



广东电力发展股份有限公司

Guangdong Electric Power Development Co., Ltd.

2014 Annual Report

April 2015

I. Important Notice, Table of Contents and Definitions

The Board of Directors , Supervisory Committee ,Directors, Supervisors and Senior Executives of the Company hereby guarantees that there are no misstatement, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof. English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

Director Pan Li , Director Li Zhuoxian, Director Hong Rongkun, Directors Gao Shiqiang, Director Kong Huitian , Director Li Mingliang, Director Yang Xinli, Director Yao Jiheng, Director Hu Xiaolei, Independent director Zhang Hua, Independent Director Sha Qilin, Independent director Mao Fugen ,Independent Director Ding Yougang and Independent Director Lu Jun attended this meeting. Director Zhong Weimin,, Director Zhu Dejun, Director Zhang Xueqiu and Independent director Liu Tao did not attend the meeting in person due to business, who respectively authorized Director Hong Rongkun, Directors Gao Shiqiang, Independent Director Sha Qilin and Independent Director Lu Jun to attend the meeting and exercise voting right on his behalf.

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows:
Total share of 4375236655 shares or Base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 2 for every 10 shares (with tax inclusive), with 2 bonus shares, 0 shares for every 10 shares would distribute capital reserve to all the shareholders.

Mr.Pan Li, The Company leader, Ms. Li Xiaoqing, Chief financial officer and the Mr.Qin Jingdong, the person in charge of the accounting department (the person in charge of the accounting)hereby confirm the authenticity and completeness of the financial report enclosed in this annual report.

This annual report involves the forecasting description such as the future plans, and does not constitute the actual commitments of the company to the investors. The investors should pay attention to the investment risks.

Table of Contents

2014 Annual Report

I. Important Notice, Table of contents and Definitions

II. Basic Information of the Company

III. Summary of Accounting Data and Financial Indicators

IV. Report of the Board of Directors

V. Important Events

VI. Change of share capital and shareholding of Principal Shareholders

VII. Situation of the Preferred Shares

VIII. Information about Directors, Supervisors and Senior Executives

IX. Administrative structure

X. Internal Control

XI. Financial Report

XII. Documents available for inspection

Definition

Terms to be defined	Refers to	Definition
Yudean Group	Refers to	Guangdong Yudean Group Co., Ltd.
Zhanjiang Company	Refers to	Zhanjiang Electric Power Co., Ltd.
Yuejia Company	Refers to	Guangdong Yuejia Electric Power Co., Ltd.
Yuejiang Company	Refers to	Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.
Zhenneng Company	Refers to	Maoming Zhenneng Thermal Power Co., Ltd.
Jinghai Company	Refers to	Guangdong Yudean Jinghai Power Co., Ltd.
Zhanjiang Wind Power Company	Refers to	Guangdong Yudean Zhanjiang Wind Power Co., Ltd.
Zhongyue Company	Refers to	Zhanjiang Zhongyue Energy Co., Ltd.
Bohe Company	Refers to	Guangdong Yudean Bohe Coal & Electricity Co., Ltd
Guangqian Company	Refers to	Shenzhen Guangqian Electric Power Co., Ltd.
Huihou Natural Gas Company	Refers to	Guangdong Huizhou Natural Gas Power Co., Ltd.
Shibeishan Wind Power Company	Refers to	Guangdong Shibeishan Wind Power Development Co., ltd.
Red Bay Company	Refers to	Guangdong Red Bay Power Co., Ltd.
Pinghai Power Plant	Refers to	Guangdong Hluizhou Pinghai Power Co., Ltd.
Humen Power Company	Refers to	Guangdong Yudean Humen Power Co., Ltd.
Anxin Electric Inspection & Installation Company	Refers to	Guangdong Yudean Anxin Electric Inspection & Installation Co., Ltd
Guohua Taishan	Refers to	Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.
Yudean Industry Fuel Company	Refers to	Guangdong Power Industry Fuel Co., Ltd.
Huadu Natural Gas Company	Refers to	Guangdong Huadu Natural GasT Thermal Power Co., Ltd.
Dapu Company	Refers to	Guangdong Dapu Power Generation Co., Ltd.
Wind Power Company	Refers to	Guangdong Wind Power Co., Ltd.

Reminder about Important Risks

The Company is mainly engaged in thermal power generation. The business of thermal power generation is greatly affected by factors including electric power demand and fuel price. Refer to Section IX(I) of Chapter 4 of this annual report-situation faced and countermeasures for relevant information.

II. Basic Information of the Company

1. Company information

Stock abbreviation	Yue Dian Li A, Yue Dian Li B	Stock code:	000539、200539
Stock exchange for listing:	Shenzhen Stock Exchange		
Name in Chinese	广东电力发展股份有限公司		
Abbreviation of Registered Company Name in Chinese(If any)	粤电力		
English name (If any)	GUANGDONG ELECTRIC POWER DEVELOPMENT CO.,LTD		
English abbreviation (If any)	GED		
Legal Representative	Pan Li		
Registered address	23-26/F Yudean Plaza, No.2 Tianhe Road East , Guangzhou, Guangdong Province		
Postal code of the Registered Address	510630		
Office Address	23-26/F Yudean Plaza, No.2 Tianhe Road East , Guangzhou, Guangdong Province		
Postal code of the office address	510630		
Internet Web Site	http://www.ged.com.cn		
E-mail	ged@ged.com.cn		

2. Contact person and contact manner

	Board secretary	Securities affairs Representative
Name	Liu Wei	Zhang Shaomin
Contact address	26/F, South Tower, Yudean Plaza, No.2 Tianhe Road East, Guangzhou, Guangdong Province	26/F, South Tower, Yudean Plaza, No.2 Tianhe Road East, Guangzhou, Guangdong Province
Tel	(020)87570276	(020) 87570251
Fax	(020)85138084	(020) 85138084
E-mail	liuw@ged.com.cn	zhangsm@ged.com.cn

3. Information disclosure and placed

Newspapers selected by the Company for information disclosure	China Securities Daily, Securities Times and Hong Kong Commercial Daily (overseas newspaper for English version).
Internet website designated by CSRC for publishing the Annual report of the Company	http://www.cninfo.com.cn
The place where the Annual report is prepared and placed	Affair Dept. of the board of directors of the Company

4.Changes in Registration

	Date of Registration	Authority Registered with	Number of Business License of Enterprise as Legal Person	Taxation Registration No.:	Organization Code
Initial registration	November 3, 1992	10/F, Baili Business Center, Guangfa Garden, No.498 Huanshi East Road, Guangzhou	19034736-2	YGSZ No.:4401026174194 93, YDSZ No.:4401006174194 93	61741949-3
Registration at the end of the reporting period	March 9, 2011	23-26/F Yudean Plaza, No.2 Tianhe Road East, Guangzhou, Guangdong Province	440000400015088	YGSZ No.:4401026174194 93, YDSZ No.:4401006174194 93	61741949-3
Changes in principal business activities since listing (if any)		No Change			
Changes is the controlling shareholder in the past (is any)		<p>On September 8, 1992, the Company was established with total share capital of 356.25 million shares through oriented placement. The controlling shareholder is Guangdong Power Industry Corporation. It holds 237.50 million shares, which account for 66.67% of its total share capital.</p> <p>In 2001, according to the Guangdong provincial people's government on the agreed to separating plant network separated from Guangdong power system reform implementation plan approval "(letter of the Guangdong government [2001] No. 252) and" about agreed to approval of Guangdong provincial state-owned power generation assets restructuring (letter of the Guangdong government [2001] No. 269), my company's controlling shareholder of Guangdong Electric power Group co., Ltd. (formerly Guangdong power industry corporation) restructuring for the two new companies, power companies (power grid assets) respectively and assets management Co., Ltd. (operation and power generation assets) of Guangdong province. According to the Reply About Division of Power Assets of Guangdong Province issued by Guangdong Finance Department (Yue Cai Qi (2001) No. 247 Document), 50.15% equity of the Company held by Guangdong Electric Power Group Company was transferred to Guangdong Yudean Assets Operation Co., Ltd.</p> <p>According to the reply given by Guangdong Economy and Trade Commission (Yue Ming Mao Han (2003) No. 383 Document, the controlling shareholder Guangdong Yudean Assets Operation Co., Ltd. was renamed as Guangdong Yudean Group Co., Ltd. in 2003. The procedure of industrial and commercial registration of changes was settled.</p> <p>The actual controller of the Company is State-owned Assets Regulatory Commission of Guangdong People's Government.</p>			

5. Other Relevant Information

CPAs engaged

Name of the CPAs	KPMG Huazhen(SGP)
Office address	8/F, Tower E2, Orientl Plaza 1 East Chang An Avenue Beijing
Names of the Certified Public Accountants as the signatories	Peng Jing, Wang Xiaomei

The sponsor performing persist ant supervision duties engaged by the Company in the reporting period.

☐Applicable ☒Not Applicable

The Financial advisor performing persist ant supervision duties engaged by the Company in the reporting period

☐Applicable ☒Not Applicable

III. Summary of Accounting Highlights and Business Highlights

(I).Summary of accounting /Financial Data

May the Company make retroactive adjustment or restatement of the accounting data of the previous years due to change of the accounting policy and correction of accounting errors.

☐ Yes ☒ No

	2014	2013	Changed over last year (%)	2012
Operating Gross income (RMB)	29,046,568,685.00	30,830,757,337.00	-5.79%	29,489,273,619.00
Net profit attributable to the shareholders of the listed company (RMB)	3,003,977,134.00	3,086,428,618.00	-2.67%	1,698,728,966.00
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	3,113,672,193.00	3,199,745,325.00	-2.69%	1,038,008,842.00
Cash flow generated by business operation, net (RMB)	8,392,794,644.00	9,709,896,440.00	-13.56%	7,851,786,246.00
Basic earning per share(RMB/Share)	0.69	0.71	-2.82%	0.43
Diluted gains per share(RMB/Share)(RMB/Share)	0.69	0.71	-2.82%	0.43
Net asset earning ratio (%)	14.94%	17.49%	-2.55%	11.98%
	End of 2014	End of 2013	Changed over last year (%)	End of 2012
Total assets (RMB)	69,084,825,852.00	67,918,719,035.00	1.72%	65,708,659,470.00
Net assets attributable to shareholder of listed company (RMB)	21,310,054,597.00	19,054,914,050.00	11.83%	16,255,322,328.00

(II) The differences between domestic and international accounting standards

1. Simultaneously pursuant to both Chinese accounting standards and international accounting standards disclosed in the financial reports of differences in net income and net assets.

☐ Applicable ☒ Not applicable

No difference

2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

√ Applicable □ Not applicable

In RMB

	Net profit attributable to the shareholders of the listed company		Net Assets attributable to the shareholders of the listed company	
	Amount in the reporting period	Amount in the previous period	End of the reporting period	Beginning of the reporting period
According to CAS	3,003,977,134.00	3,086,428,618.00	21,310,054,597.00	19,054,914,050.00
Land use right amortization		-972,000.00		
The difference arising from recognition of goodwill after merger of enterprises under the same control			64,623,000.00	64,623,000.00
Difference arising from recognition of land use value after enterprise merger	-630,000.00	-630,000.00	20,120,000.00	20,750,000.00
Influence on minority interests	54,120.00	137,619.00	4,593,739.00	4,539,619.00
Accounting to IAS	3,003,401,254.00	3,084,964,237.00	21,399,391,340.00	19,144,826,669.00

3. Note to the Difference in the Accounting Data based on the Accounting Standards of CAS and IAS.

√ Applicable □ Not applicable

(1). Land use right amortization

The difference formed by different period of land use right amortization.

(2). The difference arising from recognition of goodwill after merger of enterprises under the same control and recognition of land value after enterprise merger.

As required by new Chinese accounting standards, the goodwill formed by the merger of enterprises under the same control shall not be recognized and capital surplus shall be adjusted. Under IFRS, the goodwill formed by the merger of enterprises under the same control shall be recognized and equal to the difference between merger cost and share of fair value of recognizable net assets of the purchased party obtained in merger. Meanwhile, all assets of the purchased party obtained in merger shall be accounted for according to their fair value while such assets shall be accounted for according to their book value according to original Chinese accounting standards for

business enterprises. Therefore, this difference will continue to exist.

(3). Influence on minority interests

Housing reform loss occurred to the Company and some holding subsidiaries. Therefore, there's some influence on minority interests.

(III) Items and amount of deducted non-current gains and losses

√ Applicable □ Not applicable

In RMB

Items	Amount (2014)	Amount (2013)	Amount(2012)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-57,685,202.00	-27,133,645.00	9,235,199.00	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	20,895,756.00	17,577,691.00	25,664,265.00	
Asset impairment provisions due to acts of Gods such as natural disasters	-101,877,473.00			Xuwen Wind Power holding 70% of the indirect subsidiary appear to be impairment of assets in 2014 due to strong typhoons
Net profit or loss from beginning of the year to acquisition date from subsidiaries acquired under category of business combinations under common control			2,045,467,498.00	In 2012, due to the completion of significant asset reorganization, the net profit earned by 5 subsidiaries under the same control for 2012 was calculated.
Gain/loss from change of fair value of transactional financial asset and liabilities, and investment gains from disposal of transactional financial assets and liabilities and sellable financial assets other than valid period value instruments related to the Company's common businesses.	808,317.00			
Switch back of provision for depreciation of account receivable which was singly taken depreciation test.	1,623,216.00	4,737,368.00		

Gain/loss on loans obtained by entrusting others	563,812.00	12,854,063.00	28,684,421.00	
Other non-business income and expenditures other than the above	-40,486,215.00	6,576,176.00	-1,617,047.00	
Provision for long-term assets impairment		-201,115,258.00		In 2013, due to the shutdown of the units of Guangdong Yuejia Electric Power Co., Ltd. of which the Company holds 58% equity, which was made for assets impairment.
Provision for impairment of other current assets impairment made due to liquidation			-111,252,200.00	Due to the termination of the project of Guangdong Yuedean Oil Shale Power Generation Co., Ltd. of which the Company holds 83.66% in 2012, provision of RMB 111,252,200 was made for assets impairment.
Less: Amount of influence of income tax	-16,945,739.00	7,329,176.00	489,607,853.00	
Influenced amount of minor shareholders' equity (after tax)	-49,516,991.00	-80,516,074.00	845,854,159.00	
Total	-109,695,059.00	-113,316,707.00	660,720,124.00	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

☐ Applicable ☒ Not applicable

None of Non-recurring gain /loss items recognized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non -recurring gain/loss in the report period.

IV. Report of the Board of Directors

I. General

In 2014, Social power consumption of the Province was 523.523 billion kwh, a year-on-year increase of 8.39%. The growth rate increased by 3.83% year on year. the power output of the Province was 380.53 billion kwh, a year-on-year decrease of 0.98%. The province outsourced 158.602 billion kwh, a year –on-year increased of 31.13% .

During the reporting period, Our coal-fired generating units had decrease in operating time from 5085 hours last year to 4525 hours , the gas generating units had an increased from 2905 hours to 3081 hours and the wind generating units had an decrease from 1899 hours last year to 1596 hours. In 2014, Its on-grid electricity volume was 68.903 billion kwh, Generated energy decreased for 4.2% comparing with 71.924 billion KWH in year 2013, Its on-grid electricity volume was 64.866 billion kwh, decreased for 4.2% comparing with 67.711 billion kwh in year 2013, 98.11% of the power generation plan for the year was fulfilled., On equity basis (including joint venture power plants), the power output and on-grid electricity volume of the Company were 56.77 billion kwh and 53.41 billion kwh, which respectively decreased by 6.31% and 6.33 year on year.

During the reporting period, due to the decline in consumption and electricity cut, Its operating income was RMB 29.047 billion, which decreased by 5.79% year on year. facing adverse external factors, the company actively respond to challenges, pay close attention to production management, strict cost control, the Company's operating profit and the net profit for its shareholders were respectively RMB 5.641 billion and RMB 3.004 billion, which respectively increased by 1.66% and decreased by 2.66% year on year.

During the reporting period, Shaoguan Power Plant(2×600MW), Dapu(2×600MW) Project, Maoming Bohe Power Plant Project, Dianbai Hot wind farm project (49.5MW), Shibaling Wind power project (49.5MW) and Xuwen Qujie Wind Power Project (49.5MW) are still under construction. Through standardize infrastructure management, process control, multi-organizational coordination and effective measures to strengthen and ensure the project put into operation as soon as possible. Maoming Bohe Power Plant (2×1000MW), Huilai Power Plant's #5 and #6 generating units (2x1000MW), Pinghai Power Plant's Phase I#3 and #4 generating units (2x1000MW), Shanwei Power Plant's Phase II #5 and #6 generating units(2x1000MW) and a number of clean energy projects are being planned to promote the preliminary work. The company will continue to be based in the main industry, promote energy conservation and environmental protection standards and enhance overall competitiveness through new high-capacity, high-parameter advanced units, and gradually increase investment in clean energy wind power, natural gas, etc., to promote the company's energy structure adjustment and optimization.

II. Analysis on principal Business

I. General

Progress of development strategy and operation plans in this period that are disclosed by the company in the previous annual reports.

(1) In 2014, the Company's planned on-grid electricity volume in terms of consolidated statements was 66.166 billion kwh. The actual on-grid electricity volume was 64.866 billion kwh. ,which accounted for 98.11% of the planned on-grid electricity volume for the year.

(2) In 2014, the amount of the Company's planned external investment was RMB 1866.04 million. In the report

period, the amount of planned annual investment was adjusted to RMB 1622.59 million according to the progress of investment projects after examination by the board of directors. The amount of actual completed investment was RMB 1427.0451 million. 87.95% of the investment plan was fulfilled.

This year the company headquarters and its subsidiaries lease unused property. Reasons for difference of actual operation performance has 20% lower or higher than profit forecast of the Year disclosed

☐ Applicable ☒ Not applicable

The main changes in the business model.

☐ Applicable ☒ Not applicable

2. Revenue

Notes:

In 2014, the operating income was RMB29,046,568,685. The main business income was RMB28,834,080,676, Mainly electricity revenue, steam sales and service revenue; other operating income was RMB212,488,009. mainly electricity additional product sales and rental income.

In RMB'0000

Industry	Area	Operating Income	Operating cost	Gross Profit Ratio(%)	Increase /decrease of operating income (%)	Increase /decrease of operating cost (%)	Increase /decrease of Gross profit ratio (%)
Sales Electric Power	Guangdong	2,883,408.00	2,087,664.00	27.60%	-5.77%	-7.69%	Increased by 1.51%
Other	Guangdong	21,249.00	6,346.00	70.14%	-8.04%	-7.30%	Decreased by 0.24%
Total	-	2,904,657.00	2,094,010.00	27.91%	-5.79%	-7.69%	Increased by 1.49%

Is the income from sales in kind greater than the service income?

☒ Yes ☐ No

Type	Items	Unit	2014	2013	Increase /decrease (%)
Electric Power	Sales volume	Billion kwh	64.866	67.711	-4.20%
	Production	Billion kwh	68.903	71.924	-4.20%
	Market share (%)	--	12.78%	14.45%	-1.67%

Explanation for a year-on-year change of over 30%

☐ Applicable ☒ Not applicable

Significant orders in hand

☐ Applicable ☒ Not applicable

Significant change in or adjustment of the products or services in the reporting period:

☐ Applicable ☒ Not applicable

Main customers

Total sales amount to top 5 customers (RMB)	28,819,285,160.34
Proportion of sales to top 5 customers in the annual sales(%)	99.22%

Information of the Company's top 5 customers

√ Applicable □ Not applicable

No	Name	Amount of sales	Proportion(%)
1	GPGC	26,884,143,730.73	92.56%
2	Shenzhen Branch of GPGC	1,646,342,329.00	5.67%
3	Guangdong Yudean Environmental Protection Co., Ltd.	123,783,462.09	0.43%
4	Zhanjiang Branch of GPGC	94,215,388.15	0.32%
5	Jieyang Branch of GPGC	70,800,250.37	0.24%
Total	--	28,819,285,160.34	99.22%

Other situation of main clients

□ Applicable √ Not applicable

3.Costs

Classification of sectors

In RMB

Classification of sectors	Items	2014		2013		Increase/Decrease(%)
		Amount	Proportion in operation costs(5(Amount	Proportion in operation costs(5(
Electric Power industry	Fuel Costs	14,103,229,832.32	67.35%	16,021,866,829.46	70.63%	-2.50%
Electric Power industry	Depreciation Expenses	3,571,001,199.48	17.05%	3,433,246,721.72	15.13%	1.92%
Electric Power industry	labor cost	1,399,872,849.93	6.69%	1,262,806,158.83	5.57%	1.11%
Electric Power industry	Other	1,865,996,332.10	8.91%	1,966,398,597.06	8.67%	-0.54%

Classification of products

In RMB

Classification of products	Items	2014		2013		Increase/Decrease(%)
		Amount	Proportion in operation	Amount	Proportion in operation	

			costs(5(costs(5(
Electric Power	Fuel Costs	14,103,229,832.32	67.35%	16,021,866,829.46	70.63%	-2.50%
Electric Power	Depreciation Expenses	3,571,001,199.48	17.05%	3,433,246,721.72	15.13%	1.92%
Electric Power	labor cost	1,399,872,849.93	6.69%	1,262,806,158.83	5.57%	1.11%
Electric Power	Other	1,865,996,332.10	8.91%	1,966,398,597.06	8.67%	-0.54%

Notes

The Company is in power sector and mainly engaged in power generation at present. The cost is composed of fuel cost, depreciation expenses, labour cost and other expenses. Fuel cost accounts for about 67% of total cost.

Principal suppliers

Total purchases from the top 5 Suppliers (RMB)	15,044,417,897.80
Ratio of the total purchases from the top 5 suppliers to the annual total purchases (%)	76.60%

Information about the top 5 suppliers

√ Applicable □ Not applicable

No	Name	Amount of purchase (RMB)	Proportion(%)
1	Guandong Electric power Industry Fuel Co., Ltd.	11,300,462,642.12	57.54%
2	Guangdong Dapeng ING Co., Ltd	1,690,744,816.37	8.61%
3	Energy China.,Guangdong Power Engineering Corp.	938,552,334.98	4.78%
4	Guangdong Zhutou Electric Power Industry Fuel Co., Ltd.	775,930,143.19	3.95%
5	Dongfang Electric Corporation	338,727,961.14	1.72%
Total	--	15,044,417,897.80	76.60%

Other explanation

□ Applicable√ Not applicable

4.Expenses

In RMB

Items	2014	2013	Increase/Decrease(%)	Reason
Management expenses	902,594,273	948,320,444	-4.82%	
Financial expenses	1,805,142,563	1,886,866,658	-4.33%	
Income tax	1,245,455,584	1,237,227,573	0.67%	

5.Cash Flow

In RMB

Items	2014	2013	Increase/Decrease(%)
Subtotal of cash in-flow from operation activity	34,838,452,205.00	35,881,225,204.00	-2.91%
Subtotal of cash out-flow from operation activity	26,445,657,561.00	26,171,328,764.00	1.05%
Net cash flow from operation activity	8,392,794,644.00	9,709,896,440.00	-13.56%
Subtotal of cash in-flow from investment activity	700,048,533.00	924,866,872.00	-24.31%
Subtotal of cash out-flow from investment activity	6,794,508,482.00	4,924,973,072.00	37.96%
Net cash flow from investment activity	-6,094,459,949.00	-4,000,106,200.00	52.36%
Subtotal of cash in-flow from financing activity	24,773,933,487.00	25,847,368,375.00	-4.15%
Subtotal of cash out-flow from financial activity	26,921,302,044.00	29,993,745,976.00	-10.24%
Net cash flow from financing activity	-2,147,368,557.00	-4,146,377,601.00	-48.21%
Net increased amount of cash and cash equivalent	150,966,138.00	1,563,412,639.00	-90.34%

Notes to the year-on-year change of the relevant data by over 30%

√Applicable □Not applicable

(1) Cash in-flow from operation activity decreased by 13.56%, Mainly due to reduced income from electricity sales during the reporting period, resulting in the index fell year on year.

(2) Cash in-flow from investment activity increased by 52.36%,
Mainly due to increase of acquiring fixed assets, intangible assets in the reporting period, resulting in an increase of the index year on year.

(3) Cash out-flow from financial activity decreased by 48.21%,
Mainly due to the repayment of debt in cash paid during the reporting period decreased, resulting in the index fell year on year.

(4) Net increased amount of cash and cash equivalent decreased by 90.34%,
Mainly due to net cash in-flow from operation activity during the reporting period decreased, resulting in a larger decline of the index year on year.

Notes to the big difference between cash flow from operating activities and net profit in the reporting year

√Applicable □Not applicable

The main impact of non-cash outflow of assets, depreciation and amortization, interest expense of non-business activities.

III. Composition of principal businesses

In RMB

	Operating revenue	operating costs	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						
Electric Power	28,695,501,698.00	20,778,954,791.00	27.59%	-5.81%	-7.68%	1.47%
Product						
Electric Power	28,695,501,698.00	20,778,954,791.00	27.59%	-5.81%	-7.68%	1.47%
Area						
Guangdong	28,695,501,698.00	20,778,954,791.00	27.59%	-5.81%	-7.68%	1.47%

Under the circumstance that the statistic specifications for the Company's principal business data experienced adjustment in the reporting period, the principal business data upon adjustment of the statistic specifications at the end of the reporting period in the latest year.

□ Applicable√ Not applicable

IV. Analysis on Assets and Liabilities

1. Significant Change in assets

In RMB

	End of 2014		End of 2013		Proportion increase/decrease(%)	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	4,548,277,314.00	6.58%	4,377,311,176.00	6.44%	0.14%	
Account receivable	2,580,733,823.00	3.74%	3,266,445,752.00	4.81%	-1.07%	

Inventories	1,623,199,010.00	2.35%	1,603,646,410.00	2.36%	-0.01%	
Investment real estate	10,203,433.00	0.01%	10,839,031.00	0.02%	-0.01%	
Long-term equity investment	6,604,709,646.00	9.56%	6,519,512,837.00	9.60%	-0.04%	
Fixed assets	39,164,300,297.00	56.69%	41,524,036,240.00	61.14%	-4.45%	
Construction-in-process	6,349,045,387.00	9.19%	3,883,361,454.00	5.72%	3.47%	

2. Significant Change in Liabilities

In RMB

	2014		2013		Proportion increase/decrease(%)	Notes to the significant change
	Amount	Proportion in the total assets (%)	Amount	Proportion in the total assets (%)		
Short-term borrowing	5,721,000,000.00	8.28%	9,361,000,000.00	13.78%	-5.50%	
Long-term borrowings	20,614,916,646.00	29.84%	15,272,003,561.00	22.49%	7.35%	

3. Assets and liabilities Measured with Fair value

√ Applicable □ Not applicable

In RMB

Item	Amount at year beginning	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Amount at year end
Financial assets							
3. Available-for-sale financial assets	298,871,738.00	153,610,597.00	200,753,719.00				452,482,335.00
Subtotal of financial assets	298,871,738.00	153,610,597.00	200,753,719.00				452,482,335.00

Total	298,871,738.00	153,610,597.00	200,753,719.00				452,482,335.00
Financial Liability							

Did great change take place in measurement of the principal assets in the reporting period ?

☐ Yes ☒ No

4. Main overseas assets

☐ Applicable ☒ Not applicable

V. Analysis on core Competitiveness

As the one of the largest independent power-generation business in southern China as well as the largest electric power listed company within Guangdong province, the operating range of our company includes the investment, construction and operation management of electric power items. In addition, the production and sales of electric power together with the technology consulting and service in electric power business is also included in our operating range. The company sticks to the operating guideline of “mainly focus on electric power and develop diversely”, and concentrates on electric power, which is the major business while present a diversified development of power source structure. Besides the coal burning power generation projects, the company also has clean energy projects like LNG power generation, wind power generation and water power generation. With advanced technology and management, the company can provide safe and environmental-friendly energy support for the development of economy and society. Currently, the company has realized mass production of major electric power business, the pluralism of energy structure and the normalization of business management. Also, it has become a high-quality electric power listed company with clear main business, outstanding scale benefit, solid financial sources and strong ability of sustainable development.

VI. Analysis on investment Status

1. External Equity investment

☒ Applicable ☐ Not applicable

External investment		
Investment Amount in 2014(RMB)	Investment Amount in 2013(RMB)	Change rate
1,427,045,100.00	2,344,830,000.00	-39.14%
Particulars of investees		
Companies	Principal business	Proportion in the investees' equity (%)
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	Investment and Operation of electric power projects , Production and sales of electricity	90.00%
Guangdong Yudean Dapu Power	Power plant construction, production and operation, production and sales of electric power and auxiliary products,	100.00%

Generation Co., Ltd	project contracting, technical consultation and technical services in power sector.	
Guangdong Yudean Bohe Coal-fired Power Co., Ltd	Coal dock construction, power plant construction, technical consultation and services for power plant projects	100.00%
Guangdong Wind Power Generation Co., Ltd	The company was engaged in wind, solar, biomass and other new energy design, development, investment, construction and operation management; new energy technology research and development, application and promotion, equipment testing and maintenance, technical training and consulting services.	100.00%
Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.	Investment, construction and management of power plants, investment in wind power and other new energy projects, development, operation, management, production and sale of electricity, provide power consulting and other related services.	70.00%
Lincang Yuntou Yudean Hydroelectricity Development Co., Ltd.	Investment ,Development ,Construction and operation of electric power projects	49.00%
Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.	Taishan power plant investment, construction, production and sale of electricity, utilization; real estate development, office equipment, technology consulting, services and training, information services and market development etc..	20.00%
South Offshore wind power Union Development Co., Ltd.	Offshore wind power project investment, construction and operation; Production and sales of Integrated energy sources such as electricity, heat, cold; Island power, smart grid, new energy and other fields of scientific research, technology development, equipment development, production and sales, engineering contracting, technology cooperation, etc.	10.00%

(2) Holding of the equity in financial enterprises

√ Applicable □ Not applicable

Company Name	Company type	Initial Investment cost (RMB)	Number of shares held at the beginning of the reporting period (shares)	Shareholding proportion at the beginning of the reporting period (%)	Number of shares held at the end of the reporting period (shares)	Shareholding proportion at the end of the reporting period (%)	Book balance at the end of the reporting period (RMB)	Gain/..loss of the reporting period (RMB)	Accounting items	Sauce of the shares
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Sun Insurance Group Co., Ltd.	Insurance Company	356,000,000.00	350,000,000	5.34%	350,000,000	5.34%	356,000,000.00	0.00	Financial assets available for sale	Initiated
Guangdong Yudean Finance Co., Ltd.	Other	513,325,000.00	500,000,000	25.00%	500,000,000	25.00%	648,047,185.00	76,934,751.00	Long-term Equity investment	Initiated
Total		869,325,000.00	850,000,000	--	850,000,000	--	1,004,047,185.00	76,934,751.00	--	--

(3) Investment in Securities

☐ Applicable ☒ Not applicable

The Company had no investment in securities in period.

(4) Explanation on equity of other listed company held

☒ Applicable ☐ Not applicable

Company Name	Company type	Initial Investment cost (RMB)	Number of shares held at the beginning of the reporting period (shares)	Shareholding proportion at the beginning of the reporting period (%)	Number of shares held at the end of the reporting period (shares)	Shareholding proportion at the end of the reporting period (%)	Book balance at the end of the reporting period (RMB)	Gain/..loss of the reporting period (RMB)	Accounting items	Sauce of the shares
Shen Energy	Other	15,890,628.00	8,400,000	0.32%	8,400,000	0.32%	93,744,000.00	2,100,000.00	Financial assets available for sale	Initiated
SHE NERGY	Other	235,837,987.50	55,532,250	1.22%	55,532,250	1.22%	358,738,335.00	11,106,450.00	Financial assets available for sale	Transferee
Total		251,728,615.50	63,932,250	--	63,932,250	--	452,482,335.00	13,206,450.00	--	--

2. Entrusted Financing , investment in derivative products and entrusted loan

(1) Trust financing

☐ Applicable ☒ Not applicable

The company had no trust financing in the reporting period.

(2) Derivative investment

☐ Applicable ☒ Not applicable

The company had no derivative investment in the reporting period.

(3) Entrusted loans

☒ Applicable ☐ Not applicable

In RMB

Prospective borrower	Is it a related party	Amount	Interest rate	Guarantor or collateral	Application of the loan by the borrower
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	No	10,000	6.00%	Nil	Supplement current capital
Guangdong Yudean Jinghai Power Generation Co., Ltd	No	25,000	5.83%	Nil	Supplement current capital
Guangdong Yudean Bohe Coal-fired Power Co., Ltd	No	30,000	6.77%	Nil	Supplement current capital
Guangdong Yudean Dapu Power Generation Co., Ltd	No	20,000	6.00%	Nil	Supplement current capital
Lincang Yuntou Yudean Hydroelectricity Development Co., Ltd.	No	5,000	5.60%	Nil	Supplement current capital
Total	--	90,000	--	--	--
Disclosure date for the notice of approval by the Board(if any)					
Disclosure date for the notice of approval by Shareholders' General Meeting (If any)					

3. Application of raised proceeds

☐ Applicable ☒ Not applicable

The company had no application of raised proceeds in the reporting period.

4. Main subsidiaries and stock-jointly company analysis

☒ Applicable ☐ Not applicable

Particulars about the principal subsidiaries and Mutual shareholding companies

In RMB

Company Name	Company type	Sectors engaged in	Leading products and services	Registered capital	Total assets(RMB)	Net assets (RMB)	Turnover (RMB)	Operating profit (RMB)	Net Profit (RMB)
Guangdong Yudean Jinghai Power Generation Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction.	2,919,272,000	11,943,378,397.00	4,160,638,285.00	6,075,568,206.00	1,383,285,620.00	1,035,405,970.00
Guangdong Huizhou Pinghai Power Generation Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction.	1,370,000,000	8,158,613,580.00	2,122,543,814.00	3,837,401,385.00	1,205,618,016.00	907,871,678.00
Guangdong Red Bay Power Generation Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction.	2,749,750,000	9,664,926,915.00	3,664,701,657.00	4,722,896,250.00	1,002,200,811.00	735,400,037.00
Zhangjiang Electric Power Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction.	2,875,440,000	4,525,825,362.00	4,064,996,398.00	2,303,196,128.00	516,755,397.00	394,203,054.00
Guangdong Huizhou natural Gas Power	Subsidiary	Electric Power	Power generation and power station	963,000,000	2,288,030,803.00	1,352,898,523.00	1,638,774,810.00	280,345,706.00	209,692,572.00

Co., Ltd.			constructi on.						
Shenzhen Guangqi an Electric Power Co., Ltd.	Subsidiary	Electric Power	Power generatio n and power station constructi on.	1,030,292,5 00	2,184,784,8 62.00	1,422,207,9 17.00	1,646,853,2 61.00	272,645,01 2.00	204,489,24 8.00
Maoming Zhenneng Thermal Power Co., Ltd	Subsidiary	Electric Power	Power generatio n and power station constructi on.	1,019,535,5 00	3,637,067,5 45.00	1,130,091,8 26.00	1,825,360,5 30.00	136,908,60 0.00	84,721,275. 00
Guangdon g Shaoguan Yuejiang Power Generatio n Co., Ltd.	Subsidiary	Electric Power	Power generatio n and power station constructi on.	1,070,000,0 00	5,697,205,3 26.00	638,163,78 8.00	1,461,798,6 07.00	64,513,397. 00	65,822,256. 00
Zhanjiang Zhongyu e Energy Co., Ltd.	Subsidiary	Electric Power	Power generatio n and power station constructi on.	1,454,300,0 00	5,513,328,9 37.00	1,520,529,4 25.00	2,083,466,9 70.00	89,891,978. 00	64,636,619. 00
Guangdon gYuejia Electric Power Co., Ltd.	Subsidiary	Electric Power	Power generatio n and power station constructi on.	1,200,000,0 00	546,437,25 0.00	476,434,46 6.00	594,884,23 2.00	49,517,195. 00	51,399,301. 00
Guangdon gYudean Anxin Mainten	Subsidiary	Electric Power	Power generatio n and Maintena	20,000,000	83,105,325. 00	43,360,170. 00	99,177,209. 00	26,107,197. 00	19,458,815. 00

ance & installati on Co., Ltd.			nce						
Guangdong Wind Power Generation Co., Ltd	Subsidiary	Electric Power	Wind Power generation and power station construction.	496,452,900	838,791,446.00	471,421,904.00	71,594,188.00	-8,970,770.00	1,348,928.00
Guangdong Yudean Dapu Power Generation Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction.	700,000,000	2,095,035,102.00	700,000,000.00	0.00	0.00	0.00
Guangdong Yudean Humen Generation Power Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction.	150,000,000	144,044,665.00	140,098,242.00	300,000.00	-786,406.00	-789,211.00
Guangdong Yudean Huadu Natural Gas & Heat-Power Co., Ltd.	Subsidiary	Electric Power	Power generation and Maintenance	120,000,000	114,131,746.00	113,714,683.00	0.00	-4,258,041.00	-4,258,041.00
Guangdong Yudean Bohe Coal-fired Power Co., Ltd	Subsidiary	Electric Power	Coal dock construction and power station construction.	1,385,000,000	2,572,877,748.00	1,329,122,504.00	0.00	-12,951,655.00	-12,951,655.00
Guangdong	Subsidiary	Electric	Wind	346,110,00	835,122,03	281,900,00	94,215,388.	-95,127,365	-90,829,178

gYudean Zhanjian g Wind Power Generation Co., Ltd.		Power	Power generation and power station construction.	0	9.00	0.00	00	.00	.00
Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.	Sharing Company	Electric Power	Wind Power generation and power station construction.	4,669,500,000	14,200,588,582.00	8,141,526,054.00	9,455,483,471.00	3,041,835,038.00	2,278,502,380.00

Acquirement and disposal of subsidiaries in the Reporting period

☒ Applicable ☐ Not applicable

Name	The purpose of acquiring and disposal of subsidiary companies during the reporting period	The pattern of acquiring and disposal of subsidiary companies during the reporting period	The effect on whole production and performance
Guangdong Yuejiang Hongrui Electric Power Technology Development Co., Ltd.	Specification overhaul business management to realize professional management	Establish	Realized a net profit of RMB -234,918 in 2014.

5. Significant projects of investments with non-raised funds

☐ Applicable ☒ Not applicable

The company has no project invested by raised fund in the reporting period.

VII. Performance Forecast for January to March 2015

Alert of loss or significant change in net profit from the beginning of year to the end of next report period or comparing with the same period of last year, and statement of causations.

☐ Applicable ☒ Not applicable

VIII. Special purpose principal under the control of the Company

☐ Applicable ☒ Not applicable

IX. Development prospect

(1) Development trend of the industry

In 2015, the national economy will maintain steady growth of the "new normal", the power supply and demand is still outstanding, due to come on stream in the province generators, as well as scale from West to East, the province's estimated annual electricity supply surplus exists, the provincial internal combustion coal utilization hours of generating units will continue to face downward pressure. In this regard, the company will pay close attention to the power system and actively respond to measures to continue to optimize plant operation mode, and tap the potential of existing generating units. At the same time, carry out the electricity marketing, competitive strategy to establish a scientific efforts to improve equipment utilization hours for the greatest benefit of power generation.

High proportion of the company's coal and electricity, environmental pressures and costs continue to increase. Although the company plant upgrades are completed environmental protection facilities, and effectively protect the safety of emissions standards, but with the introduction of a new round of environmental policy measures even more stringent environmental regulation, power companies are increasing investment in environmental management. In this regard, the company will continue to optimize the power structure adjustment, and actively develop high-capacity, high-parameter thermal power projects, as well as natural gas, wind power, hydropower and other clean, renewable energy power generation projects; continue to increase technological innovation of existing units, promote the use of environmentally friendly new technology, new equipment, new technology, and improve their overall competitiveness.

The new round of power reform process accelerated and the path increasingly clear, the State Council "Opinions on Further Deepening the power system," forthcoming. The main round of the power system to restore electricity product attributes, determined by the market price formation mechanism, building electricity market system, gradually breaking the monopoly. Electricity market reform bring generating electricity trading companies new opportunities and risks, but also give the traditional business model of electricity production challenges. The company should adhere to market-oriented, user-centric, the establishment of production management and power marketing and strengthening internal competition coordination and integration of resources, in order to reform and seize market opportunities.

II. The production and operating plans in 2015

1. Production plan:

The planned amount of on-grid energy required in the consolidated statements is 66.678 billion kwh, which will be 1.812 billion kwh increase than the actual completed on-grid energy.

2. Investment plan:

In 2015, the planned foreign investment of our company is RMB1413.12 million. The amount of planned investment is mainly based on the overall scale of proposed investment projects and is temporarily estimated according to the requirement of capital fund requirement. The actual investment amount will be adjusted according to the project explaining and approving and implementation scheduling. The major source of capital fund is the company's own fund and bank loans.

The company in 2015 consolidated financial statements caliber program grid electricity for 66.678 billion kwh, compared with the actual completion of grid electricity in 2014 increased by 1.812 billion kwh.

3. Strengthen project management infrastructure to coordinate the construction progress, quality and efficiency, ensure key construction projects according to plan production.

4. Based on economic efficiency, strictly control the costs, efforts to reduce operating costs; strengthening financial management, reasonable investment and financing plan preparation, take advantage and gradual easing

5. Accurate grasp of the capital market trends, actively promoting the follow-fulfillment of commitments of major asset restructuring project to fight to seize the opportunity to promote the reform of the sustainable development

X. Explanation of the Board of Directors Concerning the “ non-standard audit report” issued by the CPAs firm for the reporting period.

☐ Applicable ☒ Not applicable

XI. Explain change of the accounting policy, accounting estimate and measurement methods as compared with the financial reporting of last year.

☒ Applicable ☐ Not applicable

The Ministry of Finance in 2014 to carry out a large-scale enterprise accounting standards revision purposes in all of the accounting standard for enterprise-wide since July 1, 2014. This change in accounting policy impact on the company:

According to "Accounting Standards for Enterprises No. 2 - Long-term equity investment," the company treated the equity investments that without control, joint control or significant influence, and whose fair value cannot be reliably measured, as available for sale financial assets are accounted for, not as a long-term equity investment, and adjust its applied retrospectively.

The units to be invested	Proportion of shares	December 31, 2013	Adjusted Notes
Sunshine Insurance Holding Co., Ltd.	5.22%	356,000,000.00	Accounting subjects from long-term equity investments turn into salable financial assets under Retrospective Application principle.
Shenzhen Chuangxin Technology Investment Co., Ltd.	3.67%	115,000,000.00	
South Sea Wind Power Unit Development Co., Ltd.	10%	30,000,000.00	
GMG International Tendering Co., Ltd.	1.97%	3,600,000.00	
Maoming Electric Power Supply Co., Ltd.	15%	903,707.15	
Total (RMB)		505,503,707.15	

In addition, other new accounting standards promulgated or revised has no significant impact on the company's 2013 annual and current financial condition, results of operations and cash flows. For details refer to the financial report, "3- major changes in accounting policies."

XII. Particular about major accounting errors correction that needs retroactive re-statement in reporting period,

☐ Applicable ☒ Not applicable

No particular about major accounting errors correction that needs retroactive re-statement for the Company in the reporting period.

XIII. Compare with last year's financial report; explain changes in consolidation statement's scope.

☒ Applicable ☐ Not applicable

During the reporting period, due to the power project maintenance needs, the company's consolidated statements Added " Guangdong Yuejiang Hongrui Electric Power Technology Development Co., Ltd."; for the integration of wind power project development platform, the original "Guangdong Yudean Shibeishan Wind Power Development Co., Ltd." equity capital increase injecting a wholly owned subsidiary Guangdong wind Power Generation Co., Ltd. , "Guangdong Yudean Shibeishan Wind Power Development Co., Ltd." adjusted from directly owned subsidiary into indirectly controlled subsidiaries. For details refer to the financial report of the "6-consolidation scope changes."

XIV. Profit and dividend distribution

Formulation, implementation or adjustment of profit distribution plan, cash dividend in particular, in reporting period.

☐ Applicable ☒ Not applicable

The profit distribution preplan or proposal and the preplan or proposal of conversion of the capital reserve into share capital in the past three years(with the reporting period inclusive):

(1)The Company's plan for profit distribution and capitalization of capital surplus for 2014: With the total share capital at the end of 2014, i.e., 4,375,236,655 shares, as the base, cash dividends of RMB 2 (including tax) will be distributed for every 10 A shares. with 2 bonus shares (including tax) ,cash dividends of RMB 2 (including tax), will be distributed for every 10 B shares,with 2 bonus shares(including tax).The Company will distribute profit of RMB 875,047,331 in total. The remaining undistributed profit will be carried forward for distribution in the following years. No bonus shares will be distributed and no capital surplus will be capitalized.

(2)The Company's plan for profit distribution and capitalization of capital surplus for 2013: With the total share capital at the end of 2013, i.e., 4,375,236,655 shares, as the base, cash dividends of RMB2.00 (including tax) will be distributed for every 10 A shares. 0 bonus shares (including tax) ,cash dividends of RMB 2.00 (including tax) will be distributed for every 10 B shares. 0 bonus shares (including tax) ,The Company will distribute profit of RMB 875,047,331 in total. The remaining undistributed profit will be carried forward for distribution in the following years. No bonus shares will be distributed and no capital surplus will be capitalized.

(3)The Company's plan for profit distribution and capitalization of capital surplus for 2012: With the total share capital at the end of 2012, i.e., 4,375,236,655 shares, as the base, As for 2,948,297,867 shares held by the controlling shareholder Yudean Group, cash dividends of RMB 0.53504 (including tax) will be distributed for every 10 shares. Cash dividends of RMB1.04083 (including tax) will be distributed to other shareholders for every 10 shares. The Company will distribute profit of RMB 306,266,565.85 in total. The remaining undistributed profit will be carried forward for distribution in the following years. No bonus shares will be distributed and no capital surplus will be capitalized.

Dividend distribution of the latest three years

In RMB

Year	Cash dividend (Including Tax)	Net profit attributable to the over of the parent	Ratio in net profit attributable to the parent company in	Amount of cash dividends from cash offer to repurchase	Proportion of cash dividends from cash offer to repurchase
------	----------------------------------	---	---	--	--

		company in the consolidated financial statements	the consolidated financial statements	shares of the funds	shares of the funds
2014	875,047,331.00	3,003,977,134.00	29.13%		
2013	875,047,331.00	3,086,428,618.00	28.35%		
2012	306,266,565.85	1,698,728,966.00	18.03%		

In the reporting period, both the Company's profit and the parent company's retained earnings were positive however not cash dividend distribution proposal has been put forward.

☐Applicable ☒ Not applicable

XV.Profit distribution and plan of capitalization from capital public reserve

☒ Applicable ☐ Not applicable

Bonus shares for every ten shares (Shares)	2
Increased shares for every 10 shares (share)	2.00
Bonus shares to each 10 shares (Share)	0
Total shares as the basis for the allocation preplan(share)	4,375,236,655
Total cash dividend (Yuan) (Tax-included)	875,047,331.00
Profit dividend (Yuan)	3,338,873,415.00
Proportion of cash dividend in the distributable profit (%)	50.00%
Cash dividend distribution policy:	
The company is a mature stage of development and there is a significant capital expenditure arrangements, profit distribution, the cash dividend in the profit distribution should reach the minimum proportion of 40%.	
Details of profit distribution or reserve capitalization plan	

XII. Social responsibility

☒ Applicable ☐ Not applicable

The company actively fulfill their social responsibilities and publish the Social Responsibility Report annually since 2008. The full report refer to www.cninfo.com.cn.

Whether the listed company and its subsidiaries belong to the heavy polluting industries regulated by the state environmental protection department.

☐ Yes ☒ No ☐ Not applicable

Whether the listed company and its subsidiary exist the major social security issues.

☐ Yes ☒ No ☐ Not applicable

Whether has been punished during the report period.

☐ Yes ☒ No ☐ Not applicable

XVII. Statement of such activities as reception, research, communication, interview in the reporting

☒ Applicable ☐ Not applicable

Reception time	Reception place	Way of reception	Types of visitors	Visitors received	Discussion topics and provision of materials
March 7, 2014	Office of the Company	Onsite investigation	Organisation	Zhongjin Company	The Company's current production of operation conditions and the situation of the construction and development projects
October 30, 2014	Office of the Company	Onsite investigation	Organisation	Jiashi Fund, Taikang Fund Management Company	The Company's current production of operation conditions and the situation of the construction and development projects
Reception times					2
Reception agency amount					3
Reception the individuals amount					0
Reception the other					0
Whether to disclose, reveal or disclose non-public material information					Not applicable

V. Important Events

I. Assets Transactions

1.Acquisition of Assets

√ Applicable □ Not applicable

The other party or eventual controller	Assets acquisition or transferred in	Transaction price(RMB)	Progress	Net profit contributed to the company from the acquisition date to the year end (RMB '0000) (Applicable to the consolidation of the enterprises not under the)	Net profit contributed to the Company from the year beginning to the year end (RMB'000 0) (Applicable to the consolidation of the enterprises)	Proportion of the net profit contributed by the asset for the Company in the total profit (%)	Is it a related transaction (Y/N)	Connectivity relations with the other party (applicable to the related transaction)	Disclosure date	Disclosure index
Guangdong Shaoguan No.9 Power Unit Co., Ltd.	Partial assets of Guangdong Shaoguan No.9 Power Unit Co., Ltd.	4,079.1	All the relevant asset property rights have been transferred	0	0	0.00%	Yes	Controlled by Yudian Group	October 31, 2014	Name of Announcement : Announcement of Resolutions of the 3rd Meeting of the Eighth Board of Directors, Related Transaction Announcement on

										Acquisition of Capacity of Shutdown Units by A Controlled Subsidiary, Announcement No.:2014-33,2014-37, Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
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2. Sale of assets

☐ Applicable ☒ Not applicable

There is no sale of assets in the Company during the reporting period

3. Business combination

☐ Applicable ☒ Not applicable

There is no business combination in the Company during the reporting period.

II. Material related transactions

1. Other material related transactions

☒ Applicable ☐ Not applicable

(1) In 2014, daily related transactions were carried out after examination and approval by 2014 annual shareholders' general meeting. Refer to (5) Related transactions of X. Relationship between related parties and the transactions between them of the Financial Report of this report for details.

(2) The proposal that the Company and some of the subsidiaries apply to the related party Guangdong Finance

Co., Ltd. for the financial services totaling up to 17 billion yuan, which include credit facilities, saving accounts, settlements etc. after examination and approval respectively by 2013 Shareholder General meetings.

(3) The proposal that the subsidiary Guangdong Shaoguan Yuejiang Power Generation Co., Ltd. purchase part of the related party's assets, and approval respectively by the 3rd meeting of the Eighth board of directors

Relevant inquiry with the internet website for disclosing provisional report on material related transactions

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of the Related Party Transactions	April 24, 2014	(http://www.cninfo.com.cn)
Announcement of Guangdong Yudean Finance Co., Ltd... On Related Transaction	April 24, 2014	(http://www.cninfo.com.cn)
Related transaction Announcement of Resolutions of the 3rd Meeting of the Eighth Board of Directors	October 30, 2014	(http://www.cninfo.com.cn)

III. Important contracts and implementation

1. Guarantees

√ Applicable □ Not applicable

In RMB'0000

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Lincang Yuntou Yudean Hydroelectricity Development Co., Ltd.	July 22, 2006	3,430	December 25, 2006	1,372	Guaranteeing of joint liabilities.	14 years	No	No
Lincang Yuntou Yudean Hydroelectricity Development Co., Ltd.	July 22, 2006	1,372	July 29, 2008	548.8	Guaranteeing of joint liabilities.	12 years	No	No

Ltd.								
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24, 2007	2,900	November 30, 2007	1,247	Guaranteeing of joint liabilities.	14 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24, 2007	1,305	November 30, 2007	391.5	Guaranteeing of joint liabilities.	12 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24, 2007	4,350	December 19, 2007	3,190	Guaranteeing of joint liabilities.	17 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	December 19, 2007	4,350	December 25, 2007	1,827	Guaranteeing of joint liabilities.	17 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	December 19, 2007	12,000	March 18, 2008	12,000	Guaranteeing of joint liabilities.	20 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	August 22, 2008	5,800	October 31, 2008	5,800	Guaranteeing of joint liabilities.	17 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	November 12, 2008	7,250	November 14, 2008	2,900	Guaranteeing of joint liabilities.	12 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27, 2009	7,250	May 27, 2009	5,075	Guaranteeing of joint liabilities.	14 years	No	No

Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27, 2009	9,367	June 22, 2009	7,627	Guaranteeing of joint liabilities.	20 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	September 10, 2010	14,500	December 16, 2010	8,118.89	Guaranteeing of joint liabilities.	10 years	No	No
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	March 8, 2012	33,480	March 27, 2012	32,475.6	Guaranteeing of joint liabilities.	The power plant put in to operation and terminated after two years	No	No
Lincang YuntouYudean Hydroelectricity Development Co., Ltd.	November 11, 2011	25,000	November 28, 2012	8,330	Guaranteeing of joint liabilities.	20 years	No	No
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	March 8, 2012	27,400	April 11, 2013	27,400	Guaranteeing of joint liabilities.	The power plant put in to operation and terminated after two years	No	No
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	November 16, 2013	12,000	May 21, 2014	12,000	Guaranteeing of joint liabilities.	3 years	No	No
Lincang YuntouYudean Hydroelectricity Development Co., Ltd.	November 16, 2013	33,614	July 1, 2014	9,310	Guaranteeing of joint liabilities.	22 years	No	No
Total amount of approved external guarantee in the report period(A1)			0	Total actually amount of external guarantee in the report period(A2)				-3,236.94
Total amount of approved external guarantee at the end of the report period(A3)			254,251	Total actually amount of external guarantee at the end of the report period(A4)				139,612.79
Guarantee of the company for its subsidiaries								

Name of the company guaranteed	Related announcement date and no.	Amount of guarantee	Date of happening(date of signing agreement)	Actually guarantee amount	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for related party(yes or no)
Guangdong Yudean Zhanjiang Wind Power Co., Ltd	April 29, 2009	17,500.34	October 9, 2010	17,500.34	Guaranteeing of joint liabilities.	18 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	June 29, 2011	23,075	July 28, 2011	8,013.68	Guaranteeing of joint liabilities.	7 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	August 15, 2012	19,500	December 6, 2012	9,832.89	Guaranteeing of joint liabilities.	5 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	November 16, 2013	23,400	January 28, 2014	17,100	Guaranteeing of joint liabilities.	7 years	No	No
Total of guarantee for subsidiaries approved in the period(B1)		0		Total of actual guarantee for subsidiaries in the period (B2)		8,250.72		
Total of guarantee for subsidiaries approved at period-end(B3)		74,200		Total of actual guarantee for subsidiaries at period-end(B4)		52,446.91		
Total of company's guarantee(namely total of the large two aforementioned)								
Total of guarantee approved in the period(A1+B1)		0		Total of Actual guarantee in the period(A2+B2)		5,013.78		
Total of guarantee approved at the period-end(A3+B3)		328,451		Total of actual guarantee at the period-end (A4+B4)		192,059.7		
The proportion of the total amount guarantee in the net assets of the company(that is A4+B4)				9.01%				
Including:								
Amount of guarantee for shareholders, Actual controller and its associated parties(C)				0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(D)				154,998.56				
Proportion of total amount of guarantee in net assets of the company exceed 50%(E)				0				
Total guarantee Amount of the abovementioned				154,998.56				

guarantees(C+D+E)	
Explanations about joint and several liability for repayment in respect of undue guarantee(if any)	Not applicable
Explanation about external guarantee violating established procedure if any)	Not applicable

Description of the guarantee with complex method

(1) Guarantees provided by the company

☐ Applicable ☒ Not applicable

There was not involved in any Guarantees provided by the company in the reporting period.

2. Other significant contracts

☐ Applicable ☒ Not applicable

There was no other significant contract of the Company in the reporting period.

3. Other significant transactions

☐ Applicable ☒ Not applicable

There was no other significant transaction of the Company in the reporting period.

IX. Implementation of commitments

1. Commitments made by the Company or shareholders holding over 5% of the Company's shares in the reporting period or such commitments carried down into the reporting period

☒ Applicable ☐ Not applicable

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
Commitment on share reform					
Commitment in the acquisition report or the report on equity changes					
Commitment made upon the assets replacement	Guangdong Yudean Group Co., Ltd.	Yue Dian Li is the only quoted platform of Yudean Group's electricity asset integration within the boundary. ② Except Yue Dian Li and the electricity assets controlled by it, within 5 years after the last recombination is done, Yudean Group will pump the assets which meet the conditions of launching after reformation into Yue Dian Li gradually through purchasing and recombination and other ways, according to the situation of	November 3, 2011	Within 5 years after the completion of major asset	Under fulfillment

		solutions to different problems, e.g. the imperfect examination and approval procedures, the situation of profitability, cooperation agreement and land utilization. ③ At the aspects of the development of power project and assets purchasing, Yudean Group provides the priority for Yue Dian Li choose. If Yue Dian Li gives up development and purchasing, Guangkong Group will join Yue Dian Li under the situation that the project is completed and put into production, and that the purchase is done and the project meets the conditions of listing. For details, see June 5, 2014, published in the designated media "Announcement of Guangdong Electric Power Development Co., Ltd. matters related to commitments".		reorganization	
Commitments made upon issuance					
Other commitments made to minority shareholders					
Executed timely or not?	Yes				

V. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	KPMG (Special General Partnership)
Remuneration for domestic accounting firm (RMB'0000)	190
Continuous life of auditing service for domestic accounting firm	1
Name of domestic CPA	Peng Jing, Wang Xiaomei

Whether re-appointed accounting firms in this period or not

√ Yes ☐ No

Whether re-appointed accounting firms during auditing period or not

√ Yes ☐ No

Whether completed approval process while changing accounting firm or not

√ Yes ☐ No

Explanation on re-engagement and changes of accounting firms

In the report period, the Company engaged KPMG (Special General Partnership) as the certified public accountants for internal control and audit and paid service fee of RMB 1.9 million to it. If the report contains the statutory audit of subsidiaries of total cost RMB 3.105 million.

VI. Notes to other significant Events

√Applicable □ Not applicable

1. In order to better develop a unified platform to build wind power, improve management efficiency, The company evaluated Guangdong Yudean Shibeishan Wind Power Development Co., Ltd. (hereinafter referred to as "Shibeishan Wind Power Development Company") of holded 70% equity and Huaneng Shantou Wind Power Generation Co., Ltd., (hereinafter referred to as "Huaneng Shantou Wind Power Company") of holded 25% equity, accordance with 174.58 million yuan and 67,645,250 yuan assessed value, in the form of capital injected into a wholly owned subsidiary Guangdong Wind Power Generation Co., Ltd., . After completion of the capital, Shibeishan Wind Power Development Company and Huaneng Shantou Wind Power Company become our three subsidiaries, our company through Guangdong Wind Power Generation Co., Ltd., indirectly holds 70% equity of Shibeishan Wind Power Development Company and 25% equity of Huaneng Shantou Wind Power Company.

The matter was approved to execute in the 19th Meeting of the seventh Board of directors by first correspondence in 2014 and the eighth Board of Directors meeting respectively.

2 Information disclosure

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement for Changing Directors and General Manager of the Company	January 17, 2014	http://www.cninfo.com.cn
The announcement about payments of "08 Yudean bonds" interest in 2014	March 3, 2014	http://www.cninfo.com.cn
Announcement of Guangdong Yuejia Electric Power Co., Ltd. on Provision for Impairment of Assets	March 4, 2014	http://www.cninfo.com.cn
Announcement on investment to set up Guangdong Yuejiang Hongrui Electric Power Technology Development Co., Ltd.	March 4, 2014	http://www.cninfo.com.cn
The announcement about payments of "12 Yudean bonds" interest in 2014	March 11, 2014	http://www.cninfo.com.cn
Announcement of election for the board of directors, board of supervisors	April 24, 2014	http://www.cninfo.com.cn
Announcement of commitments of related parties on related matters	June 5, 2014	http://www.cninfo.com.cn
Announcement on Electricity Rate Adjustment	October 14, 2014	http://www.cninfo.com.cn
Announcement on the Decrease of Registered Capital of	October 30, 2014	http://www.cninfo.com.cn

Holding Subsidiary of Guangdong Yuejia Electric Power Co., Ltd.		
Announcement on investment to set up Guangdong Qujie Wind Power Generation Co., Ltd..	October 30, 2014	http://www.cninfo.com.cn
Announcement about Guangdong Shaoguan Yuejiang Power Generation Co., Ltd. agreement to acquire Guangdong Shaoguan No.9.power Generation Unit Co., Ltd. part of the assets of the business combination	October 30, 2014	http://www.cninfo.com.cn
Announcement on Displacement of Partial Shares from Weixin Yuntou Yudean Zhaxi Energy Co., Ltd. with 51% Shares from Lincang Yuntou Yudean Hydropower Development Co., Ltd.	December 17, 2014	http://www.cninfo.com.cn

VII. Significant events of subsidiaries

☐ Applicable ☒ Not applicable

VIII. Issuing of Company Bonds

☒ Applicable ☐ Not applicable

The Company issued corporate bonds of RMB 2 billion with coupon rate of 5.5% on March 10, 2008.

Construction Bank of China Co., Ltd. authorized its Guangdong Branch to provide full-amount, unconditional and irrevocable guarantee of joint and several liabilities. The corporate bonds were listed for trading at Shenzhen Stock Exchange on March 27, 2008. Stock code: 112001; Stock abbreviation: 08 Yudean Bond. Term: 7 years. Put provision is attached. March 3, 2015 is the trading termination day (subject to the announcement of the Company).

The Company newly issued corporate bonds of RMB 1.2 billion with coupon rate of 4.95%. The corporate bonds were listed for trading at Shenzhen Stock Exchange on May 24, 2013. Stock code: 112162; Stock abbreviation: 12 Yudean Bond. The term of bonds is 7 years and put provision is attached. March 18, 2020 is the trading termination day (subject to the announcement of the Company).

In the report period, The Company's credit status has not changed apparently. At the end of the report period, the assets-liabilities ratio of the Company was 59.78%. In the report period, the Company paid the interest of corporate bonds for the fifth interest period. In the future, the Company will continue to provide guarantee for the debt service concerning its corporate bonds through steady development of its own business.

The company paid interest on March 10, 2014, on the 18th for 6th "08 Yudean bonds" and "12 Yudean bonds" in the first interest period.

In the future, the company will continue its business through development of robust, provide a guarantee for the payment of corporate bonds.

Quantity of bonds held by the top ten bond shareholders of the Company (As of December 31, 2014)

Bond abbreviation	Name of shareholder	Quantity of bonds
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and code		
08 Yudean (112001)	Taiping Life insurance Co., Ltd—Universal—Group insurance Universal	2,267,439
	Xinhua Life Insurance Co., Ltd. — Universal - Satisfying Money Management-018L-WN001 Shen	2,200,000
	Zhongying Life insurance Co., Ltd.	2,114,775
	Postal Savings Bank of China	2,000,000
	Guangfa Securities—CSDC-Guangfa Jin Guanjia Cash and increased profits collective asset management plan	1,564,990
	China Post Finance Co., Ltd.	1,336,678
	Chine International Capital (HK)Co., Ltd.—Zhongjin stable income accounts	1,260,520
	Chine International Capital Co., Ltd.	854,821
	Everbright Securities Asset Management Co., Ltd—CSDC—Everbright Sunshine Cash treasure Asset Management Plan	619,466
	CPIC	500,000
12Yudean (112162)	CCB	3,600,000
	China Life Insurance Co., Ltd.	2,400,000
	China Merchants bank	2,000,000
	China Pingan Life insurance Co., Ltd.—Dividend distribution—Individual insurance dividend	1,400,000
	China Investment management — Bank of China—Bank of China	1,200,000
	China Pingan Life insurance Co., Ltd.—Universal—Individual insurance universal	1,000,000
	Tianhong Fund-ICBC-Tianhong —Pengyang No.11 Assets Management Plan.	199,960
	Jinyuan Securities Co., Ltd.	194,510
	Wu Xuefang	1,410
	Huaxia Capital—ICBC—The private Banking Dept of ICBC	1,000

VI. Change of share capital and shareholding of Principal Shareholders

(1) Changes in share capital

1. Changes in share capital

In Shares

	Before the change		Increase/decrease (+, -)					After the Change	
	Amount	Proportion	Share allotment	Bonus shares	Capitalization of common reserve fund	Other	Subtotal	Quantity	Proportion
I. Share with conditional subscription	1,582,206,139	36.16%				-750	-750	1,582,205,389	36.16%
2. State-owned legal person shares	1,577,825,387	36.06%				39,870	39,870	1,577,865,257	36.06%
3. Other domestic shares	4,380,752	0.10%				-40,620	-40,620	4,340,132	0.10%
Of which: Domestic legal person shares	4,306,855	0.10%				-34,554	-34,554	4,272,301	0.10%
Domestic natural person shares	73,897	0.00%				-6,066	-6,066	67,831	0.00%
II. Shares with unconditional subscription	2,793,030,516	63.84%				750	750	2,793,031,266	63.84%
1. Common shares in RMB	2,127,690,516	48.63%				750	750	2,127,691,266	48.63%
2. Foreign shares in domestic market	665,340,000	15.21%				0	0	665,340,000	15.21%
III. Total of capital shares	4,375,236,655	100.00%				0	0	4,375,236,655	100.00%

Reasons for share changed:

√ Applicable □ Not applicable

The reporting period, the equity division reform requires some corporate shareholder make the advance repayment procedures, 34,554 A shares and legal person shares moratorium 5,316 A shares moratorium natural person holding shares in August 26, 2014 by other domestic holdings into State-owned legal person shares which is still restricted shares. During the reporting period, the former deputy general manager of the company Mr. Luo Zhiheng term of office expires, it holds 750 A shares moratorium natural person holding shares into tradable shares.

2. Changes of restricted shares

√ Applicable □ Not applicable

In shares

Shareholders' Name	Number of shares restricted at period-begin	Number of shares released in the year	Number of new shares restricted in the year	Number of shares restricted at period-end	Restriction reasons	Released date
Luo Zhiheng	750	750	0	0	Company Executives Mr. Luo Zhiheng resigned when 6 months expired	2014-07-17
Total	750	750	0	0	--	--

II. Issuing and listing

1. Issuing activities over the past three Years

√ Applicable □ Not applicable

Description of stock and its Derivative Securities	Issuing date	Issuing price (Or interest rate)	Issuing quantity	Listing date	Quantity approved for listing	Expiration date of transaction
Stock						
Yue Dian Li A	December 25, 2012	4.73	1,577,785,517	January 4, 2013	0	
Convertible Corporate Bonds, Detachable Convertible Bond and Corporate Bonds						
08 Yudean Bond	March 10, 2008	5.5%	2,000,000,000	March 27, 2008	2,000,000,000	
12 Yudean Bond	March 18, 2013	4.95%	1,200,000,000	May 24, 2013	1,200,000,000	
Stock options						

Statement of security issuing in latest three years

On June 28, 2012, the Company received the Approval of Issue of Shares to Guangdong Yudean Group Co., Ltd. to Purchase Assets by Guangdong Electric Power Development Co., Ltd. issued by CSRC (Zheng Jian Xu Ke (2012 No. 865 Document)). The Company was approved to issue 1,558,022,025 A shares (the number of shares actually issued was 1,577,785,517 after adjustment of issue price due to dividend distribution according to issue clauses) to the controlling shareholder Guangdong Yudean Group Co., Ltd. to purchase 60% equity of Shenzhen Guangqian Power Co., Ltd., to purchase 35% equity of Guangdong Huizhou Natural gas Power Co., Ltd., to purchase 40% equity of Guangdong Yudean Shibeishan Wind power Development Co., Ltd., to purchase 40% equity of Guangdong Red bay Power Co., Ltd., to purchase 20% equity of Guangdong Guohua Yudean Taishan Power Co., Ltd., to purchase 15% equity of Guangdong Electric power industry fuel Co., Ltd. and 45% equity of Guangdong Huizhou Pinghai Power Plant Co., Ltd. held by Yudean Group. The above-mentioned new shares are negotiable shares subject to sale restriction and the term of sale restriction is 36 months.

On March 18, 2013, China Securities Regulatory Commission approved [2012] No. 421 document, the Company Public issued corporate bonds of RMB 1.2 billion with coupon rate of 4.95%. The term of bonds is 7 years and put provision is attached. The corporate bonds were listed for trading at Shenzhen Stock Exchange on May 24, 2013.

The Company issued corporate bonds of RMB 2 billion with coupon rate of 5.5% on March 10, 2008, Term: 7

years. Put provision is attached. The corporate bonds were listed for trading at Shenzhen Stock Exchange on March 27, 2008.

2. Change of asset and liability structure caused by change of total capital shares and structure

☐ Applicable ☒ Not applicable

3. About the existing employees' shares

☐ Applicable ☒ Not applicable

III. Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Shares

Total common shareholders in reporting period-end	110,384	Total common shareholders at end of the 5 th trading day before annual report disclosed	115,307	The total number of preferred shareholders voting rights restored at period-end (if any)(See Notes 8)	0			
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nuture of shareholder	Proportion of shares held(%)	Number of shares held at period -end	Changes in reporting period	Amount of restricted shares held	Amount of un-restricted shares held	Number of shares pledged/frozen	
							State of share	Amount
Guangdong Yudean Group Co., Ltd.	State-owned legal person	67.39%	2,948,337,737	39,870	1,577,865,257	1,370,472,480		
Guangdong Guangfa Electric Power Investment Co., Ltd.	State-owned legal person	2.33%	101,777,185	0		101,777,185		
Guangdong Electric Power Development Corporation	State-owned legal person	1.80%	78,639,451	0		78,639,451		
GOLDEN CHINA MASTER FUND	Overseas legal person	0.62%	26,994,217	15,714,802		26,994,217		
NORGES BANK	Overseas legal person	0.47%	20,449,426	20,449,426		20,449,426		
China Construction Bank—	Domestic	0.43%	18,610,554	-13,631,485		18,610,554		

Penghua Value Advantage Stock-linked Security Investment Fund	non State-owned Legal person							
GREENWOODS CHINA ALPHA MASTER FUND	Overseas legal person	0.39%	16,865,738	14,908,558		16,865,738		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.30%	13,330,537	0		13,330,537		
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	Overseas legal person	0.30%	13,219,369	-6,081,562		13,219,369		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Overseas legal person	0.24%	10,648,243	-1,091,867		10,648,243		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable)（See Notes 3）		N/A						
Explanation on associated relationship among the aforesaid shareholders		The third largest shareholder Guangdong Electric Power Development Co., Ltd. and the tenth largest shareholders Guangdong Chaokang Investment Co., Ltd. are the wholly-owned subsidiaries of the largest shareholder Yudean Group. These three companies have relationships; whether the other shareholders have relationships or unanimous acting was unknown.						
Shareholding of top 10 shareholders of unrestricted shares								
Name of the shareholder				Quantity of unrestricted shares held at the end of the reporting period	Share type			
					Share type	Quantity		
Guangdong Yudean Group Co., Ltd.				1,370,472,480	RMB Common shares			
Guangdong Guangfa Electric Power Investment Co., Ltd.				101,777,185	RMB Common shares			
Guangdong Electric Power Development Corporation				78,639,451	RMB Common shares			
GOLDEN CHINA MASTER FUND				26,994,217	Foreign shares placed in domestic exchange			
NORGES BANK				20,449,426	Foreign shares placed in domestic exchange			

China Construction Bank—Penghua Value Advantage Stock-linked Security Investment Fund	18,610,554	RMB Common shares	
GREENWOODS CHINA ALPHA MASTER FUND	16,865,738	Foreign shares placed in domestic exchange	
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	13,330,537	Foreign shares placed in domestic exchange	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	13,219,369	Foreign shares placed in domestic exchange	
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	10,648,243	Foreign shares placed in domestic exchange	
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	The third largest shareholder Guangdong Electric Power Development Co., Ltd. and the tenth largest shareholders Guangdong Chaokang Investment Co., Ltd. are the wholly-owned subsidiaries of the largest shareholder Yudean Group. These three companies have relationships; whether the other shareholders have relationships or unanimous acting was unknown.		
Explanation on shareholders participating in the margin trading business(if any)(See Notes 4)	N/A		

Whether top ten common shareholders or top ten common shareholders with un-restrict shares held have a buy-back agreement dealing in reporting period.

☐ Yes ☒ No

The top ten common shareholders or top ten common shareholders with un-restrict shares held of the Company have no buy –back agreement dealing in reporting period.

2. Controlling shareholder

Corporate

Name of the Controlling shareholder	Legal representative/ Leader	Date of incorporation	Organization code	Registered Capital	Principal business activities
Guangdong Yudean Group Co., Ltd.	Li Zhuoxian	August 3, 2001	73048602-2	RMB 23 billion	Management and sales of the electricity investment construction operation management, electricity power(Thermal Power), The the industry of transportation resources environmental protection, new source of energy electricity investment;

					investment planning and consulting ; information consulting service; sales of production materials.
Future development strategy	With energy as the core, the joint development of related industries, based in Guangdong, facing the country, to explore the international market, to build domestic first-class and internationally competitive energy group.				
Operation result, financial status, cash flow.etc.	In the report period,the company is under normal operations and the financial condition and cash flow situation is stable.				
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	Not applicable				

Changes of controlling shareholder in reporting period

☐ Applicable ☒ Not applicable

No changes of controlling shareholder for the Company in reporting period

3. Information about the controlling shareholder of the Company

Legal person

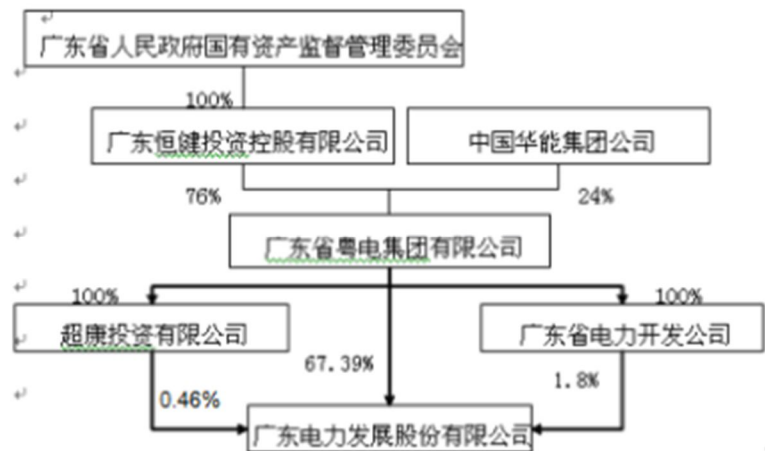
Name of the controlling shareholder	Legal representative/person in charge	Date of establishment	Institution code	Registered capital	Main business
State-owned Assets supervision and administration Commission of Guangdong Provincial People's Government					
Future development strategy	Not applicable				
Operation result, financial status, cash flow.etc.	Not applicable				
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	Not applicable				

Changes of the actual controller in the reporting period

☐Applicable ☒Not applicable

No Changes of the actual controller in the reporting period

Block Diagram of the ownership and control relations between the company and the actual controller



The actual controller controls the company by means of trust or managing the assets in other way

☐Applicable ☒Not applicable

4.Particulars about other legal person shareholders with over 10% shareheld

☐Applicable ☒Not applicable

IV.Share holding increasing plan proposed or implemented in reporting period from shareholder of the Company and its concerted action person

☐Applicable ☒Not applicable

Within the scope of the company known, no shareholders and persons acting in the reporting period have proposed or implemented share purchase plans.

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VII. Situation of the Preferred Shares

☐Applicable ☒Not applicable

The Company had no preferred shares in the reporting period

VIII. Information about Directors, Supervisors and Senior Executives

I. Change in shares held by directors, supervisors and senior executives

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Shares held at the beginning of the reporting period (share)	Increase of shares in this reporting period (share)	Decrease of shares in this reporting period (share)	Shares held at the end of the reporting period (share)
Pan Li	Board chairman	In office	Male	60	May 20, 2014	May 20, 2017				
Li Zhuoxian	Vice Board chairman	In office	Male	51	May 20, 2014	May 20, 2017				
Zhong Weimin	Director	In office	Male	58	May 20, 2014	May 20, 2017				
Hong Rongkun	Director	In office	Male	57	May 20, 2014	May 20, 2017				
Gao Shiqiang	Director	In office	Male	57	May 20, 2014	May 20, 2017				
Kong Huitian	Director	In office	Male	58	May 20, 2014	May 20, 2017				
Li Mingliang	Director	In office	Male	50	May 20, 2014	May 20, 2017				
Zhu Dejun	Director	In office	Male	54	May 20, 2014	May 20, 2017				
Yang Xinli	Director	In office	Male	52	May 20, 2014	May 20, 2017				
Yao Jiheng	Director, General Manager	In office	Male	49	May 20, 2014	May 20, 2017				
Hu Xiaolei	Director	In office	Male	49	May 20, 2014	May 20, 2017				
Zhang Xueqiu	Director	In office	Male	48	May 20, 2014	May 20, 2017				

Liu Tao	Independent director	In office	Male	43	May 20, 2014	May 20, 2017				
Zhang Hua	Independent director	In office	Male	49	May 20, 2014	May 20, 2017				
Sha Qilin	Independent Supervisor	In office	Male	54	May 20, 2014	May 20, 2017				
Mao Fugen	Independent Supervisor	In office	Male	51	May 20, 2014	May 20, 2017				
Ding Yougang	Independent Supervisor	In office	Male	45	May 20, 2014	May 20, 2017				
Lu Jun	Independent Supervisor	In office	Male	52	May 20, 2014	May 20, 2017				
Zhang Dewei	Chairman of the Supervisory Committee	In office	Male	53	May 20, 2014	May 20, 2017				
Zhao Li	Supervisor	In office	Female	42	May 20, 2014	May 20, 2017				
Zhu Weiping	Independent Supervisor	In office	Male	57	May 20, 2014	May 20, 2017				
Jiang Jinsuo	Independent Supervisor	In office	Male	46	May 20, 2014	May 20, 2017				
Lin Weifeng	Employee supervisor	In office	Male	46	May 20, 2014	May 20, 2017	3,930	0	0	3,930
Li Qing	Employee supervisor	In office	Male	37	May 20, 2014	May 20, 2017				
Yang Xuanxing	Deputy GM	In office	Male	49	May 20, 2014	May 20, 2017				
Li Xiaoqing	Deputy GM, Finance manager	In office	Female	43	May 20, 2014	May 20, 2017				
Liu Hui	Deputy GM	In office	Female	49	May 20, 2014	May 20, 2017				
Liu Wei	Board secretary	In office	Male	35	May 20, 2014	May 20, 2017				
Liu Qian	Vice Board chairman	Retired	Male	60	May 18, 2011	May 18, 2014				
Wang	Director	Retired	Male	51	May 18, 2011	May 18, 2014				

Jin		d								
Rao Subo	Director	Retire d	Male	50	May 18, 2011	May 18, 2014				
Lin Shizhua ng	Director, General Manager	Retire d	Male	53	May 18, 2011	May 18, 2014				
Wang Jun	Independent director	Retire d	Male	56	May 18, 2011	May 18, 2014				
Song Xianzhong	Independent director	Retire d	Male	51	May 18, 2011	May 18, 2014				
Zhu Weiping	Independent director	Retire d	Male	57	May 18, 2011	May 18, 2014				
Feng Xiaoming	Independent director	Retire d	Femal e	59	May 18, 2011	May 18, 2014				
Xiang Ying	Independent Supervisor	Retire d	Femal e	61	May 18, 2011	May 18, 2014				
Sha Qilin	Independent Supervisor	Retire d	Male	54	May 18, 2011	May 18, 2014				
Tong Jianjun	Employee supervisor	Retire d	Male	59	May 18, 2011	May 18, 2014				
Luo Zhiheng	Secretary , Deputy GM	Retire d	Male	47	May 18, 2011	April 22, 2014	1,000	0	0	1,000
Total	--	--	--	--	--	--	4,930	0	0	4,930

II. Posts holding

Work Experience in the past five years of Directors, supervisors and senior Executives in Current office

Mr. Pan Li, Male, born in June 1954, CPC member, Han nationality, from Shunde Guangdong, bachelor's degree holder, Senior engineer. He had served as the technician in dispatching station of Guangzhou Power Supply Bureau, deputy section chief and Deputy President of Health and Technology Department, Deputy General Manager of Guangdong Provincial Power Group Corporation and other positions, Chairman and party secretary of Guangdong Yudean Group. He now serves as Member and Assistant director member of the CPPCC of Guangdong, and board Chairman of the Guangdong Electric Power Development Co., Ltd.

Mr. Li Zhuoxian, Male, born in June 1963, CPC member, Han nationality, from Meixian Guangdong, bachelor's

degree holder, Senior engineer, He had served as the technician staff of the Chemical department, Deputy-department director, director, Deputy-Section Chief of the technique and production section, Vice-General Engineer, and Vice-factory director of Shaoguan Electric Power Plant, director, General Manager of Guangdong Yudean Group Co., Ltd. He now serves as board Chairman and secretary of CCP of Guangdong Yudean Group Co., Ltd. Vice board Chairman of the Guangdong Electric Power Development Co., Ltd.

Mr. Zhong Weimin, Male, born in August 1956, CPC member, Han nationality, from Huadu Guangdong, bachelor's degree, He had served as deputy head of Cadre Appointment, Dismissal and Transfer Division of Organization Dept. of Guangdong Provincial Party Committee, acting mayor of Sanshui City and investigator of the same division and No. 1 Cadre Division of the same department. He now serves as director, Vice secretary of Party committee, secretary of Committee for Disciplinary inspection and Chairman of Labour union of Guangdong Yudean Group Co., Ltd. and director of Guangdong Electric Power Development Co., Ltd.

Mr. Hong Rongkun, Male, born in September 1957, CPC member, Han nationality, from Zhanjiang Guangdong, bachelor's degree holder, Senior engineer, He had served as the Party Branch Secretary for boiler department and Deputy director of the Maoming Thermal Power Co., Ltd., deputy director of Health and Technology Department and Vice General engineer for the Power industry Bureau, He now serves as director, Deputy General manager and member of CCP of Guangdong Yudean Group Co., Ltd., Director of the Guangdong Electric Development Co., Ltd.

Mr. Gao Shiqiang, Male, born in December 1957, CPC member, Han nationality, from Dapu Guangdong, a postgraduate, A master's degree in engineering, Senior engineer. He had served as deputy manager and deputy director of Lianping County Power Supply Company, deputy director and director of Engineering Dept. and deputy director general of Heyuan Power Industry Bureau, director general of Shanwei Power Industry Bureau, head of preparation team of Shanwei Power Plant and head of Cadre Division of Guangdong Electric Power Group Company. He now serves as director, deputy General Manager, member of CCP and Chief Counselor of Guangdong Yudean Group Co., Ltd. and director of Guangdong Electric Power Development Co., Ltd.

Mr. Gao Shiqiang, Male, born in December 1957, CPC member, Han nationality, from Dapu Guangdong, a postgraduate, A master's degree in engineering, Senior engineer. He had served as deputy manager and deputy director of Lianping County Power Supply Company, deputy director and director of Engineering Dept. and deputy director general of Heyuan Power Industry Bureau, director general of Shanwei Power Industry Bureau, head of preparation team of Shanwei Power Plant and head of Cadre Division of Guangdong Electric Power Group Company. He now serves as director, deputy General Manager, member of CCP and Chief Counselor of Guangdong Yudean Group Co., Ltd. and director of Guangdong Electric Power Development Co., Ltd.

Mr. Kong Huitian: Male, Born in November 1956, CPC member, Han Nationality, from Wuhua Guangdong, bachelor's degree holder, Senior political, He had served as deputy secretary of Party committee and secretary of

discipline committee of Huangpu Power Plant and director of Human Resource Dept. Guangdong Yudean Group Co., Ltd. He now serves as chief economic engineer, He now serves as chief economic manager, the member of the Party Committee of Guangdong Yudean Group Co., Ltd, and director of Guangdong Electric Power Development Co., Ltd.

Mr.Li Mingliang: Male, Born in October 1964, CPC member, Han Nationality, Form Fuping Shanxi, bachelor's degree holder, He is a senior engineer (professor level) with master's degree. He once served as director of Operation Dept., deputy chief engineer, deputy plant director, plant director of Zhuhai Power Plant and member of Party committee, deputy chief engineer and director of Human Resource Dept. of Guangdong Yudean Group Co., Ltd. He now serves as deputy general manager, member of Party committee of Guangdong Yudean Group Co., Ltd. and Director of Guangdong Electric Power Development Co., Ltd.

Mr.Zhu Dejun, Male, Born in February 1960,CPC member, Han Nationality, Form Gushi Henan, Party School Postgraduate, Engineer and Senior Political Division. He once served as director of the CPC Committee office of Shajiao Power Plant, Deputy director and CPC of member of Zhuhai Power Generation Plant, General Manager and Secretary of party Branch of Guangdong Electric Power Fuel Company ,He now serves as Deputy General Manager and member of Party committee of Guangdong Yudean Group Co., Ltd.,and Director of Guangdong Electric Power Development Co., Ltd.

Mr. Yang Xinli, Male, Born in November, CPC member, Han Nationality, Form Shanyang Shanxi,, Master Degree holder, Senior Engineer. He Once served as Deputy director of the operation Center of Guangdong Province Electric Power Industry Bureau,Director of Power Energy Dept. of Guangdong Provincial Economic & Trade Commission Committee and Director of Personnel Dept. of Guangdong Provincial Economic & Information Commission, He now serves as Deputy General Manager and Member of Party committee of Gufangdong Yudean Group Co., Ltd. and Director of Guangdong Electric Power Development Co., Ltd.

Mr. Yao Jiheng, male, born in November 1965, From Chenzhou of Hunan, CPC member, Han Nationality, Bachelor degree, Master Degree holder ,He is a (professor-level) senior engineer with bachelor's degree. He once served as deputy factory director of Yunfu Power Plant and Huangpu Power Plant, factory director of Shajiao A Power Plant, member of Party committee, deputy chief engineer and director of Safety Monitor and Production Technology Dept. of Guangdong Yudean Group Co., Ltd. He now serves as a director and general manager of Guangdong Electric Power Development Co., Ltd.and board Chairman of Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.

Mr. Hu Xiaolei, male, born in February 1965, CPC member, Han Nationality, Form Jiangjing of Chongqing, a Postgraduate, Doctor's degree holder, He is a (professor-level) senior engineer. He once served as Teacher of the Thermal power professional of Wuhan hydraulic and electric engineering institute, Deputy chief engineer of

Shajiao Power Plant, Deputy, Deputy Chief Economist of Shajiao C Power Plant, Deputy Director of Personnel Dept of Guangdong Yudean Group Co., Ltd. Director of Biotechnology Dept of Guangdong Yudean Group Co., Ltd. and General Manager of Guangdong Shipping Co., Ltd. He Now serves as Director of Guangdong Electric Power Development Co., Ltd. and director of Shajiao A power Plant.

Mr. Zhang Xueqiu, Male born in January 1966, CPC member, Han nationality, from Hunan, He is an economic engineer with master's degree. He once served as clerk, deputy section chief, section chief and manager assistant of Management Dept., deputy general manager and general manager of Guangzhou Development Group Co., Ltd. He now serves as vice president of administration and board secretary of Guangzhou Development Industrial Holding Group Co., Ltd. and Director of Guangdong Electric Power Development Co., Ltd.

Mr. Liu Tao, Male, born in March 1971, Han nationality, from Anyang Henan, He is a level-1 lawyer with doctor's degree in laws. He now serves as a partner of Guangdong Fazhi Shengbang Law Office and member of the Ninth and Tenth CPPCC of Guangdong Province and Social and Legal Affairs Committee of CPPCC of Guangdong Province and concurrently serves as member of Expert Consultation Committee of Guangdong People's Procuratorate, supervisor of registration of letters and visits for Guangdong Higher People's Court, arbitrator of Guangzhou Arbitration Commission. And independent director of Guangdong Electric Power Development Co., Ltd

Mr. Zhang Hua, Male, born in March 1965, Han nationality, From Xingguo Jiangxi, Master of Economics, an Economist, He once served as Business Manager of Credit Dept of Nation Development Bank. Guangzhou Branch, Senior Analyst of Guangdong Gold Finger Investment Consultants Co., Ltd. Deputy Manager of Financial Dept of Guangdong Baoxin Holding Group Co., Ltd. Majordomo of Investment Bank and Assistant of president of Junhua Group, Deputy General Manager of Guangzhou Yingzhi Caihua Investment Co., Ltd. He now serves as Deputy General Manager of Guangzhou Derui Investment Co., Ltd., Deputy General Manager of Shenzhen Dongying Ruitong Management Partnership (Limited partnership) and Independent director of Guangzhou Yuyin Technology Co., Ltd and Guangdong Electric Power Development Co., Ltd.

Mr. Sha Qilin, Male, born in October 1960, CPC member, Han nationality, from Honghu Hubei, doctor's degree holder, Associate professor, A lawyer. He once served as associate professor of Automobile Engineering Dept. of Wuhan Engineering College (now named as Wuhan Science and Engineering University) and person in charge of Investment and Development Dept., deputy chief engineer and head of overseas listing leading team of China

Huandao Group Company. He now serves as the lawyer of Nanguo Desai Lawyer Office, member of financial securities Committee of Guangzhou Lawyers Association and independent supervisor director of Guangdong Electric Power Development Co., Ltd.

Mr. Mao Fugen, Male, born in October 1963, Nan nationality, from Pinghu Zhejiang, Doctor of Economics, He Now serves as Professor of Accounting Dept of Xiamen, served as long-term EMBA Professor at Xiamen University and other Universities, and Independent director of Xiamen International Trade Group Co., Ltd., Zhejiang Aokang Shoes Industry Co., Ltd. And Guangdong Electric Power Development Co., Ltd

Mr. Ding Yougang, Male, born in August 1969, Han Nationality, from Wuwei Anhui, Doctor of Business administration (Accounting), CPA, Professor, Doctoral supervisor. He Now serves as Professor and director of Accounting Dept of Jinan University, Director of MPACC Education Center of Jinan University, Treasury accounting academic leading talent, the Treasury Internal Control Standards expert advisory committee of experts, internal control Accounting Society of China Professional Committee, vice chairman of the Guangdong Provincial Accounting Association, vice president of the Guangzhou Municipal Audit Society, Kexin Communication Technology Co., Ltd., An Biping Guangzhou pharmaceutical Technology Co., Ltd., Independent director of Guangdong Electric Power Development Co., Ltd, External supervisor of Zhuhai Rural Commercial Bank

Mr. Lu Jun, Male, born in August 1962, Han nationality, form Xianfeng Hubei, Doctor of Economics, Professor. The current vice president of Lingnan Zhongshan University, Zhongshan University Institute of Finance served as executive vice president, director of the Research Center of Zhongshan University, expert advisory committee member of the People's Government of Guangdong Province, China Finance Society, "Finance Quarterly," deputy editor, Guangdong provincial People's Government development Research Center Research Fellow, Guangdong Finance Association executive director, Finance Committee of the Guangdong Provincial Committee to promote cooperation between Guangdong and Hongkong executive director of the Arbitration Institute of Finance, Guangzhou Automobile Industry Group, Dongguan Bank, an independent director of Guangdong electric Power Development Co., Ltd.

Mr. Zhang Dewei, Male, born in January 1961, Han nationality, Form Ningbo Zhejiang, bachelor's degree holder, MBA and senior economist, Senior economist. He had served as Geography lecturer of Guangzhou Normal University. He had served as board secretary of the Board of Directors of Guangdong Electric Power Development Co., Ltd. and deputy director of Capital Operation and Legal Affairs Dept. of Guangdong Yudean Group Co., Ltd. He now serves as director of Working Department of auditing and supervisory committee, secretary of Party branch of Guangdong Yudean Group Co., Ltd. and Chairman of Supervisory committee of Guangdong Electric Power Development Co., Ltd.

Ms. Zhaoli, born in October 1972, CPC member, Han nationality, from Tieling Liaoning, bachelor's degree, Master's degree, Senior accountant, She once served as Manager of Financial Dept and of Guangdong Yudean Group Co., Ltd. She Now serves as Vice Minister of Financial Dept of Guangdong Yudean Group Co., Ltd. and concurrently serves as Supervisor of Supervisory committee of Guangdong Electric Power Development Co., Ltd.

Mr. Zhu Weiping, Male, born in May 1957, Han nationality, from Yiyang Hunan, doctor degree in Economics, professor and tutor of Ph. D. students. Zhu was a professor of the Management College of Jinan University. Now

he is the executive dean of Industrial Economy Institute of Jinan University, executive member of Chinese Industrial Economic Association and Guangdong Economic Association, deputy secretary-general of Guangdong Non-state-owned Economic Association and executive member of Guangdong Young & Middle-aged Economic Association., independent director of Baiyun Airport and Zhongjin Lingnan and independent director of Guangdong Electric Power Development Co., Ltd.

Mr. Jiang Jinshuo, Male, Born in March 1968, CPC member, Han Nationality, from Hongan Hubei, Professor, Doctor of accountancy, CPA. He Now serves as Deputy director of Accounting Dept of Guangdong Finance College, member of Guangdong CPA Association and independent Supervisor of Guangdong Electric Power Development Co., Ltd.

Mr. Lin Weifeng, Male, born in February 1968, CPC member , Han nationality , from Jiexi Guangdong, bachelor's degree holder , Senior Accountant, He once worked at Xinfengjiang Hydroelectric Power Plant and Shanjiao Power Plant and served as audit director of Shajiao General Power Plant and director of finance department of Shajiao A Power Plant. He now serves as employee supervisor of Guangdong Electric Power Development Co., Ltd. and deputy chief economic engineer of Shajiao A Power Plant.

Mr. Li Qing, Male, born in May 1977, CPC member , Han nationality, from Guiping Guangxi, Bachelor degree holder, Senior Accountant, He once served as Accounting of Financial Dept of Yunfu Power Generation Plant, Assistant Director of Financial Dept of Guangdong Yuelong Power Generation Plant, He Now serves as Employee Supervisor and director Audit office of Guangdong Electric Power Development Co., Ltd.

Mr. Yang Xuanxing, male, born in November 1965, CPC member, Han nationality, Form Shaoyang Hunan, senior auditor with bachelor's degree He once served as deputy chief of Audit Division of Guangdong Power Industry Bureau, director of Audit and Supervision Dept. of Guangdong Yudean Assets Operation Co., Ltd., deputy secretary of the discipline committee and director and deputy chief accountant of Finance Dept. of Guangdong Yudean Group Co., Ltd. He now serves as deputy general manager of Guangdong Electric Power Development Co., Ltd.

Ms Li Xiaoqing, Female, born in September 1971, CPC member, Han nationality, from Chongqing, master's degree holder, Senior Economist engineer . Ms. Li has took the position as person in charge being responsible to the General Manager Secretary of the Board of Directors and Manager of Affair Dept. of Board of Directors of Guangdong Electric Power Development Co., Ltd, she now serves as General Manager, Manager of Financial Dept. of Guangdong Electric Power Development Co., Ltd. and director of Guangdong Yudean Shipping Co., Ltd.

Ms Liu Hui, Female, born in October 1965, CPC member, Han nationality, From Wusheng Sichuan, bachelor's degree holder, a senior engineer, She had served as Deputy General Manager and director of Budget Dept. Of Guangdong Thermal power Engineering Corporation and Manager of Project Management Dept. of Guangdong Electric Power Development Co., Ltd. She now serves as Deputy General Manager of Guangdong Electric Power Development Co., Ltd. and concurrently serves as vice board chairman of Guangdong Oil shale Power Company.

Mr. Liu Wei, Male, born in April 1979, CPC member, Han nationality, from Wuhan Hubei, bachelor's degree, Economist engineer He once served as secretary of Supervises committee, securities affair representative and special responsible person of Board Affair Dept. of Guangdong Electric Power Development Co., Ltd. and Preparation Team of Guangdong Yudean Finance Co., Ltd. He now serves as board secretary and manager of Board Affair Dept. of Guangdong Electric Power Development Co., Ltd. and concurrently serves as collector of Supervisory committee of Guangdong Yudean Shipping Co., Ltd.

Office taking in shareholder companies

√Applicable □Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharing date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
Pan Li	Guangdong Yudean Group Co., Ltd.	Original Board chairman, Secretary of Party committee	February 9, 2007	November 30, 2014	Yes
Li Zhuoxian	Guangdong Yudean Group Co., Ltd.	Board chairman, Secretary of Party committee	December 1, 2014		Yes
Zhong Weimin	Guangdong Yudean Group Co., Ltd.	Director, Vice Secretary of Party committee	February 9, 2007		Yes
Hong Rongkun	Guangdong Yudean Group Co., Ltd.	Director, Deputy General Manager	February 9, 2007		Yea
Gao Shiqiang	Guangdong Yudean Group Co., Ltd.	Director, Deputy General Manager	February 9, 2007		Yes
Kong Huitian	Guangdong Yudean Group Co., Ltd.	Chief economist	February 26, 2009		Yes
Li Mingliang	Guangdong Yudean Group Co., Ltd.	Deputy General Manager	November 4, 2010		Yes
Zhu Dejun	Guangdong Yudean Group Co., Ltd.	Deputy General Manager	December 30, 2011		Yes

Yang Xinli	Guangdong Yudean Group Co., Ltd.	Deputy General Manager	December 30, 2012		Yes
Zhang Xueqiu	Guangzhou Development Industry Holdings Group Co., Ltd.	Vice President of Administration Dept, Secretary to the board of directors	May 8, 2009		Yes
Zhang Dewei	Guangdong Yudean Group Co., Ltd.	Secretary of Audit Supervise Dept	June 1, 2012		Yes
Zhao Li	Guangdong Yudean Group Co., Ltd.	Vice Secretary of Finance Dept	November 1, 2010		Yes

Offices taken in other organizations

☐Applicable ☒ Not applicable

III. Remuneration to directors, supervisors and senior executives

Decision-making procedures, basis for determination and actual payment of the remuneration to directors , supervisors and senior executives

Directors, supervisors and senior executives of the Company shall obtain labor remuneration and enjoy corresponding employee benefits according to their position and the Company's wage system. Except such remuneration and benefits, no other remuneration and fringe benefits shall be additionally provided; The allowance for the independent directors and independent supervisors of the Company shall be paid according to the standards approved by the shareholders' general meeting. At the end of the report period, the directors, supervisors and senior executives received the actual remuneration before tax was total RMB 5.44 million .

Remuneration to directors, supervisors and senior executives in the reporting period

In RMB'0000

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Total remuneration received from the shareholder	Remuneration actually receives at the end of the reporting period
Pan Li	Board chairman	Male	60	In office	0	0	0
Li Zhuoxian	Vice Board chairman	Male	51	In office	0	0	0
Zhong Weimin	Director	Male	58	In office	0	0	0
Hong Rongkun	Director	Male	57	In office	0	0	0
Gao Shiqiang	Director	Male	57	In office	0	0	0
Kong Huitian	Director	Male	58	In office	0	0	0
Li Mingliang	Director	Male	50	In office	0	0	0

Zhu Dejun	Director	Male	54	In office	0	0	0
Yang Xinli	Director	Male	52	In office	0	0	0
Yao Jiheng	Director General Manager	Male	49	In office	60.57	0	60.57
Hu Xiaolei	Director	Male	49	In office	58.47	0	58.47
Zhang Xueqiu	Director	Male	48	In office	0	0	0
Liu Tao	Independent director	Male	43	In office	4.82	0	4.82
Zhang Hua	Independent director	Male	49	In office	5.36	0	5.36
Sha Qilin	Independent director	Male	54	In office	3.57	0	3.57
Mao Fugen	Independent dorector	Male	51	In office	3.21	0	3.21
Ding Yougang	Independent dorector	Male	45	In office	3.21	0	3.21
Lu Jun	Independent dorector	Male	52	In office	2.68	0	2.68
Zhang Dewei	Chairman of the Supervisory Committee	Male	53	In office	0	0	0
Zhao Li	Supervisor	Female	42	In office	0	0	0
Zhu Weiping	Independent Supervisor	Male	57	In office	4.64	0	4.64
Jiang Jinshuo	Independent Supervisor	Male	46	In office	1.78	0	1.78
Lin Weifeng	Employee supervisor	Male	46	In office	36.36	0	36.36
Li Qing	Employee supervisor	Male	37	In office	36.97	0	36.97
Yang Xuanxing	Deputy General Manager	Male	49	In office	59.41	0	59.41
Li Xiaoqing	Deputy GM, Finance manager	Female	43	In office	61.72	0	61.72
Liu Hui	Deputy GM	Female	49	In office	62.38	0	62.38
Liu Wei	Board secretary	Male	35	In office	40.49	0	40.49
Liu Qian	Vice Board	Male	60	Retired	0	0	0

	chairman						
Wang Jin	Director	Male	51	Retired	0	0	0
Rao Subo	Director	Male	50	Retired	6.01	0	6.01
Lin Shizhuang	Director General Manager	Male	53	Retired	22.77	0	22.77
Wang Jun	Independent dorector	Male	56	Retired	1.61	0	1.61
Song Xianzhong	Independent dorector	Male	51	Retired	2.68	0	2.68
Feng Xiaoming	Independent dorector	Female	59	Retired	3.21	0	3.21
Xiang Ying	Independent Supervisor	Female	61	Retired	1.42	0	1.42
Tong Jinjun	Employee supervisor	Male	59	Retired	33.87	0	33.87
Luo Zhiheng	Secretary , Deputy General Manager	Male	47	Retired	26.83	0	26.83
Total	--	--	--	--	544.04	0	544.04

Incentive equity to directors, supervisors or/and senior executives in the reporting period

☐Applicable√Not applicable

IV. Retirement and dismissal of Directors, Supervisors and senior Executives

Names	Titles	Types	Date	Causes
Liu Qian	Original Vice Board Chairman,	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Wang Jin	Original Director	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Rao Subo	Original Director	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Wang Jun	Original Independent Director	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Song Xianzhong	Original Independent Director	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Zhu Weiping	Original Independent Director	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Feng Xiaoming	Original Independent Director	Expiration of the term of transition	May 20,2014	Expiration of the term of transition

Tong Jianjun	Original Employee supervisor	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Sha Qilin	Original Employee supervisor	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Xiang Ying	Original Employee supervisor	Expiration of the term of transition	May 20,2014	Expiration of the term of transition
Lin Shizhuang	Original Director, General Manager	Dismissal	January 17, 2014	Works chedule conflict
Luo Zhiheng	Original Deputy General Manager	Dismissal	April 22, 2014	Works chedule conflict
Zhu Dejun	Director	Be elected	May 20,2014	Election at expiration of office terms
Yang Xinli	Director	Be elected	May 20,2014	Election at expiration of office terms
Hu Xiaolei	Director	Be elected	May 20,2014	Election at expiration of office terms
Sha Qilin	Independent Director	Be elected	May 20,2014	Election at expiration of office terms
Mao Fugen	Independent Director	Be elected	May 20,2014	Election at expiration of office terms
Ding Yougang	Independent Director	Be elected	May 20,2014	Election at expiration of office terms
Lu Jun	Independent Director	Be elected	May 20,2014	Election at expiration of office terms
Li Qing	Employee supervisor	Be elected	May 20,2014	Election at expiration of office terms
Zhu Weiping	Independent Supervisor	Be elected	May 20,2014	Election at expiration of office terms
Jiang Jinshuo	Independent Supervisor	Be elected	May 20,2014	Election at expiration of office terms
Yao Jiheng	Director , General Manager	Be elected	January 17, 2014	Works chedule conflict
Yang Xuanxing	Deputy General Manager	Appoint	January 17, 2014	Works chedule conflict

V. Particulars about employees.

Number of employees in position of Parent Company and Main Subsidiary	6,691
Categories of professions	Number of persons
Production	4,292
Sales & Marketing	11
Technicians	1,322
Finance & Accounting	138
Executive	928
Categories of education	Number of persons

Doctor	4
Masters' degree	214
Bachelors' degree	2,602
College diploma	1,983
High school and below	1,888
Aging	Number of persons
Above 51 years	692
41-50 years	2,767
31-40 years	2,228
30 years and below	1,004

IX. Administrative structure

I. General situation

The company is strictly in accordance with “Company Law”, “Securities Law”, “Governance Standards of Listed Company”, “Listing Rules of Stocks” and other laws and regulations requirements, constantly perfects the corporate governance structure, standardizes corporate operations and further enhances the level of corporate governance. The company has established the corporate “Articles of Association”, the rules of procedure of three meetings’ operation, the working rules of the board of directors special committee, the working rules of the general manager of company and working conditions and internal control system which basically covers all aspects of the operation management like financial management, investment management, information disclosure, associated trade, external guarantees and fund-raising. These systems are implemented better. During the reporting period, the company has amended part of the clauses in “Inside Information Management System” based on the original systems and the requirements of the CSRC.

Does there exist any difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC,

☐ Yes ☒ No

There exist no difference in compliance with the corporate governance , the PRC Company Law and the relevant provisions of CSRC.

Implementation of the Campaign of Corporate Governance and Preparation and Implementation of the Registration Management System for insiders

1. According to the Guangdong Securities Regulatory Bureau "further improve the actual control of listed companies, shareholders, affiliates, Offeror and listed companies to fulfill commitments and work " (Guangdong Securities Commission [2014] No. 4), the controlling shareholder of the company fulfilled the commitment that to avoid and resolve intra-industry competition and the implementation of commitments made equity incentive combined norms, revise and improve the content of the relevant commitments. (For details see the related announcement published in www.cninfo.com.cn on June 5, 2014, Announcement No.:2014-27)

2. The company has established the “Inside Information Management System”, strictly enforced insider management system, taken effective measures before the disclosure of significant sensitive information, controlled insider to minimum range, and done a good job in the propaganda, guidance of insiders to avoid the occurrence of the leakage of inside information and insider trading behavior. During the reporting period, there is no case in our company that engaged in insider trading using inside information or manipulating prices of securities trading with others or other insider trading case.

II. Annual General Meeting and Extraordinary Shareholders’ Meetings in the Reporting Period

1. Annual General Meeting

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
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2013 Shareholders' general meeting	May 20, 2014	1. The proposal concerning work report of the board of directors for 2013; 2. Proposal of Work Report of the General Manager for 2013; 3. Proposal Concerning Financial Report for 2013; 4. Proposal Concerning Financial Report for 2013; 5. Proposal concerning Preplan for profit Distribution and Dividend Distribution For 2013; 6. Proposal Concerning 2013 annual Report and Summary of 2013 Annual Report; 7. Proposal for Engaging Domestic and overseas Certified Public Accountants' Firms; 8. Proposal the Budget of the Company for 2014; 9. Proposal of concerning the Daily Related transactions of the Company and controlled Subsidiaries; 10. Proposal of Concerning the Signing of Frame Agreement for Financial Services by the Company and Guangdong Yudean Finance Co., Ltd.; 11. Proposal of Application to Financial Institutions Including Banks for Credit Line; 12. Proposal of the election for Non-Independent Directors of the Eighth Board of Directors; 13. Proposal of Recommending Candidates for Independent Directors of the Eighth Board of Directors; 15. Proposal of the election for Independent supervisors of the Eighth supervisors committee .	Reviewed and approved	May 21, 2014	Name of Announcement :Announcement of Resolution of 2013 shareholders' general meeting , Announcement No.:2014-23. Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn .
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2.Extraordinary Shareholders' Meetings

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
The First provisional Shareholders' General Meeting In 2014	March 20, 2014	Proposal of the election of Yao Jiheng as the Director of the company	Reviewed and approved	March 21, 2014	Name of Announcement :Announcement of Resolution of the first Provisional shareholders' general meeting in 2014, Announcement No.:2014-12, Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn

III. Duty performance of independent Directors

1. Attendance of Board Meetings and General Meetings

Independent Directors' Attendance at Board Meetings						
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)

Liu Tao	9	5	3	1	0	No
Zhang Hua	9	6	3	0	0	No
Sha Qilin	6	4	2	0	0	No
Mao Fugen	6	4	2	0	0	No
Ding Yougang	6	4	2	0	0	No
Lu Jun	6	4	2	0	0	No
Wang Jun	3	1	1	1	0	No
Song Xianzhong	3	1	1	1	0	No
Zhu Weiping	3	2	1	0	0	No
Feng Xiaoming	3	2	1	0	0	No
Number of general meetings attended by independent directors as non-voting delegates	2					

Notes to failure to personally attend Board Meetings Successively Twice

Not applicable

2. Objection of independent directors on some relevant issues

Objection of independent directors on some relevant issues

☐ Yes ☒ No

Independent directors proposed no objection against the relevant matters in the reporting period.

3. Other notes to duty performance of independent directors

Has an independent director's advice to the Company been accepted

☒ Yes ☐ No

Explanation on acceptance of or failure to accept an independent director's advice to the Company.

In the report period, the independent directors of the Company earnestly performed the requirement assigned, The independent directors of the Company earnestly performed the requirement assigned by laws and regulations and Articles of Association of the Company, cared for the Company's production and business and financial performance and corporate governance structure, expressed independent opinions on the Company's operation and decision making and all related transactions, According to the regulation, conducting verification & giving independent opinion on important issues such as company's internal control, external guarantee performance, connected transaction and appointing or dismissing of executives, company's management level had been improved and definitely ensure the lawful rights and interests of most shareholders.

IV. Duty Performance of Special Committees under the Board of Directors in the Reporting Period

The board of directors of the company comprises committee of strategy, audit, budget, nomination and remuneration and appraisal. Each professional committee has established their corresponding working rules and

put forward related professional opinions and suggestions according to their respective duties to the company operating development, which promoted the standardized operation of the company. In 2014, the duty fulfillment conditions of each special committee of the company's board of directors are as follows:

1. According to the relevant provisions of the China securities regulatory commission and Shenzhen stock exchange as well as the working discipline of annual report of the board of directors audit committee, the company's board of directors audit committee has earnestly performed their duties and participated in all course of the company's 2014 annual audit work. On January 19, 2015, the 2nd board of directors audit committee held its Eighth meeting, the independent boards, accounting firms and managers attended the meeting, listened to the "report on the company's 2014 annual financial audit work schedule report ", and communicated with the company management and the annual report certified public accountants about possible problems in pre-qualification and the annual audit work. After entering the audit procedures, the audit committee kept close communication with the company's management layer and an accounting firm. On April 7, 2015, the 3rd board of directors audit committee held its Eighth meeting. On the meeting, the committee reviewed and voted on company's financial and accounting reports, the company's 2014 annual internal audit summary and annual internal audit plan, "Self-Assessment Report of Internal Control of the Company", and public accounting firms engaged in the work of this year the company audit summary report and so on has carried on the, and formed relevant audit opinion
2. The remuneration and appraisal committee of the board of directors audited the remuneration condition of the directors, supervisors and senior managers disclosed in this report. The committee regarded that the payment standard and the determination of the total amount of annual payment conformed to their position and the company's payment management regulations; the payment conditions of the directors, supervisors and senior managers disclosed in Annual report is real.
3. The budget committee of the seventh board held its 3rd meeting on March 31, 2014 , reviewed and adopted the "Proposal on Illustration of Budget Implementation in 2013 and Budget Preparation in 2014".
4. The Nomination committee of the seventh board held its third meeting on April 22, 2014, examined and adopted the Proposal of Recommending Candidates for Non-Independent directors of the Eighth Board of Directors and the Proposal of Recommending Candidates for Independent directors of the Eighth Board of Directors.
5. The strategy committee of the board of directors did not hold meetings in 2014.

V. Work of the supervisory Committee

Did the supervisory Committee find any risk existing in performing the supervision activities in the reporting period

☐ Yes ☒ No

The supervisory Committee has no objection agents any matters under supervision in the reporting period

VI. Independence and Completeness in business, personnel , assets, organization and finance

The company has implemented separation of operation, separation of human resource, separation of assets, separation of organization and financial independence between controlling shareholder. And it has a complete business and operations management ability.

1. Separation of operation: the Company is principally engaged in the electricity generation and sales to

Guangdong Electric Power Holding Co. (“GPHC”) directly. The Company has subcontracted the subsidiary of Yudean, the holding company, to purchase the fuels, which is solely for the purpose of better utilization of large-scale purchase and cost control. 2. Separation of human resource: the General Manager and all his subordinates, Secretary to the Board of Directors, Financial Manager are paid by the Company and take no position in the holding company. 3. Separation of assets: the Company has independent production system, supporting system and other facilities. The Company owns its intangible assets such as intellectual property rights, trademarks and non-patent technology; 4. Separation of organization: the Company has established integrated operating institution of its own. 5. Financial independence: the Company has an independent financial department and has established independent accounting system and financial management system. It opened independent bank accounts for its own operation.

VII. Horizontal Competitions

The company is a listed company restructured by parts of the asset of controlling shareholders. The controlling shareholder, Guangdong Yudean group co., Ltd., is engaged in power generation business. Although the power generation business’ core elements, such as electricity, electricity price falls within the scope of government guidance or control, but there still exists potential horizontal competition between our company and controlling shareholders. During the reporting period, through the material assets reorganization, the listed Yudean Group gradually injected high quality electric power assets which conform to listed conditions to listed companies. This effectively reduced the degree of the horizontal competition against our company. To eliminate horizontal competition against our company, the Yudean Group issued “Commitment Letter” on November 3, 2011 about the horizontal competition. According to the “Commitment Letter”, in addition to the significant assets reorganization, the electric power company will also inject asset acquisitions, restructuring of assets eligible for listing into Guangdong Yudean Group in the next five years and finally realize the overall listing of Guangdong Yudean Group power generation assets within the province.

VIII. Assessment and incentive Mechanism for Senior executives

The appointment of the Company’s senior management personnel is public and transparent, which complies with the provisions of laws and regulations; Senior management performance evaluation standards and incentive constraint mechanism is still under study.

X. Internal Control

I. Internal control Construction

To strengthen internal control of listed companies, promote the standardized operation of listed companies and healthy development of the company, the company has carried out the internal control construction work in 2011 and systematically combed the management systems of the company according to the content of the policy, rules and regulations. In addition, the company has supplemented, revised and perfected the formation of company internal control manual. At the same time, the company has established control internal control self assessment system that meet the requirements of laws, regulations and policies and satisfy the needs of the company. Companies and subsidiaries of the internal control system at the beginning of 2012 have been set up and started to run. During the reporting period, the company has further improved the internal control system. Through the implementation of the internal standard and evaluation, the company has further enhanced internal control, risk management level and the core competitiveness.

II. Statement of the Board of directors on the Responsibility of internal control

Board of directors has stated that it is responsible of setting up a sound and effective implementation of internal control, and the board of directors has implemented the guidance and supervision responsibilities in internal control establishment and performance, which ensures the reliable financial reporting and the safety and integrity of the assets.

III. Basis for establishment of internal control of the Financial Report

Company has formulated the perfect management system of financial reporting, and regulated the company's financial report based on "Accounting Law", "Accounting Standard for Enterprises" and "Basic Norms Internal Control for Enterprises" and other relevant provisions in order to compile against the improper behavior that may have significant influence on financial reporting. Through financial reporting standards, the company has improved the financial reporting and disclosure control process, improved examination & approval and supervision mechanism of every link of the financial report and applied accounting information technology to ensure that the financial statements are legal, true, accurate and complete.

During the reporting period, the Company did not find major defects about the internal control in the financial report. Internal control and financial report of the Company is complete and effective.

IV. Self-assessment report of the internal control

About the significant Defects of the internal control found in the internal control self-assessment report in the reporting period	
In reporting period, concerning the business and items in evaluation range, the Company established internal control for efficiency implementation, achieve the Company's internal control target and shows no major defects and important defects.	
Date of disclosing the internal control self-assessment report, full text	April 18, 2015
Index of disclosing the internal control self-assessment report, full	"Self-evaluation report of internal control", more details on www.cninfo.com.cn

text	
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V. Internal control audit report

☒ Applicable ☐ Not applicable

Review opinions in the internal control audit report	
We believe that, Guangdong Electric Power Development Co., Ltd. maintained efficient internal control of financial reports in all significant aspects according to “ Basic Standards of Corporate Internal Control” and relevant regulations on December 31, 2013	
Date of disclosing the internal control audit report, full text	April 18, 2015
Index of disclosing the internal control audit report, full text	“Audit report of internal control for year of 2013”, more details on www.cninfo.com.cn

Has the CPAs issued a qualified auditor’s report of internal control .

☐ Yes ☒ No

Does the internal control audit report issued by the CPAs agree with the self-assessment report of the Board of Directors

☒ Yes ☐ No

VI. Establishment and implementation of the Responsibility investigation system for serious Errors in the Annual Report

The 11th Meeting of the Sixth Board of Directors of Guangdong Electric Power Development Co., Ltd.hold on 12 th April 2010 examined and adopted the "Accountability mechanism for major errors in annual report disclosure". In the report period, no major correction for accounting errors supplementation for major missing information and correction of performance forecast has been found.

XI. Financial Report

AUDITORS' REPORT

毕马威华振审字第 1501173 号

To the Shareholders of Guangdong Electric Power Development Co., Ltd.:

We have audited the accompanying financial statements of Guangdong Electric Power Development Co., Ltd. (the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2014, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, the consolidated statement of changes in shareholders' equity and statement of changes in shareholders' equity for the year then ended, and notes to the financial statements.

I. Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: (1) preparing these financial statements in accordance with Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China, and fairly presenting them; (2) designing, implementing and maintaining internal control which is necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

II. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Those standards require that we comply with China Code of Ethics for Certified Public Accountants, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

AUDITORS' REPORT (continued)

毕马威华振审字第 1501173 号

III. Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

KPMG Huazhen
(Special General Partnership)

Certified Public Accountants
Registered in the People's Republic
of China

Peng Jing

China Beijing

Wang Xiao Mei

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2014
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
Assets			
Current assets:			
Cash at bank and on hand	V.1	4,548,277,314	4,377,311,176
Bills receivable	V.2	-	1,800,000
Accounts receivable	V.4	2,580,733,823	3,266,445,752
Prepayments	V.6	1,529,371,276	1,497,883,626
Interests receivable	V.3	5,471,097	5,788,038
Other receivables	V.5	214,346,505	327,650,307
Inventories	V.7	1,623,199,010	1,603,646,410
Other current assets	V.8	704,977,094	1,057,135,500
		<hr/>	<hr/>
Total current assets		11,206,376,119	12,137,660,809
		<hr/>	<hr/>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
Assets (continued)			
Non-current assets:			
Available-for-sale financial assets	V.9	997,082,335	804,375,445
Long-term receivables	V.10	121,334,809	114,478,124
Long-term equity investments	V.11	6,604,709,646	6,519,512,837
Investment properties	V.12	10,203,433	10,839,031
Fixed assets	V.13	39,164,300,297	41,524,036,240
Construction in progress	V.14	6,349,045,387	3,883,361,454
Construction materials	V.15	6,791,093	2,229,432
Disposal of fixed assets	V.16	1,493,296	2,588,660
Intangible assets	V.17	1,487,859,824	1,201,873,048
Goodwill	V.18	2,449,886	2,449,886
Long-term deferred expenses	V.19	31,000,707	324,905
Deferred tax assets	V.20	60,234,315	47,041,613
Other non-current assets	V.21	3,041,944,705	1,667,947,551
		<hr/>	<hr/>
Total non-current assets		57,878,449,733	55,781,058,226
		<hr/>	<hr/>
Total assets		<u>69,084,825,852</u>	<u>67,918,719,035</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	V.22	5,721,000,000	9,361,000,000
Bills payable	V.23	321,711,616	1,523,123,018
Accounts payable	V.24	1,913,294,877	2,743,864,659
Advances	V.25	179,708	1,084,177
Employee benefits payable	V.26	105,824,243	103,287,104
Taxes payable	V.27	462,231,344	797,347,744
Interests payable	V.28	214,956,543	188,370,219
Dividends payable	V.29	7,918,730	12,558,757
Other payables	V.30	2,577,102,293	3,430,874,713
Non-current liabilities due within one year	V.31	4,483,962,344	2,090,742,188
Provisions	V.32	14,000,000	-
Other current liabilities	V.33	808,630,228	1,348,750,493
Total current liabilities		<u>16,630,811,926</u>	<u>21,601,003,072</u>
Non-current liabilities:			
Long-term loans	V.34	20,614,916,646	15,272,003,561
Debentures payable	V.35	1,195,076,905	3,190,970,481
Long-term payables	V.36	2,649,435,371	2,088,355,894
Long-term employee benefits payable	V.37	53,839,983	58,954,530
Special payables	V.38	16,192,269	10,779,740
Deferred tax liabilities	V.20	42,136,023	12,303,165
Deferred income	V.39	98,197,020	91,677,740
Total non-current liabilities		<u>24,669,794,217</u>	<u>20,725,045,111</u>
Total liabilities		<u>41,300,606,143</u>	<u>42,326,048,183</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity (continued)			
Shareholders' equity:			
Share capital	V.40	4,375,236,655	4,375,236,655
Capital reserve	V.41	4,998,433,067	4,987,698,211
Other comprehensive income	V.42	172,496,403	57,020,515
Surplus reserve	V.43	4,810,903,365	4,203,571,276
Retained earnings	V.44	6,952,985,107	5,431,387,393
Total equity attributable to shareholders of the Company		21,310,054,597	19,054,914,050
Non-controlling interests		6,474,165,112	6,537,756,802
Total shareholders' equity		27,784,219,709	25,592,670,852
Total liabilities and shareholders' equity		69,084,825,852	67,918,719,035

These financial statements were approved by the Board of Directors of the Company on 16 April 2015.

Li Pan	Xiaoqing Li	Jingdong Qin	(Company stamp)
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2014
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
Assets			
Current assets:			
Cash at bank and on hand		468,233,799	296,476,854
Accounts receivable	XV.1	233,268,283	252,615,520
Prepayments		142,923,390	183,758,605
Interests receivable		1,786,468	1,543,756
Dividends receivable		-	9,155,096
Other receivables	XV.2	360,853,242	111,309,157
Inventories		110,192,735	148,348,001
Other current assets		85,145,999	85,145,999
		<hr/>	<hr/>
Total current assets		1,402,403,916	1,088,352,988
		<hr/>	<hr/>
Non-current assets:			
Available-for-sale financial assets		997,082,335	804,375,445
Long-term receivables		550,000,000	500,000,000
Long-term equity investments	XV.3	21,651,878,481	20,811,144,218
Investment properties		10,203,433	10,839,031
Fixed assets		1,269,105,391	1,224,223,876
Construction in progress		43,403,794	89,192,352
Disposal of fixed assets		-	1,976,080
Intangible assets		99,372,754	102,887,809
Deferred tax assets		-	583,768
Other non-current assets		90,000,000	270,000,000
		<hr/>	<hr/>
Total non-current assets		24,711,046,188	23,815,222,579
		<hr/>	<hr/>
Total assets		<u>26,113,450,104</u>	<u>24,903,575,567</u>

Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity		
Current liabilities:		
Short-term loans	1,050,000,000	1,400,000,000
Bills payable	-	137,874,618
Accounts payable	92,264,357	320,001,507
Employee benefits payable	25,676,736	23,408,514
Taxes payable	46,543,086	20,225,274
Interests payable	141,345,087	153,688,714
Dividends payable	7,918,730	7,629,090
Other payables	143,109,145	202,749,305
Non-current liabilities due within one year	1,999,548,864	89,000,000
Other current liabilities	507,146,666	623,885,333
Total current liabilities	4,013,552,671	2,978,462,355
	-----	-----
Non-current liabilities:		
Long-term loans	1,500,000,000	1,500,000,000
Debentures payable	1,195,076,905	3,190,970,481
Long-term employee benefits payable	11,640,351	12,307,382
Special payables	11,297,686	-
Deferred income	43,105,866	27,885,554
Deferred tax liabilities	32,839,813	-
Total non-current liabilities	2,793,960,621	4,731,163,417
	-----	-----
Total liabilities	6,807,513,292	7,709,625,772
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Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
Liabilities and shareholders' equity (continued)		
Shareholders' equity:		
Share capital	4,375,236,655	4,375,236,655
Capital reserve	5,607,138,564	5,596,404,133
Other comprehensive income	172,496,403	57,020,515
Surplus reserve	4,810,903,365	4,203,571,276
Retained earnings	4,340,161,825	2,961,717,216
	<hr/>	<hr/>
Total shareholders' equity	19,305,936,812	17,193,949,795
	<hr/>	<hr/>
Total liabilities and shareholders' equity	26,113,450,104	24,903,575,567
	<hr/>	<hr/>

These financial statements were approved by the Board of Directors of the Company on 16 April 2015.

<p>_____ Li Pan Legal Representative (Signature and stamp)</p>	<p>_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)</p>	<p>_____ Jingdong Qin The head of the accounting department (Signature and stamp)</p>	<p>(Company stamp)</p>
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Guangdong Electric Power Development Co., Ltd.
Consolidated income statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
I. Operating income	V.45	29,046,568,685	30,830,757,337
II. Less: Operating costs	V.45	(20,940,100,214)	(22,684,318,308)
Business taxes and surcharges	V.46	(204,827,418)	(221,166,886)
Selling and distribution expenses		(4,540,907)	(5,835,062)
General and administrative expenses	V.47	(902,594,273)	(948,320,444)
Financial expenses	V.48	(1,805,142,563)	(1,886,866,658)
Impairment losses	V.49	(160,135,462)	(276,281,636)
Investment income	V.50	612,109,129	741,525,840
Including: Income from investment in associates and joint ventures		584,712,096	706,492,821
III. Operating profit		5,641,336,977	5,549,494,183
Add: Non-operating income	V.51	40,112,173	100,887,457
Including: Gains from disposal of non-current assets		3,244,404	25,744,311
Less: Non-operating expenses	V.52	(107,243,577)	(69,895,078)
Including: Loss from disposal of non-current assets		(60,929,606)	(52,877,956)
IV. Profit before income tax		5,574,205,573	5,580,486,562
Less: Income tax expense	V.53	(1,245,455,584)	(1,237,227,573)
V. Net profit for the year		4,328,749,989	4,343,258,989
Attributable to:			
Shareholders of the Company		3,003,977,134	3,086,428,618
Non-controlling interests		1,324,772,855	1,256,830,371

Guangdong Electric Power Development Co., Ltd.
Consolidated income statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
V. Net profit for the year	4,328,749,989	4,343,258,989
	-----	-----
VI. Other comprehensive income, net of tax		
Other comprehensive income		
(net of tax) attributable		
to shareholders of the Company	115,475,888	24,053,567
Items that may be reclassified		
to profit or loss		
1. Share of other comprehensive		
income of the equity-accounted		
investee	267,940	21,663,172
2. Gains or losses arising from changes		
in fair value of available-for-sale		
Financial assets	115,207,948	2,390,395
Other comprehensive income (net of tax)		
attributable to non-controlling interests	-	-
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Guangdong Electric Power Development Co., Ltd.
Consolidated income statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
VII. Total comprehensive income for the year		<u>4,444,225,877</u>	<u>4,367,312,556</u>
Attributable to:			
Shareholders of the Company		3,119,453,022	3,110,482,185
Non-controlling interests		1,324,772,855	1,256,830,371
VIII. Earnings per share			
(1) Basic earnings per share	V.54	<u>0.69</u>	<u>0.71</u>
(2) Diluted earnings per share	V.54	<u>0.69</u>	<u>0.71</u>

These financial statements were approved by the Board of Directors of the Company on 16 April 2015.

_____ Li Pan Legal Representative (Signature and stamp)	_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	_____ Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Income statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
I. Operating income	XV.4	2,648,266,587	2,921,204,005
Less: Operating costs	XV.4	(2,039,143,268)	(2,305,829,511)
Business taxes and surcharges		(16,117,288)	(16,745,520)
Selling and distribution expenses		(488,026)	(498,864)
General and administrative expenses		(146,406,583)	(163,681,850)
Financial expenses		(361,030,388)	(349,614,978)
Reversal / (provision) of impairment losses		1,502,098	(129,194,215)
Investment income	XV.5	2,802,552,306	1,783,616,352
Including: Income from investments in associates and joint ventures		582,033,705	706,492,821
II. Operating profit		<u>2,889,135,438</u>	<u>1,739,255,419</u>
Add: Non-operating income		6,618,483	18,105,865
Including: Gains from disposal of non-current assets		910,256	1,500,960
Less: Non-operating expenses		(8,034,321)	(24,040,153)
Including: Loss from disposal of non-current assets		(1,899,358)	(23,851,451)
III. Profit before income tax		<u>2,887,719,600</u>	<u>1,733,321,131</u>
Less: Income tax expense		(26,895,571)	1,913,408
IV. Net profit for the year		<u>2,860,824,029</u>	<u>1,735,234,539</u>

Guangdong Electric Power Development Co., Ltd.
Income statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
V. Other comprehensive income, net of tax	V.42		
Other comprehensive income			
Items that may be reclassified to profit or loss:			
1. Share of other comprehensive income of the equity-accounted investee		115,475,888	24,053,567
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		267,940	21,663,172
		115,207,948	2,390,395
		-----	-----
VI. Total comprehensive income for the year		<u>2,976,299,917</u>	<u>1,759,288,106</u>

These financial statements were approved by the Board of Directors of the Company on 16 April 2015.

Li Pan	Xiaoqing Li	Jingdong Qin	(Company stamp)
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
I. Cash flows from operating activities:			
Proceeds from sale of goods and rendering of services		34,681,656,661	35,787,002,398
Refund of taxes		9,410,754	12,801,467
Proceeds from other operating activities	V.56(1)	147,384,790	81,421,339
Sub-total of cash inflows		<u>34,838,452,205</u>	<u>35,881,225,204</u>
Payment for goods and services		(20,417,380,860)	(20,861,528,929)
Payment to and for employees		(1,763,643,034)	(1,658,869,245)
Payment of various taxes		(3,778,941,928)	(3,138,147,688)
Payment for other operating activities	V.56(2)	(485,691,739)	(512,782,902)
Sub-total of cash outflows		<u>(26,445,657,561)</u>	<u>(26,171,328,764)</u>
Net cash inflow from operating activities	V.57(1)	<u>8,392,794,644</u>	<u>9,709,896,440</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
II. Cash flows from investing activities:			
Proceeds from disposal of investments and recovering of principal		95,095,391	276,780,000
Investments returns received		585,827,640	191,064,560
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		19,125,502	33,888,058
Proceeds from other investing activities	V.56(3)	-	423,134,254
Sub-total of cash inflows		<u>700,048,533</u>	<u>924,866,872</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		(6,657,922,382)	(4,394,013,665)
Payment for acquisition of investments and invest of principal		(136,586,100)	(530,959,407)
Sub-total of cash outflows		<u>(6,794,508,482)</u>	<u>(4,924,973,072)</u>
Net cash outflow from investing activities		<u>(6,094,459,949)</u>	<u>(4,000,106,200)</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
III. Cash flows from financing activities:		
Proceeds from investors	30,000,000	42,000,000
Including: Proceeds from non-controlling shareholders of subsidiaries	30,000,000	42,000,000
Proceeds from borrowings	22,680,701,543	23,316,688,375
Proceeds from issuance of debentures and short-term financing notes	797,612,500	2,488,680,000
Proceeds from sale and leaseback	1,265,567,825	-
Proceeds from other financing activities	51,619	-
	<u>24,773,933,487</u>	<u>25,847,368,375</u>
Repayments of borrowings	(21,710,793,905)	(26,639,970,653)
Payment for dividends, profit distributions or interests	(4,185,125,648)	(2,531,580,207)
Including: Dividends and profit paid to non-controlling shareholders of subsidiaries	(1,418,364,545)	(414,965,293)
Payment from sale and leaseback	(1,025,382,491)	(822,195,116)
	<u>(26,921,302,044)</u>	<u>(29,993,745,976)</u>
Sub-total of cash outflows	<u>(26,921,302,044)</u>	<u>(29,993,745,976)</u>
Net cash outflow from financing activities	<u>(2,147,368,557)</u>	<u>(4,146,377,601)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-	-
	<u>-</u>	<u>-</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2014</u>	<u>2013</u>
V. Net increase in cash and cash equivalents	V.57(1)(b)	150,966,138	1,563,412,639
Add: cash and cash equivalents at the beginning of the year		<u>4,377,311,176</u>	<u>2,813,898,537</u>
VI. Cash and cash equivalents at the end of the year	V.57(1)(b)	<u><u>4,528,277,314</u></u>	<u><u>4,377,311,176</u></u>

These financial statements were approved by the Board of Directors of the Company on 16 April 2015.

_____ Li Pan Legal Representative (Signature and stamp)	_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	_____ Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
I. Cash flows from operating activities:		
Proceeds from sale of goods and rendering of services	3,112,939,588	3,437,774,124
Proceeds from other operating activities	37,258,836	38,064,753
Sub-total of cash inflows	3,150,198,424	3,475,838,877
	-----	-----
Payment for goods and services	(2,154,038,591)	(2,136,079,351)
Payment to and for employees	(391,659,259)	(372,386,151)
Payment of various taxes	(190,679,628)	(191,069,570)
Payment for other operating activities	(59,025,302)	(92,443,564)
Sub-total of cash outflows	(2,795,402,780)	(2,791,978,636)
	=====	=====
Net cash inflow from operating activities	354,795,644	683,860,241
	-----	-----

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
II. Cash flows from investing activities:		
Proceeds from disposal of investments and recovering of principal	307,274,041	1,376,780,000
Investments returns received	2,765,772,458	1,230,403,175
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	2,609,849	7,300,115
Proceeds from other investing activities	-	422,451,302
	<hr/>	<hr/>
Sub-total of cash inflows	3,075,656,348	3,036,934,592
	<hr/>	<hr/>
Payment for acquisition of fixed assets, intangible assets and other long-term assets	(196,868,365)	(276,820,159)
Payment for acquisition of investments and invest of principal	(1,326,586,100)	(3,944,826,977)
	<hr/>	<hr/>
Sub-total of cash outflows	(1,523,454,465)	(4,221,647,136)
	<hr/>	<hr/>
Net cash inflow / (outflow) from investing activities	1,552,201,883	(1,184,712,544)
	<hr/>	<hr/>

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
III. Cash flows from financing activities:		
Proceeds from borrowings	1,750,000,000	3,405,000,000
Proceeds from issuance of debentures and short-term financing notes	498,512,500	1,791,230,000
Proceeds from other financing activities	51,619	-
	<hr/>	<hr/>
Sub-total of cash inflows	2,248,564,119	5,196,230,000
	<hr/>	<hr/>
Repayments of borrowings	(2,789,000,000)	(4,149,100,000)
Payment for dividends, profit distributions or interests	(1,254,804,700)	(583,427,383)
	<hr/>	<hr/>
Sub-total of cash outflows	(4,043,804,700)	(4,732,527,383)
	<hr/>	<hr/>
Net cash (outflow) / inflow from financing activities	(1,795,240,581)	463,702,617
	<hr/>	<hr/>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-	-
	<hr/>	<hr/>

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2014 (continued)
(Expressed in Renminbi Yuan)

	<u>2014</u>	<u>2013</u>
V. Net increase in cash and cash equivalents “() ” for net decrease)	111,756,946	(37,149,686)
Add: cash and cash equivalents at the beginning of the year	296,476,855	333,626,540
VI. Cash and cash equivalents at the end of the year	<u>408,233,801</u>	<u>296,476,854</u>

These financial statements were approved by the Board of Directors of the Company on 16 April 2015.

Li Pan	Xiaoqing Li	Jingdong Qin	
Legal Representative	The person in charge	The head of the	(Company stamp)
	of accounting affairs	accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

Guangdong Electric Power Development Co., Ltd.
Consolidated statement of changes in shareholders' equity for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

	Attributable to shareholders of the Company					Non-controlling interest	Total
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings		
I. Balance at the beginning of the year	25,592,670,852	4,375,236,655	4,987,698,211	57,020,515	4,203,571,276	5,431,387,393	6,537,756,802
II. Changes in equity for the year							
“() ” for decreases							
(1) Total comprehensive income	-	-	115,475,888	-	3,003,977,134	1,324,772,855	4,444,225,877
(2) Shareholders' contribution							
Non-controlling shareholders	-	-	-	-	-	30,000,000	30,000,000
(3) Appropriation of profit							
1. Appropriation for surplus							
Reserve	-	-	-	607,332,089	(607,332,089)	-	-
2. Distribution to shareholders	-	-	-	-	(875,047,331)	(1,418,364,545)	(2,293,411,876)
(4) Share of equity in associates	-	10,683,237	-	-	-	-	10,683,237
(5) Others	-	51,619	-	-	-	-	51,619
Sub-total of (1) to (5)	-	10,734,856	115,475,888	607,332,089	1,521,597,714	(63,591,690)	2,191,548,857
III. Balance at the end of the year	4,375,236,655	4,998,433,067	172,496,403	4,810,903,365	6,952,985,107	6,474,165,112	27,784,219,709

Guangdong Electric Power Development Co., Ltd.
Consolidated statement of changes in shareholders' equity for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Attributable to shareholders of the Company					Non-controlling interest	Total
	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings		
I. Balance at the beginning of the year	21,974,756,528	4,375,236,655	4,992,322,108	32,966,948	3,955,568,618	2,899,227,999	5,719,434,200
II. Changes in equity for the year							
“() ” for decreases)							
(1) Total comprehensive income	-	-	24,053,567	-	3,086,428,618	1,256,830,371	4,367,312,556
(2) Shareholders' contribution							
Non-controlling shareholders	-	-	-	-	-	42,000,000	42,000,000
(3) Appropriation of profit							
1. Appropriation for surplus							
Reserve	-	-	-	248,002,658	(248,002,658)	-	-
2. Distribution to shareholders	-	-	-	-	(306,266,566)	(414,965,293)	(721,231,859)
(4) Increase in non-controlling interests							
as a result of business							
combination involving							
enterprises not under							
common control	-	(2,004,452)	-	-	-	6,521,210	4,516,758
(5) Acquisition of subsidiary							
with non-controlling interests	-	(14,130,991)	-	-	-	(72,063,686)	(86,194,677)
(6) Share of equity in associates	-	11,511,546	-	-	-	-	11,511,546
Sub-total of (1) to (6)	-	(4,623,897)	24,053,567	248,002,658	2,532,159,394	818,322,602	3,617,914,324
III. Balance at the end of the year	4,375,236,655	4,987,698,211	57,020,515	4,203,571,276	5,431,387,393	6,537,756,802	25,592,670,852

Li Pan	Xiaoqing Li	Jingdong Qin	(Company stamp)
Legal Representative	The person in charge	The head of the	
	of accounting affairs	accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

Guangdong Electric Power Development Co., Ltd.
Statement of changes in shareholders' equity for the year ended 31 December 2014
(Expressed in Renminbi Yuan)

		<u>Share capital</u>	<u>Capital reserve</u>	<u>Other comprehensive income</u>	<u>Surplus reserve</u>	<u>Retained earnings</u>	<u>Total</u>
I.	Balance at the beginning of the year	4,375,236,655	5,596,404,133	57,020,515	4,203,571,276	2,961,717,216	17,193,949,795
II.	Changes in equity for the year (“()” for decreases)						
(1)	Total comprehensive income	-	-	115,475,888	-	2,860,824,029	2,976,299,917
(2)	Share of equity in associates		-	10,682,812	-	-	-
	10,682,812						
	Others	-	51,619	-	-	-	51,619
(3)	Appropriation of profit						
	1. Appropriation for surplus						
	Reserve	-	-	-	607,332,089	(607,332,089)	-
	2. Distribution to shareholders	-	-	-	-	(875,047,331)	(875,047,331)
III.	Balance at the end of the year	<u>4,375,236,655</u>	<u>5,607,138,564</u>	<u>172,496,403</u>	<u>4,810,903,365</u>	<u>4,340,161,825</u>	<u>19,305,936,812</u>

Guangdong Electric Power Development Co., Ltd.
Statement of changes in shareholders' equity for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	<u>Share capital</u>	<u>Capital reserve</u>	<u>Other comprehensive income</u>	<u>Surplus reserve</u>	<u>Retained earnings</u>	<u>Total</u>
I. Balance at the beginning of the year	4,375,236,655	5,584,892,587	32,966,948	3,955,568,618	1,780,751,901	15,729,416,709
II. Changes in equity for the year ("()" for decreases)						
(1) Total comprehensive income	-	-	24,053,567	-	1,735,234,539	1,759,288,106
(2) Share of equity in associates		-	11,511,546	-	-	-
11,511,546						
(3) Appropriation of profit						
1. Appropriation for surplus						
Reserve	-	-	-	248,002,658	(248,002,658)	-
2. Distribution to shareholders	-	-	-	-	(306,266,566)	(306,266,566)
III. Balance at the end of the year	<u>4,375,236,655</u>	<u>5,596,404,133</u>	<u>57,020,515</u>	<u>4,203,571,276</u>	<u>2,961,717,216</u>	<u>17,193,949,795</u>

These financial statements were approved by the Board of Directors of the Company on 16 April 2015.

Li Pan	Xiaoqing Li	Jingdong Qin	(Company stamp)
Legal Representative	The person in charge	The head of the	
	of accounting affairs	accounting department	
(Signature and stamp)	(Signature and stamp)	(Signature and stamp)	

Guangdong Electric Power Development Co., Ltd.
Notes to the financial statements
(Expressed in Renminbi Yuan, unless otherwise stated)

I. Company status

Guangdong Electric Power Development Co., Ltd. (the “Company”) is a joint stock limited company incorporated by Guangdong Electric Power Holding Co. (“GPHC”), China Construction Bank Guangdong Trust and Investment Corporation, Guangdong Province Electric Power Development Co., Ltd., Guangdong International Trust and Investment Corporation and Guangdong Development Bank (currently Guangdong Province Guangkong Group Ltd.) on 8 September 1992. A total of 356,250,000 ordinary shares were issued at the face value of RMB 1 per share when the Company was incorporated.

The Company issued 44,000,000 Renminbi denominated ordinary shares (“A shares”) and 105,000,000 domestically listed foreign shares (“B shares”) for listing on the Shenzhen Stock Exchange on 26 November 1993 and 28 June 1995 respectively. After this issuance, the total share capital of the Company increased to RMB 505,250,000.

In 2001, pursuant to the *Approval on the Implementation Plan of Guangdong Province’s Reform of Power Industry Structure Relating to Restructuring of Power Generation and Transmission Assets* (Yue Fu Han [2001] No.252) issued by the Guangdong provincial government, GPHC, the former major shareholder of the Company, was split into two separate companies, namely, Guangdong Power Grid Corporation (“GPGC”, formerly Guangdong Guangdong Group Co., Ltd.) and Guangdong Yudean Group Co., Ltd. (“Yudean”, formerly Guangdong Yudean Assets Management Co., Ltd.). After the restructure, the electricity transmission and distribution in Guangdong Province were controlled and managed by GPGC, while Yudean focused on the investment and management of power plants. According to the *Reply to Issues in the Restructuring of Provincial Power Companies Assets* (Yue Cai Qi [2001] No. 247), GPHC’s 50.15% equity interest in the Company was transferred to Yudean on 1 August 2001.

Pursuant to the Approval on the Share Reform Scheme of Guangdong Electric Power Development Co., Ltd. (Yue Guo Zi Han[2005] No.452) issued by the State-owned Assets Supervision and Administration Commission of Guangdong Province (Guangdong SASAC), the Company carried out the non-tradable share reform on 18 January 2006. The non-tradable shareholders paid 3.1 shares per 10 shares to the tradable A-share shareholders, who were registered on the date of the equity change registration (18 January 2006), and 121,357,577 legal person shares were paid in total. All the legal person shares can be traded on the Shenzhen Stock Exchange starting from 19 January 2006, but they are subject to lock-up periods ranging from one to three years. After the share reform, Yudean’s equity interest in the Company decreased to 46.34%. Due to the selling restriction, 4,416,925 legal person shares originally held by the non-tradable shareholders were still untradable as at 31 December 2014.

According to the *Approval on the Non-public Issuance of Shares by Guangdong Electric Power Development Co., Ltd.* (Zheng Jian Xu Ke [2010] No.376) issued by the China Securities Regulatory Commission (CSRC), the Company issued 138,047,138 A shares to Yudean in April 2010. After the issuance, Yudean's equity interest in the Company increased from 46.34% to 48.99%.

Pursuant to the *Approval on the Restructuring Plan Involving the Injection of Some Power Generation Assets into Guangdong Electric Power Development Co., Ltd. by Guangdong Yudean Group Co., Ltd.* (Yue Guo Zi Han [2011] No.945) issued by Guangdong SASAC, and the *Approval on Share Issuance by Guangdong Electric Power Development Co., Ltd. to Acquire Assets from Guangdong Yudean Group Co., Ltd.* (Zheng Jian Xu Ke [2012] No.865) issued by the CSRC, the Company placed 1,577,785,517 Renminbi denominated ordinary shares (A share) which were listed domestically at the face value of RMB 1 apiece in December 2012 (with a lock-up period of 36 months from the date the shares were registered in the name of Yudean). The issuance price was RMB 4.73 per share. Yudean used its 60% stake in Shenzhen Guangqian Electric Power Co., Ltd. ("Guangqian Electric"), 35% stake in Guangdong Huizhou Natural Gas Power Co., Ltd. ("Huizhou Natural Gas"), 40% stake in Guangdong Yudean Shibeishan Wind Power Co., Ltd. ("Shibeishan"), 45% stake in Guangdong Huizhou Pinghai Power Co., Ltd. ("Huizhou Pinghai"), 40% stake in Guangdong Red Bay Power Generation Co., Ltd. ("Red Bay"), 20% stake in Guangdong Guohua Yudean Taishan Generation Company ("Guohua Taishan") and 15% stake in Guangdong Electric Fuel Supply Co., Ltd. ("Fuel Supply") (collectively referred to as "Targeted Assets") to buy the Company's domestically listed ordinary shares (A shares). After the share issuance, the Company had a total of 4,375,236,655 shares in circulation, and Yudean's equity interest in the Company increased from 48.99% to 67.39%.

The Company and its subsidiaries (the "Group") are principally engaged in the businesses of developing and operating electric power plants in Guangdong Province, the PRC. The Company's registered address is 23rd, 25th and 26th floor, Yudean Plaza, 2 Tianhe East Road, Guangzhou City, Guangdong Province, the PRC. Yudean is the parent company of the Company and State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province is the actual controller. For the information of subsidiaries of the Company, please refer to Note VII.1.

For new subsidiaries of the Group founded during the reporting period, please refer to Note VI.

II. Significant accounting policies and accounting estimates

1 Basis of preparation

As at 31 December 2014, the Company's current liabilities exceeded its current assets by RMB 54.244 billion. The Company is committed to a capital expenditure of RMB 4.377 billion in the coming year. As such, it is exposed to liquidity risk to some extent.

The Company's management has taken the following measures to ensure that sufficient operating funds are available to meet its operating needs in the coming 12 months.

Therefore, the financial statements have been prepared on the basis of going concern.

- (a) The Company's profit has continued to increase after its generator sets have successively launched into production in recent years. Management expects stable cash inflows from operating activities in the future; and
- (b) As at 31 December 2014, the Group had credit facilities of approximately RMB 34.242 billion provided by banks, which was contracted for without conditions.

2 Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance (MOF) of the People's Republic of China (PRC). These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

These financial statements also comply with the disclosure requirements of "Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission (CSRC) in 2014.

3 Accounting period

The accounting year of the Group is from 1 January to 31 December.

4 Business cycle

The Company's normal business cycle is the period from the acquisition of assets such as those for the generation of electricity to the realisation of cash or cash equivalents. The business cycles for principal activities are usually less than 12 months.

5 Functional currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi.

6 Accounting treatments for a business combination involving enterprises under and not under common control

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of

consideration paid for the combination (or the total par value of shares issued) is adjusted to share premium (or capital premium) in the capital reserve. If the balance of share premium (or capital premium) is insufficient, any excess is adjusted to retained earnings. Any costs directly attributable to the combination are recognised in profit or loss for the current period when occurred. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises. Transaction costs incurred from the issuance of equity securities or debt securities for the combination are included in the initial costs of equity securities or debt securities. Other costs directly attributable to the combination are recognised in profit or loss for the current period.

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note II.19). Where 1) is less than 2), the difference is recognised in profit or loss for the current period. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. Other acquisition-related costs arising from the business combination are recognised as expenses in the periods in which the costs are incurred. The difference between the fair value and the carrying amount of the assets transferred is recognised in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognised by the Group at their fair value at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

7 Consolidated financial statements

(1) General principle

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control is the power to govern the financial and operating policies of the investee so as to obtain benefits from its operating activities, and the power to influence its investment return. In accessing control, the Group only takes into account the substantive rights relevant to the investee, including those entitled to the Group and other parties. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(2) Acquisition of subsidiaries through business combinations

Non-controlling interest is presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line

item. Comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises under common control, the financial statements of the subsidiary are included in the consolidated financial statements as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated. In the preparation of the consolidated financial statements, the subsidiary's assets and liabilities based on their carrying amounts are included in the consolidated balance sheet, and financial performance is included in the consolidated income statement, respectively, from the date that the ultimate parent company of the Company obtains the control of the subsidiary to be consolidated.

Where a subsidiary was acquired during the reporting period, through a business combination involving enterprises not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, base on the fair value of those identifiable assets and liabilities at the acquisition date.

(3) Disposal of subsidiaries

When the Group loses control of a subsidiary due to the disposal of a portion of an equity investment, the Group derecognises assets, liabilities, non-controlling interests and other related items in owners' equity in relation to that subsidiary. The remaining equity investment is remeasured at its fair value at the date when control is lost. Any gains or losses therefor incurred are recognised as investment income for the current period when control is lost.

When the disposal of a long-term equity investment in a subsidiary is achieved through multiple deals in stages to the extent that the control of the subsidiary is lost, apply the following criteria to determine whether these deals can be defined as a package deal:

- these deals are concluded simultaneously or taking into account the inter-relations of each deal;

- only when all the deals are combined can complete business results be achieved;
- the existence of a deal is dependent on the existence of at least one other deal;
- a deal is uneconomical when considered separately, but economical when considered in combination with other deals.

If the deals do not satisfy the above criteria, deals before the loss of control of will be accounted for based on the accounting policy set out for the disposal of a portion of an equity investment in an subsidiary when the Group still has control (see Note II. 7(4)).

If the deals satisfy the above criteria, the deals will be accounted for as the disposal of a subsidiary where control is lost. The difference between the amount of consideration received from each deal and the share in the carrying amount of net assets in the subsidiary immediately before the loss of control is recognised in other comprehensive income in the consolidated financial statements and transferred to profit and loss for the current period when control is lost.

(4) Changes in non-controlling interests

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the non-controlling interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the credit balance of capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits, and short-term, highly liquid investments, which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

9 Foreign currency transactions and translation of financial statements denominated in foreign currencies

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of the receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences, except for those arising from the principal and interest of specific foreign currency borrowings for the purpose of acquisition and construction of qualifying assets (see Note II.17), are recognised in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to Renminbi using the foreign exchange rate at the transaction date.

10 Financial instruments

Financial instruments include cash at bank and on hand, receivables, equity securities other than long-term equity investments (see Note II.13), payables, loans and borrowings, debentures payable and share capital.

(1) Recognition and measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

The Group classifies financial assets and liabilities into different categories at initial recognition based on the purpose of acquiring assets or assuming liabilities: financial assets and financial liabilities at fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

During the year, the Group's financial assets include receivables and available-for-sale financial assets. The Group's financial liabilities are mainly other financial liabilities, including payables, loans and borrowings, and debentures payable. Payables include accounts payable, other payables, bills payable and long-term payables.

Financial assets and financial liabilities are measured initially at fair value. Transaction costs attributable to receivables and available-for-sale financial assets are included in their initial costs. Subsequent to initial recognition, financial assets and liabilities are measured as follows:

- Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method.

- Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated upon initial recognition as available for sale and other financial assets which do not fall into any of the above categories. Available-for-sale financial assets that will be sold within 12 months counting from the balance sheet date are included in other current assets in the balance sheet.

Available-for-sale investments in equity instruments whose fair value cannot be measured reliably are measured at cost subsequent to initial recognition. Other available-for-sale financial assets are measured at fair value subsequent to initial recognition and changes therein, except for impairment losses and foreign exchange gains and losses from monetary financial assets which are recognised directly in profit or loss, are recognised as other comprehensive income. When an investment is derecognised, the cumulative gain or loss is reclassified from equity to profit or loss.

Dividend income from the available-for-sale equity instruments is recognised in profit or loss when the investee declares the dividends. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss (see Note II.24(5)).

- Other financial liabilities

Financial liabilities other than the financial liabilities at fair value through profit or loss are classified as other financial liabilities.

Other financial liabilities include the liabilities arising from financial guarantee contracts. Financial guarantees are contracts that require the Group (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Where the Group issues a financial guarantee, subsequent to initial recognition, the guarantee is measured at the higher of the amount initially recognised less accumulated amortisation and the amount of a provision determined in accordance with the principles of contingencies (see Note II.23).

Except for the liabilities arising from financial guarantee contracts described above, subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method.

(2) Presentation of financial assets and financial liabilities

Financial assets and financial liabilities are presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group has a legal right to set off the recognised amounts and the legal right is currently enforceable;
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

(3) Derecognition of financial assets and financial liabilities

A financial asset is derecognised if the Group's contractual rights to the cash flows from the financial asset expire or if the Group transfers substantially all the risks and rewards of ownership of the financial asset to another party.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred;
- the sum of the consideration received from the transfer and any cumulative gain or loss that has been recognised directly in shareholders' equity.

The Group derecognises a financial liability (or part of it) only when the underlying

present obligation (or part of it) is discharged, cancelled or expires.

(4) Impairment of financial assets

The carrying amounts of financial assets (other than those at fair value through profit or loss) are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognised.

Objective evidence that a financial asset is impaired includes but is not limited to:

- (a) significant financial difficulty of the issuer or obligor;
- (b) a breach of contract by the borrower, such as a default or delinquency in interest or principal payments
- (c) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (d) the disappearance of an active market for that financial asset because of financial difficulties faced by the issuer ;
- (e) significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of an investment in an equity instrument may not be recovered by the investor;
- (f) a significant decline in the fair value (i.e. the fair value becomes 50% or lower than the initial investment cost) or a prolonged decline in the fair value (i.e. the fair value persisting at a level lower than the initial investment cost for a year or longer) of an investment in an equity instrument below its cost. If the fair value of the investment becomes 20% (or more) but less than 50% lower than its initial cost at the balance sheet date, the Group considers other related factors (such as fluctuations in prices) on the whole to determine whether the investment is impaired.

For the calculation method of impairment of receivables, please refer to Note II.11. The impairment of available-for-sale financial assets is measured as follows:

- Available-for-sale financial assets

Available-for-sale financial assets are assessed for impairment both on an individual basis and on a collective group basis. When an available-for-sale financial asset is impaired, the cumulative loss arising from decline in fair value that has been recognised directly in shareholders' equity is reclassified to profit or loss even though the financial asset has not been derecognised.

If, after an impairment loss has been recognised on an available-for-sale debt instrument, the fair value of the debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. An impairment loss recognised for an investment in an equity instrument classified as available-for-sale is not reversed through profit or loss. However, the impairment loss recognised for equity instruments whose fair value cannot be measured reliably that are not quoted in an active market cannot be reversed.

(5) Equity instrument

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity.

11 Impairment of receivables

Receivables are assessed for impairment both on an individual basis and on a collective group basis.

Where impairment is assessed on an individual basis, an impairment loss in respect of a receivable is calculated as the excess of its carrying amount over the present value of the estimated future cash flows (exclusive of future credit losses that have not been incurred) discounted at the original effective interest rate. All impairment losses are recognised in profit or loss.

The assessment is made collectively where receivables share similar credit risk characteristics (including those having not been individually assessed as impaired), based on their historical loss experiences, and adjusted by the observable factors reflecting present economic conditions.

If, after an impairment loss has been recognised on receivables, there is objective evidence of a recovery in value of the financial asset which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss. A reversal of an impairment loss will not result in the asset's carrying amount exceeding what the amortised cost would have been had no impairment loss been recognised in prior years.

An individually significant receivable is any of the five largest accounts receivables of the Company and its subsidiaries, or other receivables or all long-term receivables of more than RMB 5 million in the financial statements of the Company and its subsidiaries. The Group tests such receivables for impairment on an individual basis. For individually insignificant receivables, the Group tests them for impairment on an individual basis when there is evidence of impairment. Where no impairment is detected when assessed individually, the Group tests the receivables collectively for impairment. The Group's accounts receivables mainly comprise receivables due from Guangdong Power Grid and from the Group's related parties, as well as government grants. According to historical experience and impairment tests made on an individual basis, the Group's undue receivables were considered to be portfolios with low credit risk, and thus the Group did not provide allowance for doubtful accounts on these customer portfolios.

12 Inventories

(1) Classification and cost

Inventories include fuel and spare parts. Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase and other expenditures incurred in bringing the inventories to their present location and condition.

(2) Cost of inventories transferred out

Cost of fuel transferred out is calculated using the weighted average method. Spare parts are amortised in full when received for use.

(3) Basis for determining the net realisable value of inventories and provisioning methods for decline in value of inventories

At the balance sheet date, inventories are carried at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale and relevant taxes.

Any excess of the cost over the net realisable value of inventories is recognised as a provision for diminution in the value of inventories, and is recognised in profit or loss.

(4) Inventory system

The Group maintains a perpetual inventory system.

13 Long-term equity investments

(1) Investment cost of long-term equity investments

(a) Long-term equity investments acquired through a business combination

- The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to share premium in the capital reserve, with any excess adjusted against retained earnings.
- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving enterprises under common control and achieved through multiple transactions in stages which do not form a bundled transaction, the initial cost comprises the carrying amount of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.

(b) Long-term equity investments acquired other than through a business combination

- A long-term equity investment acquired other than through a business combination is initially recognised at the actual consideration paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities, or at the value stipulated in the investment contract or agreement if an investment is contributed by shareholders.

(2) Subsequent measurement

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income in the current period.

The investments in subsidiaries are stated in the balance sheet at cost less accumulated impairment losses.

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note II.7.

(b) Investment in joint ventures and associates

A joint venture is an enterprise which operates under joint control (see Note II.13 (3)) in accordance with a contractual agreement between the Group and other parties.

An associate is an enterprise over which the Group has significant influence (see Note II.13 (3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.
- After the acquisition of the investment, the Group recognises its share of the investee's net profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. The Group adjusts the carrying amount of the long-term equity investment for changes in owners' equity of the investee other than those arising from net profits or losses, other comprehensive income or profit distributions, and recognises the corresponding adjustment in shareholders' equity.

The Group recognises its share of the investee's net profits or losses as investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

For the impairment of the investments in joint ventures and associates, refer to Note II.21.

(3) Basis for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control over an investee's economic activities, and exists only when the strategic financial and operating decisions relating to the activities require the unanimous consent of the parties sharing the control. The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

- Whether no single investor is in a position to control the investee's operating activities unilaterally;
- Whether strategic decisions relating to the investee's main operating activities require the unanimous consent of all investors;

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies.

14 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale. For the method of impairment testing and measurement, please refer to Note II.21.

The estimated useful lives, residual value rates and depreciation rates of each class of investment properties are as follows:

<u>Item</u>	<u>Estimated useful life (years)</u>	<u>Residual value rate (%)</u>	<u>Depreciation rate (%)</u>
Plant and buildings	30 years	5%	3.17%

15 Fixed assets

(1) Recognition of fixed assets

Fixed assets represent the tangible assets held by the Group for use in the generation of electricity or for administrative purposes with useful lives of more than one accounting year.

The initial cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The initial cost of self-constructed assets is measured in accordance with the policy set out in Note II.16. Fixed assets contributed by state-owned shareholders at the incorporation of the Company are initially recorded at the valuation amount recognised by the state-owned assets supervision and administration department.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

The subsequent costs including the cost of replacing part of an item of fixed assets are recognised in the carrying amount of the item if the criteria to recognise fixed assets are satisfied, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of fixed assets are recognised in profit or loss as incurred.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses.

(2) Depreciation of fixed assets

The cost of fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

<u>Class</u>	<u>Estimated useful life</u> <u>(years)</u>	<u>Residual value</u> <u>(%)</u>	<u>Depreciation</u> <u>rate (%)</u>
Plant and buildings	10-35 years	0-10%	2.57% - 10.00%
Power generation equipment	7-25 years	0-10%	3.60% - 14.29%
Motor vehicles	5-10 years	0-10%	9.00% - 20.00%
Other equipment	5-25 years	0-10%	3.60% - 20.00%

Useful lives, estimated net residual value and depreciation methods are reviewed at least at each year-end.

- (3) For the method of impairment testing and measurement, please refer to Note II.21.
- (4) For the recognition, measurement and depreciation of fixed assets acquired under finance leases, please refer to the accounting policy set out in Note II.28 (3).
- (5) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

- when the fixed asset is on disposal; or
- when no future economic benefit is expected to be generated from its use or disposal.

Gains or losses arising from the retirement or disposal of an item of fixed asset are determined as the difference between the net disposal proceeds and the carrying amount of the item, and are recognised in profit or loss on the date of retirement or disposal.

16 Construction in progress

The cost of self-constructed assets includes the construction cost, installation cost, cost of materials, direct labour, capitalised borrowing costs (see Note II.17), and any other costs directly attributable to bringing the asset to working condition for its intended use. The cost of self-constructed fixed assets includes the cost incurred less income generated during the test run before the generator units are launched into operation.

A self-constructed asset is included in construction in progress before it is transferred to fixed asset when it is ready for its intended use. No depreciation is provided against construction in progress.

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note II.21).

17 Borrowing costs

Borrowing costs incurred directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of the asset.

Except for the above, other borrowing costs are recognised as financial expenses in the income statement when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition or construction of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before being used on the asset.
- Where funds are borrowed generally and used for the acquisition or construction of a qualifying asset, the amount of interest to be capitalised on such borrowings is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditures on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense in the period in which they are incurred.

The capitalisation period is the period from the date of commencement of capitalisation of borrowing costs to the date of cessation of capitalisation, excluding any period over which capitalisation is suspended. Capitalisation of borrowing costs commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities of acquisition or construction that are necessary to prepare the asset for its intended use are in progress, and ceases when the assets become ready for their intended use. Capitalisation of borrowing costs is suspended when the acquisition or construction activities are interrupted abnormally and the interruption lasts for more than three months.

18 Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note II.21). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

Intangible assets mainly including land use rights, sea use rights, software, concession contracts, associated projects for electricity transmission and transformation, microwave engineering and transportation engineering are measured at cost. Intangible assets contributed by the state-owned shareholders at the incorporation of a limited

company are initially recorded at the valuation amount recognised by the state-owned assets supervision and administration department. If the purchase costs of land and attached buildings cannot be reasonably allocated between the land use right and the buildings, the purchase costs are recognised as fixed assets. Associated projects for electricity transmission and transformation and microwave engineering are for the grid connection project between the Guangdong Electric Holding Co., and Guangdong Power Grid Corporation.

The respective amortisation periods for such intangible assets are as follows:

<u>Item</u>	<u>Amortisation period (years)</u>
Associated projects for electricity transmission and transformation, microwave engineering	10 years
Land use right	20 - 70 years
Sea use right	50 years
Transportation engineering	10 - 20 years
Concession contracts	10 - 25 years
Software	2 - 10 years
Non-patent technology	2 - 6 years

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. At the balance sheet date, the Group does not have any intangible assets with indefinite useful lives.

19 Goodwill

The initial cost of goodwill represents the excess of cost of acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under the business combination not involving enterprises under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note II.21). On disposal of an asset group or a set of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

20 Long-term deferred expenses

Long-term deferred expenses are amortised on a straight-line method within the benefit period. The respective amortisation periods for such expenses are as follows:

<u>Item</u>	<u>Amortisation period</u>
Expenses on improvement of fixed assets	20-180 months
Long-term lease expenses	79-180 months

21 Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date

based on the internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- construction materials
- intangible assets
- investment properties measured using a cost model
- long-term equity investments
- goodwill
- long-term deferred expenses

If any indication exists that an asset may be impaired, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, that is expected to benefit from the synergies of the combination for the purpose of impairment testing.

The recoverable amount of an asset, asset group or set of asset groups is the higher of its fair value (see Note XXII) less costs to sell and its present value of expected future cash flows.

An asset group is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. An asset group is composed of assets directly relating to cash-generation. Identification of an asset group is based on whether major cash inflows generated by the asset group are largely independent of the cash inflows from other assets or asset groups. In identifying an asset group, the Group also considers how management monitors the Group's operations and how management makes decisions about continuing or disposing of the Group's assets.

An asset's fair value less costs to sell is the amount determined by the price of a sale agreement in an arm's length transaction, less the costs that are directly attributable to the disposal of the asset. The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

If the result of the recoverable amount calculation indicates the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is recognised as an impairment loss and charged to profit or loss for the current period. A provision for impairment of the asset is recognised accordingly. For impairment losses related to an asset group or a set of asset groups, first reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, the carrying amount of an impaired asset will not be lower than the greatest amount of its individual fair value less costs to sell (if determinable), the present value of expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it is not reversed in a subsequent period.

22 Fair value measurement

Unless otherwise specified, the Group determines fair value measurement as below:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Company takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

23 Provisions and contingent liabilities

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the time value of money is material, provisions are stated at the discounted value of estimated future cash flow. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. If there is a range for the required expenditure where all results within the range are equally probable, the best estimate will be the median value of the range; otherwise, the best estimate will be determined based on the following conditions:

- the best estimate will be the value with the highest probability if the contingency involves single item
- the best estimate will be calculated based on the probability of each result if the contingency involves multiple items

The carrying amounts of provisions are reviewed at each balance sheet date and adjusted based on the latest best estimates.

24 Revenue recognition

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders. Revenue is recognised in profit or loss when it is probable that the economic benefits will flow to the Group, the revenue and costs can be measured reliably and the following respective conditions are met. The amount of revenue is measured at the fair value of the consideration received or receivable under the sales contract or agreement. Revenue is shown net of sales discounts or refunds.

(1) Revenue from sales of electricity and heat energy

Revenue is recognised when electricity and heat energy are supplied to grid companies or customers.

(2) Revenue from sales of by-products

Revenue from the sales of goods is recognised when the Group transfers by-products (such as coal ash) to the designated delivery place pursuant to the contract or agreement and the recipient confirms receipt.

(3) Rendering of services

Revenue from rendering of services is measured at the fair value of the consideration received or receivable under the contract or agreement.

At the balance sheet date, where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue from the rendering of services is recognised by reference to the stage of completion of the transaction based on the proportion of costs incurred to date to the estimated total costs.

Where the outcome of rendering of services cannot be estimated reliably, if the costs incurred are expected to be recoverable, revenues are recognised to the extent of the costs incurred that are expected to be recoverable, and an equivalent amount is charged to profit or loss as service cost; if the costs incurred are not expected to be recoverable, the costs incurred are recognised in profit or loss and no service revenue is recognised.

(4) Revenue from sale of certified emission reductions (CERs)

The Company sells CERs provided by its wind power facilities. These wind power facilities are registered with the Clean Development Mechanism (CDM) Executive Board (EB) of the United Nations as CDM projects under the Kyoto Protocol. The Company also sells voluntary emission reductions ("VERs") attributable to the electricity generated from CDM projects before getting registered with CDMEB. Revenue related to CERs and VERs is recognised when the following conditions are met:

- The counterparty has committed to buy CERs or VERs
- The amount of income from selling CERs or VERs can be reliably measured

- The Company has generated the related electricity

(5) Interest income

Interest income is recognised based on the length of time of the deposits or principal outstanding and the applicable effective interest rate.

(6) Revenue from operating leases

Rental income from operating leases is recognised as income on a straight-line basis over the lease term.

25 Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Company makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. The Company also purchases and makes contributions to supplementary pension insurance based on the applicable benchmarks and rates stipulated by Yudean. Basic pension and supplementary pension insurance contributions are recognised as a liability as the related services are rendered by the employees, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(3) Termination benefits

When the Company terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- The Group is not allowed to withdraw from termination plan or redundancy offer unilaterally;
- The Group has a detailed and formal restructuring plan related to the payment of termination benefits; and the Group has launched the plan or notified the affected parties of its content, thereby making the restructuring plan reasonably expected by all related parties.

26 Government grants

Government grants are transfers of monetary assets or non-monetary assets from the government to the Group at no consideration except for any capital contribution from the government as an investor in the Group. Special funds such as investment grants allocated by the government, if clearly defined in official documents as part of “capital reserve” are dealt with as capital contributions, and not regarded as government grants.

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount that is received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at its fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. A government grant related to an asset is recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset. A grant that compensates the Group for expenses to be incurred in the subsequent periods is recognised initially as deferred income and recognised in profit or loss in the same periods in which the expenses are recognised. A grant that compensates the Group for expenses incurred is recognised in profit or loss immediately.

27 Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include the deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is not recognised for the temporary differences arising from the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit (or tax loss). Deferred tax is not recognised for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, the amount of deferred tax recognised is measured based on the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates that are expected to be applied in the period when the asset is recovered or the liability is settled in accordance with tax laws.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date. The carrying amount of a deferred tax asset is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the benefit of the deferred tax asset to be utilised. Such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets
- they relate to income taxes levied by the same tax authority on either:
 - the same taxable entity; or
 - different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

28 Operating leases and finance leases

A lease is classified as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of a leased asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

(1) Operating lease charges

Rental payments under operating leases are recognised as part of the cost of another related asset or as expenses on a straight-line basis over the lease term.

(2) Assets leased out under operating leases

Fixed assets leased out under operating leases, except for investment properties (see Note II.14), are depreciated in accordance with the Group's depreciation policies described in Note II.15 (2). Impairment losses are recognised in accordance with the accounting policy described in Note II. 21. Income derived from operating leases is recognised in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately.

(3) Assets acquired under finance leases

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the value of the leased assets and the minimum lease payments is recognised as unrecognised finance charges. Initial direct costs that are attributable to a finance lease incurred by the Group are added to the amounts recognised for the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes II.15 (2) and II.21, respectively.

If there is reasonable certainty that the Group will obtain ownership of a leased asset at the end of the lease term, the leased asset is depreciated over its estimated useful life. Otherwise, the leased asset is depreciated over the shorter of the lease term and its estimated useful life.

Unrecognised finance charge under finance lease is amortised using an effective interest method over the lease term. The amortisation is accounted for in accordance with the principles of borrowing costs (see Note II.17).

At the balance sheet date, long-term payables arising from finance leases, net of the unrecognised finance charges, are presented as long-term payables or non-current liabilities due within one year, respectively, in the balance sheet.

Leaseback is a transaction in which the seller (the lessee) sells a self-made or purchased asset, then leases it back from the buyer (the lender) for a long-term period. When a sale and leaseback transaction is considered to be a financing lease in economic substance, the difference between the selling price and the asset's carrying amount will be deferred and allocated based on the depreciation years of the leased asset and recorded as an adjustment to the depreciation expense.

29 Profit distributions to shareholders

Dividends or profit distributions proposed in the profit appropriation plan, which will be authorised and declared after the balance sheet date, are not recognised as a liability at the balance sheet date but disclosed in the notes separately.

30 Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties of the Group. Related parties of the Group and the Company include, but are not limited to:

- (a) the Company's parent
- (b) the Company's subsidiaries

- (c) enterprises that are controlled by the Company's parent
- (d) investors that have joint control or exercise significant influence over the Group
- (e) enterprises or individuals if a party has control or joint control over both the enterprises or individuals and the Group
- (f) joint ventures of the Group, including subsidiaries of joint ventures
- (g) associates of the Group, including subsidiaries of associates
- (h) key management personnel of the Group and close family members of such individuals
- (i) key management personnel of the Company's parent
- (j) close family members of key management personnel of the Company's parent and
- (k) other enterprises that are controlled or jointly controlled by key management personnel of the Group, or close family members of such individuals
- (l) other enterprises that are controlled or jointly controlled by principal individual investors, key management personnel of the Group, or close family members of such individuals.

In addition to the related parties stated above, which are determined in accordance with the requirements of CAS, the following enterprises or individuals (but not limited to) are considered as related parties based on the disclosure requirements of *Administrative Procedures on the Information Disclosures of Listed Companies* issued by the CSRC:

- (m) enterprises, or persons that act in concert, which hold more than 5% of the Company's shares
- (n) individuals who directly or indirectly hold more than 5% of the Company's shares and their close family members, supervisors of the listed companies and their close family members
- (o) enterprises that satisfied any of the aforesaid conditions in (a), (c) or (m) during the past 12 months or will satisfy them within the next 12 months pursuant to relevant agreements
- (p) individuals who satisfied any of the aforesaid conditions in (i), (j) or (n) during the past 12 months or will satisfy them within the next 12 months pursuant to relevant agreements
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

31 Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, whose financial performance is regularly reviewed by the Group's management to make decisions about resource to be allocated to the segment and assess its performance, and for which financial information regarding financial position, financial performance and cash flows is available.

Two or more operating segments may be aggregated into a single operating segment if

the segments have similar economic characteristics and are same or similar in respect of the nature of each product and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

Inter-segment revenues are measured on the basis of actual transaction price for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

32 Significant accounting estimates and judgments

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Group's key sources of estimation uncertainty are as follows:

(a) Impairment of assets other than inventories and financial assets

As described in Note II.21, assets other than inventories and financial assets are reviewed at each balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication that the carrying amount of long-term assets may not be fully recovered exists, the related assets will be deemed as impaired, and an impairment loss is recognised.

When judging whether there is evidence of impairment in the above assets, management assesses and analyses the following: (1) whether any event that causes impairment has occurred; (2) whether the estimated present value of cash flows from continual use or disposal of assets is lower than the carrying value of the asset; and (3) whether the repeated assumptions used for the estimated present value of future cash flows are appropriate.

The Group adopted assumptions in determining whether assets are impaired. Any changes in the discounted rate and growth rate used in calculating the present value of future cash flows may significantly affect the present value used in the impairment test, resulting in the impairment of the above long-term assets.

(b) Useful lives of plants, properties and equipment

The estimated useful lives of plants, properties and equipment are determined by management after taking into account their durability and past maintenance records as is the industry practice. The estimated useful life of the assets is reviewed at each year-end with appropriate adjustments made accordingly. Any changes in the estimated useful life of fixed assets may have significant impact on the Group's net profits.

(c) Income tax

The decision whether to recognise deferred tax assets arising from deductible tax losses and deductible temporary differences depends largely on management's judgement as to whether sufficient future taxable profits will be available against which the assets can be utilised in the future periods. The calculation of future taxable profits involves much judgement and estimation, and is affected by the Group's tax planning strategy and overall economic environment. Different judgements and estimates will affect the recognition of deferred tax assets and their recognised amounts.

III. Changes in significant accounting policies

(a) Descriptions of and reasons for changes in accounting policies

The Company implemented the following accounting standards for business enterprises newly issued/revised by MOF from 1 July 2014:

- (i) "CAS 2 – Long-term Equity Investment" ("CAS 2 (2014)")
- (ii) "CAS 9 – Employee Benefits" ("CAS 9 (2014)")
- (iii) "CAS 30 – Presentation of Financial Statements" ("CAS 30 (2014)")
- (iv) "CAS 33 – Consolidated Financial Statements" ("CAS 33 (2014)")
- (v) "CAS 39 – Fair Value Measurement" ("CAS 39")
- (vi) "CAS 41 – Disclosure of Interests in Other Entities" ("CAS 41")

Meanwhile, the Company first adopted *Provisions on Differentiation between Financial Liabilities and Equity Instruments and related Accounting Treatment* ("Cai Hui [2014] No.13") issued by MOF and CAS 37 – Financial Instruments: Presentation ("CAS 37 (2014)") revised by MOF in financial statements for the year of 2014 on 17 March 2014.

The significant accounting policies after the adoption of the above accounting standards have been presented in Note III.

The major impacts of adopting the above accounting standards are as follows:

(i) Long-term equity investment

Before adopting CAS 2 (2014), investments where the Group does not have control, joint control or significant influence over the investees, and the investments are not quoted in an active market and their fair value cannot be reliably measured, are recognised as other long-term equity investments. Such investments are then accounted for using the cost method. After adopting CAS 2 (2014), such investments are now accounted for using the accounting policy related to financial instruments (see Note III. 10). The relevant comparative amounts have been retrospectively adjusted.

In addition, the Group has revised its accounting policies in relation to the equity method (see Note III.12) as a result of the revision brought about by CAS 2 (2014). The relevant comparative items have been retrospectively adjusted.

CAS 2 (2014) also revised some requirements with respect to the scope, recognition and measurement of long-term equity investments, and the disclosure requirements have been stipulated in CAS 41. The Group has reassessed the effect of the revisions and concluded that the revisions do not

have any material impact on the Group's financial statements (including current and comparative periods).

(ii) Employee benefits

According to the requirements in CAS 9 (2014) with respect to the classification, recognition and measurement of short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, the Group has reviewed the treatments for current employee benefits and changed its accounting policy accordingly. The adoption of CAS 9 (2014) does not have any material impact on the financial position and the financial results of the Group.

The presentation of the comparative information has been adjusted.

(iii) Presentation of financial statements

In accordance with CAS 30 (2014), the Group has modified the presentation of its financial statements, including presenting separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that will never be reclassified to profit or loss in its income statement.

The presentation of the comparative information has been adjusted.

(iv) Consolidation scope

CAS 33 (2014) introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the Group has power over the investee, exposure or rights to variable returns from its involvements with the investee and ability to use its power to affect those returns. As a result of the adoption of CAS 33 (2014), the Group has changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates an investee.

The adoption of CAS 33 (2014) does not change any of the control conclusions reached by the Group as at 1 July 2014.

(v) Fair value measurement

CAS 39 redefines fair value, establishes a single framework for fair value measurement and revises the requirements for fair value disclosures.

There wasn't any inconsistency between fair value measurement and the requirements of CAS 39 before 1 July 2014. The Group has not provided any comparative information for the new disclosure requirements.

(vi) Disclosure of interests in other entities

CAS 41 modifies and specifies disclosure requirements relevant to an enterprise's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group has provided disclosures

accordingly in related notes in accordance with this standard.

- (vii) Classification between financial liabilities and equity instruments and presentation and disclosures of financial instruments

Caikuai [2014] No. 13 provided guidance on the classification of financial liabilities and equity instruments. The adoption of Caikuai [2014] No. 13 does not have any material impact on the Group's financial statements (including current and comparative periods).

CAS 37 (2014) provided further guidance on the offsetting of a financial asset and a financial liability and revised the disclosure requirements for financial instruments. The offsetting guidance does not have any material impact on the presentation of the Group's financial statements.

(b) Effect of changes in accounting policies on the financial statements

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement and income statement, and the consolidated balance sheet and balance sheet for the year ended 31 December 2014 is higher or lower than it would have been had the previous policies still been applied in the year.

- The effects on each of the line items in the consolidated balance sheet and balance sheet for the year ended 31 December 2014 are analysed as follows:

	Effect of new policy increase/ (decrease) in the line items	
	<u>The Group</u>	<u>The Company</u>
Assets:		
Available-for-sale financial assets	544,600,000	544,600,000
Long-term equity investments	(544,600,000)	(544,600,000)
Liabilities:		
Employee benefits payable	(53,839,983)	(11,640,351)
Long-term employee benefits payable	53,839,983	11,640,351
Other non-current liabilities	(98,197,020)	(43,105,866)
Deferred income	98,197,020	43,105,866
Owners' equity	-	-
Attributable to:		
Owners of the Company		
- Capital reserve	(172,496,403)	(172,496,403)
- Other comprehensive income	172,496,403	172,496,403

Affected assets and liabilities items in the balance sheet as at 31 December 2013

	The Group			The Company		
	<u>Before adjustment</u>	<u>Adjustment</u>	<u>After adjustment</u>	<u>Before adjustment</u>	<u>Adjustment</u>	<u>After adjustment</u>
Available-for-sale financial assets	298,871,738	505,503,707	804,375,445	298,871,738	505,503,707	804,375,445
Long-term equity investments	7,025,016,544	(505,503,707)	6,519,512,837	21,316,647,925	(505,503,707)	20,811,144,218
Employee benefits payable	(162,241,634)	58,954,530	(103,287,104)	(35,715,896)	12,307,382	(23,408,514)
Long-term employee benefits payable	-	(58,954,530)	(58,954,530)	-	(12,307,382)	(12,307,382)
Other non-current liabilities	(91,677,740)	91,677,740	-	(27,885,554)	27,885,554	-
Deferred income	-	(91,677,740)	(91,677,740)	-	(27,885,554)	(27,885,554)
Total		<u>-</u>			<u>-</u>	

IV. Taxation

1 Main types of taxes and corresponding tax rates applicable to the Group

<u>Tax type</u>	<u>Tax basis</u>	<u>Tax rate</u>
Value added tax (VAT)	Output VAT is calculated on product sales and taxable services revenue, based on tax laws. The remaining balance of output VAT, after subtracting the deductible input VAT of the period, is VAT payable.	17% and 13%
Business tax	Based on taxable revenue	5%
City maintenance and construction tax	Based on business tax and VAT paid	5% - 7%
Education surcharges	Based on business tax and VAT paid	3%
Local education surcharges	Based on business tax and VAT paid	2%
Corporate income Tax	Based on taxable profits	Note 1

Note 1: The corporate tax rate applicable to the Company and its subsidiaries was 25%, with the exception of the subsidiary, Guangdong Xuwen Wind Electric Power Co., Ltd (“Xuwen Wind”). (For details please see Note IV.2)

2 Tax preferential and approvals

Pursuant to the approval documents (Cai Shui [2008] No.46 and Guo Shui Fa [2009] No.80), Xuwen Wind is exempted from paying corporate income tax in the first three years counting from the year profits are recorded, and can enjoy half rate reduction in the following three years. As the local taxation bureau considered that Xuwen Wind posted profits for the first time in 2012, it was exempted from paying corporate income tax in 2014 and 2013.

In addition, 50% of VAT levied on the sales of electricity generated by wind power of Shibeishan, Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd. (“Zhanjiang Wind Power”), Xuwen Wind and Huilai Wind Power Co. Ltd. (“Huilai Wind”) will be refunded immediately in accordance with the *Notice Concerning Policies on Value Added Tax on Products Made through Comprehensive Utilisation of Resources and Other Products* (Cai Shui [2008] No.156).

V. Notes to the consolidated financial statements**1 Cash at bank and on hand**

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Cash on hand		88,728	133,621
Deposits with bank	(a)	1,466,266,988	1,536,267,405
Deposits with Yudean Finance	(b)	3,061,921,598	2,838,481,167
Other monetary funds	(c)	20,000,000	2,428,983
Total		<u>4,548,277,314</u>	<u>4,377,311,176</u>

(a) Cash at bank includes cash of RMB 60,000,000 which is the capital contribution to be injected in Zhanjiang Qujie Wind Electric preparatory group.

(b) Deposits with Yudean Finance refers to the deposits placed with Guangdong Yudean Finance Co., Ltd. ("Yudean Finance"). Yudean Finance is a financial institution established with the approval of the People's Bank of China. Yudean is the parent company of Yudean Finance.

(c) The Group's other monetary funds of RMB20,000,000 are used as security deposit for bank acceptance (31 December 2013: RMB2,428,983, deposit transit in banks).

2 Bills receivable

Classification of bills receivable

<u>Type</u>	<u>2014</u>	<u>2013</u>
Bank acceptance bills	-	1,800,000

The above bills receivable are due within one year.

As at 31 December 2014, the Group did not pledge any bills receivable (31 December 2013: Nil).

As at 31 December 2014, no bills receivable were transferred to accounts receivable as a result of the issuer's inability to honour its obligation, and no bills were endorsed to other parties which were not due (31 December 2013: Nil).

3 Interests receivable

Interests receivable

<u>Item</u>	<u>2014</u>	<u>2013</u>
Interest receivable from deposits	5,447,764	5,194,976
Interests receivable from entrusted loans	23,333	593,062
Total	<u>5,471,097</u>	<u>5,788,038</u>

4 Accounts receivable

(1) Accounts receivable by customer types are as follows:

<u>Customer type</u>	<u>2014</u>	<u>2013</u>
Related parties	24,481,435	19,104,086
Third parties	2,556,252,388	3,247,341,666
Sub-total	<u>2,580,733,823</u>	<u>3,266,445,752</u>
Less: Provision for bad debts	-	-
Total	<u>2,580,733,823</u>	<u>3,266,445,752</u>

(2) The ageing analysis of accounts receivable is as follows:

<u>Ageing</u>	<u>2014</u>	<u>2013</u>
Within 1 year (inclusive)	2,580,733,823	3,263,516,421
Over 1 year but within 2 years (inclusive)	-	2,913,131
Over 2 years but within 3 years (inclusive)	-	16,200
Total	<u>2,580,733,823</u>	<u>3,266,445,752</u>
Less: Provision for bad debts	-	-
Total	<u>2,580,733,823</u>	<u>3,266,445,752</u>

The ageing is counted starting from the date when accounts receivable are recognised.

- (3) As at 31 December 2014, the Group's accounts receivable with the carrying amount of RMB 172,806,399 (31 December 2013: RMB 128,867,446) and the on-grid power tariff collection right were pledged to banks to obtain long-term loans of RMB 547,888,400, including RMB 131,520,000 due within one year (31 December 2013: RMB 692,256,340, including RMB 145,020,000 of which was due within one year (see Note V.31 (2) (a) and V.34 (1) (a)).

(4) Accounts receivable by category

Category	Note	2014				2013			
		Book value		Provision for bad debts		Carrying value		Provision for bad debts	
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and assessed individually for impairment(5)		2,565,462,568	99.41%	-	-	2,565,462,568	3,256,087,345	99.68%	-
Individually insignificant but assessed individually for impairment		15,271,255	0.59%	-	-	15,271,255	10,358,407	0.32%	-
Sub-total		2,580,733,823	100.00%	-	-	2,580,733,823	3,266,445,752	100%	-
Total		2,580,733,823	100.00%	-	-	2,580,733,823	3,266,445,752	100.00%	-

Note: The Group does not hold any collateral over the above accounts receivable.

(5) Five largest accounts receivable by debtor at the end of the year

<u>Company name</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>Ageing</u>	<u>Percentage of total accounts receivable (%)</u>
GPGC	Third party	2,404,036,453	Within 1 year	93.15%
Shenzhen Power Supply Bureau	Third party	115,485,753	Within 1 year	4.47%
Guangdong Yudean Group Co., Ltd. Shajiao Power Plant C (“Shajiao Plant C”)	Related party	18,072,681	Within 1 year	0.70%
GPGC – Zhanjiang Power Supply Bureau	Third party	14,735,092	Within 1 year	0.57%
GPGC – Jieyang Power Supply Bureau	Third party	13,132,589	Within 1 year	0.51%
Total		<u>2,565,462,568</u>		<u>99.40%</u>

5 Other receivables

(1) The analysis of other receivables by customer is as follows:

<u>Customer type</u>	<u>2014</u>	<u>2013</u>
Entrusted loans (a)	50,000,000	95,000,000
Prepayments for construction	25,670,161	21,676,460
Deposits for purchase of fuel	-	49,720,000
By-product sales	80,858,769	91,929,035
Petty cash	6,636,284	6,305,097
Government grants	5,193,307	27,854,422
Others	52,371,738	37,190,063
Sub-total	<u>220,730,259</u>	<u>329,675,077</u>
Less: Provision for bad debts	<u>(6,383,754)</u>	<u>(2,024,770)</u>
Total	<u>214,346,505</u>	<u>327,650,307</u>

- (a) The above entrust loans as at the end of 2014 was provided by the Group to associates through trustees, which will mature within one year:

<u>Trustee</u>	<u>Borrower</u>	<u>Principal</u>	<u>Annual interest rate</u>	<u>Due date</u>	<u>Accumulative accrued interest</u>	<u>Balance of principal and interest</u>	<u>Provision for bad debts</u>
Industrial Bank, Guangzhou branch	Lincang Yuntou	50,000,000	5.60%	28/12/2015	23,333	50,023,333	-

- (2) The ageing analysis of other receivables is as follows:

<u>Ageing</u>	<u>2014</u>	<u>2013</u>
Within 1 year (inclusive)	187,744,674	248,702,990
Over 1 year but within 2 years (inclusive)	6,324,875	1,667,195
Over 2 years but within 3 years (inclusive)	665,191	52,419,286
Over 3 years	25,995,519	26,885,606
Sub-total	220,730,259	329,675,077
Less: Provision for bad debts	(6,383,754)	(2,024,770)
Total	214,346,505	327,650,307

The ageing is counted starting from the date when other receivables are recognised.

(3) Other receivables by category:

Category	Note	2014					2013				
		Book value		Provision for bad debts		Carrying value	Book value		Provision for bad debts		Carrying value
		Amount	Percentage (%)	Amount	Percentage (%)		Amount	Percentage (%)	Amount	Percentage (%)	
Individually significant and assessed individually for impairment		164,168,157	74.38%	-	-	164,168,157	269,551,343	81.76%	(185,963)	0.07%	269,365,380
Individually insignificant but assessed individually for impairment	(4)	56,562,102	25.62%	(6,383,754)	11.29%	50,178,348	60,123,734	18.24%	(1,838,807)	3.06%	58,284,927
		=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total	0.61%	220,730,259	100.00%	(6,383,754)	2.89%		214,346,505	329,675,077	100.00%		(2,024,770)
		327,650,307									
		=====		=====		=====	=====	=====	=====	=====	=====

(4) Five largest balances of other receivables are as follows:

<u>Debtor</u>	<u>Nature</u>	<u>Balance at the end of the year</u>	<u>Aging</u>	<u>% of other Receivables in total</u>	<u>Provision for bad and doubtful debts</u> <u>Balance at the end of the year</u>
Guangdong Yudean Environmental Protection Ltd Co. ("GYEP")	Materials receivables	76,349,187	Within 1 year	35.62%	-
Lincang Yuntou Huidong Finance Bureau	Entrusted loans	50,000,000	Within 1 year	23.33%	-
	Receivables to land advances	21,318,970	Over 3 yeras	9.95%	-
Trading Centre of Land and Resources of Dabu County	Deposit	16,500,000	Within 1 year	7.70%	-
Huilai State Taxation Bureau	Immediate Refund of VAT				
year	1.39%	-			2,981,971 Within 1
Total		167,150,128		77.99%	-

(5) Government grants

<u>Debtor</u>	<u>Programme name of the grant</u>	<u>Closing balance</u>	<u>Ageing</u>	<u>Expected date of receipt, amount and rationale of the grant</u> <u>Expected to be</u>
Huilai State Taxation Bureau	Immediate fully recovered	refund of VAT		2,981,971
Within 1 year (inclusive)	in June 2015			
				RMB 466,000 recovered in
January 2015, the Xuwen remaining expected	Immediate to be recovered	refund of VAT		State Within 1
Taxation Bureau year (inclusive)	in June 2015			2,211,336
Total		5,193,307		

(6) Addition, recovery or reversal of provision for bad and doubtful debts during the year

	<u>2014</u>	<u>2013</u>
Balance at the beginning of the year	(2,024,770)	(2,654,793)
Addition during the year	(4,480,102)	(36,905)
Recovery or reversal during the year	1,623,216	666,928
Transfer out during the year	(1,502,098)	-
	<hr/>	<hr/>
Balance at the end of the year	(6,383,754)	(2,024,770)
	<hr/>	<hr/>

6 Prepayments

(1) Prepayments by category:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Prepayments for construction equipment	1,487,295	1,003,471
Prepayments for fuel	1,489,624,560	1,445,077,599
Prepayments for materials	3,111,339	9,225,482
Prepayment for insurances	17,563,051	14,299,648
Others	17,585,031	28,277,426
	<hr/>	<hr/>
Total	1,529,371,276	1,497,883,626
	<hr/>	<hr/>

(2) The ageing analysis of prepayments is as follows:

<u>Ageing</u> <u>(%)</u>	<u>2014</u>		<u>2013</u>	
	<u>Amount</u>	<u>Percentage (%)</u>	<u>Amount</u>	<u>Percentage</u>
Within 1 year (inclusive)	1,524,462,657	99.68%	1,486,580,750	99.25%
1 to 2 years (inclusive)	1,990,267	0.13%	3,514,591	0.23%
2 to 3 years (inclusive)	2,057,901	0.13%	7,184,175	0.48%
Over 3 years	860,451	0.06%	604,110	0.04%
	<hr/>	<hr/>	<hr/>	<hr/>
Sub-total	1,529,371,276	100.00%	1,497,883,626	100.00%
	<hr/>	<hr/>	<hr/>	<hr/>

The ageing is counted starting from the date when prepayments are recognised.

As at 31 December 2014, the prepayments of significant amounts with ageing over one year included prepayments for fuel, materials and shipping.

(3) Five largest balances of prepayments by debtor at the end of the year

The Group's the five largest balances of prepayment totalled RMB 1,504,624,063, accounting for 98.38% of the total balance of prepayment.

7 Inventories

(1) Inventories by category:

<u>Item</u>	2014			2013		
	<u>Book value</u>	<u>Provision for impairment of inventories</u>	<u>Carrying value</u>	<u>Book value</u>	<u>Provision for impairment of inventories</u>	<u>Carrying value</u>
Fuel	920,420,055	-	920,420,055	811,535,586	-	811,535,586
Spare parts	735,994,949	(61,454,752)	674,540,197	823,532,504	(39,674,506)	783,857,998
Others	28,238,758	-	28,238,758	8,252,826	-	8,252,826
Total	1,684,653,762	(61,454,752)	1,623,199,010	1,643,320,916	(39,674,506)	1,603,646,410

(2) An analysis of the movements of inventories for the year is as follows:

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Reductions during the year</u>	<u>Balance at the end of the year</u>
Fuel	811,535,586	12,531,122,111	(12,422,237,642)	920,420,055
Spare parts	823,532,504	730,634,941	(818,172,492)	735,994,953
Others	8,252,826	161,327,808	(141,341,880)	28,238,754
Total	1,643,320,916	13,423,084,860	(13,381,752,014)	1,684,653,762

(3) Provision for impairment of inventories:

Written back during the Item	of the year	Balance at the end of the year	Balance beginning	year Reversal or	Provision	Additions during the of the year
Others	write-off	Others				
Spare parts	(39,674,506)	(21,780,246)	-	-	-	(61,454,752)

As at 31 December 2014, the Group made provision for impairment of inventories because some spare parts were rendered useless and impaired as a result of technology upgrade.

8 Other current assets

Item	Note	2014	2013
Deductible VAT		589,611,053	948,325,616
Other current assets to be disposed of	(1)	57,387,152	57,387,153
Prepayment of income tax		10,170,681	3,938,202
Others	(2)	47,808,208	47,484,529
Total		704,977,094	1,057,135,500

(1) Guangdong Yudean Oil Shale Electric Co., Ltd. ("Oil Shale Electric"), originally the Company's subsidiary, entered the liquidation stage on 20 September 2012, and was therefore no longer included in the Group's consolidation scope. Consequently, the net amount of long-term investment in Oil Shale Electric was transferred to other current assets. As at the end of 2014, the liquidation of Oil Shale Electric was still in progress.

(2) Other current assets mainly represented the remaining balance of the USD loan of the Company's subsidiary – Zhanjiang Wind Power – obtained from the "Chinese Climate Change Framework Loan" agreed between the Department of Finance of Guangdong Province and European Investment Bank (EIB). As at 31 December 2014, Zhanjiang Wind Power had withdrawn RMB 175,003,400 (31 December 2013: 174,371,340) from EIB, of which RMB 127,195,192 (2013: RMB 126,897,812) was used to purchase equipment for Yongshi Windy Power Plant. The remaining RMB 47,808,208 (31 December 2013: RMB 47,473,528) was still placed with the Department of Finance of Guangdong Province.

9 Available-for-sale financial assets

(1) Available-for-sale financial assets

Item	2014	2013	Carrying
		Provision	

Provision	Carrying		Book value	for impairment		amountBook value
	for impairment	amount				
Available-for-sale equity instruments						
- measured at fair value	452,482,335	-	452,482,335	298,871,738	-	298,871,738
- measured at cost	544,600,000	-	544,600,000	505,503,707	-	505,503,707
Total	997,082,335	-	997,082,335	804,375,445	-	804,375,445

(2) Available-for-sale financial assets measured at fair value at the end of the year:

	Equity instruments
Cost of equity instruments	251,728,616
Fair value	452,482,335
Accumulative fair value changes	
recognised in other comprehensive income	200,753,719
Provision for impairment	-

- (a) As at 31 December 2014, the Company held 8,400,000 tradable A shares in Shenzhen Energy and the investment cost was RMB 15,890,628. The investment was stated at fair value determined with reference to the market price. During the year, gains of RMB 47,544,000 (2013: loss of RMB 4,032,000) in fair value were recognized in other comprehensive income accordingly.
- (b) As at 31 December 2014, the Company held 55,532,250 tradable A shares in Shenergy and the investment cost was RMB 235,837,988. The investment was stated at fair value determined with reference to the market price. During the year, gains of RMB 106,066,597 (2013: gains of RMB 7,219,193) in fair value were recognized in other comprehensive income accordingly.

(3) Available-for-sale financial assets measured at cost at the end of the year

end	Investee	Book value				Provision for impairment			Percentage of shareholding in investees (%)	Cash dividends for the year	the
		Balance at the beginning	Increase	Balance at Decrease	Balance at the end	the beginning	Balance at Increase	Decrease			
		<u>of the year</u>	<u>during the year</u>	<u>during the year</u>	<u>of the year</u>	<u>of the year</u>	<u>during the year</u>	<u>during the year</u>	<u>of the year</u>		
	Shenzhen Capital Group Co., Ltd.	115,000,000	-	-	115,000,000	-	-	-	3.67%	12,862,500	
	Sunshine Insurance	356,000,000	-	-	356,000,000	-	-	-	5.22%	-	
	GMG International Tendering Co.Ltd("GMG")	3,600,000	-	-	3,600,000	-	-	-	1.97%	630,000	
	South Sea wind electricity Development Co.Ltd ("South Wind Electric")	30,000,000	40,000,000	-	70,000,000	-	-	-	10.00%	-	
	Maoming Electric Water Supply Co.Ltd ("Maoming Electric Water supply")	903,707	-	(903,707)	-	-	-	-	15.00%	-	
	Total	505,503,707	40,000,000	(903,707)	544,600,000	-	-	-		13,492,500	

10 Long-term receivables

bad and <u>Item</u>	Provision for	2014			2013			Range of for
		<u>Book value</u>	<u>impairment</u>	<u>discount Carrying amount</u>	<u>Book value</u>	<u>impairment</u>	<u>Carrying amount</u>	
Deposits for sales and leaseback		121,334,809	-	121,334,809	114,478,124	-	114,478,124	5.31% - 7.05%

As at 31 December 2014, the Group's long-term receivables mainly represented the present value of RMB 50,000,000 of deposits paid by Zhongyue Energy for its fixed assets (31 December 2013: RMB 50,000,000) and RMB 110,000,000 of deposits paid by Jinghai Power for its fixed assets (31 December 2013: RMB 110,000,000) held under sales and leaseback.

11 Long-term equity investments

(1) Long-term equity investments by category:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Investment in joint ventures	597,811,376	580,941,667
Investment in associates	6,006,898,270	5,938,571,170
Total	6,604,709,646	6,519,512,837

(2) Movements of long-term equity investments for the year are as follows:

Investee	Balance impairment	at								the	Provision for
Balance at the end	of the year	Increase / decrease during the year								of the year	Closing balance
		Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movement	Declared distribution of cash dividends or profits	Provision for impairment	Others		
Joint venture											
Guangdong Electric power Industry Fuel Co.Ltd	580,941,667	-	-	83,394,597	-	-	(66,524,888)	-	-	597,811,376	-
Associates											
Shanxi Yudean Energy Co., Ltd. (“Shanxi Yudean Energy”)	778,866,568	-	-	90,379,625	-	48,000	-	-	-	869,294,193	-
Guangdong Yudean Finance Co., Ltd. (“Yudean Finance”)	624,823,362	-	-	76,934,751	-	39,794	(53,750,722)	-	-	648,047,185	-
Taishan Power Generation	2,173,810,422	33,900,000	-	421,283,187	-	-	(420,305,320)	-	-	2,208,688,289	-
Yunnan Baoshan Binlang River Electric Development Co., Ltd. (“Binlang River”)	216,895,764	-	-	(11,261,289)	-	-	-	-	-	205,634,475	-
Guangdong Yudean Shipping Co., Ltd. (“Yudean Shipping”)	927,200,812	-	-	16,853,713	(280)	10,595,018	(8,977,900)	-	-	945,671,363	-
Yudean Holding West Investment Co., Ltd. (“West Investment”)	283,755,169	-	-	(28,014,938)	268,220	-	-	-	-	256,008,451	-
Lincang Yuntou Yudean Hydroelectric Development Co., Ltd. (“Lincang Yuntou”)	172,746,262	12,686,100	-	(995,410)	-	-	-	-	-	184,436,952	-
Weixin Yuntou	694,818,076	-	-	(77,592,204)	-	-	-	-	-	617,225,872	-
Huaneng Shantou Wind Power Company (“Shantou Wind Power”)	51,745,185	-	-	11,897,045	-	425	(5,466,600)	-	-	58,176,055	-
Yangshan Jiangkeng Hydropower Station Co., Ltd. (“Jiangkeng Hydropower”)	6,030,701	-	-	396,716	-	-	(559,976)	-	-	5,867,441	-
Yangshan Centre Ken Electric Co., Ltd. (“Centre Ken Electric”)	7,878,849	-	-	1,436,303	-	-	(1,467,158)	-	-	7,847,994	-
Sub-total	5,938,571,170	46,586,100	-	501,317,499	267,940	10,683,237	(490,527,676)	-	-	6,006,898,270	-
Total	6,519,512,837	46,586,100	-	584,712,096	267,940	10,683,237	(557,052,564)	-	-	6,604,709,646	-

12 Investment properties

	<u>Plant and buildings</u>
Cost	
Balances at the beginning and end of the year	20,135,165

Accumulated depreciation	
Balance at the beginning of the year	(9,296,134)
Charge for the year	(635,598)

Balance at the end of the year	(9,931,732)
	=====
Carrying amounts	
At the end of the year	10,203,433
	=====
At the beginning of the year	10,839,031
	=====

13 Fixed assets

(1) Fixed assets

<u>Item</u>	<u>Plant and buildings</u>	<u>Power generation equipment</u>	<u>Motor vehicles</u>	<u>Other equipment</u>	<u>Total</u>
Cost					
Balance at the beginning of the year	13,567,382,642	46,786,204,189	606,597,271	979,451,724	61,939,635,826
Additions during the year	67,265,337	34,808,205	11,796,753	18,429,334	132,299,629
Transfer from construction in progress	73,326,482	1,180,293,972	-	19,304,343	1,272,924,797
Disposal during the year	(5,898,173)	(396,473,322)	(6,025,286)	(7,030,044)	(415,426,825)
Reclassification (Note (c))	132,231,561	170,866,588	-	3,886,991	306,985,140
	-----	-----	-----	-----	-----
Balance at the end of the year	13,834,307,849	47,775,699,632	612,368,738	1,014,042,348	63,236,418,567
	-----	-----	-----	-----	-----
Accumulated depreciation					
Balance at the beginning of the year	(3,984,642,389)	(14,920,108,143)	(327,637,743)	(544,540,939)	(19,776,929,214)
Charge for the year	(572,006,105)	(2,866,427,204)	(58,849,280)	(95,272,865)	(3,592,555,454)
Disposal during the year	3,745,689	288,714,156	5,632,266	6,611,002	304,703,113
Reclassification (Note (c))	(22,643,460)	(236,376,741)	-	(241,090)	(259,261,291)
	-----	-----	-----	-----	-----
Balance at the end of the year	(4,575,546,265)	(17,734,197,932)	(380,854,757)	(633,443,892)	(23,324,042,846)
	-----	-----	-----	-----	-----
Provision for impairment					
Balance at the beginning of the year	(240,233,419)	(391,474,262)	(2,967,075)	(3,995,616)	(638,670,372)
Charge for the year	(908,547)	(159,504,862)	(15)	-	(160,413,424)
Disposal or written off during the year	908,547	50,025,701	74,124	-	51,008,372
	-----	-----	-----	-----	-----
Balance at the end of the year (Note (b))	(240,233,419)	(500,953,423)	(2,892,966)	(3,995,616)	(748,075,424)
	=====	=====	=====	=====	=====

<u>Item</u>	<u>Plant and buildings</u>	<u>Power generation equipment</u>	<u>Motor vehicles</u>	<u>Other equipment</u>	<u>Total</u>
Carrying amounts					
At the end of the year	9,018,528,165	29,540,548,277	228,621,015	376,602,840	39,164,300,297
At the beginning of the year	9,342,506,834	31,474,621,784	275,992,453	430,915,169	41,524,036,240

- (a) As at 31 December 2014, the Group's fixed assets with restrictions imposed represented: power generators at the carrying value of RMB 1,137,751,561 (original cost: RMB 2,542,882,598) (31 December 2013: carrying value of RMB 1,313,490,008 (original cost: RMB 2,526,316,960)) was pledged as collateral for long-term loans of RMB 346,400,000 (31 December 2013: long-term loans of RMB 543,600,000) (see Note V.34(1)(b)).
- (b) Impairment of Fixed assets

As at 31 December 2014, the Group's balance of fixed assets to be impaired mainly included: (1) provisions of RMB 605,248,658 for the impairment of fixed assets related to the generator units of Yuejia Electric; (2) provisions of RMB 126,877,473 for the impairment of fixed assets related to the generator units of Xuwen Wind; (3) and provisions of RMB 15,949,293 for the impairment of fixed assets related to the generator units of Yuejiang Power.

Impairment of fixed assets related to generator units of Yuejia Electric

As of 31 December 2012, management expected the four generator units of Yuejia Electric to be gradually shut down by the end of 2015. Therefore, management made provisions totalling RMB 487,898,352 for impairment of fixed assets. Approximately RMB 72,673,468 of impairment of fixed assets was written off as a result of the disposal of some equipment. Pursuant to the notice issued by the Development and Reform Commission of Guangdong Province in 2013, management expected the four generator units of Yuejia Electric to be shut down in early 2016. As Yuejia Electric's volume of on-grid electricity and the disposal price of the retiring generator units were forecast to decline, management considered these were indications for further impairment of generator assets in the remaining operation period of Yuejia Electric. The Group assessed the recoverable amounts of the assets at as 31 December 2013 and made another provision of RMB 190,330,782 for impairment of fixed assets accordingly. Meanwhile, management disposed some production equipment and wrote off RMB 232,900 of impairment of fixed assets. As at 31 December 2013, the Group recorded a provision of RMB 605,322,766 for the impairment of fixed assets related to the above generator units of Yuejia Electric. Management continued to dispose some production equipment in 2014, and wrote off RMB 74,108 for impairment of fixed assets accordingly. There was no evidence of further impairment of the related assets of Yuejia Electric. As a result, no provision for further impairment was made. As at 31 December 2014, the Group recorded a provision of RMB 605,248,658 for the impairment of fixed assets related to the above generator units of Yuejia Electric.

Impairment of generator units of Xuwen Wind

In July 2014, super typhoon Rammasun slammed Xuwen Wind's Yongshi Wind Power Plant. Eighteen generator units were destroyed (Cost of the generator units was RMB 138,358,965, with accumulated depreciation of RMB 11,481,492). Management recorded provisions of RMB 126,877,473 for impairment of these units in full carrying amount, as the units were completely destroyed.

Impairment of other assets

In 2013, Yuejiang Power recorded provisions of RMB 33,347,606 for the impairment of fixed assets based on valuation as some fixed assets were suspended or retiring as a result of the reform on generator units. The fixed assets of Yuejiang Power provided for in the above were disposed of in 2014, with RMB 33,347,606 written off accordingly.

In 2014, Yuejiang Power and Zhanjiang Electric recorded provisions of RMB 33,535,951 for the impairment of fixed assets based on the valuation as some fixed assets were suspended or retiring as a result of the reform on generator units. The fixed assets of Zhanjiang Electric provided for in the above were disposed of during the year, with RMB 17,586,658 written off accordingly. The recoverable amount of the above impaired assets was calculated based on the fair value of the fixed assets determined with reference to the recent transaction prices for similar assets in the industry less disposal expenses.

- (c) Reclassification during the year mainly comes from the reclassification and adjustment on the actual cost of completion settlement and the tentative estimation of the fixed assets for No.3 and No.4 generator unit of Jinghai, Zhanjiang Electric's coal-electricity integration project, Oil-to-Coal project of Zhanjiang Zhongyue Energy, Zhanjiang Wind's power plant project and Xuwen Wind's Yongshi Wind Power project.

(2) Temporarily idle fixed assets

As at 31 December 2014, the Group did not have significant items of temporarily idle fixed assets (2013: Nil).

(3) Fixed assets acquired under sales and leaseback

Item	2014			2013		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Power generator	3,131,080,000	(606,636,003)	2,524,443,997	4,172,900,000	(863,838,660)	3,309,061,340

(4) Fixed assets leased out under operating leases

<u>Item</u>	<u>Carrying amount</u>
Plant and buildings	3,152,649

(5) Fixed assets held for sale at the end of the year

As at 31 December 2014, the Group did not have any significant fixed assets held for sale (2013: Nil).

(6) Fixed assets with pending certificates of ownership

As at 31 December 2014 and 2013, the plants and buildings of some of the Group's subsidiaries were still pending certificates of ownership. After consulting the Group's legal consultant, management believed that there were no legal obstacles in obtaining the certificates and it would not have material adverse impact on the normal operation of the Group.

14 Construction in progress

(1) Construction in progress

<u>Item</u>	<u>2014</u>			<u>2013</u>			
Provision				Provision			
Carrying			for	Carrying	for		
			<u>Book value</u>	<u>impairment</u>	<u>amount</u>	<u>Book value</u>	<u>impairment</u> <u>amount</u>
Yuejiang Power 2*600MW upgrade project	3,787,247,455	-	3,787,247,455	1,816,064,281	-	1,816,064,281	
Da Pu Electric 2*600MW generator construction	541,350,180	-	541,350,180	391,868,853	-	391,868,853	
Bohe Coal Integration project	1,229,219,826	-	1,229,219,826	490,346,633	-	490,346,633	
Humen Electric 2*1000MW project	137,253,230	(2,916,126)	134,337,104	136,832,778	(2,916,126)	133,916,652	
Red Bay No. 5 & 6 generator units	40,470,000	-	40,470,000	34,673,682	-	34,673,682	
Dianbai Reshui wind power plant project	59,452,711	-	59,452,711	8,469,661	-	8,469,661	
LeiZhou Hongxinlou wind power project	12,925,651	-	12,925,651	5,252,345	-	5,252,345	
Other infrastructure projects	282,812,028	-	282,812,028	323,795,540	-	323,795,540	
Technology improvement and other projects	262,111,799	(881,367)	261,230,432	679,770,268	(796,461)	678,973,807	
Total	<u>6,352,842,880</u>	<u>(3,797,493)</u>	<u>6,349,045,387</u>	<u>3,887,074,041</u>	<u>(3,712,587)</u>	<u>3,883,361,454</u>	

(2) Movements of major construction projects in progress during the year

Project	Budget	Balance at the beginning of the year	Additions during the year	Transfer to fixed assets	Other decreases (Note (i))	Balance at the end of the year	Percentage of actual cost to budget (%)	Project progress	Accumulated capitalised interest	Including interest capitalised in 2014	Interest rate for capitalisation in 2014 (%)	Sources of funding
Yuejiang Power2*600MW upgrade project	5,128,000,000	1,816,064,281	1,971,183,174	-	-	3,787,247,455	73.85%	73.85%	334,152,052	132,413,060	6.26%	Borrowing, own capital
Da Pu Electric 2*600MW generator construction	5,312,690,000	391,868,853	149,481,327	-	-	541,350,180	10.19%	10.19%	69,483,542	18,189,410	5.85%	Borrowing, own capital
Bohe coal Integration project	9,785,950,000	490,346,633	738,873,193	-	-	1,229,219,826	12.56%	12.56%	24,484,898	16,027,848	6.31%	Borrowing, own capital
Humen Electric 2*1000MW project	7,789,510,000	133,916,652	420,452	-	-	134,337,104	1.77%	1.77%	-	-	-	Own capital
Red Bay No. 5 & 6 generator units	7,714,370,000	34,673,682	5,796,318	-	-	40,470,000	0.52%	0.52%	-	-	-	Own capital
Dianbai Reshui wind power plant project	483,714,800	8,469,661	50,983,050	-	-	59,452,711	12.29%	12.29%	1,284,433	1,284,433	6.20%	Borrowing
LeiZhou Hongxinlou wind power project	462,920,000	5,252,345	7,673,306	-	-	12,925,651	2.79%	2.79%	-	-	-	Own capital
Other infrastructure projects	N.A.	323,795,540	145,427,810	(71,899,661)	(114,511,661)	282,812,028	N.A.	N.A.	-	-	-	Own capital
Technology improvement and other projects	N.A.	678,973,807	798,973,854	(1,201,025,136)	(15,692,093)	261,230,432	N.A.	N.A.	-	-	-	Own capital
Total		<u>3,883,361,454</u>	<u>3,868,812,484</u>	<u>(1,272,924,797)</u>	<u>(130,203,754)</u>	<u>6,349,045,387</u>			<u>429,404,925</u>	<u>167,914,751</u>		

- (i) Other decreases during the year mainly represented the adjustment on the project costs based on the actual costs (previously accounted for based on estimated project progress) during the year; transfer to intangible assets; and transfer out of upfront expenses which cannot bring economic benefits.

(3) Provision for impairment of construction in progress

<u>Reason Project provision</u>		Charge	
		<u>for the year</u>	<u>for</u>
Technology improvement		for	Zhanjiang
Impairment of Electric		(84,906)	old plant

- (4) As at 31 December 2014, some generator units under construction were pending the approval documents. Management expected to obtain the relevant approval documents as scheduled. In addition, management expected stable cash inflows from operating activities once the new generator units were launched into production. Therefore, the risk of impairment of such generators was low.

15 **Construction materials**

<u>Item</u>	<u>2014</u>	<u>2013</u>
Special materials	2,157,295	706,539
Special equipment	4,633,798	1,522,893
Sub-total	6,791,093	2,229,432
Less: Provision	-	-
Total	<u>6,791,093</u>	<u>2,229,432</u>

16 **Fixed assets to be disposed of**

<u>Item</u>	<u>2014</u>	<u>2013</u>
Retirement of power equipment parts due to technology improvement	1,493,296	2,490,259
Administrative resources	-	98,401
Total	<u>1,493,296</u>	<u>2,588,660</u>

As at 31 December 2014 and 2013, there were no fixed assets transferred to “fixed assets to be disposed of” for more than one year.

17 Intangible assets

(1) Intangible assets

<u>Item</u>	<u>Associated projects for electricity transmission and microwave engineering</u>	<u>Land use right</u>	<u>Sea use right</u>	<u>Transportation project</u>	<u>Concession contract</u>	<u>Software</u>	<u>Non-patent technology and others</u>	<u>Total</u>
Cost								
Balance at the beginning of the year	442,517,684	1,234,973,257	89,111,941	22,468,672	13,720,736	58,385,781	618,319	1,861,796,390
Additions during the year								-
- Purchase	-	272,495,595	144,838	-	-	2,439,813	10,021,085	285,101,131
- Transfer from construction in progress	-	624,788	-	-	-	11,550,411	-	12,175,199
- Reclassification (Note V. 13(1) (c))	-	43,545,402	-	-	-	1,499,457	-	45,044,859
Disposal during the year	-	-	-	-	-	-	(10,021,085)	(10,021,085)
Balance at the end of the year	442,517,684	1,551,639,042	89,256,779	22,468,672	13,720,736	73,875,462	618,319	2,194,096,694
Accumulated amortisation								
Balance at the beginning of the year	(402,522,731)	(144,279,332)	(11,024,605)	(21,175,448)	(6,102,137)	(40,498,645)	(109,466)	(625,712,364)
Charge for the year	(1,201,573)	(30,260,753)	(1,804,566)	(125,363)	(952,142)	(8,792,236)	(81,523)	(43,218,156)
Reclassification (Note V. 13(1)(c))	-	(3,095,372)	-	-	-	-	-	(3,095,372)
Balance at the end of the year	(403,724,304)	(177,635,457)	(12,829,171)	(21,300,811)	(7,054,279)	(49,290,881)	(190,989)	(672,025,892)

17 Intangible assets (continued)

(1) Intangible assets (continued)

<u>Item</u>	<u>Associated projects for electricity transmission and microwave engineering</u>	<u>Land use right</u>	<u>Sea use right</u>	<u>Transportation project</u>	<u>Concession contract</u>	<u>Software</u>	<u>Non-patent technology and others</u>	<u>Total</u>
Provision for impairment								
Balance at the beginning and at the end of the year	(33,189,374)	-	-	(1,021,604)	-	-	-	(34,210,978)
	=====	=====	=====	=====	=====	=====	=====	=====
Carrying amounts								
At the end of the year	5,604,006	1,374,003,585	76,427,608	146,257	6,666,457	24,584,581	427,330	1,487,859,824
	=====	=====	=====	=====	=====	=====	=====	=====
At the beginning of the year	6,805,579	1,090,693,925	78,087,336	271,620	7,618,599	17,887,136	508,853	1,201,873,048
	=====	=====	=====	=====	=====	=====	=====	=====

- (2) Before 2013, management expected the four generator units of Yuejia Electric to be gradually shut down by the end of 2015. Therefore, management made a provision of RMB 23,426,500 for impairment of intangible assets of the use rights of associated projects for electricity transmission and transformation and microwave engineering, and transportation engineering as at 31 December 2012 based on the shutdown plan. As disclosed in Note V.13 (1) (b), further evidence of impairment was detected in the related asset groups of Yuejia Electric generator units in 2013. As at 31 December 2013, management tested such asset groups for impairment and made a further impairment provision of RMB 10,784,478 for intangible assets of the use rights of associated projects for electricity transmission and transformation and microwave engineering, and transportation engineering of the above four generator units. In 2014, there was no further evidence of impairment in the related asset groups of Yuejia Electric. Therefore, no further provision was made.
- (3) As at 31 December 2014, the Group had obtained certificates for the land use right of all its lands, except for the land with the carrying value of RMB 476,925,201 for which an application for use with the relevant authorities. After consulting the Group's legal consultant, management believed that there were no substantial legal obstacles in obtaining the certificates and it would not have material adverse impact on the normal operation of the Group.

18 Goodwill

Name of investee Balance at from beginning and the <u>goodwill arising</u>	or	events	the which <u>end of the year</u>
Guangdong Wind Power		(1)	<u>2,449,886</u>

- (1) In the Company's acquisition of interests in Guangdong Province Wind Power Generation Co., Ltd. ("Guangdong Wind Power") in 2013, the difference between the fair value of related identifiable assets and liabilities at the acquisition date and the acquisition cost, RMB 2,449,886, was recognised as goodwill related to Guangdong Wind Power.
- (2) The Group acquired the equity interest of Guangdong Wind Power in 2013, and there were no significant adverse changes in Guangdong Wind Power's business from the acquisition date to the balance sheet date. After the impairment test in 2014, the Group considered it unnecessary to provide for impairment of goodwill of Guangdong Wind Power.

19 Long-term deferred expenses

Balance				Balance	
at the	Additions				beginning
during	Amortisation	at the end			
Item		of the year	the year	for the year	of the year
Leased assets improvement		324,905	5,797,332	(549,821)	5,572,416
Long-term lease charges		-	26,037,680	(609,389)	25,428,291
Total		324,905	31,835,012	(1,159,210)	31,000,707

20 Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities

Item	2014		2013	
	Deductible or taxable temporary differences ("(") for taxable temporary differences)	Deferred tax assets / deferred tax liabilities ("(") for liabilities)	Deductible or taxable temporary differences ("(") for taxable temporary differences)	Deferred tax assets / deferred tax liabilities ("(") for liabilities)
Deferred tax assets:				
Provision for impairment against assets	133,188,421	31,140,365	68,120,770	17,030,193
Pre-operating expenses	9,829,416	1,361,496	16,999,764	1,954,848
Depreciation of fixed assets	66,617,909	16,654,477	66,640,030	16,654,477
Employee benefits payable	49,254,790	12,313,698	44,936,104	11,234,026
Net income from test run included in construction in progress	26,896,029	6,604,120	28,667,784	6,967,135
Government grants related to assets	47,889,337	11,972,334	27,663,844	6,915,961
Amortisation of land use right	3,108,146	777,036	2,729,886	688,002
Sub-total	336,784,048	80,823,526	255,758,182	61,444,642
Amount of off-setting	(82,356,846)	(20,589,211)	(57,612,116)	(14,403,029)
Amount after off-setting	254,427,202	60,234,315	198,146,066	47,041,613
Deferred tax liabilities:				
Changes in fair value of available-for-sale financial assets	(200,753,719)	(50,188,427)	(47,143,122)	(11,785,778)
Net expense from test run included in construction in progress	(46,892,153)	(11,723,038)	(52,302,452)	(13,075,616)
Revaluation upon acquisition	(3,255,066)	(813,769)	(7,379,199)	(1,844,800)
Sub-total	(250,900,938)	(62,725,234)	(106,824,773)	(26,706,194)
Amount of off-setting	82,356,846	20,589,211	57,612,116	14,403,029
Amount after off-setting	(168,544,092)	(42,136,023)	(49,212,657)	(12,303,165)

(2) Details of unrecognised deferred tax assets

<u>Item</u>	<u>2014</u>	<u>2013</u>
Deductible temporary differences	912,430,704	839,388,330
Deductible tax losses	461,474,828	623,569,134
Total	<u>1,373,905,532</u>	<u>1,462,957,464</u>

(3) Expiration of deductible tax losses for unrecognised deferred tax assets

<u>Year</u>	<u>2014</u>	<u>2013</u>
2014	-	3,100,664
2015	108,707,352	238,722,691
2016	227,073,101	226,157,139
2017	113,780,436	154,529,804
2018	2,637,971	1,058,836
2019	9,275,968	-
Total	<u>461,474,828</u>	<u>623,569,134</u>

Management believed that the tax entity's taxable income by the expiry date would be insufficient for offsetting deductible tax losses. Therefore, the relevant deferred tax assets were not recognised.

21 **Other non-current assets**

<u>Item</u>	<u>2014</u>	<u>2013</u>
Prepayments for construction	1,673,042,524	340,885,008
Prepayments for equipment	1,137,391,829	986,680,945
Unrealised losses on sale and leaseback (1)	231,510,352	340,381,598
Total	<u>3,041,944,705</u>	<u>1,667,947,551</u>

(1) Unrealised loss on sale and leaseback represents the remaining value of the difference between the selling price and the carrying value of the power generation equipment amortised according to the depreciation level.

22 Short-term loans

(1) Short-term loans by category:

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Credit loan	(a)	5,721,000,000	9,361,000,000

(a) As at 31 December 2014, balance of short-term credit loans were RMB 4,149,000,000 of loans provided by Yudean Finance (31 December 2013 : RMB 3,722,000,000).

(b) As at 31 December 2014, the annual interest rates of short-term loans ranged from 5.04% to 6.30% (31 December 2013 : 5.04% to 6.30%).

(2) As at 31 December 2014, there were no unsettled short-term loans which were due (2013 : Nil).

23 Bills payable

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Acceptance bills of other financial institutions	(1)	70,000,000	135,248,400
Bank acceptance bills	(2)	251,711,616	-
Commercial acceptance bills	(2)	-	1,387,874,618
Total		321,711,616	1,523,123,018

The above bills payable are all due within one year.

(1) As at 31 December 2014, the Group had RMB 70,000,000 acceptance bill for Yuedian Finance (31 December 2013: RMB 135,248,400).

(2) The Group used acceptance bills to pay for coal or fuel procured from the Company's joint venture, Fuel Supply. According to the three-party agreement signed among the Group, Yudean Finance and Fuel Supply, discounting expenses will be borne by the Group when Fuel Supply discounts the bills they receive. As at 31 December 2014, the balance of bank acceptance bills issued by the Group and discounted by Fuel Supply with Yudean Finance amounted to RMB 100,000,000, with discounting rate of 4.98%, the acceptance bills were due within two months (31 December 2013: commercial acceptance bills amounted to RMB 1,387,874,618. The acceptance bills were due within six months and the discounting rates ranged from 4.20% to 5.04%). The amount of the above discounted bills payable represented the amount payable to Yudean Finance. The Group paid a total of RMB 29,317,009 (31 December 2013: RMB 62,992,974) of discounting interest to Yudean Finance in 2014.

24 Accounts payable**(1) Accounts payable:**

<u>Item</u>	<u>2014</u>	<u>2013</u>
Fuel payable	1,361,267,039	2,217,658,792
Materials and spare parts payable	426,407,376	400,863,791
Maintenance and administrative fees payable	94,009,782	101,009,782
Others	31,610,680	24,332,294
Total	<u>1,913,294,877</u>	<u>2,743,864,659</u>

(2) Significant accounts payable aging more than one year:

Balance at the
Item
end of the year

Maintenance and administrative fees payable	94,009,782
Fuel payable	11,753,524
Total	<u>105,763,306</u>

25 Advances**(1) Details of advances are as follows:**

<u>Item</u>	<u>2014</u>	<u>2013</u>
Advances from disposal of renewable resources	179,708	184,177
Advances of claims from insurers	-	900,000
Total	<u>179,708</u>	<u>1,084,177</u>

As at 31 December 2014, the Group did not have any significant advances ageing more than one year (31 December 2013: Nil).

26 Employee benefits payable

(1) Employee benefits payable:

	Note	Balance at 1 January 2014	Accured during the year	Decrease during the year	Balance at 31 December 2014
Short-term employee benefits	(2)	85,285,583	1,694,730,467	(1,688,858,334)	91,157,716
Post employment benefits					
-defined contribution plan	(3)	1,620,380	227,357,537	(227,480,533)	1,497,384
Termination benefits	(a)	16,381,141	13,169,143	(16,381,141)	13,169,143
Total		103,287,104	1,935,257,147	(1,932,720,008)	105,824,243

(a) Termination benefits are the internal retirement salaries payable to the employees due within one year. Details have been disclosed in Note V. 37.

(2) Short-term benefits

	Balance at 1 January 2014	Accured during the year	Decrease during the year	Balance at 31 December 2014
Salaries, bonuses, allowances	-	1,118,470,529	(1,118,470,529)	-
Staff welfare	7,147,803	145,456,260	(148,382,093)	4,221,970
Social insurance				
Including:	26,764,024	63,072,532	(59,241,032)	30,595,524
Medical insurance	26,761,103	55,575,324	(51,742,717)	30,593,710
Work-related injury insurance	2,921	4,172,086	(4,173,193)	1,814
Maternity insurance	-	3,325,122	(3,325,122)	-
Housing fund	33,064	234,499,587	(234,499,587)	33,064
Labour union fee and staff and workers' education		50,439,849	48,358,988	(44,011,490)
	54,787,347			
Others	900,843	84,872,571	(84,253,603)	1,519,811
Total	85,285,583	1,694,730,467	(1,688,858,334)	91,157,716

(3) Post-employment benefits – defined contribution plan

	Balance at 1 January 2014	Additions during the year	Decrease during the year	Balance at 31 December 2014
Pension insurance	1,094,240	167,918,305	(168,039,037)	973,508
Unemployment insurance	526,140	5,550,328	(5,552,592)	523,876
Annuity	-	53,888,904	(53,888,904)	-
Total	1,620,380	227,357,537	(227,480,533)	1,497,384

27 Taxes payable

<u>Item</u>	<u>2014</u>	<u>2013</u>
Value added tax	116,279,995	129,421,638
Business tax	2,480,359	1,672,250
Corporate income tax	281,556,788	582,516,809
Individual income tax	31,973,720	37,507,160
Land use tax	1,190,672	3,888,653
Education surcharges	6,594,531	5,844,993
City maintenance and construction tax	7,976,346	7,068,166
Property tax	1,240,728	6,652,673
Pollution discharge fee	3,786,528	6,678,341
Price adjustment fund	5,598,220	12,939,800
Others	3,553,457	3,157,261
Total	462,231,344	797,347,744

28 Interests payable

<u>Item</u>	<u>2014</u>	<u>2013</u>
Interest payable for long-term loans with interest paid in installments and principal repaid on maturity	51,758,493	32,499,606
Interest payable for debentures	136,065,449	136,065,448
Interest payable for short-term loans	27,132,601	19,805,165
Total	214,956,543	188,370,219

As at 31 December 2014, the Group did not have any overdue interest (31 December 2013: Nil).

29 Dividends payable

<u>Item</u>	<u>2014</u>	<u>2013</u>
Payable to non-tradable shareholders of the Company (1)	7,918,730	7,629,091
Shaoguan Power Plant D Co., Ltd. (“Shaoguan Plant D”)	-	3,521,190
Qujiang Electric Co., Ltd.	-	1,408,476
Total	<u>7,918,730</u>	<u>12,558,757</u>

- (1) It mainly represents the dividends attributable to non-tradable shareholders pending for the completion of share reform procedures and will be distributed once the procedures have been completed.

30 Other payables

- (1) Other payables are analysed as follows:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Payment for project warranty	206,292,851	167,554,270
Payment for construction and equipment	2,208,802,539	2,936,657,755
Purchase of unit capacity	33,000,000	120,400,000
Payables to advances from Shaoguan Plant D	25,366,557	33,206,172
Others	103,640,346	173,056,516
Total	<u>2,577,102,293</u>	<u>3,430,874,713</u>

- (2) Other payables aged over one year are detailed as below:

As at 31 December 2014, other payables of RMB 1,411,944,130 (31 December 2013: RMB 1,830,579,139) aged over one year mainly represent construction payables and warranty. They have not been settled because the related projects have not completed their final inspection or are still within their warranty periods.

31 Non-current liabilities due within one year

(1) Non-current liabilities due within one year are as follows:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Long-term loans due within 1 year	2,016,890,836	1,451,668,930
Debentures payables due within one year	1,999,548,864	-
Long-term payables due within 1 year	467,522,644	639,073,258
Total	<u>4,483,962,344</u>	<u>2,090,742,188</u>

(2) Long-term loans due within one year

<u>Item</u>	<u>2014</u>	<u>2013</u>
Pledged loan (a)	131,520,000	145,020,000
Loan secured by mortgages (b) and note V.13 (1)(a))	-	60,000,000
Credit loan (c)	1,877,745,836	1,246,648,930
Guaranteed loan (d)	7,625,000	-
Total	<u>2,016,890,836</u>	<u>1,451,668,930</u>

- (a) As at 31 December 2014, Yuejiang Power's long-term loans of RMB 114,000,000 due within one year are secured by future revenue from power generation and accounts receivable (31 December 2013: RMB 127,500,000). Zhanjiang Wind Power's long-term loans of RMB 17,520,000 due within one year are secured by future revenue from power generation and accounts receivable (31 December 2013: RMB 17,520,000) (Note V.4(3) and Note V.34(1)(a)).
- (b) As at 31 December 2014, the Group did not have any long-term loan secured by mortgages due within one year represent pledge loans (31 December 2013: RMB 60,000,000). Details have been disclosed in Note V.13 (1)(a) and V.34.
- (c) As at 31 December 2014, a bank loan of €314,641 (equivalent to RMB 2,345,836) from the Export-Import Bank of China is included in the Group's credit loan balance.
- (d) As at 31 December 2014, Zhanjiang Wind Power provides maximum guarantee for Xuwen Wind's long-term loan of RMB 7,625,000 (2013: Nil) due within one year.
- (e) As at 31 December 2014, the annual interest rate of long-term loans due within one year ranges from 1.30% to 6.55% (31 December 2013: from 1.30% ~ 6.65%).

(3) Debentures payable due within one year

<u>Project</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Corporation bonds of Guangdong Electric Power Development Co., Ltd. in 2008	35(2)	1,999,548,864	-

(4) Long-term payables due within one year

As at 31 December 2014, the long-term payables due within one year is a sale and leaseback payable of RMB 467,522,644 (i.e. the net balance of RMB 586,175,359 less unrecognised finance cost of RMB 118,652,715). As at 31 December 2013, the long-term payables due within one year are a sale and leaseback payable of RMB 639,073,258.

As at 31 December 2014, the long-term payables due within one year has been detailed in note V.36.

32 Provisions

As at 31 December 2014, the balance of provisions represents the provision for dispute between the Company's subsidiary Guangdong Huizhou Pinghai Power Plant Co., Ltd ("Pinghai Power") and Haoxing abalone farm in Pinghai Town, Huidong County. Details have been disclosed in Note 13 (3).

33 Other current liabilities

<u>Item</u>	<u>2014</u>	<u>2013</u>
Short-term financing notes payable	808,630,228	1,348,750,493

Changes in short-term debentures payable:

Balance at end <u>Name</u>	Issuance <u>Face value</u>	<u>Issuance date</u>	Amortisation Maturity <u>period</u>	Issuance <u>amounts</u>	Balance at the beginning <u>of the year</u>	during <u>the year</u>	Interests <u>at face value</u>	of discounts <u>or premium</u>	Repayments <u>for the year</u>	the <u>of the year</u>
First batch of short-term financing bonds issued by Guangdong Electric Power Development Co.,Ltd. in 2013	600,000,000	25/01/2013	365 days	600,000,000	623,885,333	-	1,554,667	-	(625,440,000)	-
First batch of short-term financing bonds issued by Guangqian Electric in 2013	200,000,000	20/03/2013	365 days	200,000,000	207,156,667	-	1,883,333	-	(209,040,000)	-
First batch of short-term financing bonds issued by Red Bay in 2013	500,000,000	20/03/2013	365 days	500,000,000	517,708,493	-	4,891,507	-	(522,600,000)	-
First batch of short-term financing bonds issued by Guangdong Electric Power Development Co.,Ltd. in 2014	400,000,000	19/08/2014	365 days	400,000,000	-	400,000,000	7,048,858	-	-	407,048,858
Second batch of short-term financing bonds issued by Guangdong Electric Power Development Co.,Ltd. in 2014	100,000,000	24/12/2014	90 days	100,000,000	-	100,000,000	97,808	-	-	100,097,808
First batch of short-term financing bonds issued by Guangdong Huizhou Pinghai Power Plant Co.,Ltd ("Pinghai Power")	300,000,000	24/11/2014	365 days	300,000,000	-	300,000,000	1,483,562	-	-	301,483,562
Total in 2014	2,100,000,000				1,348,750,493	800,000,000	16,959,735	-	(1,357,080,000)	808,630,228

- (1) As approved by National Association of Financial Market Institutional Investors, the Company issued short-term financing bonds at face value of RMB 600,000,000 with a one-year maturity in January 2013. The Company raised RMB 597,900,000 after deducting an issue expense of RMB 2,100,000. It is subject to an annual interest rate of 4.24% from 28 January 2013. In January 2014, the Company paid principal and interests totalling RMB 625,440,000 at one time.
- (2) As approved by National Association of Financial Market Institutional Investors, the Company's subsidiary Red Bay issued short-term financing bonds at face value of RMB 500,000,000 with a one-year maturity on January 2013. Red Bay raised RMB 498,250,000 after deducting an issue expense of RMB 1,750,000. It is subject to an annual interest rate of 4.52% from 21 March 2013. The Company paid principal and interests totalling RMB 522,600,000 at one time in March 2014.
- (3) As approved by National Association of Financial Market Institutional Investors, the Company's subsidiary Guangqian Electric issued short-term financing bonds at face value of RMB 200,000,000 with a one-year maturity in January 2013. Guangqian Electric raised RMB 199,200,000 after deducting an issue expense of RMB 800,000. It is subject to an annual interest rate of 4.52% from 22 March 2013. The Company paid principal and interests totalling RMB 209,040,000 at one time in March 2014.
- (4) As approved by National Association of Financial Market Institutional Investors, the Company issued short-term financing bonds at face value of RMB 400,000,000 with a one-year maturity in August 2014. The Company raised RMB 398,600,000 after deducting an issue expense of RMB 1,400,000. It is subject to an annual interest rate of 4.80% from 20 August 2014.
- (5) As approved by National Association of Financial Market Institutional Investors, the Company issued short-term financing bonds at face value of RMB 100,000,000 with a ninety-day maturity on December 2014. The Company raised RMB 99,912,500 after deducting an issue expense of RMB 87,500. It is subject to an annual interest rate of 5.10% from 25 December 2014.
- (6) As approved by National Association of Financial Market Institutional Investors, the Company's subsidiary Pinghai Power Plant issued short-term financing bonds at face value of RMB 300,000,000 with a one-year maturity in November 2014. Pinghai Power Plant raised RMB 299,100,000 after deducting an issue expense of RMB 900,000. It is subject to an annual interest rate of 4.75% from 25 November 2014.

34 Long-term loans

(1) Classification of long-term loans

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Pledged loan	(a)	416,368,400	547,236,340
Loan secured by mortgages	(b)	346,400,000	543,600,000
Guaranteed loan	(c)	1,743,375,000	1,552,000,000
Credit loan		18,108,773,246	12,629,167,221
Total		<u>20,614,916,646</u>	<u>15,272,003,561</u>

- (a) As at 31 December 2014, the long-term loans of the following subsidiaries are secured by the future revenue from power generation and accounts receivable:

		<u>2014</u>	<u>2013</u>
Yuejiang Power	(i)	49,860,000	163,840,000
Zhanjiang Wind Power	(ii)	191,505,000	209,025,000
Xuwen Yongshi Wind Power project	(iii)	175,003,400	174,371,340
Total		<u>416,368,400</u>	<u>547,236,340</u>

- (i) As at 31 December 2014, the Company's subsidiary Yuejiang Power borrows RMB 99,100,000 and RMB 64,760,000 from the Bank of China and the Industrial and Commercial Bank of China respectively. The loans are secured by Yuejiang Power's future revenue from power generation and accounts receivable. They both carry an annual interest rate from 5.40% to 5.90% and will be matured on 21 June 2020. The loans totalled at RMB 163,860,000. Long-term loan of RMB 114,000,000 is due within one year (2013: The loans totalled at RMB 291,340,000. Long-term loan of RMB 127,500,000 is due within one year).
- (ii) As at 31 December 2014, the Company's subsidiary Zhanjiang Wind Power borrows RMB 209,025,000 from the Industrial and Commercial Bank of China. The loan is secured by Zhanjiang Wind Power's future revenue from power generation and has an annual interest rate of 5.90% with a maturity date on 7 May 2024. Long-term loan of RMB 17,520,000 is due within one year (2013: the loans totalled at RMB 226,545,000. Long-term loan of RMB 17,520,000 was due within one year).

- (iii) Based on the *Loan Transfer Agreement of Yuedian Yongshi Wind Power Project for Loan Protocol under the Climate Change Framework of European Investment Banks* between Zhanjiang Wind Power and Department of Finance of Guangdong Province, the Company's subsidiary Zhanjiang Wind Power acquired an US loan transferred from the Loan Protocol under Chinese Climate Change Framework between China and European investment banks. The loan has been used on Xuwen Yongshi Wind Power project and is secured by the electricity revenue from the same project. As at 31 December 2014, the balance of the loan above is totalled at USD 28,600,000 (equivalent to RMB 175,003,400) (at the end of 2013: USD 28,600,000 (equivalent to RMB 174,371,340)). The loan will be matured on 2 March 2029 with an annual interest rate from 0.92% to 1.55% (2013: from 0.99% to 1.61%), and it also guaranteed by the Company (Note X.5(5)).
- (b) As at 31 December 2014, the long-term loan of RMB 346,400,000 (31 December 2013: RMB 543,600,000) is secured by electric utilities in service at carrying value of RMB 1,137,751,562 (original cost of RMB 2,542,882,598) (31 December 2013: RMB 1,313,490,009 (original cost of RMB 2,526,316,960)) (Note V.13(1)(a)).
- (c) As at 31 December 2014, Zhanjiang Wind Power provides maximum guarantee for Xuwen Wind's long-term loan of RMB 45,500,000 (2013: RMB 52,000,000). The loan has an annual interest rate of 6.22% with a maturity date on 21 August 2022.

As at 31 December 2014, Zhanjiang Wind Power provides guarantee for Xuwen Wind's long-term loan of RMB 7,875,000. The loan has an annual rate of 6.55% with a maturity date on 5 December 2022.

As at 31 December 2014, Yudean provides guarantee for the Company's long-term loan of RMB 1,500,000,000 (2013: RMB 1,500,000,000). The loan has an annual rate of 5.47% with a maturity date on 13 August 2020.

As at 31 December 2014, the Company provides guarantee as per its proportion of shareholding for its subsidiary Yuejiang's long-term loan of RMB 190,000,000 (2013: Nil) (Note X.5(5)). The loan has an annual rate of 6.40% with a maturity date on 2 July 2019.

35 Debentures payable

(1) Debentures payable

<u>Item</u>	<u>2014</u>	<u>2013</u>
08 Yedean Bond	-	1,996,846,433
12 Yedean Bond	1,195,076,905	1,194,124,048
Total	<u>1,195,076,905</u>	<u>3,190,970,481</u>

(2) Movement of debentures payable

Balance at the end Name	Face value	Amortisation Issuance date	Repayments Maturity period	Issuance amount	Debentures to the beginning of the year	Balance at Interests at face value	of discounts or premium	during the year	due one year	within of the year
08 Yedean Bond	2,000,000,000	10/03/2008	7 years	2,000,000,000	1,996,846,433	109,999,962	2,702,431	(109,999,962)	(1,999,548,864)	-
12 Yedean Bond	1,200,000,000	18/03/2013	7 years	1,200,000,000	1,194,124,048	59,400,000	952,857	(59,400,000)	-	1,195,076,905
Total	3,200,000,000			3,200,000,000	3,190,970,481	169,399,962	3,655,288	(169,399,962)	(1,999,548,864)	1,195,076,905

- (a) As approved by CSRC, the Company issued book-entry corporate bonds at face value of RMB 2,000,000,000 (“08 Yedean Bond”) in March 2008. The Company raised RMB 1,981,082,988 after deducting an issue expense of RMB 18,917,012. The loan is subject to an annual interest rate of 5.50% from 10 March 2008 and the interest shall be paid annually. Debentures payable are measured at amortised cost using effective interest method. The effective interest rate is 5.67%. As at 31 December 2014, the debentures due in 2015 are transferred to the debentures payable due within one year (Note V. 31(3)).
- (b) As approved by CSRC, the Company issued book-entry corporate bonds using real name system at face value of RMB 1,200,000,000.00 (“12 Yedean Bond”) in March 2013. The Company raised RMB 1,193,330,000 after deducting an issue expense of RMB 6,670,000. The loan is subject to an annual interest rate of 4.95% from 18 March 2013 and the interest shall be paid annually. As at 31 December 2014, debentures payable are measured at amortised cost using effective interest method. The effective interest rate is 5.04%.

36 Long-term payables

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Sales and leaseback and other payable	(1)	3,116,958,015	2,727,429,152
Less: sales and leaseback and other payable due within 1 year		(467,522,644)	(639,073,258)
Total		<u>2,649,435,371</u>	<u>2,088,355,894</u>

- (a) The sales and leaseback payable is the balance of minimum lease payment less unrecognised finance cost of sales and leaseback for electric power equipment by subsidiaries - Jinghai Power, Yuejiang Power and Zhongyue Energy. The Company provided guarantee for Yuejiang Power's finance lease based on its 65% equity interest in Yuejiang Power and signed a counter guarantee contract with Yuejiang Power.
- (b) As at 21 June 2011, Red Bay signed a sale and leaseback agreement for its power generator equipment with CCB Financial Leasing Co., Ltd ("CCB Financial Leasing"). It is agreed that Red Bay transfers the power generator equipment with face value of RMB 1,108,226,442 (original cost of RMB 1,352,030,000, accumulated depreciation of RMB 243,803,558) to CCB Financial. The transferred amount is RMB 1,000,000,000 with a five-year lease period, and settled by 20 instalments on a quarterly basis. The lease rate is determined by 5% lower than the loan benchmark interest rate of bank loan of the same period. After the lease period expires and the lease amount is settled, the ownership of the above lease items transfer to Red Bay.

When the above business occurs, Red Bay recognises the difference of RMB 108,226,442 between the original net book value of the related lease items and the transfer price as unrealised sales and leaseback loss that will be amortised by useful life of the related lease items.

As at 21 March 2014, Red Bay and CCB Financial Leasing agreed to settle the lease amount of the future periods under the sale and leaseback agreement, and terminated the sale and leaseback agreement in advance. As at 31 December 2014, the balance of long-term payables of the related sale and leaseback was nil.

(1) Sales and leaseback and other payable under long-term payables

As at 31 December 2014, the Group's minimum finance lease payments are as follows:

<u>Minimum payments</u>	<u>2014</u>	<u>2013</u>
Within 1 year (inclusive)	586,175,359	803,195,320
Over 1 year but within 2 year (inclusive)	471,049,003	804,952,433
Over 2 year but within 3 year (inclusive)	862,977,162	426,347,620
Over 3 year	1,540,378,303	1,183,578,358
Sub-total	3,460,579,827	3,218,073,731
Less: Unrecognised finance expense	(343,621,812)	(490,644,579)
Total	3,116,958,015	2,727,429,152

The net balance of finance lease payable due within one year less unrecognised finance expense is disclosed in note V.34.

37 Long-term employee benefits payable

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Termination benefits	(a)	67,009,126	75,335,671
Less: Payment due within one year	26	(13,169,143)	(16,381,141)
Total		53,839,983	58,954,530

(a) According to the Group's regulations for internal retirement of employees, employees can apply for early retirement before statutory retirement age. Employees can obtain salary on a monthly basis by a certain ratio of the original salary until they reach the statutory retirement age. Management expects the termination benefits to be paid in the future are determined by the present value of cash flow, when accrued the above termination benefits. As at 31 December 2014, the Group calculated the expected expense for each employee eligible for early retirement in each year before the statutory retirement age in accordance with the related regulations for internal retirement and estimated the present value of future termination benefits by treasury bond interest rate of 3.77% to 5.41% of the same period.

38 Special payables

<u>Additions</u> <u>Item</u>	<u>Deductions</u> <u>end of the year</u>	<u>Balance at the</u> <u>beginning of the year</u>	<u>Balance</u> <u>during the year</u>	<u>at</u> <u>during the year</u>	<u>the</u> <u>year</u>
Relocation and construction of windy power plant	10,779,740	-	(5,885,157)		4,894,583
Demolition and construction of pump house	-	23,200,000	(11,902,314)		11,297,686
Total	10,779,740	23,200,000	(17,787,471)		16,192,269

39 Deferred income

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Income from sales and leaseback of fixed assets	(1)	9,712,758	19,188,778
Deferred income from government grant	(2)	88,484,262	72,488,962
Total		98,197,020	91,677,740

- (1) Income from sales and leaseback of fixed assets is the balance amortised over the depreciation period of electrical power equipments based on the difference between their selling prices and their carrying amounts.
- (2) Deferred income from government grant

<u>Item</u>	<u>Note</u>	<u>Balance at the beginning of the year</u>	<u>Additions during this year</u>	<u>as non - operating income</u>	<u>Balance at the end of the year</u>	<u>Related to assets / income</u>
5# generation set of desulfurization project	(a)	15,384,616	-	(3,076,923)	12,307,693	Assets
Expansion on flow reconstruction project	(b)	5,200,938	-	(350,626)	4,850,312	Assets
Energy saving funds	(c)	3,060,000	-	(250,000)	2,810,000	Assets
Denitration project	(d)	3,803,419	-	(294,872)	3,508,547	Assets
Refurnishment on air preheater	(e)	3,274,872	-	(276,923)	2,997,949	Assets
Tax refund for PRC-produced equipment	(f)	28,517,767	-	(3,000,000)	25,517,767	Assets
Water-freshing project	(g)	1,692,308	-	-	(153,846)	1,538,462
Assets						
Shajiao A Zhenkou Pump house	(h)	-	11,902,314	-	11,902,314	Assets
Dianbai Reshui wind power plant project	(i)	-	-	3,000,000	-	3,000,000
Assets						
Speical funds for differential electricity price	(j)	-	1,500,000	(67,000)	1,433,000	Assets
Special prize funds of recycle economy and energy saving by Shenzhen city	(k)	-	600,000	(187,500)	412,500	Assets
No.1918 incentives for energy efficiency of power plant by Dongguan city	(l)	-	6,705,006	-	6,705,006	Assets
Development and competitiveness funds from SASAC	(m)	11,333,333	-	(666,666)	10,666,667	Income
Port construction fee and charge	(n)	221,709	612,336	-	834,045	Income
Total		72,488,962	24,319,656	(8,324,356)	88,484,262	

- (a) This represents the government subsidy granted for the 5# generation set of desulfurization project of Shajiao Power Plant A (“Shajiao A”), which is a branch of the Company in 2005. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (b) This represents the energy conservation and emission reduction fund received by Shajiao A for expansion on flow reconstruction project in 2011. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (c) This represents the energy-saving funds received by Shajiao A for stepping up the rubber ball cleaning device for the 5# generation set of desulfurization project in 2012. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (d) This represents the grant for denitration project received by Shajiao A in 2013 year. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (e) This represents the energy-saving funds received by Shajiao A for refurnishing 4# and 5# air preheaters in 2013. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (f) This represents the value-added tax refunded for purchase of PRC-produced equipment received by Shibeishan. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (g) This represents the subsidy from government of Zhanjiang granted for water-freshing project of Zhongyue Energy. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (h) This represents the compensation from Bureau of Finance of Dongguan city for relocation of the pump house as a result of municipal construction. It has not been amortised as the project was not completed as at 31 December 2014.
- (i) This represents the reform and development funds. The grant aims at promoting Dianbai Wind Power’s Reshui wind power plant project. It has not been amortised as the project was not completed as at 31 December 2014.
- (j) This represents the subsidy received by Yuejiang Power and after the completion of denitration project. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (k) This represents the special prize funds of recycle economy and energy saving in respect of condensate pump transducer of No.1, No.2 and No.3 generator received by Guangqian Electric from Shenzhen government. It is amortised over the estimated useful lives of 13 years from the completion date of the project.

- (l) This represents the No.1918 incentives of energy efficiency of power plant of Dongguan city received by Shaojiao A from. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (m) This represents the reform and development fund received by Zhanjiang Wind Power in 2011 in relation to Yongshi Wind Project. The Group amortises the fund during the income period of the project on an average basis.
- (n) This represents the construction funds received by Shajiao A for the construction of Humen Hourbour. Import and export of goods and containers handled by port would be first levied by the Port Authority in accordance with the provisions of port charges, of which 50% amount of refund would be used for maintenance of terminals and frontier waters. The government refunds the harbor construction fee on a quarterly basis. The Group amortises the maintenance fees when they incur.

40 Share capital

Balance at the

beginning and the
Item

end of the year

Restricted shares

-Shares held by

state-owned companies

1,577,865,257

-Shares held by domestic shareholders

Including: Shares held by

domestic non
state-owned
companies

4,272,301

Shares held by
domestic
natural
persons

Sub-total

1,582,205,389

Non-restricted shares

- A shares

2,127,691,266

- B shares

665,340,000

Sub-total

2,793,031,266

Total

4,375,236,655

41 Capital reserve

Opening Item	Additions	Closing	
	balance	during the year	balance
Share premium	4,439,517,054	-	4,439,517,054
Revaluation reserve	119,593,718	-	119,593,718
Transfer from capital reserve recognised under previous accounting system	20,474,592	-	20,474,592
Investment from Yudean	395,000,000	-	395,000,000
Share of interest in investees	11,511,547	10,683,237	22,194,784
Others	1,601,300	51,619	1,652,919
Total	4,987,698,211	10,734,856	4,998,433,067

42 Other comprehensive income

Item	Net-of-tax amount the year attributable to shareholders of the Company	Movement during the year						Net-of-tax year attributable to shareholders of the Company	amount
		Balance at the end of the	beginning of		Less: transfer to	attributable to	Net-of-tax		
		Before tax amount	profit or loss that previously recognised	Less: Income tax expense	attributable to shareholders of the Company	non-controlling interests	to shareholders of the Company		
Items that may not be reclassified to profit or loss	-	-	-	-	-	-	-	-	
Including: remeasurement of changes in liabilities under defined benefit plans	-	-	-	-	-	-	-	-	
Share of other comprehensive income of an equity- accounted investee	-	-	-	-	-	-	-	-	
Items that may be reclassified to profit or loss									
Including: Share of other comprehensive income of an equity- accounted investee	21,663,171	267,940	-	-	267,940	-	-	21,931,111	
Gain or loss of changes in fair value of available-for-sale financial assets	35,357,344	153,610,597	-	(38,402,649)	115,207,948	-	-	150,565,292	
Total	57,020,515	153,878,537	-	(38,402,649)	115,475,888	-	-	172,496,403	

43 Surplus reserve

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Balance at the end of the year</u>
Statutory surplus reserve	1,674,052,767	173,523,454	1,847,576,221
Discretionary surplus reserve	2,529,518,509	433,808,635	2,963,327,144
Total	4,203,571,276	607,332,089	4,810,903,365

In accordance with the PRC Company Law and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve. The Company can cease appropriation when the statutory surplus reserve accumulates to more than 50% of the registered capital. The appropriation from discretionary surplus reserve should be approved by the Board of Directors at the general meeting of shareholders. The surplus reserve can be used to cover the loss or increase the share capital upon approval.

According to the resolution at the general meeting of shareholders on 20 May 2014, the Company appropriated 10% of net profit for the year, amounted to RMB 173,523,454, to the statutory surplus reserve, and appropriate 25% of net profit for the year, amounted to RMB433, 808,635, to discretionary surplus reserve.

44 Retained earning

<u>Item</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
Retained earnings at the beginning of the year (before adjustment)		5,431,387,393	2,899,227,999
Total adjustments		-	-
Retained earnings at the beginning of the year (after adjustment)		5,431,387,393	2,899,227,999
Add: Net profits for the year attributable to shareholders of the Company		3,003,977,134	3,086,428,618
Less: Appropriation for statutory surplus reserve	43	(173,523,454)	(70,857,902)
Appropriation for discretionary surplus reserve	43	(433,808,635)	(177,144,756)
Dividends payable on ordinary shares	(1)	(875,047,331)	(306,266,566)
Retained earnings at the end of the year	(2)	6,953,985,107	5,431,387,393

(1) Distribution of common stock dividends during the year

Under the approval of the general meeting of shareholders on 20 May 2014, the Company distributed RMB2 of cash dividends for every ten shares held by the shareholders with total amount of RMB 875,047,331 (2013: RMB0.54 and RMB1.04 of cash dividends for every ten shares held by Yudean and other shareholders respectively, the distributable profits were amounted to RMB306,266,566).

(2) Retained earnings at the end of the year

The surplus reserve attributable to the parent company appropriated by subsidiaries this year was RMB228, 128,799 (2013: RMB218, 527,628).

As at 31 December 2014, the consolidated retained earnings attributable to the company included an appropriation of RMB1,771,693,649 (2013:RMB1,543,564,850) to surplus reserve made by the Company's subsidiaries.

45 Operating income and operating costs

(1) Operating income and operating costs

<u>Item</u>	<u>2014</u>		<u>2013</u>	
	<u>Income</u>	<u>Costs</u>	<u>Income</u>	<u>Costs</u>
Principal activities	28,834,080,676	(20,876,641,483)	30,599,701,120	(22,615,855,622)
Other business	212,488,009	(63,458,731)	231,056,217	(68,462,686)
Total	<u>29,046,568,685</u>	<u>(20,940,100,214)</u>	<u>30,830,757,337</u>	<u>(22,684,318,308)</u>

Details of operating income

	<u>2014</u>	<u>2013</u>
Operating income from principal activities		
- Sales of electricity	28,695,501,698	30,466,223,111
- Sales of steam	80,952,215	76,389,974
- Service income	57,626,763	57,088,035
Sub-total	<u>28,834,080,676</u>	<u>30,599,701,120</u>
Other business income		
- Sales revenue from CDM	793,938	6,644,125
- Rental income	9,322,216	6,586,259
- Income from coal ash	190,465,183	206,762,121
- Others	11,906,672	11,063,712
Total	<u>212,488,009</u>	<u>231,056,217</u>

Details in respect of income, expenses and profit from principal activities are included in segment reporting.

46 Business taxes and surcharges

<u>Item</u>	<u>2014</u>	<u>2013</u>
Business tax	6,407,981	4,832,173
Urban maintenance and construction tax	108,633,455	126,324,163
Education surcharge	89,785,982	90,010,550
Total	204,827,418	221,166,886

47 General and administrative expenses

<u>Item</u>	<u>2014</u>	<u>2013</u>
Labour cost	301,271,932	287,929,431
Depreciation	49,537,973	47,877,100
Taxation	112,360,522	129,714,520
Sewage charges	44,392,836	62,142,782
Labour insurance	58,804,900	56,209,458
Office expenses	23,905,903	31,780,440
Amortisation of intangible assets	43,144,332	43,072,039
Fire safety expenses	37,983,292	37,203,895
Entertainment expenses	21,300,005	23,208,522
Traffic expenses	16,963,904	17,695,559
Maintenance cost	10,297,882	10,142,456
Agency fee	16,070,645	20,789,576
Bank protection fee	16,438,967	23,208,969
Travel expenses	9,560,879	10,725,865
Rental expenses	11,913,078	11,802,227
Research and development expenses	18,036,130	18,635,945
Expenses on board meetings	3,576,324	5,355,408
Property management fee	25,535,732	32,366,176
Insurance expenses	3,849,378	4,671,128
Afforestation fees	14,237,498	19,199,002
Service charge	8,895,789	7,195,441
Others	54,516,372	47,394,505
Total	902,594,273	948,320,444

48 Financial expenses

<u>Item</u>	<u>2014</u>	<u>2013</u>
Interest expenses of debt and financing bonds	186,359,697	205,610,462
Interest expenses of borrowings	1,662,575,467	1,616,707,699
Interest expenses of discounted bills	31,401,657	75,921,079
Amortisation of interest adjustment on long-term bonds	3,655,288	3,496,478
Less: capitalised interest expenses	(167,914,751)	(166,096,383)
Interest income	(64,414,222)	(53,211,820)
Net exchange income	(1,772,646)	(442,640)
Amortisation of unrecognised finance expenses	142,486,844	195,120,043
Other financial expenses	12,765,229	9,761,740
Total	<u>1,805,142,563</u>	<u>1,886,866,658</u>

The capitalisation rate at which the borrowing expenses were capitalised this year ranged from 5.85% to 6.31% (2013: from 5.52% to 6.27%).

49 Impairment losses

<u>Item</u>	<u>2014</u>	<u>2013</u>
Accounts receivable	-	(4,070,440)
Provision for / (Reversal of) other receivables	2,856,886	(630,023)
Inventories	21,780,246	18,094,357
Fixed assets	135,413,424	249,187,138
Construction in progress	84,906	2,916,126
Intangible assets	-	10,784,478
Total	<u>160,135,462</u>	<u>276,281,636</u>

As disclosed in Note V.13 (1) (b), Yongshi Wind Farm under the Company's subsidiary-Xuwen Wind Power was attacked by violent typhoon, resulting in an impairment of 18 sets of wind turbine units, with a total carrying value of RMB 126,877,473, the management has made full provision. As at 31 December 2014, with disposal of fixed assets still in the pipeline, portion of insurance indemnity amounting to RMB 25,000,000 has been confirmed between Xuwen Wind Power and the insurance company. Net worth of RMB 101,877,473 for impairment provision after deducting recognised insurance indemnity has been included in the impairment losses in 2014.

50 Investment income (“()” for losses)

(1) Items under investment income are as below:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Gain from long-term equity investments under equity method	584,712,096	706,492,821
Loss from disposal of available-for-sale financial assets	(808,317)	-
Investment income from holding of available-for-sale financial assets	26,698,950	20,636,370
Interest income from entrusted loans	563,812	12,854,063
Others	942,588	1,542,586
Total	<u>612,109,129</u>	<u>741,525,840</u>

51 Non-operating income

(1) Items of non-operating income are as follows:

<u>Item</u>	<u>2014</u>	<u>2013</u>	<u>loss in 2014</u>	Recognised in non-recurring
income and				
Total gain on disposal of non-current assets	3,244,404	25,744,311	3,244,404	
Including: Gain on disposal of fixed assets	3,244,404	2,611,953	3,244,404	
Gain on disposal of intangible assets		-	23,132,358	-
Government grants	31,040,013	51,549,848	20,895,756	
Claim indemnity income	252,330	8,167,686	252,330	
Payables not required to be settled	700,610	11,829,288	700,610	
Others	4,874,816	3,596,324	4,874,816	
Total	<u>40,112,173</u>	<u>100,887,457</u>	<u>29,967,916</u>	

(2) Breakdown of government grants

<u>Item</u>	<u>2014</u>	<u>2013</u>
VAT refund	10,144,257	33,972,157
Amortisation of government grants	8,136,856	11,495,691
Subsidy for dam reinforcement	-	1,700,000
Special incentive on energy conservation and emission reduction	10,728,900	1,110,000
Allowance on technology	2,030,000	3,272,000
Total	31,040,013	51,549,848

52 Non-operating expenses

<u>Item</u>	<u>2014</u>	<u>2013</u>	Recognised in non-recurring <u>loss in 2014</u>
Total loss from disposal of non-current assets	60,929,606	52,877,956	60,929,606
Including: Loss from disposal of fixed assets	60,929,606	52,870,451	60,929,606
Loss from disposal of intangible assets	-	7,505	-
Fine for delaying payment	23,617,717	10,740,652	23,617,717
Others	422,696,254	6,276,470	22,696,254
Total	107,243,577	69,895,078	107,243,577

53 Income tax expense

<u>Item</u>	<u>2014</u>	<u>2013</u>
Current tax expense for the year based on tax laws and related regulations	1,262,275,057	1,194,799,355
Changes in deferred tax assets / liabilities	(21,762,493)	37,196,830
Tax filling differences	4,943,020	5,231,388
Total	1,245,455,584	1,237,227,573

Reconciliation between income tax expense and accounting profit is as follows:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Profits before taxation	5,574,205,573	5,580,486,562
Expected income tax expense at tax rate of 25%	1,393,551,393	1,395,121,641
Add: Effect of tax preferential applied by certain subsidiaries	1,234,293	(23,650,931)
Effect of non-taxable income	(152,261,376)	(182,534,823)
Effect of non-deductible cost, expense and loss for tax purposes	20,270,664	28,573,477
Effect of using the deductible losses for which no deferred tax asset is recognized in previous period	2,314,866	264,709
Effect of deductible temporary difference for which no deferred tax asset is recognised this year	22,597,380	63,166,457
Effect of deductible losses for which no deferred tax asset is recognized in previous period	(43,231,541)	(44,996,085)
Effect of deductible temporary difference for which no deferred tax asset is recognized in previous period	(3,963,115)	(3,675,271)
Effect of change in tax rate	-	(272,989)
Tax filling difference of income tax in prior years	4,943,020	5,231,388
Income tax expense	1,245,455,584	1,237,227,573

54 Calculation of basic and diluted earnings per share

(1) Basic earnings per share

The basic earnings per share is calculated by dividing the consolidated net profits attributable to the ordinary shareholders of the Company by the weighted average number of outstanding ordinary shares :

	<u>2014</u>	<u>2013</u>
Consolidated net profits attributable to the ordinary shareholders of the Company	3,003,977,134	3,086,428,618
Weighted average number of outstanding ordinary shares	4,375,236,655	4,375,236,655
Basic earnings per share (RMB/share)	0.69	0.71

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the consolidated diluted net profits attributable to the ordinary shareholders of the Company by the weighted average number of diluted outstanding ordinary shares. In 2014 and 2013, the diluted and basic earnings per share are the same since the Company has no diluted potential ordinary shares.

55 Supplement to income statement

Expenses in income statement categorised by nature:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Operating income	29,046,568,685	30,830,757,337
Less: Raw material used	(14,267,430,973)	(16,168,293,563)
Employee benefits expenses	(1,768,882,893)	(1,658,540,205)
Depreciation and amortisation expense	(3,635,994,677)	(3,493,462,203)
Impairment losses for non-current assets	(135,498,330)	(262,887,742)
Rental expense	(18,739,205)	(18,628,353)
Financial expense	(1,805,142,563)	(1,886,866,658)
Other expenses	(1,773,543,067)	(1,792,584,430)
Operating profit	<u>5,641,336,977</u>	<u>5,549,494,183</u>

56 Cash flow statement

(1) Proceeds relating to other operating activities

<u>Item</u>	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>
Interest income	64,161,434	48,891,715
Government grant	71,583,360	17,635,808
Rental income	9,322,216	6,586,259
Others	2,317,780	8,307,557
Total	<u>147,384,790</u>	<u>81,421,339</u>

(2) Payment relating to other operating activities

<u>Item</u>	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>
Sewage charges	71,730,188	87,467,927
Insurance expenses	72,019,608	78,146,351
Entertainment expenses	25,840,912	29,043,583
Fire safety expenses	37,983,292	37,203,895
Office expense	47,907,893	48,190,666
Agency fee	16,070,645	20,404,388
Maintenance expense	10,297,882	10,142,456
Traffic expense	35,546,111	36,701,565
Bank protection fee	17,371,924	23,573,891
Travel expenses	16,075,819	17,573,720
Rental expenses	18,739,205	24,106,514
Research and development expenses	18,036,130	19,021,133
Property management fees	39,697,455	32,366,176
Labour union funds	20,067,616	21,351,331
Others	38,307,059	27,489,306
Total	485,691,739	512,782,902

(3) Proceeds relating to other investment activities

<u>Item</u>	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>
Proceeds from Yudean for the price difference	-	422,451,302
Others	-	682,952
Total	-	423,134,254

(4) Proceeds relating to other financial activities

<u>Item</u>	<u>2014</u> <u>Amount</u>	<u>2013</u> <u>Amount</u>
Fractional share revenue	51,619	-

57 Supplementary information on cash flow statement

(1) Supplement to cash flow statement

(a) Reconciliation from net profit to cash flows from operating activities:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Net profit	4,328,749,989	4,343,258,989
Add: Provision for asset impairment	160,135,462	276,281,636
Depreciation of fixed assets and investment properties	3,591,830,186	3,450,390,164
Amortisation of intangible assets and long-term unamortised expenses	44,164,491	43,072,039
Losses on disposal of fixed assets, intangible assets and other long-term assets	57,685,202	27,133,645
Financial expenses	1,859,179,056	1,924,915,519
Investment gains	(612,109,129)	(741,525,840)
(Increase)/Decrease in deferred income tax	(21,762,493)	37,196,831
(Increase)/Decrease in inventories	(41,332,846)	218,188,626
Decrease/(Increase) in operating receivables	1,062,896,566	(102,631,069)
(Increase)/Decrease in operating payables	(2,036,641,840)	233,615,900
Net cash flows from operating activities	<u>8,392,794,644</u>	<u>9,709,896,440</u>

(b) Change in cash and cash equivalent:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Cash at the end of the year	4,528,277,314	4,377,311,176
Less: Cash at the beginning of the year	(4,377,311,176)	(2,813,898,537)
Net increase in cash and cash equivalents	<u>150,966,138</u>	<u>1,563,412,639</u>

(2) Information on acquisition of subsidiaries during the year

Information on acquisition of subsidiaries:

	<u>2014</u>	<u>2013</u>
Consideration for acquisition of subsidiaries	-	10,899,400
Cash and cash equivalents paid this year for acquiring subsidiaries	-	10,899,400
Less: cash and cash equivalents held by subsidiaries	-	(6,677,622)
Net cash paid for acquisition of subsidiaries	-	4,221,778
Non-cash assets and liabilities held by the acquired subsidiaries		
- Current assets	-	3,816,283
- Non-current assets	-	30,854,723
- Current liabilities	-	(5,215,051)
- Non-current liabilities	-	(23,167,305)

(3) Composition of cash and cash equivalents

<u>Item</u>	<u>2014</u>	<u>2013</u>
Cash		
Cash on hand	88,728	133,621
Bank deposits available on demand	4,548,188,586	4,377,177,555
Total	4,548,277,314	4,377,311,176
Less: Restricted cash	(20,000,000)	-
Closing balance of cash and cash equivalents	4,528,277,314	4,377,311,176
Including: Cash on hand	88,728	133,621
Bank deposits available on demand	4,548,188,586	4,377,177,555

58 Assets with restricted ownership or right of use

As at 31 December 2014, assets with restrictions placed on their ownership were as follows:

Balance at the end of	Item	Note	of the year	the year	Balance at		Additions during	Reason for restriction	Decrease during of
					the beginning	the year			
	Cash at bank and on hand		V. 1 -	20,000,000	-	20,000,000		Margin deposits at bank	
	Accounts receivable		V. 4	128,867,446	1,777,477,717	(1,733,538,764)		Pledged accounts receivables 172,806,399 electricity bills	of
	Fixed assets	V. 13		1,313,490,009	16,565,638	(192,304,085)	1,137,751,562	Mortgaged generating equipment	
	Total			1,442,357,455	1,814,043,355	(1,925,842,849)	1,330,557,961		

Please see Note V.1, 4(3) and 13 (1) (a) for cash at bank and on hand, fixed assets and accounts receivable which were used for mortgage and pledge loans.

VI. Changes in consolidation scope

Subsidiaries acquired through investment:

Shareholding

Nature	Registered <u>Name</u>	proportion in <u>Principal place</u>	Acquisition <u>registration</u>	<u>of business</u>	<u>capital the Company(%)</u>	Place of	<u>method</u>
	Guangdong Yuejiang Hongrui Power Technology Development Co., Ltd	Shaoguan	Shaoguan	city	Electric city		
power		20,000,000	90.00%	Investment			

VII. Equity interest in other entities

1 Equity interest in subsidiaries

(1) Composition of business group

Registered Name	Shareholding percentage(%)	Acquisition of business method	Principal place of business registration	Place of business	Place of capital	Nature
Maoming Zhenneng Thermal Power Co., Ltd (“Maoming Zhenneng”)		city	Maoming city generation	Maoming 1,019,535,500.00	Electricity 58.27%	Investment
Guangdong Yudean Jinghai Power Co., Ltd. (“Jinghai Power”)		city	Jieyang city generation	Jieyang 2,919,272,000.00	Electricity 65.00%	Investment
Zhanjiang Wind Power		city	Zhanjiang city generation	Zhanjiang 346,110,000.00	Electricity 70.00%	Investment
Anxin		city	Dongguan city generation	Dongguan 20,000,000.00	Electricity 100.00%	Investment
Yudean Humen		city	Dongguan city generation	Dongguan 150,000,000.00	Electricity 60.00%	Investment
Bohe Coal		city	Maoming city generation	Maoming 1,385,000,000.00	Electricity 100.00%	Investment
Business Zhanjiang Yuheng Electric combination under Co., Ltd (“Yuheng Electric”)		city	Zhanjiang city generation	Zhanjiang 20,000,000.00	Electricity 76.00%	common control
Xuwen Wind Power		city	Zhanjiang city generation	Zhanjiang 173,190,000.00	Electricity 70.00%	Investment
Yudean Huadu Natural Gas		city	Guangzhou city generation	Guangzhou 120,000,000.00	Electricity 65.00%	Investment
Dabu Electric		city	Meizhou city generation	Meizhou 700,000,000.00	Electricity 100.00%	Investment
Leizhou Wind Power		city	Leizhou city generation	Leizhou 20,000,000.00	Electricity 70.00%	Investment
Yudean Dianbai Wind Power		city	Maoming city generation	Maoming 121,872,900.00	Electricity 100.00%	Investment
Business Zhanjiang Electric combination under		city	Zhanjiang city generation	Zhanjiang 2,875,440,000.00	Electricity 76.00%	common control
Business Guangdong Yuejia Electric Co., Ltd (“Yuejia Electric”)		Meizhou city	Meizhou city generation	Meizhou 1,200,000,000.00	Electricity 58.00%	combination under common control
Business Yuejiang Power		Shaoguan city	Shaoguan city generation	Shaoguan 1,070,000,000.00	Electricity 90.00%	combination under common control
Business Zhanjiang Zhongyue Energy Co., Ltd (“Zhongyue Energy”)		Shaoguan city	Shaoguan city generation	Shaoguan 1,454,300,000.00	Electricity 90.00%	combination under common control
Business Guangqian Electric		Shenzhen city	Shenzhen city generation	Shenzhen 1,030,292,500.00	Electricity 100.00%	combination under common control
Business Huizhou Natural Gas		Huizhou city	Huizhou city generation	Huizhou 963,000,000.00	Electricity 67.00%	combination under common control
Business Pinghai Power		Huizhou city	Huizhou city generation	Huizhou 1,370,000,000.00	Electricity 45.00%	combination under common control

Business						
Shibeishan	Jieyang city	Jieyang city	Electricity generation	231,700,000.00	70.00%	combination under common control
Business						
combination under Red Bay	Shanwei city	Shanwei city	Electricity generation	2,749,750,000.00	65.00%	common control
Business						
combination Guangdong Province Wind Power Co., Ltd	Guangzhou city	Guangzhou city	Electricity generation	496,452,900.00	100.00%	not under common control
Shareholding						
Nature	Registered	proportion in	Acquisition		Place	of
<u>Name</u>		<u>Principal place</u>	<u>registration</u>	<u>of business</u>	<u>capital</u>	<u>the</u>
<u>Company(%)</u>	<u>method</u>					
Business						
combination						
Huilai Wind Power	Jieyang city	Jieyang city	Electricity generation	20,000,000.00	70.00%	not under common control
Guangdong Yuejiang Hongrui Power Technology Development Co., Ltd	city	Shaoguan city	Shaoguan generation	20,000,000.00	90.00%	Investment

- (a) According to the agreement between Yudean and Huaxia Electric, which holds 40% share interest in Pinghai Power, the delegated shareholder and director from Huaxia Electric maintain consensus with those of Yudean when exercising their voting rights during shareholder and board meeting; while after Yudean transferred its 45% shareholding of Pinghai Power to the Company, the delegated shareholder and director from Huaxia Electric also maintain consensus with those of the Company when exercising their voting rights during shareholder and board meeting. On account of the above facts, with the control power of Pinghai Power, Huaxia Electric enjoys variable returns through involving in its relevant activities and has the ability to make use of its power to influence the amount of returns. Therefore, the Company owns the control power over Pinghai Power.
- (b) The voting rights proportion of the Company over its subsidiary: Zhanjiang Wind Power, Xuwen Wind Power, Leizhou Wind Power, Yuejia Electric and Shibeishan are determined based on relevant rules of these subsidiaries' articles of association. As such, the Company's voting proportion and shareholding percentage are not consistent.

(2) Material non-wholly owned subsidiaries

Name of the subsidiary	Proportion of ownership interest held by non-controlling interests	Profit or loss allocated to non-controlling interests during the year	Dividend declared to non-controlling interests during the year	Balance of non-controlling interests at the end of the year
Jinghai Power	35.00%	362,392,089	323,907,024	1,456,223,400
Zhanjiang Electric	24.00%	94,608,733	99,845,365	975,599,136
Zhongyue Energy	10.00%	6,463,662	1,433,525	152,052,943
Pinghai Power	55.00%	499,329,423	757,240,238	167,399,098
Red Bay	35.00%	257,390,013	177,926,596	1,282,645,580

(3) Key financial information of material non-wholly owned

Key financial information for above subsidiaries without offsetting internal transaction is set out as follows:

	Pinghai Power		Zhongyue Energy		Zhanjiang Electric			Jinghai Electric			Red Bay
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
Current assets	2,198,924,204	1,586,710,596	631,073,543	895,639,186	2,533,610,385	2,630,599,112	1,561,659,528	2,064,437,165	1,463,840,846	1,836,903,117	
Non-current assets	5,959,689,376	6,306,714,517	4,882,255,394	4,648,189,525	1,992,214,977	2,072,315,070	10,381,718,869	11,299,784,675	8,201,086,069	8,724,164,492	
Total assets	8,158,613,580	7,893,425,113	5,513,328,937	5,543,828,711	4,525,825,362	4,702,914,182	11,943,378,397	13,364,221,840	9,664,926,915	10,561,067,609	
Current liabilities	944,172,766	1,587,109,968	1,736,162,188	1,898,137,983	456,081,675	616,098,483	2,104,505,777	5,177,287,078	1,311,625,258	4,289,050,308	
Non-current liabilities	5,041,897,000	3,698,757,700	2,256,637,324	2,175,462,667	4,747,289	-	5,678,234,335	4,136,253,806	4,688,600,000	2,834,353,977	
Total liabilities	6,036,069,766	5,285,867,668	3,992,799,512	4,073,600,650	460,828,964	616,098,483	7,782,740,112	9,313,540,884	6,000,225,258	7,123,404,285	
Operating income	3,837,401,385	4,348,309,374	2,083,466,970	2,690,525,970	2,303,196,128	2,807,150,616	6,075,568,206	6,639,732,192	4,722,896,250	4,991,062,915	
Net profit	907,871,678	990,780,686	64,636,619	261,733,951	394,203,054	491,089,691	1,035,405,970	1,028,276,267	735,400,037	564,846,337	
Total comprehensive income	907,871,678	990,780,686	64,636,619	261,733,951	394,203,054	491,089,691	1,035,405,970	1,028,276,267	735,400,037	564,846,337	
Cash flows from operating activities	1,224,362,651	1,565,832,139	137,731,751	1,085,132,377	587,581,392	921,938,646	2,509,070,670	2,668,368,874	1,977,432,456	1,812,788,796	

2 Interests in joint ventures and associates

<u>Item</u>	<u>2014</u>	<u>2013</u>
Joint ventures		
- Material joint ventures	597,811,376	580,941,667
Associates		
- Material associates	5,288,926,902	5,199,519,240
- Immaterial associates	717,971,368	739,051,930
Total	<u>6,604,709,646</u>	<u>6,519,512,837</u>

(1) Material joint ventures or associates

<u>Name of investee</u>	<u>Principal place of business</u>	<u>Place of registration</u>	<u>Nature of business</u>	<u>Shareholding Percentage</u>		<u>Accounting treatment on investment in joint ventures or associates</u>	<u>Registered capital</u>	<u>Strategic to the Group's activities?</u>
				<u>Direct</u>	<u>Indirect</u>			
Joint venture								
Industry Fuel	Guangzhou city	Guangzhou city	Fuel trade	50%	-	Equity method	630,000,000	Yes
Associates								
Taishan Electric	Taishan city	Taishan city	generation	20%	-	Equity method	Power 4,669,500,000	Yes
Shanxi Yudean Energy	Taiyuan city	Taiyuan city	business	40%	-	Equity method	Coal mine 1,000,000,000	Yes
Yudean Finance	Guangzhou city	Guangzhou city	Finance	25%	-	Equity method	2,000,000,000	Yes
Yudean Shipping	Shenzhen city	Shenzhen city	Shipping	35%	-	Equity method	2,465,800,000	Yes
Weixin Yuntou	Zhaotong city	Zhaotong city	generation	40%	-	Equity method	Power 1,618,277,400	Yes

(2) Key financial information of material joint ventures

The following table sets out the key financial information of the Group's material joint ventures, adjusted for fair value adjustments at the time of acquisition and the differences in accounting policies of the Group. The table also reconciles the key financial information to the carrying amount of the Group's investments in the joint ventures when using the equity method:

<u>Item</u>	<u>Guangdong Electric Power</u>	
<u>Industry Fuel Co., Ltd</u>	<u>2014</u>	<u>2013</u>
Current assets	4,079,683,355	4,256,286,531
Including: cash and cash equivalents	2,745,465,152	2,545,767,704
Non-current assets	73,526,306	73,541,584
Total assets	4,153,209,661	4,329,828,115
Current liabilities	3,156,796,026	3,366,744,224
Non-current liabilities	218,959	-
Total liabilities	3,157,014,985	3,366,744,224
Net asset	996,194,676	963,083,891
Non-controlling interests		
Equity attributable to the shareholders of the Company	996,194,676	963,083,891
Group's share of net assets	498,097,338	481,541,946
Add: Revaluation of fixed assets	100,328,766	100,328,766
Others	(614,728)	(929,045)
Carrying value of equity investment in joint ventures	597,811,376	580,941,667
Operating income	19,734,268,933	20,570,855,517
Financial expense	(26,057,748)	(22,041,560)
Interest income	30,814,439	21,583,176
Interest expense	1,486,194	-
Income tax expense	54,674,648	50,099,183
Net profit	166,160,562	147,833,085
Other comprehensive income	-	-
Total comprehensive income	166,160,562	147,833,085
Dividends received from associates during the current period	66,524,888	41,462,409

(3) Key financial information of material associates

The following table sets out the key financial information of the Group's material associates, adjusted for fair value adjustments at the time of acquisition and the differences in accounting policies of the Group. The table also reconciles the key financial information to the carrying amount of the Group's investments in the associates when using the equity method:

Item	Yudean Shipping		Weixin Yuntou		Yudean Finance		Shanxi Energy		Taishan Electric	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Current assets	614,192,403	644,798,453	814,365,573	1,011,866,525	5,296,047,633	3,820,891,053	88,116,751	178,621,296	1,869,119,309	2,065,268,898
Non-current assets	5,418,402,047	5,749,255,901	7,823,443,918	7,338,143,682	11,111,720,508	10,384,913,298	2,421,256,448	2,177,900,663	12,331,469,273	12,920,310,050
Total assets	6,032,594,450	6,394,054,354	8,637,809,491	8,350,010,207	16,407,768,141	14,205,804,351	2,509,373,199	2,356,521,959	14,200,588,582	14,985,578,948
Current liabilities	1,626,332,408	1,726,340,919	848,995,694	2,285,473,097	13,868,879,408	11,759,621,030	22,937,719	247,432,434	5,559,062,528	6,440,528,675
Non-current liabilities	1,704,343,619	2,018,923,210	6,362,471,717	4,447,952,713	-	-	313,200,000	153,200,000	500,000,000	750,000,000
Total liabilities	3,330,676,027	3,745,264,129	7,211,467,411	6,733,425,810	13,868,879,408	11,759,621,030	336,137,719	400,632,434	6,059,062,528	7,190,528,675
Net assets	2,701,918,423	2,648,790,225	1,426,342,080	1,616,584,397	2,538,888,733	2,446,183,321	2,173,235,480	1,955,889,525	8,141,526,054	7,795,050,273
Non-controlling interests	-	-	-	(794,499)	-	-	-	-	-	-
Equity attributable to the shareholders of the Company	2,701,918,423	2,648,790,225	1,426,342,080	1,617,378,896	2,538,888,733	2,446,183,321	2,173,235,480	1,955,889,525	8,141,526,054	7,795,050,273
Group's share of net assets	945,671,448	927,076,579	570,536,832	646,951,559	634,722,185	611,545,830	869,294,193	782,355,810	1,628,305,209	1,559,010,053
Add: Goodwill derived from acquiring investments	-	-	-	-	13,325,000	13,325,000	-	-	-	-
Revaluation of fixed assest	-	-	-	-	-	-	-	-	580,383,080	614,800,369
Not fully-funded by other shareholders	-	-	46,689,040	47,866,518	-	-	-	-	-	-
Others	85	124,233	-	-	-	(47,469)	-	(3,489,242)	-	-
Carrying value of interests in associates	945,671,363	927,200,812	617,225,872	694,818,077	648,047,185	624,823,361	869,294,193	778,866,568	2,208,688,289	2,173,810,422

Item	Yudean Shipping		Weixin Yuntou		Yudean Finance		Shanxi Energy		Taishan Electric	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Operating income	1,717,370,636	1,728,652,309	1,033,568,328	1,002,193,861	716,931,715	703,271,031	-	-	9,455,483,471	10,989,272,620
Financial expense	193,995,997	217,723,589	317,496,211	161,778,773	(203,254)	(154,640)	20,716,039	25,322,269	265,065,763	403,108,039
Interest income	4,512,297	2,011,222	-	-	216,781	168,233	956,624	530,528	-	-
Interest expense	198,313,702	209,528,672	-	-	-	-	21,666,323	25,847,879	-	-
Income tax expense	30,021,871	22,913,569	(56,007)	117,742	84,165,144	82,330,035	6,272	18,116	763,332,658	785,504,633
Net profit	48,491,457	31,400,286	(195,525,499)	807,498	307,708,299	291,243,837	217,345,956	272,976,250	2,278,502,380	2,335,029,554
Other comprehensive income	(800)	(17,160)	-	-	-	-	-	-	-	-
Total comprehensive income	48,490,657	31,383,126	(195,525,499)	807,498	307,708,299	291,243,837	217,345,956	272,976,250	2,278,502,380	2,335,029,554
Dividends received from associates during current period	8,977,900	1,136,000	-	-	53,750,722	52,366,200	-	-	420,305,320	46,830,271

(4) Financial information of immaterial associates is summarized as follows:

	<u>2014</u>	<u>2013</u>
Associates:		
Aggregate carrying value of investment	717,971,368	739,051,929
Aggregate amount of share of		
- Net (loss)/profit	(33,629,924)	18,242,522
- Other comprehensive income	114,664	4,262
- Total comprehensive income	(33,515,260)	18,246,784

VIII. Risk related to financial instruments

The Group has exposure to the following risks from its use of financial instruments in the normal course of the Group's operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign exchange risk

This note presents information about the Group's exposure to each of the above risks and their sources and changes during the year, the Group's objectives, policies and processes for measuring and managing risks and their changes during the year.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank and receivables. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions in China, which have no any default records of paying deposits and interests. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

Accounts receivable of the Group are mainly electricity payment due from GPGC, entrusted loans due from related parties. Management continues to perform credit assessment on the debtors' financial position, but usually does not require collaterals for outstanding debts. In view of the liquidity of outstanding amounts, management had provision for corresponding bad debts and the actual losses on bad debts were within their expectation. Based on the past record of debtors and the positive recovery of accounts receivable, management thinks the Group has no significant credit risk over accounts receivable.

As at 31 December 2014 and 31 December 2013, the debtors that are past due but not impaired based on individual or collective assessment are not significant.

(2) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations associated with financial liabilities. As disclosed in Note II.1, as at 31 December 2014, the Group's current liabilities was more than its current assets of RMB 54.244 billion, implying the Group is exposed to certain liquidity risks. Management ensures the liquidity risk is within a controllable range with the following measures:

- (a) Use the existing financing credit to repay the Group's liabilities and fulfil the requirement of the Group's capital expenditure;
- (b) Expedite the approval procedure of relevant documents to secure credit line subject to the approval of the construction of new units;
- (c) Obtain stable cash inflow from operating activities;
- (d) Closely monitor and control the payment amount and time required for the construction of new power station and the purchase of new generators.

The following tables show the remaining contractual maturities at the balance sheet date of the Group's financial liabilities, which are based on contractual cash flows (including interest payments computed using contractual rates or, if floating, based on rates current on 31 December) and the earliest date the Group can be required to pay:

Carrying amount	2014 contractual undiscounted cash flow					at balance sheet date
	1 year or on demand	1 year but less than 2 years	2 years but less than 5 years	More than 5 years	Total	
Item						
Short-term loans	(5,863,629,738)	-	-	-	(5,863,629,738)	(5,721,000,000)
Bills payable	(321,711,616)	-	-	-	(321,711,616)	(321,711,616)
Accounts payable	(4,713,272,443)	-	-	-	(4,713,272,443)	(4,713,272,443)
Long-term loans and long-term loans with a maturity of less than 1 year	(3,212,124,975)	(3,003,394,754)	(7,519,618,983)	(19,958,854,816)	(33,693,993,528)	(22,631,807,482)
Debentures payable and debentures payable with a maturity of less than 1 year	(1,999,548,864)	(59,400,000)	(178,200,000)	(1,214,850,000)	(3,451,998,864)	(3,194,625,769)
Long-term payables	(586,175,359)	(471,049,003)	(1,738,441,440)	(664,914,024)	(3,460,579,826)	(3,116,958,015)
Provisions	(14,000,000)	-	-	-	(14,000,000)	(14,000,000)
Other current liabilities	(808,630,228)	-	-	-	(808,630,228)	(808,630,228)
Total	(17,519,093,223)	(3,533,843,757)	(9,436,260,423)	(21,838,618,840)	(52,327,816,243)	(40,522,005,553)

Carrying amount	2013 contractual undiscounted cash flow					at balance sheet date
	1 year or on demand	1 year but less than 2 years	2 years but less than 5 years	More than 5 years	Total	
Item						
Short-term loans	(9,603,701,976)	-	-	-	(9,603,701,976)	(9,361,000,000)
Bills payable	(1,523,123,018)	-	-	-	(1,523,123,018)	(1,523,123,018)
Accounts payable	(6,375,668,348)	-	-	-	(6,375,668,348)	(6,375,668,348)
Long-term loans and long-term loans with a maturity of less than 1 year	(2,005,449,851)	(1,621,095,277)	(5,413,024,750)	(14,338,745,198)	(23,378,315,076)	(16,723,672,491)
Debentures payable	(169,399,962)	(2,169,399,262)	(178,200,000)	(1,318,800,000)	(3,835,799,224)	(3,190,970,481)
Long-term payables	(803,195,320)	(804,952,433)	(1,083,267,960)	(526,658,017)	(3,218,073,730)	(2,727,429,152)
Other current liabilities	(1,357,080,000)	-	-	-	(1,357,080,000)	(1,348,750,493)
Total	(21,837,618,475)	(4,595,446,972)	(6,674,492,710)	(16,184,203,215)	(49,291,761,372)	(41,250,613,983)

(3) Interest rate risk

The Group has no other significant interest-bearing assets except for cash at banks and entrusted loans. The Group earns interest income from cash at banks at floating rates published by the banks from time to time. Any change in the interest rate published by the banks is not considered to have significant impact to the Group.

The Group's interest rate risk mainly arises from long-term interest-bearing borrowings, including long-term bank borrowings, corporate bonds issued and finance lease payable. Interest-bearing financial instruments at fixed rates and variable rates expose the Group to fair value interest rate risk and cash flow interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

(a) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

Item	2014		2013	
	Annual interest rate	Amount	Annual interest rate	Amount
Financial assets				
- Cash at bank and on hand	1.49%~3.30%	737,183,709	-	-
Financial liabilities				
- Long-term loans	1.30%~6.55%	(653,624,003)	1.30%	(17,039,521)
- Non-current liabilities due within 1 year	1.30%~6.55%	(2,031,039,700)	1.30%	(2,648,930)
- Debentures payable	4.95%	(1,195,076,905)	4.95%~5.50%	(3,190,970,481)
- Other current liabilities	4.75%~5.10%	(808,630,227)	4.24%~4.52%	(1,348,750,493)
-Bills payable	4.70%~5.10%	(251,711,616)	4.20%~5.04%	(1,523,123,018)
Total		(4,202,898,742)		(6,082,532,443)

Variable rate instruments:

Item	2014		2013	
	Annual interest rate	Amount	Annual interest rate	Amount
Financial assets				
- Cash at bank and on hand	0.35%~1.15%	3,751,093,605	0.35%~3.08%	4,377,177,555
- Long-term receivables	5.31%~7.05%	121,334,809	5.31%~7.05%	114,478,124
- Other receivables	5.60%	50,000,000	6.41%	95,000,000
- Other current assets	0.13%~0.37%	47,808,208	0.35%~0.84%	47,473,528
Financial liabilities				
- Short-term loans	5.04%~6.30%	(5,721,000,000)	5.04%~5.70%	(9,361,000,000)
- Long-term loans	0.92%~6.55%	(19,961,292,643)	0.99%~6.65%	(15,254,964,040)
- Long-term payables	5.54%~6.55%	(2,649,435,371)	5.44%~6.55%	(2,088,355,894)
- Non-current liabilities due within 1 year	5.40%~6.40%	(2,452,922,644)	5.90%~6.65%	(2,088,093,258)
Total		(26,814,414,036)		(24,158,283,985)

(b) Sensitivity analysis

As at 31 December 2014, it is estimated that a general increase or decrease of 10 basis points in interest rates, with all other variables held constant, would decrease or increase the Group's shareholders' equity by RMB20,110,811 (2013: RMB18,118,713) and net profit by RMB20,110,811 (2013: RMB18,118,713).

The sensitivity analysis above indicates the instantaneous change in the net profit and equity that would arise assuming that the change in interest rates had occurred at the balance sheet date and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the balance sheet date. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

(4) Foreign exchange risk

Exchange risks that the Group is exposed to are generally related to USD, EUR and HKD. The Group settles all major business transactions in RMB except for capital contribution from foreign investors, income from certified emission reduction, long-term loans and dividends to foreign investors. RMB is still not able to exchange into other currencies because of the restrictions announced by the Chinese government on RMB exchange rate and foreign currency control. Therefore, all monetary assets and liabilities denominated in foreign currencies are exposed to any fluctuation in exchange rates.

- (a) As at 31 December, the Group's exposure to foreign exchange risk arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date.

	2014		2013	
	Foreign currency balance	Translating RMB balance	Foreign currency balance	Translating RMB balance
Cash at bank and on hand				
- USD	189	1,156	189	1,152
- HKD	12,878	10,159	12,876	10,123
Other current assets				
- USD	7,813,075	47,808,208	7,786,503	47,473,528
Long-term loans				
- USD	(28,600,000)	(175,003,400)	(28,600,000)	(174,371,340)
- EURO	(1,709,320)	(12,744,003)	(2,023,960)	(17,039,521)
Non-current liabilities				
due within 1 year				
- EURO	(314,641)	(2,345,836)	(314,641)	(2,648,930)
- HKD	-	-	-	-
Gross balance sheet exposure				
- USD	(20,786,736)	(127,194,036)	(20,813,308)	(126,896,660)
- EURO	(2,023,961)	(15,089,839)	(2,338,601)	(19,688,451)
- HKD	12,878	10,159	12,876	10,123
Notional amounts of forward exchange contracts used as economic hedges	-	-	-	-
Net balance sheet exposure				
- USD	(20,786,736)	(127,194,036)	(20,813,308)	(126,896,660)
- EURO	(2,023,961)	(15,089,839)	(2,338,601)	(19,688,451)
- HKD	12,878	10,159	12,876	10,123

- (b) The following are the exchange rates for Renminbi against foreign currencies applied by the Group:

	<u>Average rate</u>		<u>Reporting date mid-spot rate</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
USD	6.1453	6.1970	6.1190	6.0969
EURO	8.1481	8.2456	7.4556	8.4189
HKD	0.7919	0.7989	0.7889	0.7862

- (c) Sensitivity analysis

Assuming all other risk variables remained constant, a 10% strengthening of the Renminbi against the US dollar, euro and HK dollar at 31 December would have increased the Group's shareholders' equity and net profit by RMB 10,670,529, whose effect is in Renminbi and translated using the spot rate at the balance sheet date.

	<u>Shareholders' equity</u>	<u>Net profit</u>
As at 31 December 2014		
USD	9,539,553	9,539,553
EURO	1,131,738	1,131,738
HKD	(762)	(762)
Total	<u>10,670,529</u>	<u>10,670,529</u>
As at 31 December 2013		
USD	9,517,249	9,517,249
EURO	1,476,634	1,476,634
HKD	(759)	(759)
Total	<u>10,993,124</u>	<u>10,993,124</u>

A 10% weakening of the Renminbi against the US dollar, euro and HK dollar at 31 December would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

IX. Fair value disclosure

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

1 Fair value of asset and liability measured at fair value at year-end

As at 31 December 2014

<u>Asset</u>	<u>Note</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Available-for-sale financial assets					
Available-for-sale equity instruments	V.9	452,482,335	-	-	452,482,335

As at 31 December 2013

<u>Asset</u>	<u>Note</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Available-for-sale financial assets					
Available-for-sale equity instruments	V.9	298,871,738	-	-	298,871,738

In 2014, there were no significant transfers between instruments in Level 1 and Level 2.

In 2014, there were no changes in valuation technique of fair value.

2 Basis of determining the market price for recurring and non-recurring fair value measurements categorised within Level 1

For the available-for-sale financial assets in an active market, their fair values are measured at the quoted price at balance sheet date.

3 Fair values of financial assets and financial liabilities not measured at fair value

Except for available-for-sale financial assets that measured at historical cost not being able to gain fair value, the carrying amounts of financial assets and financial liabilities not measured at fair value are not materially different from their fair values.

X. Related party relationships and related party transactions

1 Parent of the Company

Shareholding	Percentage				
<u>Name of parent</u>	<u>Place of registration</u>	<u>Nature of business</u>	<u>Registered capital</u>	<u>percentage (%)</u>	<u>of voting rights (%)</u>
Yudean	Guangzhou	Operation of power plant, management of electricity assets, construction of	21,500,000,000	67.39%	67.39%
				power plant and sales of electricity	

2 Details of the Company's subsidiaries

Details of the Group's subsidiaries are set out in Note VII.1.

3 Information of joint venture and associates

Please see VII.2 for the Group's significant joint venture or associates. Related party transactions with the Group during the current and prior year, details of other joint ventures and associates which have outstanding balances with the Group during the current and prior year are as follows :

<u>Relationship</u>	
<u>Entity name</u>	<u>with the Company</u>
Industry Fuel	Joint venture
Taishan Electric	Associate
Binglang River Electric	Associate
Shanxi Yudean Energy	Associate
Yudean Finance	Associate
Western Investment	Associate
Yudean Shipping	Associate

Lincang Yuntou	Associate
Weixin Yuntou	Associate
Huaneng Shantou Wind Power	Associate
Jiangkeng Hydropower	Associate
Yangshan Zhongxinkeng Electric	Associate

4 Information of other related parties

Relationship

<u>Name of other related parties</u>	<u>with the Company</u>
Power Development	Controlled by Yudean
Maoming Thermal	Controlled by Yudean
Shaoguan Electric Power Plant	Controlled by Yudean
Shaoguan Plant D	Controlled by Yudean
Shajiao C	Controlled by Yudean
Xinfengjiang Electric Service	Controlled by Yudean
Guangdong Province Zhuhai Power Generation Co., Ltd. ("Zhuhai Electric")	Controlled by Yudean
Zhuhai Jinwan Electric	Controlled by Yudean
Biomass Electric Power	Controlled by Yudean
Yudean PM	Controlled by Yudean
Guangdong Yueyang Electric Power Co., Ltd. ("YueyangElectric")	Controlled by Yudean
Yudean Technology	Controlled by Yudean
Yudean PI	Controlled by Yudean
Zhuhai Grand Power	Controlled by Yudean
GYEP	Controlled by Yudean
Shenzhen Tianxin	Controlled by Yudean
Huangpu Electric	Controlled by Yudean
Guangdong Guanghe Electric Power Co., Ltd ("Guanghe Electric Power")	Controlled by Yudean
Jinhui Electric Power	Controlled by Yudean
Guangzhou Huangpu Yuehua Power Plant Human Resources Operation Ltd. ("Huangpu Yuehua")	Controlled by Yudean
Inner Mongolia Yudean Menghua New Energy Co., Ltd ("Menghua New Energy")	Controlled by Yudean
Chaokang Investment Co, ("Chaokang Investment")	Controlled by Yudean
Guangdong Yuehua Power Co.Ltd ("Yuehua Power")	Controlled by Yudean
Guangzhou Fangneng Catering Management Co., Ltd ("Fangneng Catering")	Controlled by Yudean
Guangdong Yudean Changhu Power Generation Co., Ltd ("Changhu Power")	Controlled by Yudean
Zhuhai Special Economic Zone Guangzhu Power Generation Co., Ltd ("Guangzhu Power")	Controlled by Yudean
Guangdong Lianzhou Yuelian Power Plant Co., Ltd ("Lianzhou Power")	Controlled by Yudean
Guangdong Port of Yangjiang Harbour Service Com., Ltd ("Port of Yangjiang")	Controlled by Yudean
Guangdong Yudean Zhongshan Thermal Power Plant	

(“Zhongshan Thermal”)	Controlled by Yudean
Guangdong Shaoguan Generator Unit No.9	
Joint Venture Co., Ltd	
(“Shaoguan Generator No.9”)	Controlled by Yudean
Guangdong Yuelong Power Co.Ltd (“Yuelong Power”)	Controlled by Yudean

5 Related party transactions

(1) Purchase of goods / receiving services (excluding key management personnel emolument)

The Group

Related parties	Type of related party transaction	Pricing policy and decision making process	2014		2013	
			Amount	% of similar transactions	Amount	% of similar transactions
Industry Fuel	Fuel purchase	Agreement price	11,300,462,642	91.46%	12,596,036,188	90.80%
GYEP	Material purchase	Agreement price	128,505,527	14.53%	111,086,302	12.23%
Zhuhai Grand Power	Equipment purchase	Agreement price	1,164,188	0.89%	3,089,154	7.52%
Chaokang Investment	Purchase of carbon emission permit	Agreement price	600,000	5.99%	-	-
Yuelong Power	Purchase of carbon emission permit	Agreement price	4,800,000	47.90%	-	-
Huangpu Electric	impairment services	Acceptance of	29,562,649	2.60%	29,274,221	2.58%
Maoming Thermal (i)	management services	Agreement price	-	-	55,824,284	5.02%
Maoming Thermal	leasing services	Acceptance of	1,251,483	6.68%	1,251,483	5.19%
Yudean Shipping	tugboat services	Agreement price	28,667,925	53.89%	23,198,113	58.77%
Yudean Property Management	leasing services	Acceptance of	19,086,629	74.97%	16,083,940	49.69%
Yudean Technology	management services	Agreement price	2,339,230	0.21%	4,558,753	0.40%
Huangpu Yuehua Human Resources	services	Acceptance of human resources	3,050,000	4.04%	3,050,000	3.84%
Yudean Property Management	leasing services	Agreement price	6,156,489	32.85%	5,550,834	23.03%
Chaokang Investment	advisory services	Acceptance of	63,672	22.15%	518,004	12.87%
Shajiao C	property services	Agreement price	-	-	16,800	0.05%
Yuehua Power	Acceptance of labour service	Agreement price	2,520,000	29.14%	1,306,667	18.16%
Fangneng Catering	catering services	Acceptance of	-	-	254,391	1.83%
Port of Yangjiang	Acceptance of tugboat services	Agreement price	2,828,941	5.32%	-	-

- (i) In 2013, the 5# generation set of Maoming Zhenneng is managed by Maoming Thermal. Under the written agreement, the annual management fee for the fixed unit was RMB20,360,000, plus other variable expenses at RMB4 for every thousand of kilowatt hours of electricity generated. In addition, the 6# generation set of Maoming Zhenneng is also managed by Maoming Thermal. Under the written agreement, the annual management fee for the fixed unit was RMB 25,556,300, plus other variable expenses at RMB4 for every thousand of kilowatt hours of electricity generated.

In 2014, according to Reply on the Second Batch Plan to Accept Staff of Maoming Thermal by Maoming Zhenneng Thermal, made by Guangdong yudean group Co., Ltd, Maoming Zhenneng accepts all staffs at work and retirees from Maoming Thermal. The contracting management model by Maoming Thermal since 2003 has come to an end, therefore, there were no related party transactions during this year.

(2) Payment of pocket expenses

	2014	2013
Shaoguan Electric Power Plant	11,429,869	9,651,695

(3) Sales of goods / rendering of services

The Group

Related parties	Type of related party transaction	Pricing policy and decision making process	2014		2013	
			Amount	% of similar transactions	Amount	% of similar transactions
GYEP	Sales of material	Agreement price	123,783,462	64.99%	136,537,564	66.04%
Chaokang Investment	emission permit	Sales of carbon Agreement price	600,000	100.00%	-	-
Shajiao C		Provision of				
	maintenance services	Agreement price	42,792,298	74.26%	40,013,798	70.09%
Zhuhai Jinwan Electric		Provision of				
	maintenance services	Agreement price	3,702,600	6.43%	3,891,289	6.82%
Biomass Electric Power		Provision of				
	maintenance services	Agreement price	3,624,795	6.29%	5,463,490	9.57%
Zhuhai Electric		Provision of				
	maintenance services	Agreement price	2,213,675	3.84%	1,897,436	3.32%
Changhu Power		Provision of				
	maintenance services	Agreement price	-	-	497,436	0.87%
Menghua New Energy		Provision of				
	technical services	Agreement price	-	-	613,885	1.08%
Zhongshan Thermal Power Plant		Provision of				
		training services				
		Agreement price	158,757	93.95%	-	-
Yudean Shipping		Provision of				
	training services	Agreement price	10,228	6.05%	-	-

(4) Leases

The Group as a lessee:

Name of lessor	Name of Lessee	Type of leased assets	Starting date	Maturity date	Pricing basis of leasing payment	Leasing payment recognised in
2014						
Maoming Thermal	Maoming Zhenheng	Land lease	1/1/2007	31/12/2037	Agreement price	364,861
Maoming Thermal	Maoming Zhenheng	Land lease	1/8/2010	1/8/2040	Agreement price	731,217
Maoming Thermal *	Maoming Zhenheng	Housing rental	1/1/2014	31/12/2014	Agreement price	155,405
Yudean PI*	Shibeishan	Housing rental	1/1/2014	31/12/2014	Agreement price	1,114,680
Yudean PI*	the Company	Housing rental	1/1/2014	31/12/2014	Agreement price	3,586,584
Yudean PI*	Guangdong Wind Power	Housing rental	1/1/2014	31/12/2014	Agreement price	50,850
						6,003,597

* The above contracts will be updated every year and they have been renewed on 1 January 2015.

(5) Guaranty

The Group as the guarantor

<u>Guarantor</u> <u>not</u>	<u>Guarantee</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	Whether the guarantee has been fulfilled
					_____ or _____
The Company	Lincang Yuntou	93,100,000	07/07/2014	06/07/2036	No
The Company	Lincang Yuntou	13,720,000	20/01/2014	25/12/2020	No
The Company	Lincang Yuntou	5,488,000	29/07/2008	29/07/2020	No
The Company	Lincang Yuntou	83,300,000	18/12/2012	31/12/2032	No
The Company	Weixin Yuntou	120,000,000	21/05/2014	20/05/2017	No
The Company	Weixin Yuntou	324,756,000	27/03/2012	27/03/2029	No
The Company	Weixin Yuntou	274,000,000	19/04/2013	18/04/2030	No
The Company	Binglang River	81,188,900	29/06/2010	15/07/2020	No
The Company	Binglang River	12,470,000	16/03/2006	13/03/2020	No
The Company	Binglang River	120,000,000	02/04/2008	05/06/2028	No
The Company	Binglang River	58,000,000	31/10/2008	31/10/2025	No
The Company	Binglang River	18,270,000	19/12/2007	18/12/2024	No
The Company	Binglang River	31,900,000	31/08/2005	30/08/2022	No
The Company	Binglang River	76,270,000	25/08/2009	24/08/2029	No
The Company	Binglang River	29,000,000	14/11/2008	14/11/2020	No
The Company	Binglang River	50,750,000	27/05/2009	27/05/2023	No
The Company	Binglang River	3,915,000	30/06/2005	30/06/2017	No
The Company	Yuejiang Power	90,000,000	03/07/2014	02/07/2021	No
The Company	Yuejiang Power	81,000,000	03/07/2014	02/07/2021	No
The Company	Yuejiang Power	80,136,846	28/07/2011	20/07/2018	No
The Company	Yuejiang Power	98,328,895	06/12/2012	06/12/2017	No
	Zhanjing				No
The Company	Wind Power	175,003,400	03/03/2011	02/03/2029	No

The Group and the Company as the guarantee holders (Note V.34 (1) (c))

<u>Guarantor</u> <u>not</u>	<u>Guarantee</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	Whether the guarantee has been fulfilled
					_____ or _____
Yudean	The Company	1,500,000,000	14/08/2013	13/08/2022	No

(6) Related party funding

- (a) According to the 2014 Framework Agreement on Financial Services between the Company and Yudean Finance, Yudean Finance has committed to offer the Company a banking facility of less than RMB17 billion in 2014. In 2014, the Company borrowed a total of RMB11,987,730,000 (2013: RMB13,225,544,618) from Yudean Finance based on its actual capital requirement. The Company paid an interest of RMB325,207,841 (2013: RMB241,379,311) for such borrowing (Note X.5(11)).
- (b) In 2014, the net amount of the Group's deposits with Yudean Finance increased by RMB 223,440,431 (2013: a net increase of RMB 980,309,516). Interests due from Yudean Finance amounted to RMB 49,892,101 (2013: RMB 42,191,555). In light of the frequent deposits and withdrawals, only the amount of net change in deposits is disclosed.
- (c) As disclosed in Note V.23, according to the three-party agreement signed among the Group, Yudean Finance and Industry Fuel, the amount of the bills issued to Industry Fuel by the Group and discounted with Yudean Finance represents the amount payable to Yudean Finance. Given the frequent transactions, only the net change of the balance of commercial acceptance bills discounted with Yudean Finance as at 31 December was disclosed by the Group. As at 31 December 2014, the net amount of Yudean Finance's discounting of acceptance bills issued by the Group to Industry Fuel decreased by RMB 1,287,874,618. In 2014, the discounting interest charged by Yudean Finance and borne by the Group which was included in the discounting interest expenses in the year amounted to RMB 29,317,009.
- (d) Transactions between the Company and its subsidiaries

In 2014, the net decrease in non-secured loans borrowed by the Company from its subsidiaries was RMB100,000,000 (2013: net increase of RMB100,000,000) with an annual interest rate from 5.32% to 6.00% (2013: from 5.60% to 6.00%). An interest expense of RMB 62,889,722 (2013: RMB63,783,444) was recognised. The balance of borrowings at the end of 2014 was RMB1,000,000,000 (2013: RMB1,100,000,000). The Company only disclosed the net change in loan of capital with its subsidiaries due to the frequent transaction of funds.

In 2014, the net increase in non-secured loans provided by the Company to its subsidiaries was RMB350,000,000 (2013: net increase of RMB500,000,000) with an annual interest rate from 5.83% to 6.77% (2013: 5.00% to 5.92%). An interest income of RMB37,994,941 (2013: RMB10,342,200) was recognised. The balance of borrowings at the end of 2014 was 850,000,000 (2013: RMB500,000,000). The Company only disclosed the net change in loan of capital with its subsidiaries due to the frequent transaction of funds.

(e) Entrusted loans provided by the Company to its associates

<u>Name of associates</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	<u>Interest income recognised in 2014</u>
Weixin Yuntou	95,000,000.00	14/03/2011	03/03/2014	607,511
Lincang Yuntou	50,000,000.00	29/12/2014	28/12/2015	23,333

(7) Purchase of capacity of small firepower units

<u>Purchaser</u>	<u>Seller</u>	<u>Related party transaction</u>	<u>Pricing policy</u>	<u>2014</u>	
				<u>Amount</u>	<u>% of similar transaction</u>
Maoming Zhenneng	Maoming Thermal	Purchase of units capacity	Agreement price	12,000,000	7%
Yuejiang Power	Shaoguan Generator No.9	Purchase of units capacity	Agreement price	56,000,000	31%
Yuejiang Power	Yuehua Power	Purchase of units capacity	Agreement price	10,000,000	6%
Bohe Coal	Lianzhou Power	Purchase of units capacity	Agreement price	100,000,000	56%
				<u>178,000,000</u>	<u>100%</u>

<u>Purchaser</u>	<u>Seller</u>	<u>Related party transaction</u>	<u>Pricing policy</u>	<u>2013</u>	
				<u>Amount</u>	<u>% of similar transaction</u>
Red Bay	Yuehua Power	Purchase of units capacity	Agreement price	82,000,000	41%
Yuejiang Power	Shaoguan Plant D	Purchase of units capacity	Agreement price	56,000,000	28%
Bohe Coal	Lianzhou Power	Purchase of units capacity	Agreement price	62,400,000	31%
				<u>200,400,000</u>	<u>100%</u>

(8) Assets Purchase

<u>Purchaser</u>	<u>Seller</u>	<u>Related party transaction</u>	<u>Pricing policy</u>	<u>2014</u>	
				<u>Amount</u>	<u>% of similar transaction</u>
Yuejiang Power	Shaoguan Generator No.9	Purchase of Assets	Agreement price	40,790,950	30.83%
Yuejiang Power	Shaoguan Plant D	Purchase of Assets	Agreement price	39,552,618	29.90%

(9) Allocation of common expenses

The Company's branches Shajiao A and Shajiao C agreed to share common expenses based on their agreed allocation basis. In 2014, the common expenses received by the Group from Shajiao C was RMB5,740,015.22 (2013: RMB6,547,065).

(10) Interest income

	<u>2014</u>	<u>2013</u>
Deposit income paid from Yudean Finance	49,892,101	42,191,555
Weixin Yuntou	607,511	11,178,077
Lincang Yuntou	23,333	118,771
Shanxi Yudean Energy	-	3,408,393
	<u>50,522,945</u>	<u>56,896,796</u>
Percentage of interest income	77.67%	83.77%

(11) Interest expense

	<u>2014</u>	<u>2013</u>
Loan interest paid to Yudean Finance	325,207,841	241,379,311
Bill discounting interest paid to Yudean Finance	29,317,009	62,992,974
Loan interest paid to Chaokang Investment	-	21,945,696
	<u>354,524,850</u>	<u>326,317,981</u>
Percentage of interest expenses	19.08%	16.93%

In 2014, the loans provided by Yudean Finance to the Group carry an annual interest rate from 5.04% to 6.55% (2013: from 5.04% to 6.22%).

(12) Joint investment

As at 31 December 2014, the Group invests in the following subsidiaries, joint ventures and associates with Yudean:

	Percentage of equity attributable to Yudean
Yudean Finance	65%
Industry Fuel	50%
Shanxi Yudean Energy	60%
Western investment	35%

(13) Remuneration of key management personnel

	<u>2014</u>	<u>2013</u>
Remuneration of key management personnel	4,628,802	4,643,068

(14) Commitment to related parties

As at the balance sheet date, the capital expenditures contracted for by the Group with related parties but not necessary to be recognised in the balance sheet are as follows:

	31 December <u>2014</u>	31 December <u>2013</u>
Assets under lease		
Yudean PI	3,637,434	4,701,264
Maoming Thermal	27,254,176	28,194,848
	<u>30,891,610</u>	<u>32,896,112</u>

(15) Investment commitments

As at 31 December 2014, investment commitments between the Group and its related parties are disclosed in Note XII.1 (3).

6 Amount due from/due to related parties

Amount due from related parties

The Group

<u>Item</u>	<u>Related party</u>	<u>2014</u>	<u>2013</u>
Cash at bank and on hand	Yudean Finance	3,061,921,598	2,838,481,167
Accounts receivable	Shajiao C	18,072,681	18,281,008
	Zhuhai Electric	2,590,000	-
	Biomass Electric Power	3,818,754	797,586
	Zhuhai Jinwan Electric	-	25,492
Total		24,481,435	19,104,086
Other receivables	Weixin Yuntou	-	95,000,000
	GYEP	76,349,187	73,362,113
	Lincang Yuntou	50,000,000	-
	Shajiao C	517,252	654,064
	Yudean PI	885,244	885,244
	Yudean PM	289,360	282,962
	Chaokang Investment	220,434	220,434
	Menghua New Energy	-	613,885
	Zhuhai Jinwan Electric	-	100,000
Total		128,261,477	171,118,702
Interest receivable	Yudean Finance	5,447,764	5,198,549
	Weixin Yuntou	-	589,489
	Lincang Yuntou	23,333	-
Total		5,471,097	5,788,038

<u>Item</u>	<u>Related party</u>	<u>2014</u>	<u>2013</u>
Prepayments	Industry Fuel	1,373,757,103	1,324,042,991
	Yudean Finance	-	9,324,000
Total		<u>1,373,757,103</u>	<u>1,333,366,991</u>

As at 31 December 2013, the Group does not provide bad debt impairment for accounts receivable, other receivables, prepayments and long-term receivables of the related parties above.

As at 31 December 2014, the Group does not provide bad debt impairment for accounts receivable, other receivables, prepayments and long-term receivables of the related parties above.

Amount due to related parties

The Group

<u>Item</u>	<u>Related party</u>	<u>2014</u>	<u>2013</u>
Accounts payable	Industry Fuel	1,275,148,310	1,825,228,940
	Maoming Thermal	94,009,782	101,009,782
	GYEP	46,176,613	61,800,181
	Yudean Technology	163,700	336,000
	Xinfengjiang Electric Service	-	2,700
	Zhuhai Grand Power	390,618	1,735,302
	Shaoguan Electric	3,544,826	3,544,826
Total		<u>1,419,433,849</u>	<u>1,993,657,731</u>

<u>Item</u>	<u>Related party</u>	<u>2014</u>	<u>2013</u>
Other payables	Maoming Thermal	12,000,000	15,000,000
	Shaoguan Electric	25,366,557	33,206,172
	GYEP	-	1,084,284
	Huangpu Electric	14,250,499	11,538,318
	Yudean Shipping	20,000	4,630,000
	Yudean PM	1,955,783	1,915,020
	Shaoguan D	-	1,750,737
	Xinfengjiang Electric Service	75,000	218,831
	Huangpu Yuehua Human Resources	1,728,333	1,270,833
	Yudean Technology	21,000	550,500
	Shenzhen Tianxin	70,000	70,000
	Yuehua Power	226,667	82,186,667
	Yueyang Electric	18,000,000	18,000,000
	Jinhui Electric	-	90,582
Total		73,713,839	171,511,944
Interest payable	Yudean Finance	10,483,449	7,087,234
Dividends payable	Shaoguan D	-	3,521,190
Bills payable	Yudean Finance	100,000,000	1,387,874,618
	Industry Fuel	70,000,000	-
Total		170,000,000	1,387,874,618
Short-term loans	Yudean Finance	4,149,000,000	3,722,000,000

<u>Item</u>	<u>Related party</u>	<u>2014</u>	<u>2013</u>
Non-current liabilities due within one year	Yudean Finance	76,500,000	50,000,000
Long-term loans	Yudean Finance	1,963,900,000	738,670,000

The short-term loans and long-term loans borrowed from related parties are detailed in Note V.22, 34 and 31. Other receivables and long-term receivables provided to related parties in the form of entrusted loans are detailed in Note V.5 and 10. Bills payable discounted by Yudean Finance are detailed in Note V.23. Except for the borrowings, entrusted loans and bills payable mentioned above, other amounts due from/to related parties were non-interest bearing, unsecured current accounts, which shall be repayable on demand.

XI. Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so it can continue to provide returns for shareholders and maintain best capital structure to reduce capital cost.

The Group employs asset-liability ratio to manage its capital structure. The ratio is based on total liabilities divided by total assets. The strategy adopted in 2014 is the same as the one in 2013. As at 31 December 2014, the Group's asset-liability ratio is 59.78% (2013: 62.32%).

XII. Commitments and Contingencies**1 Major commitments****(1) Capital commitments**

<u>Item</u>	<u>2014</u>	<u>2013</u>
Buildings and equipments	15,771,518,200	14,758,471,768

The above capital commitments will be primarily used for the construction of new electric plants and the purchase of new generators. Management expected the above commitment will be realised gradually in the coming three to five years. It will be secured by the funds and bank borrowings incurred from the operation of the Group's existing generators.

(2) Operating lease commitments

As at 31 December, the total future minimum lease payments under non-cancellable operating leases of buildings were payable as follows:

<u>Item</u>	<u>2014</u>	<u>2013</u>
Within 1 year (inclusive)	10,420,298	8,059,029
After 1 year but within 2 years (inclusive)	3,209,388	3,548,078
After 2 years but within 3 years (inclusive)	2,552,278	1,865,028
After 3 years	37,229,439	34,132,854
Total	53,411,403	47,604,989

(3) Investment commitments

- (a) The Seventh Session of the Board passed the resolution of "Capital Increase in Guangdong Shaoguan Yuejiang Electric Power Co.Ltd" during its 18th meeting on 3 March 2014, pursuant to which the Company agreed to inject RMB63,000,000 in cash to Yuejiang Electric on its 90% shareholding proportion to ensure smooth implementation of manufacturing and operation. As at 31 December 2014, the Company has not performed the payment of capital injection yet.

- (b) The Eighth Session of the Board passed the resolution of “Capital Increase in Guangdong Shaoguan Yuejiang Electric Power Co.Ltd” during its 2nd meeting on 24 August 2014, pursuant to which the Company is required to inject RMB923,000,000 (20% of the total project investment) on its 90% shareholding proportion to promote the Upgrade Project (2×600MW) of Shaoguan Power invested by Yuejiang Electric, ie to offer supplementary capital injection of RMB232,310,000 on the basis of the initial injection of RMB690,690,000 approved during 11th meeting of The Sixth Session of the Board. As at 31 December 2014, the capital injection from the Company to Yuejiang Electric was RMB360,000,000 and the rest amount of RMB563,000,000 will be injected in batches based on the construction progress and the capital plan.
- (c) The Eighth Session of the Board passed the resolution of “Capital Increase in Guangdong Yudean Leizhou Wind Power Co.Ltd” during its 3rd meeting on 28 October 2014, pursuant to which the Board of the Company agreed to inject RMB80,800,000 in cash to Leizhou Wind Power on its 70% shareholding proportion to ensure the construction of Hongxinlou Wind Power Project invested by Leizhou Wind Power. The Company’s shareholding proportion of Leizhou Wind Power has increased to 80% after capital injection (injection price is based on the asset assessment result recorded by authorized institutions). As at 31 December 2014, the Company has not performed the payment of capital injection.
- (d) The Eighth Session of the Board passed the resolution of “Establishment of Guangdong Yudean Qujie Wind Power Co., Ltd” during its 3rd meeting on 28 October 2014, pursuant to which the Company agrees to establish Guangdong Yudean Qujie Wind Power Co., Ltd as its wholly-owned subsidiary to promote the subsequent development and construction of wind power project in Xuwen area of Zhanjiang. The Company is required to inject RMB231,750,000 for the construction and operation of Shibaling Wind Power project (total installed capacity of 49.5MW) and Qujie Wind Power project (total installed capacity of 99MW), in which the first batch of injection is RMB60,000,000 and the rest will be made in batches based on the project progress. As at 31 December 2014, the Company has transferred the registered capital of RMB60,000,000 to capital injection account and the cash will be finally ready upon the completion of the establishment procedure of Guangdong Yudean Qujie Wind Power Co., Ltd.
- (e) The Eighth Session of the Board passed the resolution of “Equity Replacement between partial stock rights of Weixin Yuntou and 51% stock rights of Lincang during its 4th meeting on 15 December 2014, pursuant to which the Board of the Company agrees to the equity replacement between its shareholding proportion of Weixin Yuntou and 51% shareholding proportion of Lincang Yuntou by Yunnan Provincial Power Development Co., Ltd., so as to expand the hydroelectric development in Yunnan and adjust its external investment structure. The Company’s management is authorized to determine and sign the concrete equity replacement plan and agreement. As at 31 December 2014, this equity replacement has not been fulfilled yet.
- (4) Implementation of prior commitments
- (a) The Seventh Session of the Board passed the resolution of "Investment in Guishan

Offshore Wind Power Project” during its first meeting in 2012 on 19 January, pursuant to which the Company will invest in the construction of South Wind Power based on its 10% shareholding proportion and take part in Guishan Offshore Wind Power Project. The registered capital is tentatively set at RMB900,000,000. The Company is required to invest RMB90,000,000 as 10% of the total capital of the project. As at 31 December 2014, the Company injected RMB70,000,000 to South Wind Power.

- (b) The Seventh Session of the Board passed the resolution of “Capital Increase in Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.” during its 10th meeting on 21 August 2012, pursuant which the Company will inject RMB239,600,000 to its associated company Weixin Yuntou based on its 40% shareholding proportion. The Company injected a total of RMB733,600,000 following the capital injection. As at 31 December 2014, the capital injection from the Company to Weixin Yuntou was RMB200,000,000.
- (c) The Seventh Session of the Board passed the resolution of “Establishment of Guangdong Yudean Dabu Electric Ltd” during its 11th meeting on 29 October 2012, pursuant to which the Company will establish Dabu Electric as its wholly-owned subsidiary. The Company is required to inject RMB1,104,000,000 (20% of the total project investment RMB 5,520,000,000) in batches based on the construction progress. As at 31 December 2014, the Company invested RMB700,000,000 to Dabu Electric.
- (d) The Seventh Session of the Board passed the resolution of “Capital Increase in Guangdong Yudean Bohe Coal Power Co., Ltd” during its 11th meeting on 29 October 2012, pursuant to which the Company agreed to inject RMB854,570,000 in cash to Bohe Coal for the construction of terminal project. The injection would be made in batches based on the capital requirement of the project. On 22 August 2013, the Seventh Session of the Board passed the resolution of “Investment in Guangdong Maoming Bohe Electric power generation project” during its 15th meeting, pursuant to which the Company agreed to inject RMB1,375,000,000 to Bohe Coal for the construction of Bohe electric plant. The injection of the initial capital of Bohe Coal of RMB285 million was completed. The subsequent injection of RMB1,090,000,000 will be made in batches based on the capital requirement of the project. The foresaid capital commitment is totaled at RMB2,229,570,000. As at 31 December 2014, the Company injected RMB1,385,000,000 to Bohe Coal.
- (e) The Sixth Session of the Board agreed to increase its capital in the Company’s associated company Shantou Wind Power for the construction of a wind power project in Nanao East Island during its eighth meeting on 29 June 2009. The Company agreed to inject RMB35,000,000 to Shantou Wind Power based on its 25% shareholding proportion. The injection would be made in batches based on the construction progress. As at 31 December 2014, the Company injected RMB12,472,500 to Shantou Wind Power.
- (f) The Sixth Session of the Board passed the resolution of “Capital Increase in Guangdong Yudean Jinghai Power Co., Ltd.” during its 11th meeting on 15 April 2010, pursuant to which the Company agreed to inject RMB565,025,500 to its subsidiary Jinghai Power based on its 65% shareholding proportion. The Company’s proportion of shareholding in Jinghai Power remains unchanged following the completion of capital increase. As at 31 December 2014, the Company injected RMB445,014,000 to Jinghai Power.

- (g) The Seventh Session of the Board passed the resolution of “Investment in Offshore Wind Power Project by Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.” during its second meeting on 28 June 2011, pursuant to which the Company agreed to inject RMB140,000,000 to its subsidiary Zhanjiang Wind Power for the investment in Xuwen offshore wind power project. The injection would be made in batches based on the actual progress of the project. As at 31 December 2014, the Company injected RMB75,733,000 to Zhanjiang Wind Power.
- (h) The Board passed the resolution (vote & sign) of Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd. to Establish Guangdong Yudean Leizhou Wind Power Co., Ltd. on 9 January 2013, pursuant to which the Company established Leizhou Wind Power based on its 70% shareholding proportion of Zhanjiang Wind Power. The registered capital of Leizhou Wind Power does not exceed RMB162,455,300 and is responsible for the development of Hongxinlou wind power project(49.5MW). Zhanjiang Wind Power shall inject capital in Leizhou Wind Power through the Company and other shareholders of Zhanjiang Wind Power, in which the injections of the Company will not surpass RMB10,671,870 and that of Zhanjiang Wind Power not over than RMB162,455,300. As at 31 December 2014, the Company has not performed the payment of capital injection while Zhanjiang Wind Power has already offered RMB20,000,000.

2 Contingencies

Contingent liability

As at 31 December 2014, the Group provides joint guarantee for bank borrowings amounted to RMB400,575,000 and finance leases amounted to RMB81,188,900 of Binlangjiang; bank borrowings amounted to RMB195,608,000 of Lincang Yuntou, and bank borrowings amounted to RMB718,756,000 of Weixin Yuntou (Note X.5(5)).

XIII. Post balance sheet date event

- 1 The plan for liquidation and remaining assets distribution through former subsidiaries approved after balance sheet date

As at 6 January 2015, the 1st meeting of the shareholders of Guangdong Yudean Oil Shale Power Co., Ltd passed the resolution on liquidation works of Oil Shale Power and the solution for remaining assets and reserved expense. Oil Shale Power can recover the remaining assets amounting to RMB187,000,000 based on its shareholding proportion.

- 2 4 January 2015, the Company and Yunnan Provincial Power Development Co., Ltd. (“Yunnan Power Development”) performed synchronous equity replacement over their shareholding of Lincang Yuntou and Weixin Yuntou. With the consideration based on the asset assessment report, the Company carried out equivalent equity replacement for its 14.34% shareholding of Weixin Yuntou and 51% shareholding of Lincang Yuntou hold by Yunnan Power Development. After the above transaction, the Company realised the combination of Lincang Yuntou by holding its 100% shareholding and 25.66% of Weixin Yuntou in the meantime.

- 3 A Haoxing abalone farm in Pinghai Town, Huidong County sent us a lawyer's letter on 24 May 2010 through Guangdong Weilun Lawyers' Firm. The letter said that Huizhou Pinghai electric plant caused sea water pollution and changed the direction and speed of waves, which resulted in a RMB3 million loss of the farm per year and the loss may be bigger. The farm required us to take responsibility for their loss and take actions as soon as possible, including suspension of invasion, reduction of interference, elimination of danger, recovery to normal status and compensation for loss. In 2015, Huizhou Pinghai electric plant signed a financial support agreement with the Haoxing abalone farm in order to properly settle the dispute of surrounding area, with totally RMB 14 million to the abalone farm. The Group has recognised this financial support as an adjustment after the balance sheet date, providing a provision of RMB 14 million at 31 December 2014.
- 4 According to a resolution of the Board of Directors ("BOD") dated 16 April 2015, the BOD suggested that the Group appropriate statutory surplus reserve of RMB 286,082,403, representing 10% of net profit, and discretionary surplus reserve of RMB 715,206,007, representing 25% of net profit (2013: statutory surplus reserve of RMB 173,523,454 and discretionary surplus reserve of RMB433,808,635); furthermore, the BOD suggested that the Group distribute cash dividends to shareholders at the rate of RMB 2 for every 10 shares and stock dividends at the rate of 10 shares for every 2 shares, amounting to a total of RMB 875,047,331 (2013: RMB 2 for every 10 shares for shareholders, with a total of RMB 875,047,331). This suggestion is yet to be approved by the shareholders' meeting. Cash dividends were not recognised as liabilities as at the balance sheet date since the suggestion was made after the balance sheet date.

XIV. Other significant events

1 Lease

The Group's payables related to finance lease are set out in Note V.31 and V.36.

2 Segment reporting

In accordance with internal organisation structure, management requirements and internal report system, the Group has identified eight reportable segments, which are independent business units that provide different products or service, or operate in the different areas. Different businesses or areas require different technologies and marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

The reportable segments are generating and selling electricity in different areas of Guangdong.

(1) Segment profits and losses, assets and liabilities

Inter-segment transfers are measured by making reference to the sales to third parties.

The assets are allocated based on relevant incomes and expenses, assets and liabilities of segment operation.

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, expenses and financial performance, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other long-term assets and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets. Segment liabilities include payables and advances, bank borrowings and interest payable, long-term and short-term bonds and dividends payable attributable to the individual segments, but exclude deferred tax liabilities.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments, and interest income and expense from cash balances and borrowings managed directly by the segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

Information regarding the Group's reportable segments set out below is the measure of segment profit or loss and segment assets and liabilities reviewed by the chief operating decision maker or is otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment profit or loss and segment assets and liabilities:

Item	The Company		Jinghai Power		Pinghai Power		Red Bay		Maoming Zhenneng	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from external customers	2,648,177,505	2,921,106,008	6,075,568,206	6,639,655,614	3,837,401,385	4,348,309,374	4,722,896,250	4,991,062,915	1,825,360,530	1,054,960,020
Inter-segment revenue	89,082	97,997	-	76,578	-	-	-	-	-	-
Investment gain in										
associates and joint ventures	582,033,705	706,492,821	-	-	-	-	-	-	-	-
Impairment losses	1,502,097	(6,764,694)	-	-	-	-	(38,368)	4,100,463	-	-
Depreciation and amortisation	(157,747,756)	(155,291,185)	(835,713,042)	(791,740,898)	(381,288,939)	(381,345,791)	(715,441,824)	(695,163,701)	(245,390,057)	(114,128,378)
Interest income	8,243,482	8,485,775	2,422,080	1,513,695	8,853,848	7,654,240	6,966,001	6,489,826	1,642,093	1,832,595
Interest expense	(367,430,385)	(354,572,419)	(429,572,688)	(483,352,710)	(260,303,854)	(278,013,074)	(336,581,102)	(379,010,303)	(119,390,829)	(37,767,835)
Total profit (“()”for net decrease)	740,690,762	811,129,841	1,381,069,552	1,371,782,457	1,209,121,550	1,326,385,442	984,786,861	768,058,232	114,171,885	61,936,318
Income tax expense	(26,895,571)	1,913,408	(345,663,582)	(343,506,190)	(301,249,872)	(335,604,756)	(249,386,824)	(203,211,895)	(29,450,610)	(16,231,401)
Net profit (“()”for net decrease)	713,795,191	813,043,249	1,035,405,970	1,028,276,267	907,871,678	990,780,686	735,400,037	564,846,337	84,721,275	45,704,917
Total assets	11,008,105,214	10,105,856,711	11,943,378,397	13,364,221,840	8,158,613,580	7,893,425,112	9,648,120,308	10,544,270,594	3,634,783,645	3,866,391,360
Total liabilities	6,774,673,479	7,709,625,772	7,782,740,111	9,313,540,884	6,036,069,766	5,301,952,544	6,000,225,258	7,123,404,285	2,506,975,719	2,803,883,171
Other items:										
- Operating income from principal activities	2,612,429,707	2,879,625,638	6,046,296,248	6,614,918,760	3,791,762,399	4,305,806,223	4,707,053,492	4,965,138,300	1,814,508,950	1,050,817,829
- Operating cost from principal activities	(2,014,433,226)	(2,275,383,298)	(4,121,501,320)	(4,633,918,095)	(2,261,794,891)	(2,646,996,789)	(3,257,072,308)	(3,659,523,130)	(1,518,645,353)	(931,469,166)
- Other non-cash expenses other than depreciation and amortisation	2,780,142	914,720	-	-	-	-	-	-	491,510	28,174
- Investments in associates and joint ventures	6,546,533,591	6,519,512,837	-	-	-	-	-	-	-	-
- The amounts of additions to non-current assets other than long-term equity investments	(187,033,776)	241,388,202	(923,043,664)	(146,020,595)	(347,025,141)	(381,306,739)	(523,088,015)	(413,182,867)	(142,512,765)	151,105,665

Item	Zhanjiang Electric		Zhongyue Energy		Others		Elimination		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Revenue from external customers	2,295,998,778	2,799,353,028	2,083,466,970	2,690,525,970	5,557,699,061	5,385,784,408	-	-	29,046,568,685	30,830,757,337
Inter-segment revenue	7,197,350	7,797,586	-	-	49,898,635	63,603,460	(57,185,067)	(71,575,621)	-	-
Investment gain in associates and joint ventures	-	-	-	-	2,678,391	-	-	-	584,712,096	706,492,821
Impairment losses	(19,322,745)	(36,238,414)	-	-	(142,276,446)	(237,378,991)	-	-	(160,135,462)	(276,281,636)
Depreciation and amortisation	(229,433,184)	(250,290,900)	(323,937,050)	(317,319,953)	(745,568,015)	(788,181,397)	(1,474,810)	-	(3,635,994,677)	(3,493,462,203)
Interest income	14,898,266	9,370,073	4,286,283	4,624,075	17,102,169	13,241,541	-	-	64,414,222	53,211,820
Interest expense	-	-	(209,812,370)	(232,148,548)	(221,976,012)	(240,020,133)	86,503,038	74,125,644	(1,858,564,202)	(1,930,759,378)
Total profit ("(")for net decrease)	523,300,726	660,493,220	90,006,963	347,732,704	565,498,885	254,066,299	(34,441,611)	(21,097,951)	5,574,205,573	5,580,486,562
Income tax expense	(130,380,662)	(169,403,531)	(25,370,344)	(85,998,753)	(138,089,152)	(85,137,067)	1,031,033	(47,388)	(1,245,455,584)	(1,237,227,573)
Net profit ("(")for net decrease)	392,920,064	491,089,689	64,636,619	261,733,951	427,409,733	168,929,232	(33,410,578)	(21,145,339)	4,328,749,989	4,343,258,989
Total assets	4,502,867,697	4,684,816,407	5,513,328,938	5,543,828,711	17,425,440,446	14,230,746,224	(2,749,812,373)	(2,314,837,924)	69,084,825,852	67,918,719,035
Total liabilities	460,828,964	616,098,483	3,984,317,069	4,063,142,285	10,395,413,470	7,632,888,437	(2,640,637,697)	(2,238,487,678)	41,300,606,139	42,326,048,183
Other items:										
- Operating income from principal activities	2,286,083,414	2,779,660,764	2,067,518,516	2,669,376,953	5,564,969,835	5,404,951,949	(56,541,885)	(70,595,296)	28,834,080,676	30,599,701,120
- Operating cost from principal activities	(1,689,440,233)	(2,016,936,912)	(1,708,787,884)	(2,022,803,009)	(4,368,369,062)	(4,497,135,267)	63,402,794	68,310,044	(20,876,641,483)	(22,615,855,622)
- Other non-cash expenses other than depreciation and amortisation	2,555,032	-	1,651,989	1,983,678	575,923	80,000	-	-	8,054,596	3,006,572
- Investments in associates and joint ventures	-	-	-	-	64,684,916	-	(6,508,861)	-	6,604,709,646	6,519,512,837
- The amounts of additions to non-current assets other than long-term equity investments(84,959,984)	(9,927,095)	(167,812,957)	(206,810,671)	4,021,074,079	1,361,967,087	153,840,644	(119,799,029)	1,799,438,421	477,413,958	

(2) Geographical information

The Group's operating income comes from the development and operation of electric plants in China and all assets are in China.

(3) Major customer

In 2014, the revenue from GPGC and its subsidiaries was RMB28, 695,501,698 (2013: RMB30, 644,223,111) , which took up 99% of our operating income (2013: 99%).

XV. Notes to significant items in the Company's financial statement

1、Accounts receivable

(1) Accounts receivable by customer type:

<u>Type of customers</u>	<u>2014</u>	<u>2013</u>
Third parties	233,268,283	252,615,520

(2) The ageing analysis of accounts receivable is as follows:

As at 31 December 2014, the Company's accounts receivable are aged within one year. The ageing is counted starting from the date when accounts receivable are recognised. Management considers the bad debt risk is comparatively insignificant and therefore has not provided for bad debts (31 December 2013: nil).

(3) Accounts receivable by category

Category	Note	2014				2013			
		Book value		Bad debt provision		Carrying value		Book value	
					% of total		% of total		% of total
total		<u>Amount</u>	<u>balance</u>	<u>Amount</u>	<u>balance</u>	<u>Amount</u>	<u>balance</u>	<u>Amount</u>	<u>balance</u>
Individually significant and assessed individually for impairment		233,268,283	100%	-	-	233,268,283	252,615,520	100.00%	-
		-----	-----	-----	-----	-----	-----	-----	-----
Total		233,268,283	100%	-	-	233,268,283	252,615,520	100.00%	-
		=====	=====	=====	=====	=====	=====	=====	=====

Note: This type includes accounts receivable that are individually assessed but not impaired.

2 Other receivables

(1) Other receivables by customer type:

<u>Customer type</u>	<u>2014</u>	<u>2013</u>
Entrusted loans	350,000,000	95,000,000
Advance	500,146	261,315
Petty cash	559,514	652,085
Others	9,793,582	15,395,757
Subtotal	360,853,242	111,309,157
Less: Provision for bad debts	-	-
Total	360,853,242	111,309,157

(2) The aging analysis of other receivables is as follows:

<u>Aging</u>	<u>2014</u>	<u>2013</u>
Within 1 year (inclusive)	359,068,791	105,918,911
After 1 year but within 2 years (inclusive)	488,831	1,035,889
After 2 years but within 3 years (inclusive)	117,436	1,990,174
After 3 years	1,178,184	2,364,183
Total	360,853,242	111,309,157

The ageing is counted starting from the date when accounts receivable for recognised. Management considers the bad debt risk is comparatively insignificant and therefore has not provided for bad debts (31 December 2013: nil).

(3) Other receivables by category

Category	Note	2014					2013				
		Book value		Bad debt provision		Carrying amount	Book value		Bad debt provision		Carrying amount
				% of total	% of total				% of total	% of total	
total		Amount	balance	Amount	balance		Amount	balance	Amount	balance	
Individually significant and assessed individually for impairment		356,573,505	98.81%	-	-	356,573,505	95,000,000	85.35%	-	-	95,000,000
		-----	-----	-----	-----	-----	-----	-----	-----	-----	-----
Individually insignificant but assessed individually for impairment		4,279,737	1.19%	-	-	4,279,737	16,309,157	14.65%	-	-	16,309,157
		=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Total		360,853,242	100%	-	-	360,853,242	111,309,157	100.00%	-	-	111,309,157

Note: This type includes other receivables that are individually assessed but not impaired.

- (4) Addition, recovery or reversal or recovery of provision for bad and doubtful debts during the year

	<u>2014</u>	<u>2013</u>
Balance at the beginning of the year	-	-
Addition during the year	-	-
Recovered or reversal during the year	1,502,097	-
Transfer out during the year	(1,502,097)	-
	<hr/>	<hr/>
Balance at the end of the year	-	-
	<hr/>	<hr/>

- (5) The Company's five largest other receivables by debtor at the end of the year:

<u>Debtor</u>	<u>Nature of loan</u>	Provision for		<u>%</u>	<u>of</u>	<u>other</u>
		Balance at				
		the end of	<u>Ageing</u>	receivables	doubtful debts	
		<u>the year</u>		<u>in total</u>	<u>at year-end</u>	
Dabu Electric	Entrusted loan	200,000,000	Less than 1 year	56%		-
Yuejiang Power	Entrusted loan	100,000,000	Less than 1 year	28%		-
Lincang Yuntou	Entrusted loan	50,000,000	2-3 years	14%		-
GYEP	Advances	6,573,505	Less than 1 year	2%		-
Yudean PI	Deposit	597,764	Over 3 years	0%		-
		<hr/>		<hr/>		<hr/>
Total		357,171,269		100%		-
		<hr/>		<hr/>		<hr/>

3 Long-term equity investments

(1) Long-term equity investments are categorised as follows:

Item	2014			2013		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Investment in subsidiaries	15,560,929,157	(455,584,267)	15,105,344,890	14,747,215,648	(455,584,267)	14,291,631,381
Investment in joint ventures	597,811,376	-	597,811,376	580,941,667	-	580,941,667
Investment in associates	5,948,722,215	-	5,948,722,215	5,938,571,170	-	5,938,571,170
Total	<u>22,107,462,748</u>	<u>(455,584,267)</u>	<u>21,651,878,481</u>	<u>21,266,728,485</u>	<u>(455,584,267)</u>	<u>20,811,144,218</u>

(2) Investment in subsidiaries:

Name of investee	Opening balance	Increase	Decrease	Closing balance	Impairment provision	Impairment provision for the year
Zhanjiang Electric	2,185,334,400	-	-	2,185,334,400	-	-
Yuejia Electric	701,279,338	-	-	701,279,338	-	(455,584,267)
Maoming Zhenneng	595,005,970	-	-	595,005,970	-	-
Jinghai Power	1,930,395,668	-	-	1,930,395,668	-	-
Zhanjiang Wind Power	242,277,000	-	-	242,277,000	-	-
Zhongyue Energy	1,150,248,115	-	-	1,150,248,115	-	-
Humen Power	90,000,000	-	-	90,000,000	-	-
Anxin	20,000,000	-	-	20,000,000	-	-
Bohe Electric	1,085,000,000	300,000,000	-	1,385,000,000	-	-
Pinghai Power	720,311,347	-	-	720,311,347	-	-
Red Bay	2,220,023,386	-	-	2,220,023,386	-	-
Huizhou Natural Gas	845,846,646	-	-	845,846,646	-	-
Guangqian Electric	1,353,153,223	-	-	1,353,153,223	-	-
Yuejiang Power	586,694,674	270,000,000	-	856,694,674	-	-
Shibeishan	170,863,481	-	(170,863,481)	-	-	-
Yudean Huadu Natural Gas	78,000,000	-	-	78,000,000	-	-
Dabu Electric	600,000,000	100,000,000	-	700,000,000	-	-
Guangdong Wind Power	172,782,400	314,576,990	-	487,359,390	-	-
Total	<u>14,747,215,648</u>	<u>984,576,990</u>	<u>(170,863,481)</u>	<u>15,560,929,157</u>	<u>-</u>	<u>(455,584,267)</u>

Relevant information of the Company's subsidiaries is set out in Note VII.

As described in Note V.13 (1) (b), management had anticipated that the four generator units of Yuejia Electric to be shut down successively around 2015. Therefore, the Company's management has provided for an impairment (a total of RMB455,584,267) on the difference between the Company's entitlement in Yuejia Electric's equity and its investment costs in Yuejia Electric in 2009, 2011 and 2013 after assessing the recoverable amounts of this long-term equity investment.

As at 31 December 2014, the balance of impairment provision for long-term equity investments of Yuejia Electric was RMB455, 584,267 (2013: RMB455, 584,267).

(3) Investment in joint ventures and associates:

<u>Name of investee</u>	<u>Balance at the beginning of the year</u>	<u>Increase in investment</u>	<u>Decrease in investment</u>	<u>Investment income under equity method</u>	<u>Other comprehensive income</u>	<u>Other changes in equity</u>	<u>Cash dividend or profit distribution</u>	<u>Impairment provision</u>	<u>Balance at the end of the year</u>
Joint venture									
Industry Fuel	580,941,667	-	-	83,394,597	-	-	(66,524,888)	-	597,811,376
Subtotal	580,941,667	-	-	83,394,597	-	-	(66,524,888)	-	597,811,376
Associates									
Shanxi Yudean Energy	778,866,568	-	-	90,379,625	-	48,000	-	-	869,294,193
Yudean Finance	624,823,362	-	-	76,934,751	-	39,794	(53,750,722)	-	648,047,185
Guohua Yudean Taishan	2,173,810,422	33,900,000	-	421,283,187	-	-	(420,305,320)	-	2,208,688,289
Binglang River Electric	216,895,764	-	-	(11,261,289)	-	-	-	-	205,634,475
Yudean Shipping	927,200,812	-	-	16,853,713	(280)	10,594,738	(8,977,900)	-	945,671,363
Western Investment	283,755,169	-	-	(28,014,938)	268,220	-	-	-	256,008,451
Lincang Yuntou	172,746,262	12,686,100	-	(995,410)	-	-	-	-	184,436,952
Weixin Yuntou	694,818,076	-	-	(77,592,204)	-	-	-	-	617,225,872
Huaneng Shantou Wind Power	51,745,185	-	(55,497,664)	9,218,654	-	425	(5,466,600)	-	-
Jiangkeng Hydropower	6,030,701	-	-	396,716	-	-	(559,976)	-	5,867,441
Yangshan Zhongxinkeng Electric	7,878,849	-	-	1,436,303	-	-	(1,467,158)	-	7,847,994
Subtotal	5,938,571,170	46,586,100	(55,497,664)	498,639,108	267,940	10,683,237	(490,527,676)	-	5,948,722,215
Total	6,519,512,837	46,586,100	(55,497,664)	582,033,705	267,940	10,683,237	(557,052,564)	-	6,546,533,591

4 Operating income and operating costs

(1) Operating income and operating costs

<u>Item</u>	<u>2014</u>		<u>2013</u>	
	<u>Operating income</u>	<u>Operating costs</u>	<u>Operating income</u>	<u>Operating costs</u>
Principal activities	2,612,429,707	(2,014,433,226)	2,879,625,638	(2,275,383,298)
Other operating	35,836,880	(24,710,042)	41,578,367	(30,446,213)
Total	<u>2,648,266,587</u>	<u>(2,039,143,268)</u>	<u>2,921,204,005</u>	<u>(2,305,829,511)</u>

Income and cost from principal activities (by product):

<u>Item</u>	<u>2014</u>	<u>2013</u>
Income from principal activities		
- Income from sales of electricity	2,610,231,680	2,876,076,932
- Income from sales of steam	2,198,027	3,548,706
Subtotal	<u>2,612,429,707</u>	<u>2,879,625,638</u>
Other operating incomes	<u>41,578,367</u>	<u>35,836,880</u>
Total	<u>2,648,266,587</u>	<u>2,921,204,005</u>

(3) Operating income of main customer of the Company

The primary income of the Company came from the sales of electricity to GPGC, which contributed RMB2, 610,231,680 or 98.56% (2013: RMB2, 876,076,932 or 98.46%) to its total operating income.

5 Investment gain (“()”for loss)

<u>Item</u>	<u>2014</u>	<u>2013</u>
Gain from long-term equity investments under cost method	2,147,028,838	1,031,478,211
Gain from long-term equity investments under equity method	582,033,705	706,492,821
Investment gain from available-for-sale financial assets	26,698,950	20,636,370
Interest income from entrusted loans	36,261,622	23,456,264
Investment gain on disposal of long-term equity investments	10,394,920	10,100

Investment gain on disposal of available-for-sale financial assets	(808,317)	-
Others	942,588	1,542,586
Total	<u>2,802,522,306</u>	<u>1,783,616,352</u>

XVI. Supplementary information of changes in accounting policies

Based on the eight accounting standards including Accounting Standards for Enterprises No.2-Long-term Equity Investment issued by Ministry of Finance in 2014, the Group has changed relevant accounting policies and performed retrospective restatement on comparative financial statement. Consolidated balance sheet after retrospective restatement are as follows:

<u>Assets</u>	31 December <u>2014</u>	31 December <u>2013</u> After restatement	1 January <u>2013</u> After restatement
Current assets:			
Cash at bank and on hand	4,548,277,314	4,377,311,176	2,870,764,537
Bills receivable	-	1,800,000	-
Accounts receivable	2,580,733,823	3,266,445,752	3,059,549,427
Prepayments	1,529,371,276	1,497,883,626	1,109,012,578
Interests receivable	5,471,097	5,788,038	1,818,495
Other receivables	214,346,505	327,650,307	710,718,239
Inventories	1,623,199,010	1,603,646,410	1,839,022,991
Other current assets	704,977,094	1,057,135,500	1,571,152,356
Total current assets	11,206,376,119	12,137,660,809	11,162,038,623
Non-current assets:			
Available-for-sale financial assets	997,082,335	804,375,445	777,188,252
Long-term receivables	121,334,809	114,478,124	360,202,625
Long-term equity investments	6,604,709,646	6,519,512,837	5,516,629,473
Investment properties	10,203,433	10,839,031	11,474,629
Fixed assets	39,164,300,297	41,524,036,240	38,449,069,665
Construction in progress	6,349,045,387	3,883,361,454	7,300,925,262
Construction materials	6,791,093	2,229,432	303,125,786
Disposal of fixed assets	1,493,296	2,588,660	1,462,082
Intangible assets	1,487,859,824	1,201,873,048	1,193,080,413
Goodwill	2,449,886	2,449,886	-
Long-term deferred expenses	31,000,707	324,905	-
Deferred tax assets	60,234,315	47,041,613	76,814,134
Other non-current assets	3,041,944,705	1,667,947,551	556,648,526
Total non-current assets	57,878,449,733	55,781,058,226	54,546,620,847
Total assets	69,084,825,852	67,918,719,035	65,708,659,470

<u>Liabilities and shareholders' equity</u>	31 December <u>2014</u>	31 December <u>2013</u> After restatement	1 January <u>2013</u> After restatement
Current liabilities:			
Short-term loans	5,721,000,000	9,361,000,000	13,573,100,000
Bills payable	321,711,616	1,523,123,018	1,308,493,869
Accounts payable	1,913,294,877	2,743,864,659	3,233,698,785
Advances	179,708	1,084,177	1,142,996
Employee benefits payable	105,824,243	103,287,104	114,191,219
Taxes payable	462,231,344	797,347,744	550,331,980
Interests payable	214,956,543	188,370,219	143,696,116
Dividends payable	7,918,730	12,558,757	12,488,428
Other payables	2,577,102,293	3,430,874,713	3,456,801,202
Non-current liabilities due within one year	4,483,962,344	2,090,742,188	1,850,200,316
Provision	14,000,000	-	-
Other current liabilities	808,630,228	1,348,750,493	-
Total current liabilities	16,630,811,926	21,601,003,072	24,244,144,911
Non-current liabilities:			
Long-term loans	20,614,916,646	15,272,003,561	14,786,327,736
Debentures payable	1,195,076,905	3,190,970,481	1,994,144,734
Long-term payables	2,649,435,371	2,088,355,894	2,515,664,982
Long-term employee benefits payable	53,839,983	58,954,530	72,329,100
Special payables	16,192,269	10,779,740	16,904,604
Deferred tax liabilities	42,136,023	12,303,165	2,057,101
Deferred income	98,197,020	91,677,740	102,329,774
Total non-current liabilities	24,669,794,217	20,725,045,111	19,489,758,031
Total liabilities	41,300,606,143	42,326,048,183	43,733,902,942

<u>Liabilities and shareholders' equity (continued)</u>	31 December <u>2014</u>	31 December <u>2013</u> After restatement	1 January <u>2013</u> After restatement
<u>Shareholders' equity:</u>			
Share capital	4,375,236,655	4,375,236,655	4,375,236,655
Capital reserve	4,998,433,067	4,987,698,211	4,992,322,107
Other comprehensive income	172,496,403	57,020,515	32,966,949
Surplus reserve	4,810,903,365	4,203,571,276	3,955,568,618
Retained earnings	6,952,985,107	5,431,387,393	2,899,227,999
Total equity attributable to shareholders of the Company	21,310,054,597	19,054,914,050	16,255,322,328
Non-controlling interests	6,474,165,112	6,537,756,802	5,719,434,200
Total shareholders' equity	27,784,219,709	25,592,670,852	21,974,756,528
Total liabilities and shareholders' equity	69,084,825,852	67,918,719,035	65,708,659,470

XVII. Extraordinary gain and loss in 2014

<u>Item</u>	<u>Amount</u>
(1) Net loss on disposal of non-current assets	57,685,202
(2) Government grants recognised in profit or loss for the current period (except for government grants closely related to business and subject to a fixed value or amount based on national standard	(20,895,756)
(3) Income from entrusted loans to third parties	(563,812)
(4) Impairment of assets arising from uncontrollable factors, such as natural disasters	101,877,473
(5) Reversal of provision for bad and doubtful debts assessed on an individual basis	(1,623,216)
(6) Income from disposal of available-for-sale financial assets	(808,317)
(7) Other non-operating income and expenses	40,486,215
(8) Effect of income tax	(16,945,739)
(9) Effect of non-controlling interests (after tax)	(49,516,991)
Total	109,695,059

Note: Extraordinary gain and loss items listed above are presented in the amount before taxation.

XVIII. Return on net assets and earnings per share

The Group calculated its return on net assets and its earnings per share in accordance with *the Regulations on Information Disclosure of Securities Issuers No.9 – Calculation and Disclosure of Return on Equity and Earning per Share (2010 Revision)* issued by CSRC and the relevant CAS regulations. Details are as follows:

<u>Profit for</u> <u>Basic earning</u> <u>reporting period</u>	<u>Diluted earning</u> <u>return on net assets (%)</u>	<u>Weighted</u> <u>per share</u>	<u>average</u> <u>per share</u>
Net profit attributable to ordinary shareholders of the Company	14.94%	0.69	0.69
Net profit attributable to ordinary shareholders of the Company (deducted extraordinary gain and loss)	15.48%	0.71	0.71

Supplementary information: Difference in accounting figures under different accounting standards
(Expressed in Renminbi Yuan)

Difference in net profit and net asset included in consolidated financial statement prepared under the International Financial Reporting Standards (IFRSs) and the China Accounting Standards (CASs):

	Net profit		Net asset	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Under the CASs	3,003,977,134	3,086,428,618	21,310,054,601	19,054,914,050
Items and amounts adjusted against IFRSs:				
a. amortisation on land use rights	-	(972,000)	-	-
b. difference on recognition of goodwill on business combination under common control	-	-	64,623,000	64,623,000
c. difference on recognition of land use value on business combination under common control	(630,000)	(630,000)	20,120,000	20,750,000
d. Impact on non-controlling interests	54,120	137,619	4,593,739	4,539,619
Under the IFRSs	<u>3,003,401,254</u>	<u>3,084,964,237</u>	<u>21,399,391,340</u>	<u>19,144,826,669</u>

(1) Amortisation of land use right

Different periods used for amortisation of land use right may lead to accounting differences.

(2) Difference on recognition of goodwill on business combination under common control and difference on recognition of land use value on business combination

Under the requirement of new CASs, goodwill arising from business combination under common control should not be recognised and capital reserve should be adjusted accordingly, whereas under the requirement of IFRSs, goodwill arising from business combination under common control should be recognised and it represents the excess on acquisition costs over the share of identifiable fair value of net asset from the acquiree on business combination. All assets obtained from the acquiree on business combination should be measured on their fair values. The measurement of the two standards will continue to show a difference.

(3) Impact on non-controlling interests

The amortisation of the above land use rights has taken place in the Company and some of its not-wholly owned subsidiaries and therefore has an impact on non-controlling interests.

XII. Documents available for inspection

1. Accounting statements carried with personal signatures and seals of legal representative, Chief Financial officer and Financial Principal.
2. Original of Auditors' Report carried with the seal of Certified Public Accountants as well as personal signatures of certified Public accountants.
3. All original copies of official documents and notices, which were disclosed in Securities Times, China Securities and Hong Kong Commercial Daily (Both English and Chinese version);
4. Chinese version of the annual report.

The documents mentioned above are kept in office, and are ready for reference at any time (except public holidays, Saturday and Sunday).

The Board of Directors of Guangdong Electric Power Development Co., Ltd

Chairman of the board of directors: Pan Li

April 18, 2015.