business generated by PRACTEK, Pinglu Runheng, Weilaiguangneng and Daqing Gaodengsai. Revenue for the current interim period generated by above entities were RMB42,769,000. Had the acquisition of PRACTEK, Pinglu Runheng, Weilaiguangneng and Daqing Gaodengsai been completed on 1 January 2022, revenue for the current interim period of the Group would have been RMB16,515,712,000 and the profit for the current interim period would have been RMB1,969,564,000. The pro-forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2022, nor is it intended to be a projection of future results.

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29. DISPOSAL OF SUBSIDIARIES

In 2022, the following entities were disposed from the Group. Details are as follows:

Company name	Disposal date	Equity interests disposed	Cash consideration (Unaudited) RMB'000	Equity interests retained
Jingzhou Tianchu Wind Power Co., Ltd. ("Jingzhou Tianchu")	January 2022	49%	65,015	51%
Jiangxian Tianrun Wind Power Co., Ltd. ("Jiangxian Tianrun")	January 2022	49%	200,314	51%
Xiantao Runxu New Energy Technology Co., Ltd.	February 2022	60%	958	–
Clarke Creek Energy Pty., Ltd.	February 2022	100%	297,630	–
Lankao Mulin New Energy Co., Ltd.	February 2022	100%	13,000	–
Yixian Tianrun Wind Power Co., Ltd.	March 2022	100%	358,572	–
Zhongning Tianrun Wind Power Co., Ltd.	March 2022	100%	34,362	–
Arongqi Fenglan New Energy Co., Ltd.	May 2022	100%	2,223	–
Wulanxian Runsheng New Energy Co., Ltd.	June 2022	51%	161,000	–
			1,133,074	

In January 2022, the Group disposed its 49% equity interests in both of Jingzhou Tianchu and Jiangxian Tianrun to a third party, and the Group's equity interests in Jingzhou Tianchu and Jiangxian Tianrun decreased from 100% to 51%. Since the articles of Jingzhou Tianchu and Jiangxian Tianrun had revised and managements were changed, the Group lost its control over Jingzhou Tianchu and Jiangxian Tianrun and therefore accounted for its remaining equity interests as interests in joint ventures in the consolidated financial statements of the Group.

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29. DISPOSAL OF SUBSIDIARIES (continued)

The net assets/liabilities of the subsidiaries disposed of during the period ended 30 June 2022 were as follows:

	Notes	(Unaudited) RMB'000
Net assets disposed of:		
Property, plant and equipment		2,112,579
Right-of-use assets	12(a)	30,905
Other intangible assets		7,557
Inventories		417
Trade and bills receivables		557,052
Cash and cash equivalents		119,587
Deferred tax assets	16	1,967
Prepayments, other receivables and other assets		149,373
Trade and bills payables		(106,518)
Other payables and accruals		(370,399)
Interest-bearing bank and other borrowings		(1,690,346)
		<u>812,174</u>
		812,174
	Note	(Unaudited) RMB'000
Net assets disposed of		812,174
Less: Fair value of remaining equity interests in investees at the date of losing control		(276,159)
Gain on re-measurement of the remaining equity interests in investees at the date of losing control	5	136,502
Gain on disposal of subsidiaries	5	460,557
		<u>1,133,074</u>
Total consideration		1,133,074
Satisfied:		
Cash		927,543
Advanced received, which has been accounted for as other payables and accruals, as at 31 December 2021		205,531
		<u>1,133,074</u>
		1,133,074
Net cash inflow arising on disposal:		
Total cash consideration received		927,543
Bank balances and cash disposed of		(119,587)
		<u>807,956</u>
		807,956

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30. CONTINGENT LIABILITIES

As at 30 June 2022 and 31 December 2021, contingent liabilities were as follows:

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Letters of credit issued	38,204	2,811
Letters of guarantee issued	16,263,750	16,825,427
Guarantees given to banks in connection with bank loans granted to:		
Associates	324,233	395,837
A third party	171,706	187,712
	16,797,893	17,411,787

In 2015, Beijing Tianrun New Energy Investment Co., Ltd. (“Beijing Tianrun”) entered into an agreement with the creditor bank, Chifeng Jinneng New Energy Investment Co., Ltd. (“Chifeng Jinneng”) and Chifeng Xinneng New Energy Investment Co., Ltd. (“Chifeng Xinneng”). According to the agreement, in the case where Chifeng Xinneng fails to repay the bank loans on schedule, Beijing Tianrun shall repurchase the entire share interest in Chifeng Xinneng, and the consideration equals a certain percentage of the net assets of Chifeng Xinneng at that time. As at 30 June 2022, Chifeng Xinneng made profit and the Directors are of the view that it could pay the principal and interest of relevant loans on schedule. Therefore, the risk exposure from above repurchase clause is insignificant.

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

As at 30 June 2022, the amount of the subject matter of the pending litigation formed by the Group as the defendant was RMB2,607,112,000 (as at 31 December 2021: RMB3,106,542,000).

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31. COMMITMENTS

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

	As at 30 June 2022 (Unaudited) RMB'000	As at 31 December 2021 (Audited) RMB'000
Contracted, but not provided for property, plant and equipment and land use rights	4,320,399	5,654,179

32. RELATED PARTY TRANSACTIONS

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

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Beneficial connected shareholders of the Company:		
Sales of wind turbine generators and spare parts	40	902,121
Provision of technical services	127	–
	167	902,121
Beneficial shareholders of the Company:		
Sales of wind turbine generators and spare parts	–	854,142
Provision of technical services	–	5,517
Purchases of spare parts	8,745	–
Other sales	–	300
Other expenses	–	750
	8,745	860,709
Associates:		
Sales of wind turbine generators and spare parts	706	32
Provision of construction services	26,917	497
Provision of technical services	2,048	28,515
Purchases of spare parts	177,255	144,384
Purchases of processing services	78,775	22,035
Other expenses	146	50
	285,847	195,513

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

32. RELATED PARTY TRANSACTIONS (continued)

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

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Joint ventures:		
Sales of wind turbine generators and spare parts	10,110	1,810
Provision of construction services	13,521	13,565
Provision of technical services	47,159	47,296
Purchases of spare parts	4,533	4,303
Purchases of processing services	227	114
Other sales	432	–
Other expenses	1,841	55
	77,823	67,143

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

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

(b) Commitments with related parties

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

	The second half of 2022 (Unaudited) RMB'000	Year ending 31 December 2023 (Unaudited) RMB'000
Associates:		
Provision of technical services	18,956	37,912
Jointly-controlled entities:		
Sales of wind turbine generators and spare parts	9,095	–
Provision of technical services	71,476	156,824
	80,571	156,824

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

32. RELATED PARTY TRANSACTIONS (continued)

(c) Outstanding balances with related parties

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

(d) Compensation of key management personnel of the Group

	For the six months ended 30 June	
	2022 (Unaudited) RMB'000	2021 (Unaudited) RMB'000
Short term employee benefits	12,366	10,200
Pension scheme contributions	294	254
Total compensation paid to key management personnel	12,660	10,454

(e) Guarantee for related parties

Guarantee	As at 30 June 2022 (Unaudited) RMB'000	Guarantee period
An associate	224,265	From 28 May 2018 to 21 July 2023
An associate	99,968	From 28 March 2019 to 28 March 2024
	324,233	

Guarantee	As at 31 December 2021 (Audited) RMB'000	Guarantee period
An associate	285,409	From 28 May 2018 to 21 July 2023
An associate	110,428	From 28 March 2019 to 28 March 2024
	395,837	

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

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

(a) Financial risk factors

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

As at 30 June 2022, the Group's net current liabilities amounted to approximately RMB7 million, its net cash outflow used in operating activities was approximately RMB3,827 million, and its net cash outflow used in investing activities and net cash inflow from financing activities amounted to approximately RMB3,439 million and RMB6,135 million for the current period. The Group recorded a decrease in cash and cash equivalents (not including effect of foreign exchange rate changes) of approximately RMB1,131 million for the period.

The Group is dependent on its ability to maintain adequate cash inflow from operations, its ability to maintain existing external financing, and its ability to obtain new external financing to meet its debt obligations as they fall due and to meet its committed future capital expenditures. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. As at 30 June 2022, the Group had banking facilities with several banks and financial institutions for providing sufficient financing.

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

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

These condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's 2021 annual financial statements. There has not been any change in the risk management department or risk management policies since the year end of 2021.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments by category

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

Financial assets

	As at 30 June 2022			
	Financial assets at fair value through profit or loss (Unaudited) RMB'000	Financial assets at fair value through other comprehensive income (Unaudited) RMB'000	Financial assets at amortised cost (Unaudited) RMB'000	Total (Unaudited) RMB'000
Equity investments at fair value through other comprehensive income	–	188,713	–	188,713
Financial assets at fair value through profit or loss	2,151,958	–	–	2,151,958
Other non-current financial assets	–	–	213,061	213,061
Trade and bills receivables	–	1,461,745	25,301,095	26,762,840
Financial receivables	–	–	4,945,458	4,945,458
Financial assets included in prepayments, other receivables and other assets	–	–	1,936,286	1,936,286
Derivative financial instruments	279,041	100,212	–	379,253
Contract assets	–	–	3,734,137	3,734,137
Pledged deposits	–	–	576,902	576,902
Cash and cash equivalents	–	–	6,969,573	6,969,573
	2,430,999	1,750,670	43,676,512	47,858,181

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments by category (continued)

Financial assets (continued)

	As at 31 December 2021			
	Financial assets at fair value through profit or loss (Audited) RMB'000	Financial assets at fair value through other comprehensive income (Audited) RMB'000	Financial assets at amortised cost (Audited) RMB'000	Total (Audited) RMB'000
Equity investments at fair value through other comprehensive income	–	282,942	–	282,942
Financial assets at fair value through profit or loss	1,772,264	–	–	1,772,264
Other non-current financial assets	–	–	147,113	147,113
Trade and bills receivables	–	2,315,501	23,585,355	25,900,856
Financial receivables	–	–	4,716,609	4,716,609
Financial assets included in prepayments, other receivables and other assets	–	–	1,891,272	1,891,272
Derivative financial instruments	676,060	100,241	–	776,301
Contract assets	–	–	2,877,515	2,877,515
Pledged deposits	–	–	545,701	545,701
Cash and cash equivalents	–	–	8,141,244	8,141,244
	2,448,324	2,698,684	41,904,809	47,051,817

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(b) Financial instruments by category (continued)

Financial liabilities

	As at 30 June 2022			
	Financial liabilities at fair value through profit or loss (Unaudited) RMB'000	Financial liabilities at fair value through other comprehensive income (Unaudited) RMB'000	Financial liabilities at amortised cost (Unaudited) RMB'000	Total (Unaudited) RMB'000
Trade and bills payables	–	–	30,489,195	30,489,195
Financial liabilities included in other payables and accruals	–	–	2,886,149	2,886,149
Derivative financial instruments	5,037	9,766	–	14,803
Interest-bearing bank and other borrowings	–	–	34,269,975	34,269,975
	5,037	9,766	67,645,319	67,660,122

	As at 31 December 2021			
	Financial liabilities at fair value through profit or loss (Audited) RMB'000	Financial liabilities at fair value through other comprehensive income (Audited) RMB'000	Financial liabilities at amortised cost (Audited) RMB'000	Total (Audited) RMB'000
Trade and bills payables	–	–	33,638,538	33,638,538
Financial liabilities included in other payables and accruals	–	–	2,046,965	2,046,965
Derivative financial instruments	1,951	29,360	–	31,311
Interest-bearing bank and other borrowings	–	–	29,128,221	29,128,221
	1,951	29,360	64,813,724	64,845,035

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments

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

	As at 30 June 2022		As at 31 December 2021	
	Carrying amounts (Unaudited) RMB'000	Fair values (Unaudited) RMB'000	Carrying amounts (Audited) RMB'000	Fair values (Audited) RMB'000
Financial liabilities				
Interest-bearing bank and other borrowings, non-current portion	27,065,235	27,014,577	24,373,642	24,332,193

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

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

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

The fair values of pledged deposits, trade and bills receivables, financial receivables, trade and bills payables, financial assets included in prepayments, other receivables and other assets, and interest-bearing bank and other borrowings have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The Group's own non-performance risk for the non-current portion of interest-bearing bank and other borrowings as at 30 June 2022 was assessed to be insignificant.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(c) Fair value of financial instruments (continued)

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

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

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

As at 30 June 2022, the mark-to-market value of the derivative asset position is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationship and other financial instruments recognised at fair value.

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy of financial instruments

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

Assets measured at fair value:

As at 30 June 2022

	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Fair value measurement using		Total (Unaudited) RMB'000
		Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	
Equity investments designated at fair value through other comprehensive income:				
Unlisted equity investments	–	–	188,713	188,713
Trade and bills receivables	–	1,461,745	–	1,461,745
	–	1,461,745	188,713	1,650,458
Financial assets at fair value through profit or loss:				
Investment in Limited Partnership	–	–	587,580	587,580
Listed equity investments	176,193	–	–	176,193
Unlisted equity investments	–	–	1,078,185	1,078,185
Wealth management products	–	300,000	–	300,000
Others	–	–	10,000	10,000
	176,193	300,000	1,675,765	2,151,958
Derivative financial instruments:				
Forward currency contracts	–	379,253	–	379,253
	176,193	2,140,998	1,864,478	4,181,669

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy of financial instruments (continued)

Assets measured at fair value: (continued)

As at 31 December 2021

	Quoted prices in active markets (Level 1) (Audited) RMB'000	Fair value measurement using		Total (Audited) RMB'000
		Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	
Equity investments designated at fair value through other comprehensive income:				
Unlisted equity investments	–	–	282,942	282,942
Trade and bills receivables	–	2,315,501	–	2,315,501
	–	2,315,501	282,942	2,598,443
Financial assets at fair value through profit or loss:				
Investment in Limited Partnership	–	–	583,007	583,007
Listed equity investments	371,434	–	–	371,434
Unlisted equity investments	–	–	407,823	407,823
Wealth management products	–	400,000	–	400,000
Others	–	–	10,000	10,000
	371,434	400,000	1,000,830	1,772,264
Derivative financial instruments:				
Foreign exchange forward contracts	–	690,364	–	690,364
Forward equity contracts	–	–	85,937	85,937
	–	690,364	85,937	776,301
	371,434	3,405,865	1,369,709	5,147,008

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy of financial instruments (continued)

Liabilities measured at fair value:

As at 30 June 2022

	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Fair value measurement using		Total (Unaudited) RMB'000
		Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	
Derivative financial instruments:				
Forward currency contracts	–	14,803	–	14,803
	–	14,803	–	14,803

As at 31 December 2021

	Quoted prices in active markets (Level 1) (Audited) RMB'000	Fair value measurement using		Total (Audited) RMB'000
		Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	
Derivative financial instruments:				
Foreign exchange forward contracts	–	31,311	–	31,311
	–	31,311	–	31,311

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy of financial instruments (continued)

During the six months ended 30 June 2022, there were no transfers of fair value measurement between Level 1 and Level 2 and no transfers into or out of Level 3.

Liabilities for which fair values are disclosed:

As at 30 June 2022

	Quoted prices in active markets (Level 1) (Unaudited) RMB'000	Fair value measurement using		Total (Unaudited) RMB'000
		Significant observable inputs (Level 2) (Unaudited) RMB'000	Significant unobservable inputs (Level 3) (Unaudited) RMB'000	
Interest-bearing bank and other borrowings, non-current portion	–	27,065,235	–	27,065,235

As at 31 December 2021

	Quoted prices in active markets (Level 1) (Audited) RMB'000	Fair value measurement using		Total (Audited) RMB'000
		Significant observable inputs (Level 2) (Audited) RMB'000	Significant unobservable inputs (Level 3) (Audited) RMB'000	
Interest-bearing bank and other borrowings, non-current portion	–	24,373,642	–	24,373,642

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy of financial instruments (continued)

Reconciliation of level 3 fair value measurements

	Financial assets at fair value through profit or loss RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Derivative financial instruments RMB'000
At 1 January 2022 (Audited)	1,000,830	282,942	85,937
Total gains/(losses):	13,645	(94,229)	–
– in profit or loss	13,645	–	–
– in other comprehensive expense	–	(94,229)	–
Purchased	661,290	–	–
Disposals	–	–	(90,435)
Exchange realignment	–	–	4,498
At 30 June 2022 (Unaudited)	1,675,765	188,713	–

Notes to the Condensed Consolidated Financial Statements

For the six months ended 30 June 2022

33. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

(d) Fair value hierarchy of financial instruments (continued)

Reconciliation of level 3 fair value measurements (continued)

	Financial assets at fair value through profit or loss RMB'000	Equity investments designated at fair value through other comprehensive income RMB'000	Derivative financial instruments RMB'000
At 1 January 2021 (Audited)	737,330	249,179	159,913
Total (losses)/gains:	(81,245)	9,253	(3,642)
– in profit or loss	(81,245)	–	(3,642)
– in other comprehensive expense	–	9,253	–
Purchased	355,794	28,058	–
Disposals	(10,976)	–	(66,811)
Exchange realignment	(73)	(3,548)	(3,523)
At 31 December 2021 (Audited)	1,000,830	282,942	85,937

34. EVENTS AFTER THE END OF THE REPORTING PERIOD

As at the date of these condensed consolidated financial statements, there was not any significant subsequent event since 30 June 2022.

35. APPROVAL OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The condensed consolidated financial statements were approved and authorised for issue by the board of directors on 19 August 2022.