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**GOLDWIND SCIENCE&TECHNOLOGY CO., LTD.\***

**金風科技股份有限公司**

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

**(Stock Code: 02208)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023**

The board of the Company hereby announces the audited consolidated financial results of the Group for the financial year ended 31 December 2023 (the “**Reporting Period**”) (collectively, the “**2023 Annual Results**”).

*\* For identification purpose*

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
REVENUE	5	50,243,726	46,253,534
Cost of sales	6	<u>(41,840,322)</u>	<u>(38,215,342)</u>
Gross profit		8,403,404	8,038,192
Other income and gains, net	5	3,625,327	3,107,369
Selling and distribution expenses		(3,164,751)	(3,193,270)
Administrative expenses		(4,079,669)	(3,725,721)
Impairment (losses)/reversal under expected credit loss model, net		(306,557)	269,881
Other expenses	7	(834,205)	(614,743)
Finance costs	8	(1,373,977)	(1,333,909)
Share of results of:			
Joint ventures		239,558	21,741
Associates		10,096	202,244
PROFIT BEFORE TAX	6	<u>2,519,226</u>	<u>2,771,784</u>
Income tax expense	9	<u>(997,024)</u>	<u>(334,909)</u>
PROFIT FOR THE YEAR		<u>1,522,202</u>	<u>2,436,875</u>
Profit attributable to:			
Owners of the Company		1,330,998	2,383,433
Non-controlling interests		191,204	53,442
		<u>1,522,202</u>	<u>2,436,875</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
- continued  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
<b>OTHER COMPREHENSIVE INCOME/(EXPENSE)</b>			
<i>Other comprehensive income/(expense) that will not to be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Changes in fair value of equity investments designated at fair value through other comprehensive income/(expense)		34,534	(89,488)
		<u>34,534</u>	<u>(89,488)</u>
<i>Other comprehensive income/(expenses) that may be reclassified to profit or loss in subsequent periods (net of tax):</i>			
Exchange differences on translation of foreign operations		61,415	49,675
Changes in fair value of debt instruments measured at fair value through other comprehensive income/(expense)		5,756	(2,275)
Cash flow hedges		(153,973)	(52,416)
Cost of fair value hedges		(17,573)	39,072
Hedges of net investment in foreign operations		16,210	10,211
Share of other comprehensive (expense)/income of joint ventures and associates		(177,629)	125,647
		<u>(265,794)</u>	<u>169,914</u>
Net other comprehensive (expenses)/income that may be reclassified to profit or loss in subsequent periods			
		<u>(265,794)</u>	<u>169,914</u>
<b>OTHER COMPREHENSIVE (EXPENSES)/INCOME FOR THE YEAR, NET OF TAX</b>		<u>(231,260)</u>	<u>80,426</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<u>1,290,942</u>	<u>2,517,301</u>
Total comprehensive income attributable to:			
Owners of the Company		1,099,333	2,463,878
Non-controlling interests		191,609	53,423
		<u>1,290,942</u>	<u>2,517,301</u>
<b>EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
Basic and diluted (expressed in RMB per share)	11	<u>0.29</u>	<u>0.52</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AT 31 DECEMBER 2023

	Notes	As at 31 December	
		2023 RMB'000	2022 RMB'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	12	41,805,332	37,461,032
Investment properties		9,253	9,529
Right-of-use assets		3,192,509	2,925,924
Goodwill	13	107,369	178,228
Other intangible assets	14	6,696,154	6,469,891
Interests in joint ventures		3,321,916	3,890,595
Interests in associates		1,532,477	1,509,933
Equity investments designated at fair value through other comprehensive income		223,090	157,316
Financial assets at fair value through profit or loss		1,999,173	1,581,427
Other non-current financial assets		515,140	388,849
Deferred tax assets		4,424,065	3,262,327
Financial receivables	16	7,937,428	8,922,837
Prepayments, other receivables and other assets	17	3,237,160	3,380,478
Contract assets	18	4,664,057	4,297,565
Derivative financial instruments		-	13,558
Total non-current assets		<u>79,665,123</u>	<u>74,449,489</u>
<b>CURRENT ASSETS</b>			
Inventories		15,257,242	9,847,658
Trade and bills receivables	15	26,502,512	26,141,390
Contract assets	18	1,737,831	2,665,484
Prepayments, other receivables and other assets	17	4,956,773	5,310,374
Financial receivables	16	356,938	392,859
Derivative financial instruments		67,080	184,702
Financial assets at fair value through profit or loss		700,000	500,000
Other non-current financial assets		5,917	3,576
Pledged deposits	19	551,276	381,838
Cash and cash equivalents	19	13,693,908	15,246,143
		<u>63,829,477</u>	<u>60,674,024</u>
Assets of disposal groups classified as held for sale		-	1,698,865
Total current assets		<u>63,829,477</u>	<u>62,372,889</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued  
 AT 31 DECEMBER 2023

	Notes	As at 31 December	
		2023 RMB'000	2022 RMB'000
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	20	41,644,723	39,533,030
Other payables and accruals		12,677,237	9,905,056
Derivative financial instruments		148,865	66,437
Interest-bearing bank and other borrowings		4,685,356	6,483,525
Tax payable		1,189,727	572,061
Provisions		2,673,696	2,569,811
Total current liabilities		<u>63,019,604</u>	<u>59,129,920</u>
<b>NET CURRENT ASSETS</b>		<u>809,873</u>	<u>3,242,969</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>80,474,996</u>	<u>77,692,458</u>
<b>NON-CURRENT LIABILITIES</b>			
Trade payables	20	1,095,225	1,091,028
Other payables and accruals		236,913	171,340
Interest-bearing bank and other borrowings		34,157,743	31,699,785
Deferred tax liabilities		1,522,042	991,713
Provisions		3,001,934	3,167,427
Government grants		231,702	224,870
Derivative financial instruments		524	-
Total non-current liabilities		<u>40,246,083</u>	<u>37,346,163</u>
Net assets		<u>40,228,913</u>	<u>40,346,295</u>
<b>EQUITY</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital		4,225,068	4,225,068
Reserves		33,384,831	33,870,011
		<u>37,609,899</u>	<u>38,095,079</u>
Non-controlling interests		<u>2,619,014</u>	<u>2,251,216</u>
Total equity		<u>40,228,913</u>	<u>40,346,295</u>

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 Wu Gang  
 Director

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 Cao Zhigang  
 Director

GOLDWIND SCIENCE&TECHNOLOGY CO., LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Attributable to owners of the Company											Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Special reserve RMB'000	Statutory surplus reserve RMB'000	Fair value reserve of financial assets at fair value through other comprehensive income RMB'000	Exchange fluctuation reserve RMB'000	Other equity instruments RMB'000	Hedging reserve RMB'000	Retained profits RMB'000	Total RMB'000	Non -controlling interests RMB'000	
As at 1 January 2023	4,225,068	12,341,769	-	1,723,378	(32,526)	(108,306)	2,995,875	13,762	16,936,059	38,095,079	2,251,216	40,346,295
Profit for the year	-	-	-	-	-	-	-	-	1,330,998	1,330,998	191,204	1,522,202
Other comprehensive income/(expenses) for the year:												
Changes in fair value of equity investments designated at fair value through other comprehensive income, net of tax	-	-	-	-	34,534	-	-	-	-	34,534	-	34,534
Changes in fair value of debt instruments measured at fair value through other comprehensive income/(expense), net of tax	-	-	-	-	6,025	-	-	-	-	6,025	(269)	5,756
Cash flow hedges, net of tax	-	-	-	-	-	-	-	(153,973)	-	(153,973)	-	(153,973)
Hedges of net investment in foreign operations, net of tax	-	-	-	-	-	-	-	16,210	-	16,210	-	16,210
Cost of fair value hedges, net of tax	-	-	-	-	-	-	-	(17,573)	-	(17,573)	-	(17,573)
Share of other comprehensive income of joint ventures and associates	-	(177,629)	-	-	-	-	-	-	-	(177,629)	-	(177,629)
Exchange differences on translation of foreign operations	-	-	-	-	-	60,741	-	-	-	60,741	674	61,415
Total comprehensive (expenses)/income for the year	-	(177,629)	-	-	40,559	60,741	-	(155,336)	1,330,998	1,099,333	191,609	1,290,942
Capital contributions from non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	207,024	207,024
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	121,154	121,154
Disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	(6,496)	(6,496)
Acquisition of non-controlling interests	-	12,711	-	-	-	-	-	-	(25,540)	(12,829)	(19,240)	(32,069)
Final 2022 dividend declared	-	-	-	-	-	-	-	-	(507,008)	(507,008)	(126,253)	(633,261)
Profit appropriation to reserves	-	-	-	83,030	-	-	-	-	(83,030)	-	-	-
Transfer to special reserve (note (i))	-	-	137,946	-	-	-	-	-	-	137,946	431	138,377
Utilisation of special reserve (note (i))	-	-	(137,946)	-	-	-	-	-	-	(137,946)	(431)	(138,377)
Capital contributions from other equity instruments holders	-	-	-	-	-	-	549,818	-	-	549,818	-	549,818
Redemption of other equity instruments	-	(4,125)	-	-	-	-	(1,495,875)	-	-	(1,500,000)	-	(1,500,000)
Distribution of other equity instruments	-	-	-	-	-	-	-	-	(114,494)	(114,494)	-	(114,494)
Disposal of equity investment designated at fair value through other comprehensive income	-	-	-	-	(3,640)	-	-	-	3,640	-	-	-
At 31 December 2023	<u>4,225,068</u>	<u>12,172,726</u>	<u>-</u>	<u>1,806,408</u>	<u>4,393</u>	<u>(47,565)</u>	<u>2,049,818</u>	<u>(141,574)</u>	<u>17,540,625</u>	<u>37,609,899</u>	<u>2,619,014</u>	<u>40,228,913</u>

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

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

Note (i): In preparation of these consolidated financial statements, the GOLDWIND SCIENCE&TECHNOLOGY CO., LTD. (the "Company") and its subsidiaries (collectively referred to as the "Group") has appropriated certain amounts of retained profits to a special reserve fund for each of the years ended 31 December 2022 and 2023, for safety production expense purposes as required by directives issued by the relevant People's Republic of China ("PRC") government authorities. The Group charged the safety production expenses to profit or loss when such expenses were incurred, and at the same time the corresponding amounts of special reserve fund were utilised and transferred back to retained profits until such special reserve was fully utilised.

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023**

	Notes	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		2,519,226	2,771,784
Adjustments for:			
Finance costs	8	1,373,977	1,333,909
Foreign exchange loss, net		225,442	105,614
Interest income	5	(614,798)	(475,601)
Share of results of joint ventures		(239,558)	(21,741)
Share of results of associates		(10,096)	(202,244)
Depreciation of property, plant and equipment and investment properties	6	2,112,554	2,124,015
Depreciation of right-of-use assets	6	203,966	216,882
Amortisation of other intangible assets	6	482,174	402,126
Loss/(gain) on disposal of items of property, plant and equipment and other intangible assets, net	6	58,177	(4,395)
Gain on disposal of subsidiaries	5	(939,971)	(759,167)
Gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss	5	-	(601,987)
Gain on re-measurement of the remaining equity interests in investees at the date of losing control	5	-	(193,862)
Gain on disposal of interests in associates and joint ventures, net	5	(985,739)	(510,247)
Gain on disposal of financial assets at fair value through profit or loss	5	(7,085)	(73,925)
Loss on disposal of other financial assets	5	-	24,435
Dividend income from other non-current financial assets	5	(35,180)	(18,105)
Dividend income from financial assets at fair value through profit and loss	5	(11,383)	(25,467)
Dividend income from financial assets at fair value through other comprehensive income	5	(10,000)	(1,258)
Fair value (gain)/loss, net on financial assets of fair value through profit or loss	5	(375,648)	36,035
Fair value loss, net on derivative financial instruments	5	26,946	81,353
Impairment/(reversal) of trade and other receivables	6	252,191	(304,322)
Impairment of financial receivables	6	58,465	29,018
(Reversal)/impairment of contract assets	6	(4,400)	5,424
Impairment of other non-current financial assets	6	301	-
Impairment of inventories to net realisable value	6	144,341	70,111
Impairment of property, plant and equipment	6	119,182	134,420
Impairment of goodwill	6	70,933	53,755
Impairment of interests in an associate	6	-	8,601
Impairment of right-of-use assets	6	-	17,488
Impairment of other intangible assets	6	69,520	40,611
Operating cash flows before working capital changes		4,483,537	4,263,260
Increase in inventories		(5,541,697)	(5,062,341)
Decrease/(increase) in contract assets		547,765	(2,476,310)
(Increase)/decrease in trade and bills receivables		(258,157)	204,471
Decrease/(increase) in financial receivables		1,021,330	(16,976)
Decrease/(increase) in prepayments, other receivables and other assets		601,720	(782,158)
Increase in trade and bills payables		2,321,957	7,027,736
(Decrease)/increase in other payables and accruals		(575,518)	3,317,935
(Decrease)/increase in provisions		(61,608)	418,059
Increase in government grants and deferred income		6,832	27,507
Cash generated from operations		2,546,161	6,921,183
Income tax paid		(1,105,823)	(1,284,140)
Interest received		413,703	244,278
Net cash flows from operating activities		1,854,041	5,881,321

**CONSOLIDATED STATEMENT OF CASH FLOWS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment		(5,646,727)	(7,947,870)
Additions of right-of-use assets		(196,420)	(250,987)
Additions of other intangible assets		(932,692)	(826,555)
Acquisitions of subsidiaries, net of cash acquired		(86,047)	(250,348)
Payment of purchase consideration payable for acquisition of subsidiaries in previous periods		(63,145)	(388,859)
Acquisitions of interests in joint ventures		(55,243)	(342,390)
Acquisitions of interests in associates		(118,792)	(109,720)
Purchases of financial assets at fair value through profit or loss		(2,337,750)	(100,000)
Purchases of financial assets measured at amortized cost		(205,180)	(137,722)
Disposals of other non-current financial assets		-	(185,000)
Purchases of non-pledged time deposits with original maturity of three months or more when acquired		(1,232,176)	(417,331)
Loans to joint ventures, associates and third parties		(198,222)	(44,007)
Prepayment for acquisitions of equity investments		(8,100)	(423,218)
Proceeds from disposal of items of property, plant and equipment and other intangible assets		29,604	296,630
Disposals of subsidiaries, net of cash disposed of		1,537,813	2,077,606
Cash received from disposal of subsidiaries during previous year		121,880	18,171
Dividend income from financial assets at fair value through profit or loss		18,469	25,467
Dividend received from other non-current financial assets		35,180	41,482
Dividend received from joint ventures and associates		437,024	182,274
Dividend received from equity investments at fair value through other comprehensive income		10,000	1,258
Dividend received from disposed subsidiaries		87,717	-
Proceeds from disposal of other non-current financial assets		77,232	359,493
Cash received of financial assets at fair value through profit or loss		2,100,000	-
Disposals of non-pledged time deposits with original maturity of three months or more when acquired		605,120	-
Disposal of equity investments designated at fair value through other comprehensive income		5,286	500
Disposals of shareholding in associates and joint ventures		3,158,354	917,777
Loan repayment from the related parties		1,016,934	-
Cash received relating to the disposal of subsidiaries		-	1,276,039
Cash from other investments		16,179	88,432
Net cash flows used in investing activities		<u>(1,823,702)</u>	<u>(6,138,878)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
New bank and other borrowings		10,569,334	17,432,208
Issuance of bond		749,723	-
Repayment of bank and other borrowings		(10,500,208)	(9,654,236)
Interest paid		(1,276,122)	(1,478,254)
Fees and other payments		(2,700)	(7,388)
Capital contributions from non-controlling shareholders		207,024	1,307,503
Dividend paid		(781,374)	(1,193,919)
Capital contributions from other equity instruments holders		549,818	998,875
Other cash payment to pre-shareholders		-	(93,500)
Cash receivable from related parties		-	200,488
Purchase of minority interest in a subsidiary		(5,214)	-
Repayment on sold of bills as collateral on securities lending		(3,436)	(594,320)
Repayment of other equity instruments		(1,500,000)	-
Net cash flows (used in)/from financing activities		<u>(1,993,155)</u>	<u>6,917,457</u>
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,962,816)	6,659,900
Cash and cash equivalents at beginning of year		14,842,821	8,140,281
Effect of foreign exchange rate changes, net		(245,792)	42,640
CASH AND CASH EQUIVALENTS AT END OF YEAR	19	<u>12,634,213</u>	<u>14,842,821</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**1. GENERAL INFORMATION**

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

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

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

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

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

*New and amendments to IFRSs that are mandatorily effective for the current year*

In the current year, the Group's has applied the following new and amendments to IFRSs issued by the International Accounting Standards Board ("IASB") for the first time, which are mandatory effective for the annual period beginning on 1 January 2023 for the preparation of the consolidated financial statements:

IFRS 17 (including the June 2020 and December 2021 Amendments to IFRS 17)	Insurance Contracts
Amendments to IAS 8	Definition of Accounting Estimates
Amendments to IAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to IAS 12	International Tax Reform-Pillar Two model Rules
Amendments to IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") – continued**

**2.1 Impacts on application of Amendments to IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction**

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of IAS 12 Income Taxes so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transitional provisions:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group recognised the related deferred tax assets and deferred tax liabilities on a gross basis but it has no material impact on the retained earnings at the earliest period presented.

**2.2 Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies**

The Group has applied the amendments for the first time in the current year. IAS 1 Presentation of Financial Statements is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 Making Materiality Judgements (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Group's financial positions and performance.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") – continued**

**2.2 Impacts on application of Amendments to IAS 1 and IFRS Practice Statement 2 Disclosure of Accounting Policies - continued**

*Amendments to IFRSs in issue but not yet effective*

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

Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to IAS 1	Classification of Liabilities as Current or Non-current <sup>2</sup>
Amendments to IAS 1	Non-current Liabilities with Covenants <sup>2</sup>
Amendments to IAS 7 and IFRS 7	Supplier Finance Arrangements <sup>2</sup>
Amendments to IAS 21	Lack of Exchangeability <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or 1 January 2024.

<sup>3</sup> Effective for annual periods beginning on or 1 January 2025.

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

**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS**

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**3. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS - continued**

The Group has evaluated the going concern for twelve months from 31 December 2023 and was of the view that there is no significant doubt on the Group's ability to continue as a going concern. Therefore, the consolidated financial statements are prepared on a going concern basis.

**Basis of consolidation**

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2023. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

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**4. OPERATING SEGMENT INFORMATION**

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

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

4. OPERATING SEGMENT INFORMATION - continued

Year ended 31 December 2023

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Others RMB'000	Eliminations RMB'000	Total RMB'000
<b>Segment revenue (note 5):</b>						
Revenue from external customers	32,937,070	5,241,499	10,915,397	1,149,760	-	50,243,726
Intersegment sales	7,308,288	2,175,788	9,694	977	(9,494,747)	-
Total revenue	40,245,358	7,417,287	10,925,091	1,150,737	(9,494,747)	50,243,726
<b>Segment results</b>	(749,906)	311,586	5,495,777	591,130	(2,370,182)	3,278,405
Interest income	596,980	15,804	279,473	287,373	(564,832)	614,798
Finance costs	(468,095)	(10,453)	(1,329,358)	(139,283)	573,212	(1,373,977)
(Loss)/profit before tax	(621,021)	316,937	4,445,892	739,220	(2,361,802)	2,519,226
<b>Segment assets</b>	94,511,816	19,011,732	76,547,784	25,943,255	(72,519,987)	143,494,600
<b>Segment liabilities</b>	62,755,682	14,725,565	57,173,885	16,387,655	(47,777,100)	103,265,687
<b>Other segment information:</b>						
Share of results of:						
Joint ventures	(9,134)	-	248,499	193	-	239,558
Associates	22,170	3,081	11,990	(27,145)	-	10,096
Depreciation and amortisation <sup>(1)</sup>	811,347	363,484	1,621,889	260,538	(212,302)	2,844,956
Impairment of inventories, net	152,324	(9,834)	1,851	-	-	144,341
Impairment/(reversal of impairment) of trade and other receivables, net	132,437	55,413	8,893	56,963	(1,515)	252,191
Impairment/(reversal of impairment) of contract assets, net	478	(4,878)	-	-	-	(4,400)
Impairment of financial receivables, net	-	9,893	-	48,572	-	58,465
Impairment of other non-current financial assets, net	301	-	-	-	-	301
Impairment of property, plant and equipment	-	-	119,182	-	-	119,182
Impairment of other intangible assets	-	-	-	69,520	-	69,520
Impairment of goodwill	70,933	-	-	-	-	70,933
Product warranty provision	2,058,313	-	-	-	-	2,058,313
Interests in joint ventures	301,754	-	2,937,492	82,670	-	3,321,916
Interests in associates	333,431	13,141	664,429	521,476	-	1,532,477
Income tax expense	(506,660)	100,860	1,200,546	231,761	(29,483)	997,024
Capital expenditure <sup>(2)</sup>	1,467,816	243,848	8,291,846	745,189	(104,259)	10,644,440

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023

4. OPERATING SEGMENT INFORMATION - continued

Year ended 31 December 2022

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

<sup>(1)</sup> 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.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

## 4. OPERATING SEGMENT INFORMATION - continued

Geographical information

## (a) Revenue from external customers

	Year ended 31 December	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
China	42,410,827	41,966,588
Overseas	7,832,899	4,286,946
	<u>50,243,726</u>	<u>46,253,534</u>

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

## (b) Non-current assets

	As at 31 December	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
China	58,936,772	55,503,790
United States of America	96,676	98,345
Australia	958,869	814,327
Argentina	3,527,316	3,582,073
Germany	214,079	217,292
Other countries	31,882	10,312
	<u>63,765,594</u>	<u>60,226,139</u>

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

Information about major customers

For the year ended 31 December 2023, no revenue from transactions with a single customer, including sales to a group of entities which are known to be under the control of that customer, which individually accounted for over 10% of the Group's total revenue.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

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

An analysis of revenue is as follows:

	<u>Year ended 31 December</u>	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
<i>Revenue from contracts with customers</i>	49,951,403	45,924,993
<i>Revenue from other sources</i>		
Finance lease service	292,323	328,541
	<u>50,243,726</u>	<u>46,253,534</u>

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 December 2023

	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Others RMB'000	Total RMB'000
<b>Type of goods or services</b>					
Wind turbine generator manufacturing and sale	32,937,070	-	-	-	32,937,070
Wind farm development	-	-	10,915,397	-	10,915,397
Wind power services	-	4,949,176	-	-	4,949,176
Others	-	-	-	1,149,760	1,149,760
Total revenue from contracts with customers	<u>32,937,070</u>	<u>4,949,176</u>	<u>10,915,397</u>	<u>1,149,760</u>	<u>49,951,403</u>
<b>Geographical markets</b>					
China	26,557,033	4,434,346	9,977,365	1,149,760	42,118,504
Other countries	6,380,037	514,830	938,032	-	7,832,899
Total revenue from contracts with customers	<u>32,937,070</u>	<u>4,949,176</u>	<u>10,915,397</u>	<u>1,149,760</u>	<u>49,951,403</u>
<b>Timing of revenue recognition</b>					
Goods transferred at a point in time	32,937,070	-	10,915,397	371,321	44,223,788
Services transferred over time	-	4,949,176	-	778,439	5,727,615
Total revenue from contracts with customers	<u>32,937,070</u>	<u>4,949,176</u>	<u>10,915,397</u>	<u>1,149,760</u>	<u>49,951,403</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

5. REVENUE, OTHER INCOME AND GAINS - continued

Revenue from contracts with customers - continued

(i) Disaggregated revenue information - continued

For the year ended 31 December 2022

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

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

For the year ended 31 December 2023

<u>Segments</u>	Wind turbine generator manufacturing and sale RMB'000	Wind power services RMB'000	Wind farm development RMB'000	Others RMB'000	Total RMB'000
Revenue from contracts with customers	<u>40,245,358</u>	<u>7,124,964</u>	<u>10,925,091</u>	<u>1,150,737</u>	<u>59,446,150</u>
External customers	32,937,070	4,949,176	10,915,397	1,149,760	49,951,403
Intersegment sales	7,308,288	2,175,788	9,694	977	9,494,747
Intersegment adjustments and eliminations	<u>(7,308,288)</u>	<u>(2,175,788)</u>	<u>(9,694)</u>	<u>(977)</u>	<u>(9,494,747)</u>
Total revenue from contracts with customers	<u>32,937,070</u>	<u>4,949,176</u>	<u>10,915,397</u>	<u>1,149,760</u>	<u>49,951,403</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**5. REVENUE, OTHER INCOME AND GAINS - continued**

Revenue from contracts with customers - continued

(i) Disaggregated revenue information - continued

For the year ended 31 December 2022

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

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:

	Year ended 31 December 2023 RMB'000	Year ended 31 December 2022 RMB'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Wind turbine generator manufacturing and sale	3,929,451	4,754,145
Construction services	404,418	262,685
Others	77,123	71,548
	4,410,992	5,088,378

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

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**5. REVENUE, OTHER INCOME AND GAINS - continued**

Revenue from contracts with customers - continued

(ii) Performance obligations

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

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

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

*Wind power services*

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

*Sale of electricity*

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

*Others*

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

5. REVENUE, OTHER INCOME AND GAINS - continued

Revenue from contracts with customers – continued

<u>Other income and gains</u>	Year ended 31 December	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Interest income	614,798	475,601
Dividend income from equity investments at fair value through other comprehensive income	10,000	1,258
Dividend income from other non-current financial assets	35,180	18,105
Dividend income from financial assets at fair value through profit and loss	11,383	25,467
Gross rental income from investment properties and equipment	17,743	28,049
Government grants	141,233	150,292
Value-added tax ("VAT") refund	358,258	222,239
Provision of technical service	113,116	21,418
Loss on disposal of financial assets measured at amortised cost	-	(24,435)
Gain on disposal of subsidiaries:		
Gain on disposal of interests in subsidiaries	939,971	759,167
Gain on re-measurement of the remaining equity interests in investees at the date of losing control	-	193,862
Gain on disposal of financial assets at fair value through profit or loss	7,085	73,925
Gain on disposal of items of property, plant and equipment and other intangible assets	4,182	4,418
Gain on disposal of associates and joint ventures, net	985,739	510,247
Gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss	-	601,987
Fair value (losses)/gains, net:		
Derivative financial instruments	(26,946)	(81,353)
Financial assets at fair value through profit or loss	375,648	(36,035)
Others	37,937	163,157
	<u>3,625,327</u>	<u>3,107,369</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**6. PROFIT BEFORE TAX**

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

	Notes	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
Cost of inventories sold		30,970,318	30,640,259
Cost of services provided		4,201,567	4,302,267
Cost of wind power generation		5,752,839	2,391,731
Cost of others		915,598	881,085
		<u>41,840,322</u>	<u>38,215,342</u>
Depreciation of property, plant and equipment	12	2,112,277	2,123,738
Depreciation of investment properties		277	277
Depreciation of right-of-use assets		203,966	216,882
Amortisation of other intangible assets	14	482,174	402,126
		<u>2,798,694</u>	<u>2,743,023</u>
Impairment of trade receivables	15	537,430	420,621
Reversal of impairment of trade receivables	15	(334,179)	(707,979)
		<u>203,251</u>	<u>(287,358)</u>
Impairment of other receivables	17	91,071	77,632
Reversal of impairment of other receivables	17	(42,131)	(94,596)
		<u>48,940</u>	<u>(16,964)</u>
Impairment of contract assets	18	2,952	6,464
Reversal of impairment of contract assets	18	(7,352)	(1,040)
		<u>(4,400)</u>	<u>5,424</u>
Recognition of impairment of other non-current financial assets		301	-
		<u>301</u>	<u>-</u>
Impairment of financial receivables	16	58,812	36,107
Reversal of impairment of financial receivables	16	(347)	(7,089)
		<u>58,465</u>	<u>29,018</u>
Impairment of write-down of inventories		150,468	81,157
Reversal of impairment of write-down of inventories		(6,127)	(11,046)
		<u>144,341</u>	<u>70,111</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**6. PROFIT BEFORE TAX - continued**

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

	Notes	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
Impairment of property, plant and equipment	12	119,182	134,420
Impairment of other intangible assets	14	69,520	40,611
Impairment of right-of-use assets		-	17,488
Impairment of interests in an associate		-	8,601
Impairment of goodwill	13	70,933	53,755
Loss (gain) on disposal of items of property, plant and equipment and other intangible assets, net		58,177	(4,395)
Lease payments not included in the measurement of lease liabilities		161,370	101,789
Auditors' remuneration:			
Audit and assurances		16,249	14,084
Non-assurances services		1,874	3,534
		<u>18,123</u>	<u>17,618</u>
Employee benefit expenses (including Directors' and supervisors' remuneration):			
Wages and salaries		3,020,407	2,583,443
Pension scheme contributions (i)		350,149	321,996
Welfare and other expenses		586,959	498,130
		<u>3,957,515</u>	<u>3,403,569</u>
Research and development costs:			
Staff costs		880,424	782,838
Amortisation and depreciation		262,040	163,857
Materials expenditure and others		748,162	641,959
		<u>1,890,626</u>	<u>1,588,654</u>
Product warranty provision:			
Additional provision		2,383,545	2,676,087
Reversal of unutilised provision		(325,232)	(371,229)
		<u>2,058,313</u>	<u>2,304,858</u>

- (i) During the year, there was no forfeited contributions made by the Group on behalf of employees who left the scheme prior to vesting fully in such contributions available for use by the Group, as the employer, to reduce existing level of contributions (2022: Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued**7. OTHER EXPENSES**

	Year ended 31 December	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Rental cost	10,240	3,473
Bank charges	146,599	113,923
Asset impairment provision	259,635	254,875
Foreign exchange loss, net	225,442	105,615
Loss on disposal of non-current assets	62,359	22
Penalty expenses	39,499	8,424
Public welfare donations	2,695	9,880
Others	87,736	118,531
	<u>834,205</u>	<u>614,743</u>

**8. FINANCE COSTS**

	Year ended 31 December	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Interest on bank loans and other borrowings	1,524,714	1,432,100
Interest on lease liabilities	126,909	105,739
Less: Interest capitalised	(277,646)	(203,930)
	<u>1,373,977</u>	<u>1,333,909</u>

**9. INCOME TAX EXPENSE**

The Company and nine subsidiaries of the Company (2022: the Company and ten subsidiaries of the Company) have been identified as "high and new technology enterprises" and were entitled to preferential income tax at a rate of 15% for the year ended 31 December 2023 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**9. INCOME TAX EXPENSE** - continued

Certain subsidiaries of the Company in China which are small and micro-sized enterprises, the following tax policy applies: For annual income amount of RMB 1 million or below, the taxable income amount should be computed at 25% of the annual income and subject to a tax rate of 20%. The preferential period is from 1 January 2023 to 31 December 2024. For annual income amount of over RMB 1 million but does not exceed RMB 3 million, the taxable income amount should be computed at 25% 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 ranging from 10% to 35% (2022: 10% to 35%).

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong, China during the year.

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

	Year ended 31 December	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Current		
- China	1,374,991	898,941
- Elsewhere	348,498	159,605
	<u>1,723,489</u>	<u>1,058,546</u>
Deferred	(726,465)	(723,637)
Tax expense for the year	<u>997,024</u>	<u>334,909</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**9. INCOME TAX EXPENSE** - continued

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

	Year ended 31 December	
	2023 RMB'000	2022 RMB'000
Profit before tax	2,519,226	2,771,784
Tax at the statutory tax rate of 25%	629,807	692,946
Effect of different income tax rates for overseas entities	22,624	83,293
Effect of the preferential income tax rates for domestic entities	99,263	(42,708)
Effect of income tax rate change	44,449	(5,393)
Tax effect on unrecognised tax losses and temporary differences	274,634	265,174
Utilisation of previously unrecognised tax losses and temporary differences	(5,789)	(34,940)
Income not subject to tax	(7,037)	(6,733)
Expenses not deductible for tax	45,232	28,613
Additional tax deduction for research and development expenditure	(217,105)	(212,662)
Profits attributable to joint ventures	(59,890)	(5,435)
Profits attributable to associates	(2,524)	(50,561)
Tax impact on re-measurement of the remaining equity interests in investees at the date of losing control	-	(48,465)
Others	173,360	(328,220)
Tax expense for the year at the effective rate of 39.6% (2022: 12.1%)	997,024	334,909

**10. DIVIDENDS**

For the year ended 31 December 2023, the board of Directors proposed to distribute cash dividends of RMB1.0 (tax included) per each 10 shares with total amount of RMB422,507,000 to the shareholders. The proposed final dividends for the year are subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

The final cash dividends of RMB1.2 (tax included) per each 10 shares, which amounted to RMB507,008,000 of cash dividends for the year ended 31 December 2022, were approved by the Company's shareholders on 20 June 2023.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

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

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

The Group had no potentially dilutive ordinary shares in issue during the years ended 31 December 2023 and 2022.

The calculation of basic earnings per share is based on:

	Year ended 31 December	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Profit attributable to ordinary equity holders of the parent	1,330,998	2,383,433
Less: Distribution relating to the medium-term notes (i)	<u>(114,494)</u>	<u>(184,999)</u>
Profit used to determine basic earnings per share	<u>1,216,504</u>	<u>2,198,434</u>
Weighted average number of ordinary shares in issue ('000)	<u>4,225,068</u>	<u>4,225,068</u>
Basic earnings per share (expressed in RMB per share)	<u>0.29</u>	<u>0.52</u>

- (i) The long-term option-embedded medium-term notes (the "Perpetual Medium-term Notes") issued by the Company in August 2020, November 2021, June 2022, September 2022, June 2023 and December 2023 were classified as other equity instruments with deferrable cumulative interest distribution and payment. The interest from the Perpetual Medium-term Notes which has been generated but not yet declared, during the years of 2023 and 2022, was deducted from earnings when calculating the earnings per share for the years ended 31 December 2023 and 31 December 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**12. PROPERTY, PLANT AND EQUIPMENT**

	Year ended 31 December 2023					
	<u>Buildings</u> RMB'000	<u>Machinery</u> RMB'000	<u>Vehicles</u> RMB'000	<u>Electronic equipment and others</u> RMB'000	<u>Construction in progress</u> RMB'000	<u>Total</u> RMB'000
Cost:						
At 1 January 2023	2,152,271	34,621,469	82,588	675,777	7,351,204	44,883,309
Additions	96,783	114,400	93,792	10,807	7,988,470	8,304,252
Disposals	(1,087)	(237,428)	(12,808)	(23,505)	(32,080)	(306,908)
Acquisition of subsidiaries	-	417,921	-	-	219	418,140
Disposals of subsidiaries	(124,026)	(2,348,597)	-	(1,038)	(46,723)	(2,520,384)
Transfers	964,770	6,231,410	-	11,416	(7,207,596)	-
Exchange realignment	7,290	88,023	3,670	5,753	5,769	110,505
At 31 December 2023	<u>3,096,001</u>	<u>38,887,198</u>	<u>167,242</u>	<u>679,210</u>	<u>8,059,263</u>	<u>50,888,914</u>
Accumulated depreciation and impairment:						
At 1 January 2023	(547,528)	(6,254,177)	(53,840)	(415,173)	(151,559)	(7,422,277)
Depreciation provided during the year (note 6)	(261,353)	(1,790,543)	(16,327)	(44,054)	-	(2,112,277)
Disposals	486	130,079	9,572	21,510	6,159	167,806
Disposals of subsidiaries	40,842	390,045	-	322	-	431,209
Impairment (note 6)	-	-	-	-	(119,182)	(119,182)
Exchange realignment	(2,127)	(20,583)	(1,389)	(4,741)	(21)	(28,861)
At 31 December 2023	<u>(769,680)</u>	<u>(7,545,179)</u>	<u>(61,984)</u>	<u>(442,136)</u>	<u>(264,603)</u>	<u>(9,083,582)</u>
Net carrying amount:						
At 31 December 2023	<u>2,326,321</u>	<u>31,342,019</u>	<u>105,258</u>	<u>237,074</u>	<u>7,794,660</u>	<u>41,805,332</u>
At 1 January 2023	<u>1,604,743</u>	<u>28,367,292</u>	<u>28,748</u>	<u>260,604</u>	<u>7,199,645</u>	<u>37,461,032</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

## 12. PROPERTY, PLANT AND EQUIPMENT - continued

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

The net carrying amount of construction in progress of the Group included capitalised interest of RMB227,197,000 (2022: RMB187,997,000) charged for the year 2023 prior to being transferred to buildings, machinery and electronic equipment.

As at 31 December 2023, certain of the Group's property, plant and equipment, with a net carrying amount of RMB11,405,299,000(31 December 2022: RMB17,667,630,000) were pledged to secure certain of the Group's bank loans.

During the year ended 31 December 2023, the Group recognised impairment provisions for property, plant and equipment of RMB 119,182,000 (2022: RMB134,420,000), which includes impairment for property, plant and equipment of Huzhou Runxing New Energy Co., Ltd., a subsidiary of the Group. The recoverable amount has been determined based on a value in use calculation using cash flow projections based on installed capacity of wind farms and applicable tariff rates. The discount rate before taxes applied to the cash flow projections is 8.52%. Based on the results of the impairment test, the Group recognised an impairment provision of RMB105,732,000 for the property, plant and equipment of Huzhou Runxing New Energy Co., Ltd..

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**13. GOODWILL**

	Notes	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
Cost and net carrying amount at beginning of year		178,228	163,265
Acquisition of subsidiaries		-	162,762
Disposal of subsidiaries		-	(95,325)
Impairment of goodwill	6	(70,933)	(53,755)
Exchange realignment		74	1,281
Cost and net carrying amount at end of year		<u>107,369</u>	<u>178,228</u>

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

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
At beginning of year		253,317	194,055
Impairment losses recognised	6	70,933	53,755
Exchange realignment		10,973	5,507
At end of year		<u>335,223</u>	<u>253,317</u>

Impairment testing of goodwill

For the purposes of impairment testing, goodwill have been allocated to individual cash-generating units, comprising PRACTEK belonging to wind turbine generator manufacturing and sale segment and several subsidiaries belonging to wind farm development segment.

The recoverable amount of PRACTEK has been determined based on a value in use calculation using cash flow projections based on a financial budget covering a five-year period and perpetual growth rate at 0% approved by senior management. The discount rate applied to the cash flow projections is 13.84% (2022: 14.52%). Based on the results of the impairment test, the Group recognised a goodwill impairment provision of RMB 70,933,000 for the current year.

The recoverable amount of subsidiaries engaged in wind farm development have been determined based on a value in use calculation using cash flow projections based on installed capacity of wind farms and applicable tariff rates. The discount rates before taxes applied to the cash flow projections are from 9.59% to 22.95% (2022: 11.20% to 23.23%). Based on the results of the impairment test, the Group does not have to recognise goodwill impairment provision for the current year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

13. GOODWILL - continued

Impairment testing of goodwill - continued

Assumptions were used in the value in use calculation of relevant units as at 31 December 2023 and 2022. The following describes each key assumption on which management has based its cash flow projection to undertake impairment testing of goodwill:

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

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

14. OTHER INTANGIBLE ASSETS

	Year ended 31 December 2023						
	Technology licences RMB'000	Office software RMB'000	Patents and technology know-how RMB'000	Development costs RMB'000	Water treatment operating concession RMB'000 Note (i)	Wind farm development and operating permit RMB'000	Total RMB'000
Cost:							
At 1 January 2023	851	619,109	2,449,890	746,928	3,974,005	1,090,944	8,881,727
Additions	-	15,834	6,408	374,059	563,091	-	959,392
Acquisition of subsidiaries	-	-	-	-	-	1,030	1,030
Disposals	-	(2,197)	(114,109)	-	(95,134)	-	(211,440)
Transfer	-	159,379	198,336	(357,715)	-	-	-
Exchange realignment	-	1,317	12,219	-	-	10,021	23,557
At 31 December 2023	851	793,442	2,552,744	763,272	4,441,962	1,101,995	9,654,266
Accumulated amortisation and impairment:							
At 1 January 2023	(851)	(264,201)	(920,642)	(324,748)	(673,631)	(227,763)	(2,411,836)
Amortisation provided during the year (note 6)	-	(90,633)	(158,149)	-	(196,139)	(37,253)	(482,174)
Impairment (note 6)	-	-	-	-	(69,520)	-	(69,520)
Disposals	-	1,180	6,098	-	14,661	-	21,939
Exchange realignment	-	(743)	(12,162)	-	-	(3,616)	(16,521)
At 31 December 2023	(851)	(354,397)	(1,084,855)	(324,748)	(924,629)	(268,632)	(2,958,112)
Net carrying amount:							
At 31 December 2023	-	439,045	1,467,889	438,524	3,517,333	833,363	6,696,154
At 1 January 2023	-	354,908	1,529,248	422,180	3,300,374	863,181	6,469,891

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

14. OTHER INTANGIBLE ASSETS - continued

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

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

As at 31 December 2023, certain of the Group's other intangible assets, with a net carrying amount of RMB 189,663,000 (2022: RMB155,371,000), were pledged to secure certain of the Group's bank loans.

15. TRADE AND BILLS RECEIVABLES

	As at 31 December	
	2023 RMB'000	2022 RMB'000
Trade receivables	27,225,218	25,746,211
Bills receivable	954,510	1,855,034
	<u>28,179,728</u>	<u>27,601,245</u>
Provision for impairment	(1,677,216)	(1,459,855)
	<u>26,502,512</u>	<u>26,141,390</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued**15. TRADE AND BILLS RECEIVABLES - continued**

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

As part of its normal business, the Group endorsed or discounted bills receivable accepted by banks. Bills receivable is held within a business model whose objective is achieved by both collecting contractual cash flows and selling bills receivable. Therefore, the Group has classified bills receivable presented in trade and bills receivable as at 31 December 2023 amounting to RMB 954,510,000 (31 December 2022: RMB 1,855,034,000) as debt instruments 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 31 December	
	2023 RMB'000	2022 RMB'000
Within 3 months	9,612,319	11,791,254
3 to 6 months	3,160,064	3,197,366
6 months to 1 year	3,853,821	4,145,013
1 to 2 years	5,564,301	4,317,733
2 to 3 years	2,585,202	2,153,800
Over 3 years	1,726,805	536,224
	<u>26,502,512</u>	<u>26,141,390</u>

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

	Note	Year ended 31 December	
		2023 RMB'000	2022 RMB'000
At beginning of year		1,459,855	1,765,515
Impairment losses recognised	6	537,430	420,621
Impairment losses reversed	6	(334,179)	(707,979)
Amounts written off as uncollectible		(3,146)	(30,455)
Disposal of subsidiaries		-	(2,025)
Exchange realignment		17,256	14,178
At end of year		<u>1,677,216</u>	<u>1,459,855</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued**15. TRADE AND BILLS RECEIVABLES - continued**

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

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

	As at 31 December 2023		
	<u>ECL rate</u>	<u>Gross carrying Amount RMB'000</u>	<u>ECL RMB'000</u>
Individually impaired	94.51%	1,118,834	1,057,454
Collectively impaired			
Within 6 months	0.21%	11,846,256	24,580
6 months to 1 year	1.30%	3,900,836	50,817
1 to 2 years	3.03%	5,738,219	173,918
2 to 3 years	4.00%	2,692,938	107,737
Over 3 years	13.63%	1,928,135	262,710
	<u>2.37%</u>	<u>26,106,384</u>	<u>619,762</u>
Total	<u>6.16%</u>	<u>27,225,218</u>	<u>1,677,216</u>
	As at 31 December 2022		
	<u>ECL rate</u>	<u>Gross carrying Amount RMB'000</u>	<u>ECL RMB'000</u>
Individually impaired	91.81%	1,069,107	981,521
Collectively impaired			
Within 6 months	0.16%	13,798,422	22,658
6 months to 1 year	1.32%	3,549,740	46,906
1 to 2 years	2.33%	4,420,842	103,109
2 to 3 years	6.15%	2,294,874	141,075
Over 3 years	26.84%	613,226	164,586
	<u>1.94%</u>	<u>24,677,104</u>	<u>478,334</u>
Total	<u>5.67%</u>	<u>25,746,211</u>	<u>1,459,855</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued**15. TRADE AND BILLS RECEIVABLES - continued**

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

	As at 31 December	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Beneficial shareholders of the Company	16,503	405
Joint ventures	274,626	242,715
Associates	108,358	18,601
	<u>399,487</u>	<u>261,721</u>

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

As at 31 December 2023, the Group's trade and bills receivables amounting to RMB 5,641,489,000 (31 December 2022: RMB4,688,051,000) were pledged to secure certain of the Group's interest-bearing bank and other borrowings.

**16. FINANCIAL RECEIVABLES**

	As at 31 December	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Receivables for service concession agreements	4,366,729	4,769,218
Receivables for finance lease services	3,773,175	4,430,379
Accrued VAT on finance lease receivables	270,046	164,968
Loans to joint ventures	52,360	60,610
Provision for impairment	(167,944)	(109,479)
	<u>8,294,366</u>	<u>9,315,696</u>
Portion classified as non-current assets	<u>(7,937,428)</u>	<u>(8,922,837)</u>
Current portion	<u>356,938</u>	<u>392,859</u>

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**16. FINANCIAL RECEIVABLES - continued**

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

	<u>Note</u>	<u>Year ended 31 December</u>	
		<u>2023</u>	<u>2022</u>
		RMB'000	RMB'000
At beginning of year		109,479	80,461
Impairment losses recognised	6	58,812	36,107
Impairment losses reversed	6	(347)	(7,089)
At end of year		<u>167,944</u>	<u>109,479</u>

As at 31 December 2023, the Group's financial receivables amounting to RMB 1,828,002,000 (31 December 2022: RMB1,602,780,000) were pledged to secure certain of the Group's bank loans.

**17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS**

	<u>Note</u>	<u>As at 31 December</u>	
		<u>2023</u>	<u>2022</u>
		RMB'000	RMB'000
Advances to suppliers		1,482,516	1,836,308
Prepayments		713,309	834,560
Deductible input VAT		3,861,089	2,974,480
Deposits and other receivables		<u>2,424,016</u>	<u>3,276,657</u>
		8,480,930	8,922,005
Impairment allowance		(286,997)	(231,153)
		8,193,933	8,690,852
Portion classified as non-current assets	(i)	<u>(3,237,160)</u>	<u>(3,380,478)</u>
Current portion		<u>4,956,773</u>	<u>5,310,374</u>

Note:

- (i) The non-current portion of deposits and other receivables mainly represented advances to suppliers and deductible input VAT at 31 December 2023 and 2022.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**17. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS - continued**

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

	<u>Note</u>	<u>Year ended 31 December</u>	
		<u>2023</u> RMB'000	<u>2022</u> RMB'000
At beginning of year		231,153	246,873
Impairment losses recognised	6	91,071	77,632
Impairment losses reversed	6	(42,131)	(94,596)
Amounts written off as uncollectible		-	(2,438)
Disposal of a subsidiary		-	(6)
Exchange realignment		6,904	3,688
At end of year		<u>286,997</u>	<u>231,153</u>

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

	<u>As at 31 December</u>	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Beneficial shareholders of the Company	1,955	-
Joint ventures	418,220	1,377,277
Associates	109,522	65,769
	<u>529,697</u>	<u>1,443,046</u>

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

**18. CONTRACT ASSETS**

	<u>Notes</u>	<u>As at 31 December</u>	
		<u>2023</u> RMB'000	<u>2022</u> RMB'000
Contract assets arising from:			
Retention receivables on the sale of wind turbines	(i)	5,102,215	4,658,907
Construction services	(ii)	1,208,424	2,180,416
Services concession arrangement		102,211	139,088
		<u>6,412,850</u>	<u>6,978,411</u>
Impairment		(10,962)	(15,362)
		<u>6,401,888</u>	<u>6,963,049</u>
Portion classified as non-current assets		(4,664,057)	(4,297,565)
Current portion		<u>1,737,831</u>	<u>2,665,484</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

18. CONTRACT ASSETS - continued

Notes:

- (i) For retention money receivables, the due dates usually range from two to five years after the completion of commissioning for wind turbines.
- (ii) Contract assets are initially recognised for revenue earned from the provision of construction services. Upon billing of construction and acceptance by the customer, the amounts recognised as contract assets are reclassified to trade receivables and financial receivables.

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

	As at 31 December	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Within one year	1,737,831	2,665,484
After one year	4,664,057	4,297,565
Total contract assets	<u>6,401,888</u>	<u>6,963,049</u>

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

	Note	Year ended 31 December	
		<u>2023</u> RMB'000	<u>2022</u> RMB'000
At beginning of year		15,362	10,951
Impairment losses recognised	6	2,952	6,464
Impairment losses reversed	6	(7,352)	(1,040)
Exchange realignment		-	(1,013)
At end of year		<u>10,962</u>	<u>15,362</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**18. CONTRACT ASSETS - continued**

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

	As at 31 December	
	<u>2023</u>	<u>2022</u>
ECL rate	0.17%	0.22%
	RMB'000	RMB'000
Gross carrying amount	6,412,850	6,978,411
ECL	10,962	15,362

**19. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS**

	As at 31 December	
	<u>2023</u>	<u>2022</u>
	RMB'000	RMB'000
Cash and bank balances	13,172,799	14,903,941
Time deposits	1,072,385	724,040
	<u>14,245,184</u>	<u>15,627,981</u>
Less: Pledged for:		
- Bank loans, letters of credit, bills issued and others	(6,851)	(7,046)
- Provision for risk and mandatory reserve deposits	(544,425)	(374,792)
	<u>(551,276)</u>	<u>(381,838)</u>
Cash and cash equivalents in the consolidated statement of financial position	13,693,908	15,246,143
Less: Non-pledged deposits with original maturity of more than three months when acquired	<u>(1,059,695)</u>	<u>(403,322)</u>
Cash and cash equivalents in the consolidated statement of cash flows	<u>12,634,213</u>	<u>14,842,821</u>
Pledged deposits	551,276	381,838
Current portion	<u>551,276</u>	<u>381,838</u>
Cash and cash equivalents and pledged deposits denominated in:		
- RMB	12,381,589	13,027,956
- Australian dollar	205,886	666,908
- United States dollar	1,080,463	1,342,065
- Euro	369,968	137,053
- Hong Kong dollar	17,229	19,053
- Argentine peso	39,239	331,806
- Other currencies	150,810	103,140
	<u>14,245,184</u>	<u>15,627,981</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued**19. CASH AND CASH EQUIVALENTS AND PLEDGED DEPOSITS - continued**

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

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

**TRADE AND BILLS PAYABLES**

	As at 31 December	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Trade payables	28,596,375	27,071,984
Bills payable(i)	14,143,573	13,552,074
	<u>42,739,948</u>	<u>40,624,058</u>
Portion classified as non-current liabilities (ii)	(1,095,225)	(1,091,028)
Current portion	<u>41,644,723</u>	<u>39,533,030</u>

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

(ii) The non-current portion of trade payables mainly represented retention amounts held by the Group as at 31 December 2023 and 2022.

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2023 - continued

**20. TRADE AND BILLS PAYABLES - continued**

	As at 31 December	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Within 3 months	23,498,181	22,534,009
3 to 6 months	10,210,369	9,290,990
6 months to 1 year	2,671,989	2,958,580
1 to 2 years	3,212,129	3,340,072
2 to 3 years	1,886,185	1,610,190
Over 3 years	1,261,095	890,217
	<u>42,739,948</u>	<u>40,624,058</u>

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

	As at 31 December	
	<u>2023</u> RMB'000	<u>2022</u> RMB'000
Beneficial shareholders of the Company	-	16,811
Joint ventures	-	16,719
Associates	128,965	413,942
	<u>128,965</u>	<u>447,472</u>

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

# Management Discussion and Analysis

## I. THE INDUSTRY SITUATION IN WHICH THE COMPANY OPERATES DURING THE REPORTING PERIOD

In 2023, the world economy has recovered from the geopolitical conflicts, extreme weather, and cost of living crises. However, the recovery momentum has been insufficient and the growth momentum has been unstable. The International Monetary Fund (IMF) pointed out in the latest "World Economic Outlook Report" that global economic growth was 3.1% in 2023, is expected to remain unchanged in 2024, and rise slightly to 3.2% in 2025. Risks to the global economic outlook are generally balanced, but many challenges remain.

In the face of challenges, the Chinese government has accelerated the construction of a new development layout, focused on promoting high-quality development, transformed and upgraded traditional industries, and accelerated the cultivation of emerging industries to promote continued improvement in economic development. According to the data published by National Bureau of Statistic, China's gross domestic production (GDP) amounted to RMB 126,058.2 billion in 2023, up by 5.2% YoY.

China registered ongoing growth in electricity demand during the Reporting Period. According to data released by the NEA, electricity consumption grew by 6.7% YoY to 9,224.1 billion kWh in 2023. On the power supply side, as at the end of December, the accumulated installed power generation capacity of China was approximately 2.92 billion kW, representing a 13.9% YoY increase, among which the accumulated installed capacity of wind power was approximately 440 GW, representing a 20.7% YoY increase.

### i. MAIN POLICIES REVIEW

In 2023, with the goal of reaching carbon peak and becoming carbon neutral, China has insisted on making progress while maintaining stability and scientifically coordinating security supply of energy and green and low-carbon development. The NDRC, the NEA and other departments have continued to improve the top-level design of energy policies and launch policies involving the transformation of energy structure, carrying out energy demonstration projects, expanding green power trading, green certificate coverage, ensuring the consumption of renewable energy, and supporting the healthy development of wind power to further support the high-quality development of energy.

#### 1. Continue to improve the top-level design of energy policies and accelerate the transformation towards green energy and low-carbon

On 19 January, the State Council Information Office released the white paper titled "China's Green Development in the New Era", proposing to promote green and low-carbon energy development and vigorously develop non-fossil energy. With an aim to accelerate the construction of large-scale wind power photovoltaic bases focusing on deserts, Gobi, and desert areas, China will actively and steadily develop offshore wind power, actively promote urban and rural rooftop photovoltaics, and encourage the development of decentralized wind power in rural areas.

On 6 April, the NEA issued the "Guiding Opinions on Energy Work in 2023", proposing to further promote structural transformation and increase the proportion of non-fossil energy in total energy consumption to about 18.3%. The proportion of non-fossil energy power generation installed capacity should be increased to about 51.9%, and the proportion of wind power and photovoltaic power generation accounted for 15.3% of the electricity consumption of the whole society.

On 2 June, the NEA organized and released the "Blue Book on the Development of New Power System", proposing the overall structure and key tasks of building the new power system, which includes strengthening the construction of the four major systems such as the power supply support system, the new energy development and utilization system, the large-scale layout and application system of energy storage, and the intelligent operation system of the power system, while enhancing the standards and specifications adapted to the new power system, core technologies and major equipment, and promoting the relevant policy and institutional mechanism innovation so as to formulate the three-dimensional pillar support.

#### 2. Organize and carry out demonstration projects and support the realization of dual carbon goals through innovative development

On 18 October, the NEA issued the "Notice on Organizing and Carrying out Pilot Demonstrations for Renewable Energy Development", proposing to mainly support the application of large-capacity wind turbines from near (sea) to far (sea), focusing on exploring technology applications such as new floating foundations and large-capacity wind turbines with a single unit of 15MW and above, and promoting the digital and intelligent development of offshore wind power operation and maintenance. It mainly supports technology research and development and engineering demonstrations such as networked wind power, networked energy storage, and new energy low frequency network transmission. It also promotes reduction of project costs of offshore wind power projects in deep sea areas, improvement of economic efficiency and achievement of grid parity without subsidies.

On 20 October, the NDRC issued the "National Carbon Peaking Pilot Construction Plan", proposing to select 100 typical cities and parks nationwide to carry out carbon peaking pilot construction, focusing on breaking the bottlenecks faced by green and low-carbon development, and exploring carbon peak paths for cities and parks with different resource and development bases to provide feasible, replicable, and generalizable experiences and practices for the whole country.

### **3. Improve green power and green certificate policy mechanisms to ensure the consumption of renewable energy**

On 15 February, the NDRC, the Ministry of Finance, and the NEA jointly issued the "Notice on Matters Related to the Participation of Green Power Projects Enjoying Central Government Subsidies in Green Power Trading", proposing to expand the scale of green power projects participation in the market. With an aim to promote all renewable energy grid-parity projects participating in green power trading, China will steadily promote the participation of green power projects enjoying national renewable energy subsidies in green power trading.

On 3 August, the NDRC, the Ministry of Finance, and the NEA jointly issued the "Notice on Full Coverage of Renewable Energy Green Power Certificates to Promote Renewable Energy Electricity Consumption", proposing to issue green certificates for all the electricity produced by registered renewable energy power generation projects nationwide, such as wind power (including distributed wind power and offshore wind power), solar power (including distributed photovoltaic power generation and photothermal power generation), conventional hydropower, biomass power generation, geothermal energy power generation, and ocean energy power generation, to achieve full coverage of green certificate issuance.

On 4 August, the NDRC and the NEA jointly issued the "Notice on the Responsibility Weight of Renewable Energy Power Consumption and Related Matters in 2023", proposing the weight of the renewable energy power consumption responsibilities of each province (autonomous region and municipality) in 2023 and requiring the national non-hydropower generation capacity to be no less than 1.6 trillion kWh. It is expected that for weight of the renewable energy power consumption responsibilities of each province (autonomous region and municipality) in 2024, the target national non-hydropower generation capacity will be no less than 1.83 trillion kWh.

On 1 November, the General Office of the NDRC and the Comprehensive Department of the NEA issued the "Notice on Further Accelerating the Establishment of the Electricity Spot Market" to further clarify the requirements for spot market establishment, promote the formal operation of the spot market, expand the scope of spot market establishment in an orderly manner, accelerate the establishment of regional electricity markets, and continue to optimize the inter-provincial trading mechanism. It also proposes to further expand the scope of operating entities and accelerate the liberalization of all types of power sources to participate in the electricity spot market.

### **4. Continue to strengthen greenhouse gas emission management and enhance carbon footprint management levels**

On 18 October, the Ministry of Ecology and Environment issued the "Notice on Completing Greenhouse Gas Emission Reporting and Verification of Enterprises in Certain Key Industries from 2023 to 2025" to clarify that for key industries such as petrochemicals, chemicals, building materials, steel, non-ferrous metals, papermaking, and civil aviation, key enterprises with annual greenhouse gas emissions of 26,000 tons of carbon dioxide equivalent (comprehensive energy consumption of approximately 10,000 tons of standard coal) or above are included in the scope of the notice's annual greenhouse gas emission reporting and verification.

On 19 October, the Ministry of Ecology and Environment and the State Administration for Market Regulation jointly issued the "Measures for the Administration of Voluntary Greenhouse Gas Emission Reduction Trading (Trial)", stipulating the review and registration of voluntary emission reduction projects, emission reduction verification and registration, emission reduction trading, review and verification agency management, etc., as well as the basic requirements for voluntary greenhouse gas emission reduction transactions and related activities, and clarifying the rights and obligations of each market participant and the authority and responsibilities of supervisory and management agencies.

On 24 November, the NDRC and other departments issued the "Opinions on Accelerating the Establishment of Product Carbon Footprint Management System", proposing that by 2025, about 50 key product carbon footprint accounting rules

and standards will be introduced at the national level, a number of key industry carbon footprint background databases will be initially established, a national product carbon label certification system will be basically established, the application scenarios of carbon footprint accounting and labeling in the fields of production, consumption, trade, and finance will be significantly expanded, and the carbon footprint accounting rules, standards, and carbon labels of several key products will achieve international mutual recognition.

## **5. Promote the development of decentralized wind power and strengthen the Renovation, upgrading and decommissioning management of wind farms**

On 23 March, the NEA, the Ministry of Ecology and Environment, the Ministry of Agriculture and Rural Affairs, and the National Rural Revitalization Bureau issued the “Notice on Organizing the Construction of Rural Energy Revolution Pilot Counties”, proposing to coordinate the development of urban and rural clean energy with the county as the basic unit. By 2025, renewable energy in the pilot counties will account for more than 30% of the total primary energy consumption and more than 60% of the increase in primary energy consumption.

On 13 June, the NEA issued the “Measures on Wind Farm Renovation, Upgrading and Decommissioning Management”, proposing to encourage wind farms that have been connected to power grid for more than 15 years or have a single unit capacity less than 1.5MW to carry out renovation and upgrading works, i.e., to replace small single capacity units with large single capacity units, and to replace those outdated units with those having excellent performance, as well as replacing or upgrading facilities such as ancillary step-up substations and on-site collector lines accordingly, so as to improve the quality and efficiency of wind farms.

On 17 August, six departments including the NDRC, the NEA, and the Ministry of Industry and Information Technology jointly issued the "Guiding Opinions on Promoting the Recycling of Decommissioned Wind Power and Photovoltaic Equipment", proposing to establish and improve the responsibility mechanism for the disposal of decommissioned equipment, improve the equipment recycling system, and encourage wind power and photovoltaic equipment manufacturing enterprises to proactively provide recycling services. By 2025, the responsibility mechanism for the disposal of decommissioned equipment in centralized wind farms and photovoltaic power stations will be basically established, and standards and regulations related to the recycling of decommissioned wind power and photovoltaic equipment will be further improved. By 2030, the full-process recycling technology system for wind power and photovoltaic equipment will be basically mature.

On 24 October, the NEA issued the "Notice on Further Standardizing Matters Related to the Management of Power Business Licenses for Renewable Energy Power Generation Projects", proposing to exempt distributed wind power projects from power business licenses. Based on the existing license exemption policy, decentralized wind power projects will be included in the scope of license exemption and will not be required to obtain a power business license.

## **ii. INDUSTRY REVIEW**

### **1. The scale of new grid-connected wind power reached a new high, and the utilization rate of wind power continued to increase.**

According to the statistical data from NEA and China Electricity Council, newly installed wind power connected to the grid amounted to approximately 75.66GW in 2023, increasing by 101.1% compared to 2022. In 2023, the accumulated installed wind power capacity in China came in at approximately 400GW, up by 20.7% YoY, including 400GW of onshore wind power and 37.29GW of offshore wind power. National utilization of wind power equipment connected to the grid was 2,225 hours on average, increasing by 7 hours YoY; and national average wind power utilization was 97.3%, up by 0.5 percentage point compared to 2022. According to the statistical data from China Electricity Council, national wind power generation amounted to 885.8 billion kWh in 2023, up by 16.2% YoY

### **2. The onshore wind and solar bases progressing smoothly, and offshore wind turbines developing towards large-scale**

In 2023, the construction of large-scale wind power and photovoltaic bases has been progressing smoothly, and the first batch of 97.05 GW base projects has been fully started. As of the end of November, the first batch bases with 45.16 GW had been built and connected to the grid. The second and third batches have been approved for more than 50GW and construction has started gradually. Large-scale units are a significant trend in the development of offshore wind power. Driven by technological innovation, manufacturers of WTGs has successively launched ultra-large-capacity offshore wind turbines with 16MW, 18MW, and 20MW. The megawatt level of the units continues to increase, and the products are more abundant.

### **3. The scale of public bidding for wind power complete machines continues to be at a high level**

In 2023, bids for WTGs in the domestic market maintained a high level as new bids for 86.3GW were reported, among which 77.4GW was attributable to onshore wind power and 8.9GW to offshore bids. Close to 71% were located in north China and 29% were located in south China. Along with technological progress and the development of large-scale wind power, 6MW-unit turbines and above are dominant types in bids.

#### **4. Deepen international energy cooperation and contribute China's wind power development**

As the world's largest clean energy market and equipment manufacturing country, China has continued to increase cooperation in technological innovation and further promote trade cooperation in the clean energy industry. According to information from the NEA, China's wind power products have been exported to more than 200 countries and regions around the world, with a cumulative export volume of more than US\$33.4 billion. The output of key wind power components accounts for more than 70% of the global market, becoming an important force in stabilizing the supply of the global clean energy industry chain. The International Renewable Energy Agency report pointed out that in the past ten years, the average cost of electricity of global wind power has dropped by more than 60% cumulatively, a large part of which is attributed to Chinese innovation, Chinese manufacturing, and Chinese engineering.

## **II. 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's turbines 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.

## **III. CORE COMPETITIVE ADVANTAGES**

### **1. 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. Relying on the advanced technology and products, and years of experience in WTG R&D and manufacturing, the Company's WTGs with independent intellectual property rights ranked first in domestic wind power market share for 13 consecutive years, and ranked first in the world in 2023, symbolizing its industry-leading position for many years.

### **2. Advanced Products and Technology**

Goldwind has always attached great importance to investment in research and development and innovation, persisted in product and technological innovation, continuously improved the performance of wind turbine products, enriched the wind turbine products, and actively established a complete intellectual property management system to continuously enhance the Company's innovation capabilities and core competitiveness. The Company has eight R&D centers in both China and overseas and more than 3,000 R&D staff with extensive industry experience. 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 in the market, which provides visibility to the Company's revenue in the foreseeable future.

### **3. Excellent Product Quality**

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.

#### **4. 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 comprehensive solutions of wind farm services and 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. At the same time, the Company has actively explored new business areas such as hybrid towers, energy storage, and dual carbon, deeply explored the development potential of new businesses, expanded new boundaries for the efficient development and utilization of wind energy resources, and continued to promote technological innovation in wind power and peripheral product solutions, lead the balanced development of the industrial chain and help achieve the dual-carbon goal.

#### **5. 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 successfully developed North America, Oceania, European and Asia, South America, and Africa markets to actively participate in international market competition. Currently, the Company's business spans across in 38 countries across six continents worldwide. As at the end of the Reporting Period, the Company's WTGs sold overseas accounted for nearly 50% of the China's total wind turbine exports, and the installed capacity in North America, Oceania, Asia (except China) and South America has exceeded 1GW respectively. The Company has deployed eight major overseas regional centres across the globe and is committed to realizing the internationalization of capital, market, technology, talent and management.

### **IV. MAIN BUSINESS ANALYSIS**

#### **Overview**

According to the prediction of COP28's "UAE Consensus", global temperature rise will trigger the acceleration of the development of the global new energy industry. Global renewable energy installed capacity will triple in 2030 and carbon dioxide emissions will be net-zero in 2050. At the same time, China's "14th Five-Year Plan" energy development plan and the "dual carbon" strategic goals have also brought unprecedented development opportunities to the wind power industry. However, with the entry of more market entities, the wind power industry is facing a situation of diversified market entities and intensified industry involution. Facing opportunities and challenges, Goldwind will adhere to high-quality development as its orientation. Through innovation-driven technology and product leadership, Goldwind will provide customers with more efficient and reliable new energy solutions and maintain our leading position in the domestic and global wind power market. During the Reporting Period, the Company's operating revenue was RMB50,243.73 million. Net profit attributable to owners of the Company was RMB1,331.00 million.

#### **i. WTG Manufacturing, R&D and Sales**

According to Bloomberg New Energy Finance ("BNEF"), the Company added 15.67GW of domestic installed capacity of wind power in 2023, with a domestic market share of 20%, ranking first in China for 13 consecutive years. The Company added 16.4GW of installed capacity on a global basis, with a global market share of 13.90%, ranking first in the world. By the end of 2023, the Company's global installed capacity exceeded 114 GW, being the first wind turbine manufacturer in China to exceed a total installed capacity of 100 million kW.

#### **1. WTG Manufacturing and Sales**

During the Reporting Period, the Group's revenue from the sales of WTGs and components was RMB32,937.07 million, accounting for 65.55% of the total. The Group's external sales totaled 13,772.29 MW in 2023, which was basically level with the year of 2022. The large-scale capacity transformation process of the wind power industry continues to accelerate. During the Reporting Period, the Company's sales capacity of units below 4MW decreased by

91.93% YoY, and units of 4MW (inclusive) - 6MW remained our main models, accounting for over 50% of the total. Sales capacity of units of 6MW and above increased by 29.36% YoY.

The following table lists out details of the Group's WTG sales in 2023 and 2022:

	Year ended 31 December				
	2023		2022		Change in Capacity Sold
	Units Sold	Capacity Sold (MW)	Units Sold	Capacity Sold (MW)	
Below 4MW	66	143.00	587	1,771.45	-91.93%
4MW(inclusive)-6MW	1,538	7,482.70	1,558	7,347.74	1.84%
6MW and above	901	6,146.59	743	4,751.45	29.36%
<b>Total</b>	<b>2,505</b>	<b>13,772.29</b>	<b>2,888</b>	<b>13,870.64</b>	<b>-0.71%</b>

During the Reporting Period, the Company sustained stable growth for its orders on hand. As at 31 December 2023, the Company had 20,708.51MW external orders to be executed, including 835.97MW for units below 4MW, 10,411.49MW for units 4MW (inclusive)-6MW, 9,461.05MW for units 6MW and above. The Company had 9,075.21MW of external unsigned contract orders, including 3,895.54MW for units 4MW (inclusive)-6MW, 5,179.67MW for units 6MW and above. The Company's external order on hand totaled 29,783.72MW, including 4,677.47MW overseas orders. In addition, the Company had 617.40MW of internal orders. The Company's total orders on hand amounted to 30,401.12MW, representing YoY growth of 12.13%.

## 2. Technology R&D and Product Certification

Under the guidance of China's "dual carbon" goal, the wind power market has expanded rapidly, technological innovation has continued to strengthen, and market competition, customer needs, and product application have also ushered in new changes. Onshore wind power is expanding to deserts, Gobi deserts, wilderness, oil and gas fields and saline-alkali areas. At the same time, offshore wind power has entered the stage of large-scale development and is heading into the deep sea. In the face of industry development trends and changes in market demand, Goldwind will adhere to technological progress and product innovation as its core, focus on the quality and reliability of products and services, continuously develop and improve each product platform, and continue to create excellent value for customers.

### a. Product R&D and Mass Production

In order to respond to the diversified needs of the market and customers, the Company has continuously optimised and upgraded the existing product platforms around the strategy of product and technology leadership, and has now formed a multi-platform series of GWHV11, GWHV12, GWHV15, GWHV17, GWHV20, and GWHV21, with a rich spectrum of products covering both the onshore, offshore and overseas wind power market.

Facing the domestic onshore market, the GWHV12 platform has continued to make breakthroughs in terms of new orders and delivery for operations, becoming the Company's main delivery model. Among which, the first prototype of GWH204-6.X was successfully connected to the grid and fully deployed, setting a new record for the world's largest impeller diameter of units operating in onshore low wind speed areas. At the same time, the Company has released the GWHV17 platform, which adopts a platform-based modular design with higher deliverability and has achieved full coverage of the domestic onshore market. The GWHV17 platform and its series of models will become the Company's new generation of main delivered products in the future.

For the domestic offshore market, the two major platform products GWHV20 and GWHV21 have won orders in multiple projects, and both have completed the delivery of the first project and are running well. The GWH252-16.0MW prototype, which was ranked among the "Top Ten Most Important Products of State-owned Enterprises in 2022" list, has been hoisted and connected to the grid, setting new global records for the largest single unit capacity, largest impeller diameter, and lightest weight per unit megawatt of hoisted units. After the unit was put into operation, it set a new world record for wind turbine power generation in a single day with a single day's power generation of 387,200 kWh. In addition, the first project of the Company's GWHV21 platform, the GWH230-8.5/9MW model, has been successfully connected to the grid for power generation. This model adopts the E-Top cabin layout design, and nearly 90% of the debugging and testing work has been completed in the general

assembly plant, shortening the offshore hoisting and debugging time to 25 to 33 hours per unit, saving 15% of time compared to non-E-Top units, and increasing debugging efficiency by 50%, laying the foundation for "one-click startup" of wind turbines after being connected to the grid.

For the international market, the Company has successively completed the international development of three platform units, GWHV11, GWHV12, and GWHV15, and has achieved project contract signings in various countries and regions in Asia, Africa, South America, and Europe. Among which, the GWH182-7.5MW model, the flagship model of the GWHV12 platform, has successfully won a large number of international orders as the onshore model with the world's largest impeller. At the same time, the Company's overseas project delivery capabilities and efficiency have continued to improve, helping countries such as the United Arab Emirates and Egypt achieve "starting from scratch" in wind power projects and breakthroughs in terms of largest single project or largest single unit capacity.

In addition, during the Reporting Period, the Company released the 2.0 product of the grid forming unit, which can be applied to diversified scenarios such as the large-scale bases focusing on deserts, Gobi, and desert areas, source-network-load-storage, decentralized, and deep sea, and has more comprehensive technical advantages and more obvious economic advantages. By embedding grid forming advanced control technology, combined with high short-circuit current support and sufficient energy buffer backup, the wind farms have presented more stable and stronger power supply characteristics, helping the power grid to be "stronger" when it is connected to new energy power. While promoting more efficient power plant operation, Goldwind's grid forming 2.0 units simplify control complexity through system integration, make operation and maintenance simpler through self-built voltage, and reduce equipment investment, operation and maintenance costs and levelized cost of electricity (LCOE).

Among the awards won by China Wind Power News 2023 "Wind Power Leader", the Company's GWH221-8.XMW onshore wind power unit was awarded the best onshore power unit in the 8-9MW class; the GWH230-10.XMW onshore wind power unit was awarded the best onshore power unit in the 9MW+ class; the GWH252-16.5MW offshore wind power unit was awarded the best offshore power unit in the 16MW+ class; and the grid-forming 2.0 unit was awarded the best innovation award of the year.

Goldwind, together with Xinjiang Electric Power and North China Electric Power University, won the second prize of the China Meteorological Service Association Science and Technology Award for Innovation in Meteorological Science and Technology and the first prize of the Xinjiang Autonomous Region Science and Technology Progress Award for the year of 2022 for the research result of "Research and Application of Wind and Solar Power Forecasting Key Technology Based on Mode Conductivity and Spatial and Temporal Correlation". The research results have overcome the problem of "difficult wind and solar power prediction" under the unique climate and geomorphology of Xinjiang, and have been popularised and used in power grids and new energy stations in many provinces across the country, effectively enhancing the consumption capacity of new energy in the power system.

#### **b. Intellectual Property and Standard-Setting, Product Certification**

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

In 2023, Goldwind received 174 wind turbines certificates in total, including 130 development certificates, 24 project tender certificates, 20 technological certificates and safety and regulatory certificates, of which 132 were domestic certificates and 42 were international certificates. The company's turbine development certificates cover multiple platforms and various models, meeting the diverse market demands both domestically and internationally.

As at 31 December 2023, the Company had 5,980 patent applications in China, including 3,566 invention patent applications, accounting for 60% of the total. The Company obtained 4,301 patent licenses in China, including 2,021 invention patent, accounting for 47%, ranking first in the industry. The Company had 1,163 patent applications and 593 patent licenses abroad.

Meanwhile, the Company actively participated in the formulation and revision of domestic and international standards in the new energy field. By the end of 2023, 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 10 International Energy Agency (IEA) standardised research projects. The Company also participated in the formulation and revision of 465 domestic standards, including 155 national standards, 168 industrial standards and

142 regional and association standards, among which 372 were already published. In 2023, the Company became the only company in the wind power industry approved to establish a national standard verification point (wind power), further enhancing the Company's influence on standards-led technological innovation.

### **3. Quality Management**

Goldwind has always regarded "quality leadership" as the core competitiveness of its products, practiced the quality concept of "high quality and consistent reliability", focused on the full-chain quality assurance of core components, continued to improve the capabilities to prevent major risks, promoted product quality, and improved customer experience to achieve customer-centric quality excellence.

In 2023, facing huge quality risk challenges and fierce market competition in the industry, Goldwind has always been customer-centric and planned and deployed in advance in three major aspects: major risk prevention, product quality improvement, and customer experience improvement.

In terms of major risk prevention, the Company has established multiple lines of defense against the occurrence of quality risks by implementing anti-falling and anti-breaking strategies, carrying out core component inspections and technology upgrades. In terms of comprehensive improvement of product quality, the Company has carried out test baseline optimization to ensure high quality and rapid mass production of new products after launching. In terms of supplier management, the Company has teamed up with multiple suppliers to carry out the "Technology Competition and Inspection Upgrade" activities to promote the innovative application of new technologies, new processes and new equipment. At the same time, the Company has developed a full-process blade traceability system and implemented a three-tier audit mechanism to ensure that "the process is controllable, the results are measurable, and the problems are traceable." In order to continuously improve customer experience, the Company has actively explored customer needs by carrying out the "Coming in and Reaching out" customer exchange activities, promoted return visits, and gradually improved customer satisfaction in terms of problem handling and rapid response.

#### **ii. Wind Power Service**

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

In terms of new energy digital services, the Company has reached a strategic cooperation with Tencent. The two parties will jointly create a new cloud-edge integrated intelligent field operation and maintenance system, build an intelligent electric field operation solution with cloud-edge integration among the Group, regions, and sites, and realize full scene coverage of intelligent inspection, intelligent maintenance, and intelligent security. At the same time, the Company teamed up with a number of partners to jointly publish a new energy "unmanned" station solution white paper, and established a new energy smart operation innovation alliance, ushering in the upgrade era of "unmanned" smart station operations in the new energy industry.

In terms of the conversion of outdated units, the Company has released multi-brand unit asset value-added service solutions to provide safe, reliable, long-term and stable all-round guarantee for models of other brands other than Goldwind. Through technical means such as control software upgrades, variable flow and pitch technical modifications, and other special technical modifications, the unit availability has been increased to over 98.5%, the frequency of faults has been reduced to 0.2~0.5 times/month, and the fault handling time has been less than 8 hours. Through system-level complete machine reverse modeling technology, unit reliability assessment and control strategy adjustment can be achieved, helping to increase the power generation of wind turbines by 10% to 15%.

In terms of asset management services, the Company has focused on asset preservation and appreciation, relied on the digital intelligence center covering wind farms across China to reshape the new energy project asset management model, used the Goldwind Tianji Trading Cloud Platform\* (金風天機交易雲平台) to actively leverage the advantages of power trading and digital operation and maintenance, and established benchmark wind farms through innovative technology to help steadily improve asset operation efficiency and income. As of the end of the Reporting Period, the scale of the Company's wind farm asset management services had reached 18,941.6MW, of which 11,589.0MW were from external wind farms asset management services. Driven by the

demand for green energy transformation, the Company has actively carried out green electricity transactions in 10 provinces across China, achieving an increase in power premiums and growth in transaction revenue.

In terms of electricity sales service, the Company has relied on its self-developed Alpha algorithm cluster to establish competitive advantages through transaction technology in the spot market such as load forecasting, electricity price forecasting, trading and control strategies, etc., and launched business pilot in the spot market to achieve peak-shifting power consumption and further reduce users' power purchase costs. In 2023, the Company's green electricity transactions has increased six times as compared with 2022, and it has successfully helped many Fortune 500 companies achieve a high proportion of green electricity consumption. The Company owns six electricity sales companies, with a business scope covering more than 10 provinces. Currently, the Company has provided highly reliable, reasonably priced and convenient green energy to more than 3,500 power users through power trading on the generation side and power retailing by power sales companies. During the Reporting Period, the Company's electricity sales business executed approximately 13 billion kWh of electricity.

During the Reporting Period, the Company's post warranty projects under operation at home and abroad totaled nearly 31GW, representing an increase of 11% YoY. During the Reporting Period, the Group's revenue from the Wind Power Service business was RMB5,241.50 million, among which the post-warranty service revenue totaled RMB3,027.31 million, representing an increase of 22.91% YoY.

### iii. Wind Farm Investment and Development

In 2023, through the implementation of diversified plans such as traditional, load-bearing, industry-leading, and regional cooperation, the Company has actively explored and promoted win-win cooperation models for all parties in the projects, both onshore and offshore, centralized and decentralized, effectively driven resource acquisition and grid connection scale improvement. During the Reporting Period, the Company has successively won a number of large-scale base projects in Xinjiang, Inner Mongolia and other regions. At the same time, it has successfully acquired multiple offshore wind power projects in East China, and has obtained large-scale offshore resource reserves and planning in North China, achieving rapid growth in offshore resource acquisition.

In addition, the Company has continued to innovate in pilot projects, green energy substitution, and direct supply to rural revitalization parks, accelerating the large-scale acquisition of project resources in Inner Mongolia, Hebei, Jilin, Xinjiang and other provinces and cities. At the same time, the Company has actively implemented the sales model of power station products and regards power stations as core products to promote the continued growth of its main business. During the Reporting Period, the transaction scale of power station products exceeded 740MW, and the revenue from power station products was nearly RMB4.5 billion.

During the Reporting Period, the newly added grid-connected attributable installed capacity in wind farms run by Company at home and abroad amounted to 1,792.49MW, and the Company transferred 822.34MW of grid-connected attributable capacity. As of the end of the Reporting Period, the global cumulative grid-connected attributable installed capacity totaled 7,289.04MW and the attributable capacity in wind farms under construction was 2,349.89MW.

During the Reporting Period, the group's revenue from electricity generation through wind power projects was RMB6,431.50 million. Gain on disposal of equity investment in wind farms totaled RMB1,724.24 million, representing an increase of 54.07% YoY.

As of the end of the Reporting Period, the Company's wind power assets accounted in the consolidated financial statements covered 26 provinces across China, and the Company's power generation at home and abroad accounted for in the consolidated financial statements was 14.947 billion kWh, and on-grid power generation was 14.587 billion kWh. During the Reporting Period, the number of average power generation utilization hours of domestic turbines was 2,441 hours, which exceeded the national average level by 216 hours, and the number of average power generation utilization hours of international turbines was 4,673 hours.

#### Key information in production and operation

Item	Reporting Period	Corresponding period last year
<b>Domestic projects</b>		
Total installed capacity (0' 000 kW)	682.61	619.76
Installed capacity of new generators in operation (0' 000 kW)	179.25	116.35
Planned installed capacity of approved projects (0' 000 kW)	628.70	392.24

Planned installed capacity of projects under construction (0' 000 kW)	234.99	263.88
Power generation (000 million kWh)	131.47	116.62
On-grid power generation or electricity sales (000 million kWh)	128.17	113.61
Average on-grid tariff or electricity selling price (RMB/000 million kWh, tax inclusive)	0.45	0.50
Average power consumption rate of power plants (%)	2.51%	2.58%
Utilization hours of power plants (hours)	2,441	2,456
<b>International Projects</b>		
Total installed capacity (0' 000 kW)	46.30	88.08
Installed capacity of new generators in operation (0' 000kW)	0.00	58.13
Planned installed capacity of projects under construction (0' 000 kW)	0	0
Power generation (000 million kWh)	18.0	27.2
On-grid power generation or electricity sales (000 million kWh)	17.7	26.5
Average power consumption rate of power plants (%)	1.4%	2.4%
Utilization hours of power plants (hours)	4,673	3,087

#### iv. Water Treatment and other Business

In 2023, on the basis of continuing to develop wind power equipment and wind power service businesses, and vigorously developing and investing in wind farms, the Company has deeply explored the water environmental protection industry chain, and actively seized the development opportunities of emerging growth businesses. Hybrid towers, energy storage, and dual-carbon businesses have all achieved major breakthroughs.

For water treatment, supported by comprehensive water solutions, Goldwind actively carried out municipal wastewater and industrial wastewater treatment business and water plant operation service. In the field of municipal sewage treatment, the Company has actively developed and applied various water treatment unit process package technologies and energy-saving and consumption-reducing measures such as precise aeration and precise dosing, so as to improve total nitrogen and total phosphorus removal rates and reduce COD emissions, achieve lower emissions in a more economical way, improve effluent water quality, and reduce environmental impact. At present, the water treatment scale of sewage effluent quality reaching “Discharge Standard of Pollutants for Municipal Wastewater” (城鎮污水處理廠污染物排放標準) (GB18918-2002) Class A and above standards accounts for more than 98% of the Company's total sewage treatment scale. As of the end of the Reporting Period, the Company owned 66 water treatment companies covering 13 provinces in China with water treatment volume of 2,839,500 tons per day under the operation. During the Reporting Period, the Company's revenue from water operation business totaled RMB1,029.48 million, representing an increase of 14.35% YoY.

In terms of hybrid tower business, the Company's hybrid tower business market share was nearly 40% in 2023, continuing to maintain its leading position in the industry. During the Reporting Period, in compliance with the trend of large-scale wind turbines, the Company has promoted large-impeller, large-capacity units and new hybrid tower solutions, successfully completed the hoisting of a 185-meter wind power hybrid tower, set a new global record for the height of onshore wind power towers, and won the DNV A-level design certificate, laying a good foundation for the future development of the high tower market.

In terms of the dual-carbon business, the Company's load-side energy grid connection scale reached a new high in 2023, representing an increase of 2.7 times YoY, achieving new breakthroughs in high-energy-consuming zero-carbon park solutions in industries such as chemical, cement, steel, and data centers. In addition, Goldwind's “carbon neutral” smart park solution won the Forbes' China Low-Carbon Practice Case Award\* (福布斯中國低碳實踐案例獎), becoming an industry benchmark for the green and low-carbon transformation of Chinese industrial enterprises.

In terms of energy storage business, the Company's energy storage business scale has doubled. According to the statistics of Zhongguancun Energy Storage Industry Alliance, the Company's domestic energy storage system bids ranked among the top four in the industry. In 2023, the Company's energy storage products has been upgraded from existence to excellence, and 6 products has been launched on the market, covering domestic large storage, domestic

industrial and commercial and international market application scenarios. During the Reporting Period, the Company established the first energy storage production base, realised the independent production and manufacturing of energy storage products, and completed the production capacity of 3GWh, with commissioning-free shipment capability.

#### v. Major Subsidiaries

As at 31 December 2023, the Group had 819 subsidiaries, including 52 directly owned subsidiaries and 767 indirectly owned subsidiaries. In addition, the Group had 21 joint ventures, 33 associated companies and 28 equity investments. The Group's principal subsidiaries include R&D and manufacturing companies for WTG components, wind farm development companies, wind power service companies, water treatment plants, finance lease service companies, etc. The following table sets out the key financial information of principal subsidiaries of the Group (reported in accordance with CASBE):

As at 31 December 2023  
Unit: RMB

No	Company Name	Registered Capital	Total Assets	Net Assets	Revenue from Operations	Net Profits
1	Beijing Tianrun New Energy Investment Co., Ltd.	5,550,000,000	64,849,432,185.50	18,126,957,554.09	10,196,468,080.68	2,658,589,306.51
2	Goldwind Investment Holding Co., Ltd.	1,000,000,000	3,908,216,017.98	2,674,888,871.35	1,186,847.36	372,953,295.39
3	Goldwind International Holdings (HK) Limited.	USD635,197,000	16,661,795,059.34	3,786,548,276.42	7,395,541,273.25	629,630,269.80
4	Xilingol league Area Goldwind Science & Technology Co., Ltd.	50,000,000	2,294,717,715.42	301,554,654.52	1,489,272,087.24	172,351,292.33
5	Beijing Goldwind Carbon Neutral Energy Co., Ltd.	100,000,000	5,052,175,017.41	444,591,849.69	2,510,039,112.36	229,680,689.89
6	Beijing Goldwind Science & Creation Wind Power Equipment Co., Ltd.	1,044,000,000	18,146,208,121.08	1,434,888,692.25	9,920,111,070.53	-290,524,734.24
7	Gansu Goldwind Wind Power Equipment Manufacture Co., Ltd.	88,600,000	4,246,239,364.54	-119,265,522.00	4,268,277,497.86	-329,490,025.27
8	Jiangsu Goldwind Wind Technology Co., Ltd.	759,610,000	7,212,775,243.63	1,433,853,216.65	3,217,526,328.89	-206,445,678.00

## V. OPERATIONS PERFORMANCE AND ANALYSIS

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

### Summary

For the year ended 31 December 2023, the Group's operating revenue was RMB50,243.73 million, net profit attributable to owners of the Company was RMB1,331.00 million. The Group reported basic earnings per share of RMB0.29.

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

Financial indicators	Year ended 31 December		Change (percentage points)
	2023	2022	
<b>Profitability Index</b>	<b>2.65%</b>	5.15%	-2.50
Sales margin attributable to owners of the Company			
<b>Return on investment index</b>			
Weighted average return on net assets <sup>◆</sup>	<b>3.45%</b>	6.38%	-2.93

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

## Revenue

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

For the year ended 31 December 2023, The Group's operating revenue was RMB50,243.73 million. Details are set out as below:

Unit: RMB thousand

Revenue	Year ended 31 December		Amount Change	Percentage Change
	2023	2022		
WTG Manufacturing and Sale	<b>32,937,070</b>	32,602,459	334,611	1.03%
Wind Power Services	<b>5,241,499</b>	5,646,746	(405,247)	-7.18%
Wind Farm Development	<b>10,915,397</b>	6,910,178	4,005,219	57.96%
Others	<b>1,149,760</b>	1,094,151	55,609	5.08%
<b>Total</b>	<b>50,243,726</b>	46,253,534	3,990,192	8.63%

Revenue increase during the Reporting Period YoY was mainly due to: (i) the increase in sale of WTG components led to the increased revenue from WTG Manufacturing and Sale YoY; (ii) the increase in sale of power station products led to the increased revenue from Wind Farm Development YoY; (iii) the decrease in revenue from wind farm construction business overseas caused the decrease in revenue from Wind Power Services; and (iv) the increase in revenue from water treatment business led to the increased revenue from other business segments.

## Cost of Sales

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

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

Unit: RMB thousand

Cost	Year ended 31 December		Amount Change	Percentage Change
	2023	2022		
Raw materials and components	<b>39,386,376</b>	34,835,125	4,551,251	13.07%
Labour	<b>994,428</b>	586,378	408,050	69.59%
Depreciation and amortisation	<b>2,350,833</b>	2,500,879	(150,046)	-6.00%
Other production costs	<b>4,265,951</b>	4,348,205	(82,254)	-1.89%
Changes in inventories and transferred assets	<b>(5,157,266)</b>	(4,055,245)	(1,102,021)	27.18%
<b>Total</b>	<b>41,840,322</b>	38,215,342	3,624,980	9.49%

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

Unit: RMB thousand				
<b>Cost</b>	<b>Year ended 31 December</b>		Amount Change	Percentage Change
	<b>2023</b>	2022		
WTG Manufacturing and Sale	<b>30,970,318</b>	30,640,259	330,059	1.08%
Wind Power Services	<b>4,201,567</b>	4,302,267	(100,700)	-2.34%
Wind Farm Development	<b>5,752,839</b>	2,391,731	3,361,108	140.53%
Others	<b>915,598</b>	881,085	34,513	3.92%
<b>Total</b>	<b>41,840,322</b>	38,215,342	3,624,980	9.49%

The increase in cost of sales of the Group was mainly caused by the increase in revenue of the Group in 2023.

### Gross Profit

Unit: RMB thousand				
<b>Gross Profit</b>	<b>Year ended 31 December</b>		Amount Change	Percentage Change
	<b>2023</b>	2022		
WTG Manufacturing and Sale	<b>1,966,752</b>	1,962,200	4,552	0.23%
Wind Power Services	<b>1,039,932</b>	1,344,479	(304,547)	-22.65%
Wind Farm Development	<b>5,162,558</b>	4,518,447	644,111	14.26%
Others	<b>234,162</b>	213,066	21,096	9.90%
<b>Total</b>	<b>8,403,404</b>	8,038,192	365,212	4.54%

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

For the year ended 31 December 2023 and 2022, the Group's comprehensive gross profit margins were 16.73% and 17.38%, respectively. The gross profit margins for the WTG Manufacturing segment were 5.97% and 6.02%, respectively. The following table sets out the gross profit margins for each business segment:

<b>Gross Profit Margin</b>	<b>Year ended 31 December</b>		Change (percentage points)
	<b>2023</b>	2022	
WTG Manufacturing and Sale	<b>5.97%</b>	6.02%	-0.05
Wind Power Services	<b>19.84%</b>	23.81%	-3.97
Wind Farm Development	<b>47.30%</b>	65.39%	-18.09
Others	<b>20.37%</b>	19.47%	0.90

During the Reporting Period, gross profit margins for WTG Manufacturing and Sale maintained roughly the same level. Gross profit margins for Wind Power Services and Wind Farm Development had various degree of decrease. Gross profit margins slightly increased for other business segments.

## Other Income and Gains, Net

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

Other net income and gains of the Group were RMB3,625.33 million for the year ended 31 December 2023, representing an increase of 16.67% compared with RMB3,107.37 million for the year ended 31 December 2022. This was mainly caused by the increase in gain on disposal of associates and joint ventures, fair value gains on financial assets at fair value through profit or loss, gain on disposal of interests in subsidiaries, interest income, Value-added tax refund, etc. Such increase was offset by the decrease in gain on re-measurement of investments in an associate to financial assets at fair value through profit or loss, gain on re-measurement of the remaining equity interests in investees at the date of losing control, gain on disposal of financial assets at fair value through profit or loss, etc.

## Selling and Distribution Expenses

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

Selling and distribution expenses of the Group for the year ended 31 December 2023 was RMB3,164.75 million, maintaining roughly the same level compared with RMB3,193.27 million for the year ended 31 December 2022.

## Administrative Expenses

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

Administrative expenses of the Group for the year ended 31 December 2023 was RMB4,079.67 million, representing an increase of 9.50% compared with RMB3,725.72 million for the year ended 31 December 2022. This was mainly caused by the increase in depreciation and amortization, materials expenditures, staff cost, rental expenses, etc.

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

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

Impairment losses under expected credit loss model for the year ended 31 December 2023 was loss of RMB306.56 million, representing an increased loss of 213.59% compared with reversal of RMB269.88 million for the corresponding period in 2022.

Details of impairment losses under expected credit loss model are as follows:

Unit: Million RMB

Item	2023	2022	Amount change	Percentage change
Impairment losses of trade receivables	203.25	(287.36)	490.61	-170.73%
Impairment losses of financial receivables	58.47	29.02	29.45	101.48%
Impairment losses of other receivables	48.94	(16.96)	65.90	-388.56%
Impairment losses of contract assets	(4.40)	5.42	(9.82)	-181.18%
Impairment losses of other non-current financial assets	0.30	-	0.30	100.00%
<b>Total</b>	<b>306.56</b>	<b>(269.88)</b>	<b>576.44</b>	<b>-213.59%</b>

Main reasons for the increase in impairment losses under expected credit loss model during the Reporting Period include:

1. During the Reporting Period, due to the fact that several customers had experienced material financial difficulties, adverse changes in operating or financial conditions, breach of contract, default or overdue payments for principal, the Group, in the estimation that trade receivables may not be collected in full, therefore performed test with ECL model on an individual basis to evaluate the expected loss for trade receivables and recognized impairment loss of RMB81.99 million; as a result of the improved operating or financial conditions of some customers or enhanced long-aging receivables management of the Group, the Group had collected several customers' receivables during the Reporting Period, therefore made reversal of impairment of trade receivables on an individual basis of RMB41.99 million; the Group performed test with ECL model on a collective basis to evaluate the expected loss for trade receivables and recognized impairment loss of RMB163.25 million; the total amount of impairment loss recognized during the Reporting Period for trade receivables was RMB203.25 million.

2. During the Reporting Period, the Group performed test with ECL model on an individual basis for certain water treatment plants' financial receivables under service concession agreements and recognised impairment loss of RMB48.92 million; the Group performed ECL test on a collective basis for the other financial receivables and recognized impairment of RMB9.55 million; the total amount of impairment recognised during the Reporting Period for financial receivables was RMB58.47 million.

3. During the Reporting Period, the Group performed test with ECL model and recognized impairment loss of RMB48.94 million for other receivables, reversal of impairment loss of RMB4.40 million for contract assets, and recognized impairment of RMB0.30 million for other non-current financial assets.

Details of impairment losses under expected credit loss model during the Reporting Period refer to Note 6, 15, 16, 17, 18 to the consolidated financial statements.

## Other Expenses

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

For the year ended 31 December 2023, the Group's other expenses were RMB834.21 million, representing an increase of 35.70% compared with RMB614.74 million for the year ended 31 December 2022. This was mainly attributable to foreign exchange net losses, loss on disposal of non-current assets, asset impairment provision and bank charges, etc.

Details of impairment of long-term assets are as follows:

Unit: Million RMB

Items	2023	2022	Amount change	Percentage change
Impairment losses of other intangible assets	69.52	40.61	28.91	71.19%
Impairment losses of property, plant and equipment	119.18	134.42	(15.24)	-11.34%
Impairment losses of Goodwill	70.93	53.76	17.17	31.94%
Impairment losses of right-of-use assets	-	17.49	(17.49)	-100.00%
Impairment losses of interests in associates	-	8.60	(8.60)	-100.00%
<b>total</b>	<b>259.63</b>	<b>254.88</b>	<b>4.75</b>	<b>1.86%</b>

During the Reporting Period, the Group performed impairment tests on other intangible assets, property, plant and equipment, Goodwill and recognized impairment losses according to the test results:

1. The Group performed impairment test on certain water treatment plant projects with impairment indicator. Based on the difference between the recoverable amount and the book value of the assets, the Group recognized impairment loss of RMB69.52 million for other intangible assets during the Reporting Period.

2. The Group performed impairment test on certain wind power projects with impairment indicator. Based on the

difference between the recoverable amount and the book value of the assets, the Group recognized impairment loss of RMB119.18 million for the property, plant and equipment during the Reporting Period.

3. The Group has engaged independent appraisers to perform impairment test for the goodwill of PRACTEK Technology Co., Ltd. (福氏新能源技术(上海)有限公司). Based on the result of impairment test, the Group recognised impairment loss of RMB70.93 million for Goodwill during the Reporting Period.

Details of assets impairment during the Reporting Period refer to Note 6, 12, 13, 14 to the consolidated financial statements.

### **Finance Costs**

For the year ended 31 December 2023, the Group's finance costs were RMB1,373.98 million, maintaining roughly the same level compared with RMB1,333.91 million for the year ended 31 December 2022.

### **Income Tax Expense**

For the year ended 31 December 2023, the Group's income tax expense was RMB997.02 million, representing an increase of 197.70% compared with RMB334.91 million for the year ended 31 December 2022. This was mainly due to increased taxable profit compared with prior year.

### **Financial Position**

As of 31 December 2023 and 31 December 2022, the Group's total assets were RMB143,494.60 million and RMB136,822.38 million, respectively. Total current assets were RMB63,829.48 million and RMB62,372.89 million, respectively. The ratio of current assets to total assets were 44.48% and 45.59%, respectively. The increase in current assets was mainly due to the increase in inventories, trade and bills receivables, etc. Such increase was offset by the decrease in assets of disposal groups classified as held for sale, cash and cash equivalents, contract assets, prepayments, other receivables and other assets, etc.

As of 31 December 2023 and 31 December 2022, the Group's total non-current assets were RMB79,665.12 million and RMB74,449.49 million, respectively. The increase in total non-current asset was mainly due to the increase in property, plant and equipment, deferred tax assets, financial assets at fair value through profit or loss, contract assets, etc. Such increase was offset by the decrease in financial receivables, interests in joint ventures, etc.

As of 31 December 2023 and 31 December 2022, the Group's total liabilities were RMB103,265.69 million and RMB96,476.08 million, respectively. Total current liabilities were RMB63,019.61 million and RMB59,129.92 million, respectively. The increase in current liabilities was mainly due to the increase in other payables and accruals, trade and bills payables, tax payable, etc. Such increase was offset by the decrease in interest-bearing bank and other borrowings.

As of 31 December 2023 and 31 December 2022, the Group's total non-current liabilities were RMB 40,246.08 million and RMB37,346.16 million, respectively. The increase in non-current liabilities was mainly due to the increase in interest-bearing bank and other borrowings, deferred tax liabilities, etc. Such increase was offset by the decrease in provisions.

As of 31 December 2023 and 31 December 2022, the Group's net current assets were RMB 809.87 million and RMB3,242.97 million, respectively. The Group's net assets were RMB40,228.91 million and RMB40,346.30 million, respectively.

As of 31 December 2023 and 31 December 2022, the Group's cash and cash equivalents were RMB 13,693.91 million and RMB15,246.14 million, respectively. The interest-bearing bank and other borrowings were RMB38,843.10 million and RMB38,183.31 million, respectively.

## Financial Resources and Liquidity

Unit: RMB thousand

	Year ended 31 December	
	2023	2022
Net cash flows from operating activities	<b>1,854,041</b>	5,881,321
Net cash flows used in investing activities	<b>(1,823,702)</b>	(6,138,878)
Net cash flows (used in)/from financing activities	<b>(1,993,155)</b>	6,917,457
Net (decrease)/ increase in cash and cash equivalents	<b>(1,962,816)</b>	6,659,900
Cash and cash equivalents at beginning of year	<b>14,842,821</b>	8,140,281
Net effect of foreign exchange rate changes	<b>(245,792)</b>	42,640
Cash and cash equivalents at end of year	<b>12,634,213</b>	14,842,821

### 1. Cash flows from operating activities

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

For the year ended 31 December 2023 the Group's net cash flows from operating activities were RMB1,854.04 million. Cash inflows consist mainly of profit before tax of RMB2,519.23 million, adjustments of the increase of RMB2,798.69 in depreciation and amortization, the increase of RMB 2,321.96 in trade and bills payables, the increase of RMB1,373.98 in finance costs, the decrease of RMB1,021.33 in financial receivables, the decrease of RMB 601.72 in prepayments, other receivables and other assets, the decrease of RMB 547.77 in contract assets, etc. The cash inflows were offset by the increase of RMB5,541.70 million in inventories, income tax paid of RMB1,105.82 million, the adjustments of the decrease of RMB985.74 million in gain on disposal of interests in associates and joint ventures, the decrease of RMB939.97 in gain on disposal of subsidiaries, the increase of RMB614.80 in interest income, the decrease of RMB575.52 in other payables and accruals, etc.

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

### 2. Cash flows used in investing activities

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

For the year ended 31 December 2023 the Group's net cash flows used in investing activities were RMB1,823.70 million. Cash outflows consist mainly of purchases of property, plant and equipment of RMB5,646.73 million, purchases of financial assets at fair value through profit or loss of RMB 2,337.75 million, purchases of non-pledged time deposits with original maturity of three months or more when acquired of RMB1,232.18 million, additions of other intangible assets of RMB932.69 million, etc. The cash outflows were offset by the cash inflows from disposals of shareholding in

associates and joint ventures of RMB3,158.35 million, cash received of financial assets at fair value through profit or loss of RMB2,100.00 million, disposals of subsidiaries, net of cash disposed of RMB1,537.81 million, loan repayment from the related parties of RMB 1,016.93 million, disposals of non-pledged time deposits with original maturity of three months or more when acquired of RMB 605.12 million, etc.

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

### **3. Cash flows used in financing activities**

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

For the year ended 31 December 2023 the Group's net cash outflows from financing activities were RMB1,993.16 million. Cash outflows consist mainly of repayment of bank and other borrowings of RMB10,500.21 million, repayment of other equity instruments of RMB1,500.00 million, interest paid of RMB1,276.12 million, etc. Cash outflows were offset by new bank and other borrowings of RMB 10,569.33 million, issuance of bond of RMB 749.72 million, capital contributions from other equity instruments holders of RMB549.82 million, etc.

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

### **Capital Expenditure**

For the year ended 31 December 2023 the Group's capital expenditures were RMB10,644.44 million, representing an increase of 9.57% compared with RMB9,715.12 million for the year ended 31 December 2022. The primary sources of funds to finance capital expenditures are bank loans and cash flows from operating activities of the Group.

### **Interest-bearing bank and other borrowings**

As at 31 December 2023, the Group's interest-bearing bank loans were RMB32,432.00 million, including bank loans repayable within one year of RMB4,281.38 million, in the second year of RMB4,482.01 million, in the third to fifth year of RMB8,828.85 million, and above five years of RMB14,839.76 million. In addition, as at 31 December 2023, the Group's other borrowings were RMB6,411.10 million, including other borrowings repayable within one year of RMB403.98 million, in the second year of RMB862.10 million, in the third to fifth year of RMB1,503.18 million, and above five year of RMB3,641.84 million.

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

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

### **Capitalization of Interest**

For the year ended 31 December 2023, the Group's capitalised interest expenses were RMB277.65 million.

### **Reserves**

As at 31 December 2023, the Company's reserves distributable to shareholders were RMB1,465.80 million. This was the lower figure calculated under CASBE and IFRS.

### **Restricted Assets**

As at 31 December 2023, certain assets of the Group with a total carrying value of RMB 19,835.57 million were pledged as security for certain bank loans, other banking facilities, etc. Such assets include bank deposits of RMB551.28 million, trade and bills receivables of RMB5,641.49 million, property, plant and equipment of RMB11,405.30 million, right-of-use asset of RMB219.84 million, financial receivables of RMB1,828.00 million, other intangible assets of RMB189.66 million.

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

### **Gearing Ratio**

As at 31 December 2023, the Group's gearing ratio, defined as net debt divided by the sum of capital and net debt, was 65.09%, representing an increase of 1.65 percentage point compared with 63.44% as at 31 December 2022.

### **Exposure to Fluctuations in Exchange Rates and Any Related Hedges**

The Group primarily operated its businesses in China. Over 83% of the Group's revenue, expenditure, and financial assets and liabilities were denominated in RMB. The exchange rate of the RMB against foreign currencies did not have a significant impact on the Group's businesses. For the year ended 31 December 2023, the Group's foreign exchange exposure associated with such transactions (except for the functional currency of the relevant operating entities) maintained at a relatively low level. The currency exchange difference incurred by the Group in respect of the long-term equity investment by our subsidiaries incorporated outside China was recorded under the exchange reserve.

### **Contingent Liabilities**

The Group's contingent liabilities primarily consisted of letters of credit issued, letters of guarantee issued, guarantees and compensation arrangements given to banks in connection with bank loans granted to joint ventures, associates or independent third parties.

As at 31 December 2023, the Group's contingent liabilities were RMB21,076.78 million, representing an increase of RMB1,935.19 million compared with RMB19,141.59 million as at 31 December 2022.

### **Significant Investments**

The Group made no significant investment during the year ended 31 December 2023.

### **Material Acquisitions and Disposals**

Save as disclosed in the section headed "Acquisitions and Disposals of Subsidiaries and Associates" in this announcement, the Group did not have any material acquisitions and disposals during the year ended 31 December 2023.

### **Future Plans for Material Investments or Capital Assets**

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

## **OUTLOOK FOR THE FUTURE**

### **1. Overall Trend of Industrial Development**

In 2023, the contradiction between supply and demand in the global energy market has eased. However, under the influence of geopolitical conflicts, climate change, exchange rate fluctuations and other factors, the global energy development environment has been undergoing profound changes. At the same time, clean energy has ushered in an important period of development opportunities, and the global energy transformation has continued. Benefiting from the policy support of more than 130 countries around the world, the global newly installed capacity of renewable energy has achieved a high growth rate.

In 2023, at the 28th session of the Conference of the Parties to the United Nations Framework Convention on Climate Change (COP28), the first global review of the Paris Agreement was completed, and for the first time in history, countries reached an agreement to transition away from fossil fuels. The global review called on the Parties to take action to achieve the goal of tripling renewable energy generation capacity and doubling energy efficiency globally by 2030.

The International Energy Agency (IEA) released the Renewable Energy 2023 report, predicting that global renewable energy installed capacity will usher in a period of rapid growth in the next five years. Under existing policies and market conditions, global renewable energy installed capacity is expected to reach 7,300 GW between 2023 and 2028. By early 2025, renewable energy will become the world's largest source of electricity. It is also predicted that wind power and solar power generation will account for 95% of new renewable energy power generation in the next five years; by 2028, the share of wind power and solar power generation will double, reaching a total of 25%.

The Global Wind Energy Council (GWEC) has issued the Global Offshore Wind Report 2023. It is forecasted that by 2027, the compound annual growth rate for new global installed offshore wind capacity will be 31%; by 2032, the compound annual growth rate will be 12%; new global installed offshore capacity is expected to exceed 30GW by 2026 and 50GW by 2030. It is expected that in the next decade (2023-2032), new global installed offshore wind capacity will exceed 380GW, and by the end of 2032, the total global installed offshore wind capacity will reach 447GW.

### **2. Development Trend of Domestic Market**

Since 2023, China's green and low-carbon energy transformation has accelerated. It is expected that China will remain the world's largest wind power market in 2024 and will further consolidate its position as the global wind power leader.

On January 2024, the "Opinions of the Central Committee of the Communist Party of China and the State Council on Comprehensively Promoting the Construction of a Beautiful China" was released. It proposed the main goals, major tasks and major reform measures for the construction of a beautiful China by 2027 and 2035. In terms of specific measures, the Opinions proposed to accelerate the green transformation of development models, actively and steadily promote carbon peak and carbon neutrality, including accelerating the planning and construction of new energy systems, focusing on controlling the consumption of fossil energy such as coal, vigorously developing non-fossil energy, accelerating the construction of new power systems, etc.

The NEA recently published the Guiding Opinions on Energy Work in 2024, which clarifies the basic principles and proposes to increase the proportion of non-fossil energy installed power capacity to approximately 55%. The proportion of wind power and solar power generation account for more than 17% of national electricity generation. Natural gas consumption has increased steadily, and the proportion of non-fossil energy to total energy consumption has increased to about 18.9%, with the proportion of terminal electricity consumption increased continuously. The Guiding Opinions also proposed to steadily promote the construction of large-scale wind power and photovoltaic power bases, which promotes the order completion and commissioning of projects. We will coordinate and optimize the layout of offshore wind power and promote the construction of offshore wind power bases to foster the development of offshore wind power to deep water and far shores in a stable and orderly manner.

Wood Mackenzie has released the China Onshore Wind Power Outlook 2023. It is expected that in 2023 to 2032, the average annual new installed capacity of China's onshore wind power market will exceed 59GW, and the total new installed capacity for the decade will reach 597GW. The renovated onshore wind power market has shown a strong growth in the medium-to-long term. Old wind turbines of nearly 62GW will be renovated during the forecast period, assisting China to become the largest renovation market.

### **3. Corporate Strategy**

Goldwind adheres to the mission of “innovating for a brighter tomorrow” and is committed to “becoming a trusted global strategic partner in clean energy”. During the "14th Five-Year Plan" period, the Company will continue to adhere to the concept of high-quality development and focus deeply on the four major areas of energy development, energy equipment, energy services, and energy applications. Driven by innovation in technology, products, business models, management, etc., the Company will launch differentiated products and services to strengthen and implement the entire wind power chain and all-scenario layout, strengthen value marketing, improve customer experience, achieve rapid and steady growth in the three major business scenarios of onshore wind power, offshore wind power and comprehensive energy services, and integrate global resources and opportunities to build Goldwind into an international and global company.

### **4. Company Business Plan and Major Objectives**

In 2024, the Company will adhere to the five principles of "long-termism, customer orientation, technological innovation, future orientation, and high-quality development". Guided by market changes and customer needs and focusing on the high-quality development policy of “improving operating quality, innovating to drive technology and product leadership, and promoting steady business growth”, the Company will strengthen its core competitiveness, achieve improvement in operating quality, increase operating performance, break through new boundaries, and achieve leading market position. At the same time, the Company will focus on high-quality development and maintain leadership in the five major business areas of resource development, onshore wind power, offshore wind power, international business, and service business, and actively seize development opportunities in growing businesses such as hybrid towers, energy storage, and dual carbon, continue to improve the Company's comprehensive strength, and realize the value of Goldwind's full-chain solutions.

### **5. Capital Requirements**

According to the Company's operation objectives and plans for 2024, the Company's working capital in 2024 will be financed mainly by sell-owned capital and bank loans. The Company has a strong solvency position with high reputation, in tandem with stable and smooth financing channels, and sources of capital are sufficiently guaranteed.

### **6. Possible Risks**

#### **(1) Policy Risk**

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

#### **(2) Market Competition Risk**

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

#### **(3) Economic Environment and Exchange Rate Fluctuations**

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

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

## FINAL DIVIDEND

The Board recommends the payment of a final dividend of RMB1 per every 10 Shares (including tax) from the Company's retained undistributed profit for the financial year ended 31 December 2023, based on the issued share capital of the Company of 4,225,067,647 Shares. The dividend paid in total will be RMB422,506,764.7. This recommendation is subject to approval by the Shareholders at the forthcoming AGM for the year of 2023 in accordance with the provisions of the Articles, and will be implemented thereafter. The final dividend will be paid to the Shareholders on or before 30 August 2024. Information regarding the date of the AGM for the year of 2023, distribution of final dividend, and the relevant record dates and book close dates will be announced in due course.

## CORPORATE GOVERNANCE PRACTICES

The Board is responsible for implementing the Corporate Governance Code and managing the Group's corporate governance matters. The Board has reviewed the corporate governance policies and practices of the Company and its policies and practices relating to compliance with legal and regulatory requirements, as well as training and continuous professional development of the Directors and Senior Management. The Board has also reviewed the disclosure of its Corporate Governance Report for the year ended 31 December 2023.

On 6 April 2023, the Company received a resignation letter from Mr. Lu Hailin (“**Mr. Lu**”) resigning as a non-executive director and a member of the audit committee due to job adjustments. Pursuant to Rule 3.21 of the Listing Rules, the audit committee must comprise at least three members. Following the resignation of Mr. Lu, the number of members of the audit committee will decrease from three to two, falling below the minimum number required under Rule 3.21 of the Listing Rules.

The proposal to elect Ms. Yang Liying (“**Ms. Yang**”) as the Company's non-executive Director has been approved at the 2022 AGM held on 20 June 2023. Ms. Yang will assume the position on the day after the 2022 AGM held on 20 June 2023. Her tenure will be until the end of the term of the eighth session of the Board. The proposal to elect Ms. Yang Liying as a member of the audit committee has been approved at the 13th meeting of the eighth session of the Board held on 30 June 2023, with effect from the date of the proposal was approved. Following the date of the above-mentioned appointment of Ms. Yang as a member of the audit committee with effect, the Company has recomplied with the relevant requirements under Rule 3.21 of the Listing Rules on the composition and membership of the audit committee.

The Company has complied with all applicable code provisions under the Corporate Governance Code during the year ended 31 December 2023.

## EVENTS AFTER THE REPORTING PERIOD

There are no significant events subsequent to 31 December 2023 which would materially affect the Group's operating and financial performance as at the date of this announcement.

## ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATES

The Group acquired and disposed certain subsidiaries and interests in certain associates during the financial year ended 31 December 2023 in accordance with its development strategies and based on changes of the industry and market environments.

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

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

Equity transfer consideration of RMB667 million pursuant to the Equity Transfer Agreement comprising (i) the

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

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

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

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

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

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

The above equity transfer was completed on 29 February 2020. As the distributable profits from 1 January 2023 to 31 December 2023 were lower than the profit benchmark, ABC Investment and Beijing Tianrun will distribute the profit in proportion to their respective shareholding.

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

Reference is made to the announcement of the Company dated 2 September 2022 (the “**Announcement**”). On 2 September 2022, the Board resolved to approve Beijing Tianrun, a wholly-owned subsidiary of the Company, to acquire a 1 million kW wind power project in Tieling City in Liaoning Province at a price of RMB8.67 per watt. The People’s Government of Tieling City in Liaoning Province initiated a wind power project tendering, which is a wind power project with the development indicators of 1 million kW wind power project. As of the date of the Announcement, Ningbo Runming New Energy Co., Ltd. had won the bid of the 1 million kW wind power project in the “Selection of Competitive Allocation of new Wind Power Project of Tieling City for 2021”, and intended to complete the resource development and infrastructure investment of the 1 million kW wind power project through the Target Companies or their wholly-owned subsidiaries (legal entity to legally hold the 1 million kW wind power project). Beijing Tianrun proposed to enter into the Share Purchase Agreement with Ningbo Runming New Energy Co., Ltd. to acquire 100% of the equity interest in the Target Companies.

The Company and the Seller failed to reach an agreement on certain clauses to be set out in the Share Purchase Agreement. After careful consideration, the Company has decided not to proceed with the Acquisition. As of the date of this announcement, no definitive agreement has been entered into either by the Company or any subsidiary of the Company in relation to the proposed Acquisition. For details, please refer to the announcement of the Company dated 27 December 2023.

(3) Exercise of call option disposal of 26% of the issued share capital of each of Moorabool North and Moorabool South

Reference is made to the announcement of the Company dated 20 December 2022. On 20 December 2022, Goldwind International Moorabool Limited and Goldwind International Moorabool South Limited (the “**Vendors**”), indirect wholly-owned subsidiaries of the Company, entered into the Call Option Deeds with MNS Wind Finance Pty Ltd. (the “**Purchaser**”), pursuant to which the Vendor to the corresponding Call Option Deed irrevocably granted to Purchaser the Call Options to purchase, and require the respective Vendors to sell, 26% of the issued capital of each of Moorabool North and Moorabool South.

The Vendors received written notices from Purchaser on the exercise of the Call Options and have, on 3 July 2023, entered into sale and purchase agreements in relation to the transfer of 26% of the issued share capital of each of Moorabool North and Moorabool South held by the Vendors (the “**Sale and Purchase Agreements**”) with Purchaser. Save for the identities of the Vendors, the subject matter involved and the consideration, the principal terms of each of the Sale and Purchase Agreements are otherwise similar. Upon completion, the Company no longer held any interest in Moorabool North and Moorabool South. For details, please refer to the announcement of the Company dated 3 July 2023.

## **ULTRA-SHORT-TERM FINANCING BONDS**

The Board considered and approved the Proposal on the Application for Registration and Issuance of Ultra-short-term Financing Bonds on 26 April 2023. It was agreed that the Company will apply to the National Association of Financial Market Institutional Investors for registration and issuance of ultra-short-term financing bonds with a total amount not exceeding RMB2 billion. On 21 July 2023, the Company received the Notification of Acceptance of Registration (Zhong Shi Xie Zhu [2023] No. SCP287) (《接受註冊通知書》(中市協注〔2023〕SCP287號)) issued by the National Association of Financial Market Institutional Investors, accepting the Company's registration of ultra-short-term financing bonds, with a registration amount of RMB2 billion. The registration amount is valid within 2 years from the date of signing the Notification of Acceptance of Registration, and is jointly underwritten by Bank of China Limited, China Merchants Bank Co., Ltd. and China Minsheng Banking Corp., Ltd. On 17 August 2023, the Company issued the First Tranche of Green Ultra-Short-Term Financing Bonds (the “Kechuang Note”). The funds were received on 18 August 2023. The actual issued amount of the bonds is RMB750 million and the interest rate of the bonds is 2.29%.

For details, please refer to the announcement of the Company dated 18 August 2023.

## **PURCHASE, SALE OR REDEMPTION OF SECURITIES**

During the financial year ended 31 December 2023, neither the Company nor any of its subsidiaries purchased, sold or redeemed any securities of the Company, save as the debt financing plan disclosed in this announcement

## **SCOPE OF WORK MESSRS. DELOITTE TOUCHE TOHMATSU**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2023 as set out in the preliminary announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the audited consolidated financial statements of the Group for the year as approved by the Board of Directors on 28 March 2024. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by Messrs. Deloitte Touche Tohmatsu on the preliminary announcement.

## **REVIEW OF 2023 ANNUAL RESULTS**

The audit committee of the Company has reviewed and approved the 2023 Annual Results.

# Definitions

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

“A Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are listed on the SZSE and traded in RMB;
“AGM”	annual general meeting of the Company;
“Articles”	the <i>Articles of Association</i> of the Company, as amended, modified or otherwise supplemented from time to time;
“Beijing Tianrun”	Beijing Tianrun New Energy Investment Co., Ltd. (北京天潤新能投資有限公司), a company incorporated under the laws of the PRC on 11 April 2007 and a wholly owned subsidiary of the Company;
“Board”	the board of directors of the Company;
“CASBE”	<i>China Accounting Standards for Business Enterprises</i> ;
“China” or “PRC”	the People’s Republic of China. References in this announcement to the PRC exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
“Company”	GOLDWIND SCIENCE&TECHNOLOGY CO., LTD. (金風科技股份有限公司), a joint stock limited liability company incorporated in the PRC on 26 March 2001;
“Corporate Governance Code”	<i>Corporate Governance Code</i> , as set out in Appendix C1 of the Listing Rules;
“Directors”	the directors of the Company;
“Financial Statements”	the audited consolidated financial statements of the Group for the financial year ended 31 December 2023, prepared in accordance with IFRSs;
“gearing ratio”	net debt divided by the sum of capital and net debt;
“Group”, “Goldwind”, “us” or “we”	the Company and its subsidiaries;
“GW”	gigawatt, a unit of power, 1GW equals 1,000MW;
“H Shares”	ordinary shares issued by the Company, with RMB- denominated par value of RMB1.00 each, which are listed on the Stock Exchange and traded in HKD;
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“IFRSs”	<i>International Financial Reporting Standards</i> ;
“kV”	kilovolt, a unit of potential difference between two terminals, 1kV equals 1,000 volts;
“kW”	kilowatt, a unit of power, 1kW equals 1,000 watts;

“kWh”	kilowatt hour, the unit of measurement for calculating the quantity of power production output. 1kWh is the work completed by a kilowatt generator running continuously for one hour at the rated output capacity;
“Listing Rules”	the <i>Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited</i> ;
“Moorabool North”	Moorabool Wind Farm (Holding) Pty Limited, a company incorporated in Australia and an indirect wholly-owned subsidiary of the Company;
“Moorabool South”	Moorabool South Wind Farm (Holding) Pty Ltd, a company incorporated in Australia and an indirect wholly-owned subsidiary of the Company;
“MW”	megawatt, a unit of power, 1MW equals 1,000kW;
“NEA”	National Energy Administration of the PRC (中國國家能源局);
“NDRC”	National Development and Reform Commission of the PRC (中國國家發展和改革委員會);
“R&D”	research and development;
“RMB”	Renminbi, the lawful currency of the PRC;
“Senior Management”	the members of the senior management of the Company;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary”	has the meaning as ascribed in the Listing Rules;
“SZSE”	Shenzhen Stock Exchange;
“Target Company(ies)”	Tieling Runqin New Energy Co., Ltd., Tieling Runyun New Energy Co., Ltd., Tieling Runliang New Energy Co., Ltd. and Tieling Runqing New Energy Co., Ltd., the companies which Ningbo Runming New Energy Co., Ltd. intends to sell to Beijing Tianrun (the number of Target Companies are subject to the number of Project Companies);
“USD”	United States dollars, the lawful currency of the United States;
“Wind Farm Investment and Development”	the Group’s Wind Farm Investment and Development business segment, one of the three primary business segments of the Group;
“Wind Power Services”	the Group’s Wind Power Services business segment, one of the three primary business segments of the Group;
“WTG”	wind turbine generator;
“WTG Manufacturing”	the Group’s WTG R&D, Manufacturing and Sales business segment, the core business of the Group and one of the three primary business segments of the Group;
“Xinjiang”	the Xinjiang Uyghur Autonomous Region of the PRC;
“YoY”	year-over-year, a method of evaluating two or more measured events to compare the results at one time period with those from another time period on an annualised basis; and

“%”

percent, in this announcement, calculations of percentage shall be based on the financial data contained in the Financial Statements including the relevant notes (where applicable).

By order of the Board  
**GOLDWIND SCIENCE&TECHNOLOGY CO.,  
LTD.**  
**Ma Jinru**  
*Company Secretary*

Beijing, 28 March 2024

*As of the date of this announcement, the executive directors of the Company are Mr. Wu Gang, Mr. Cao Zhigang and Mr. Liu Rixin; the non-executive directors of the Company are Mr. Gao Jianjun, Ms. Yang Liying and Mr. Zhang Xudong; and the independent non-executive directors of the Company are Ms. Yang Jianping, Mr. Tsang Hin Fun Anthony and Mr. Wei Wei.*