

Stock Code: 000539、200539
Bond Code:112162.SZ

Stock Abbreviation: Yue Dian Li A、Yue Dian Li B
Bond short name: 12 Yudean Bond



Guangdong Electric Power Development Co., Ltd.

2015 Annual Report

April 2016

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.

Mr. Li Zhuoxian, The Company leader, Mr. 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.

All the directors attended the board meeting for reviewing the Annual Report except the follows:

The name of director who did not attend the meeting in person	Positions	Reason	The name of director who was authorized
Zhong Weimin	director	due to business	Hong Rongkun
Yang Xinli	director	due to business	Yao Jiheng
Zhang Xueqiu	director	due to business	Liu Tao

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.

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(4) of Chapter 4 of this annual report-situation faced and countermeasures for relevant information.

The preplan profit distribution of the Company deliberated and approved by the Board is: Total share of of 5,250,283,986 for Base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 2.3 for every 10 shares (with tax inclusive), with 0 bonus shares (including tax), and not converting capital reserve into share capital.

IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL.

Table of Contents

- I. Important Notice, Table of contents and Definitions
- II. Basic Information of the Company and Financial index
- III. Outline of Company Business
- IV. Management's Discussion and Analysis
- 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. Financial Report
- XI. 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 Gas Thermal Power Co., Ltd.
Dapu Company	Refers to	Guangdong Dapu Power Generation Co., Ltd.
Wind Power Company	Refers to	Guangdong Wind Power Co., Ltd.
Lincang Company	Refers to	Lincang Yudean Energy Co., Ltd.
Qujie Wind Power Company	Refers to	Guangdong Yudean Qujie Wind Power Generation Co., Ltd.
Electric Power Sales Company	Refers to	Guangdong Yudean Electric Power Sales Co., Ltd.
Weixin Yuntou	Refers to	Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.
Binlangjiang Company	Refers to	Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.

II. Basic Information of the Company and Financial index

I .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	Li Zhuoxian		
Registered address	23-26/F, South Tower, Yudean Plaza, No.2 Tianhe Road East, Guangzhou,Guangdong Province		
Postal code of the Registered Address	510630		
Office Address	23-26/F, South Tower, 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		

II .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

III. 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

IV.Changes in Registration

Organization Code	61741949-3
Changes in principal business activities since listing (if any)	No change
Changes is the controlling shareholder in the past (is any)	No change

V. Other Relevant Information

CPAs engaged

Name of the CPAs	KPMG Huazhen(SGP)
Office address	8/F, Bimawei tower, Orientl Plaza 1 East Chang An Avenue Beijing
Names of the Certified Public Accountants as the signatories	Peng Jing, Chen Lijia

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

VI.Summary of Accounting data and Financial index

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

	2015	2014	Changed over last year (%)	2013
Operating Gross income (RMB)	25,723,810,816.00	29,046,568,685.00	-11.44%	30,830,757,337.00
Net profit attributable to the shareholders of the listed company (RMB)	3,237,733,312.00	3,003,977,134.00	7.78%	3,086,428,618.00

Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	2,953,985,089.00	3,113,672,193.00	-5.13%	3,199,745,325.00
Cash flow generated by business operation, net (RMB)	10,442,437,145.00	8,392,794,644.00	24.42%	9,709,896,440.00
Basic earning per share(RMB/Share)	0.62	0.57	8.77%	0.59
Diluted gains per share(RMB/Share)(RMB/Share)	0.62	0.57	8.77%	0.59
Net asset earning ratio (%)	14.42%	14.94%	-0.52%	17.49%
	End of 2015	End of 2014	Changed over last year (%)	End of 2013
Gross assets (RMB)	71,919,934,143.00	69,084,825,852.00	4.10%	67,918,719,035.00
Net assets attributable to shareholders of the listed company (RMB)	23,754,596,981.00	21,310,054,597.00	11.47%	19,054,914,050.00

VII. 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

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	3,237,733,312.00	3,003,977,134.00	23,754,596,981.00	21,310,054,597.00
Items and amount adjusted according to IAS				
The difference arising from recognition of goodwill after merger of enterprises under the same control	0	0	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	19,490,000.00	20,120,000.00
Influence on minority interests	54,120.00	54,120.00	4,647,859.00	4,593,739.00

According to IAS	3,237,157,432.00	3,003,401,254.00	23,843,357,840.00	21,399,391,340.00
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2. Differences of net profit and net assets disclosed in financial reports prepared under overseas and Chinese accounting standards.

Applicable Not applicable

The Company had no difference of the net profit or net assets disclosed in financial report, under either foreign accounting rules or Chinese GAAP(Generally Accepted Accounting Principles) in the period.

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

Applicable Not applicable

(1).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.

(2). Influence on minority interests

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

VIII.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	6,068,031,708.00	6,843,521,524.00	6,776,239,369.00	6,036,018,215.00
Net profit attributable to the shareholders of the listed company	758,001,796.00	962,993,219.00	919,135,346.00	597,602,951.00
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	627,568,982.00	888,807,540.00	908,409,117.00	529,199,450.00
Net Cash flow generated by business operation	2,652,328,931.00	3,049,851,503.00	2,887,723,950.00	1,852,532,761.00

Whether significant variances exist between the above financial index or the index with its sum and the financial index of the quarterly report as well as semi-annual report index disclosed by the Company.

Yes No

IX. Items and amount of non-current gains and losses

√Applicable □Not applicable

In RMB

Items	Amount (2015)	Amount (2014)	Amount (2013)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	238,178,694.00	-57,685,202.00	-27,133,645.00	Mainly for oil shale Company and Binliangjiang Company equity disposal profits
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	16,112,458.00	20,895,756.00	17,577,691.00	
Gains and losses from exchange of non-monetary assets	21,977,012.00			
Asset impairment provisions due to acts of God such as natural disasters		-101,877,473.00		
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.	20,790.00	1,623,216.00	4,737,368.00	
Gain/loss on loans obtained by entrusting others		563,812.00	12,854,063.00	
Other non-business income and expenditures other than the above	29,997,321.00	-40,486,215.00	6,576,176.00	
Provision for impairment of other current assets impairment made due to liquidation			-201,115,258.00	
Less: Amount of influence of income tax	17,651,335.00	-16,945,739.00	7,329,176.00	
Influenced amount of minor shareholders' equity (after tax)	4,886,717.00	-49,516,991.00	-80,516,074.00	
Total	283,748,223.00	-109,695,059.00	-113,316,707.00	--

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.

III. Outline of Company Business

I .Main Business the Company is Engaged in During the Report Period

We are mainly occupied in investment, construction and management of electric power projects. We have been upholding “electricity-oriented, pluralistic development”, with power as the mainstay and diversified structure of power source. With the exception of development, construction and operation of large-scale coal-burning power-generating plants, we also set our feet on clean energy projects like LNG power generation, wind power generation and hydroelectric generation, which are reliably transmitted to innumerable users through power-grid companies. On or before the reporting period, the controllable installed capacity is 19.69 million KW, where the controllable installed capacity of coal-burning power generation, LNG generation and renewable energy generation like wind power and hydropower is 17.09 million KW, 2.34 million KW and 260000 KW respectively.

Income source is primarily contributed by power production and sales, and main business income is derived from Guangdong Province. The on-grid price is checked and ratified by the department in charge of price with the National Development and Reform Commission as dominant, which follows the relevant policies. In the reporting period, the electricity sold is 60.341 billion KWH, 4.525 billion KWH YoY drop; average price stated in the consolidated statements is 492.21 Yuan/ 1000 KWH (tax inclusive, the same below), YoY drop of 25.38 Yuan/1000 KWH.

Coal-burning power generation is our focus. As fuel costs hold a great proportion in operating costs, fluctuations in coal price mean a lot to the business performance. In the reporting period, the power fuel cost is 11319.0138 million Yuan, accounting for 63% of main business, 2783.7654 million Yuan YoY drop, 19.80% decline. Benefiting from the fuel cost fall, the net profits pertaining to the parent company are 3237.7333 million, 7.78% YoY growth.

The descending pace of economic growth made the Guangdong market demand for electricity in the reporting period keeping falling. Guangxi Power Grid had supplied additional power beyond the original plan to Guangdong province. The intra-provincial new-built nuclear and coal-based plants had gone into operation in succession, where nuclear power was increased by 12% year on year, the hours and market shares intra-provincial coal-burning units utilized and contributed declined considerably. The year-round generating capacity held 12.7% market shares of power generation and purchase across the province, 0.08% YoY drop; average hours coal-burning units utilized were 4068, 457h YoY drop. Power generation calculated by held 19.19% of total power in the province, slightly lower than the installed capacity.

II .Major Changes in Main Assets

1.Major Changes in Main Assets

Main assets	Major changes
Equity assets	No major changes
Fixed assets	No major changes
Intangible assets	No major changes
Construction in process	No major changes

2. Main Conditions of Overseas Assets

Applicable Not applicable

III. Analysis On core Competitiveness

1. Regional power-generating company with installed capacity expanded in a stage-based and leap-frog way

The power-generating assets are mainly distributed in Guangdong. Major assets reorganization realized since 2012 has given great impetus to power-generating installed capacity. The controllable installed capacity has been expanded to 19.69 million KW of year-end 2015 from 8.08 million KW of year-end 2011, power generation to 64.042 billion KWH in 2015 from 35.305 billion KWH in 2011.

2. Yudean Group has oriented our company as a sole listed platform for domestic power-generating assets integration

We are the shareholder of Yudean Group, one of the biggest power-generating groups in south China, which takes advantage of its source, assets scale, to give sustaining support to our company's advancement and expansion. It has oriented us as a sole listed platform for domestic power-generating assets integration. We are endowed with a priority offered by it in power source development, asset acquisition. It has undertaken that in five years of the last major asset reorganization, it will inject its asset complying with listed conditions through acquisition, restructuring and other ways. Based on this, our installed capacity is going to embrace another leap-frog growth.

3. State-of-the-art unit performance built on implementation of the energy-saving dispatching policy

By the end of the reporting period, the units in our hands include 4 sets of 1 million kilowatt unit, 12 sets of 600000 KW unit. The 300000 and above kilowatt units hold 95% of thermal power installed capacity. The Guangqian Power and Huizhou Natural Gas Plant controlled by us are natural gas units, 3×390MW and 3×390MW respectively. Natural gas units take precedence over the thermal power generation units of the same kind in energy-saving dispatching

By virtue of high parameters, large capacity, nice efficiency, low coal consumption, reliable operation and environmental protection, our thermal power generating unit units are given priority in energy-saving dispatching. As a result, our units are more competitive in on-grid price.

4. Stepwise optimization of industrial structure and power source structure

We are making great endeavors to develop large-capacity and environmental-friendly thermal power projects on one hand, and bringing forward a strategy of readjusting industrial structure and power source structure on the other hand, which are gradually optimized accompanied by acquisition of and progress in clean energy projects.

With respect to wind power, we have taken over or built Yangqian wind power plant, Warrior wind power plant, Shibe Mountain wind power plant, Haiwanshi wind power plant, and other plants. By the end of the reporting period, total 212200 KW of wind power projects has been put into production with 250000 KW of wind power projects under verification and construction.

In the field of hydropower, we purchased Lincang Company in 2015, thus putting an end to scarce hydropower holding.

5. Experienced management, sophisticated production technology

Administrators and technical experts are veterans in operation and management of power plants, and key staff have years of practical experience in the power sector. We have invested enormous efforts to the standard of management, intensifying management and paying high priority to launch energy-conserving and consumption-reducing programs. Finally, coal consumption on thermal power units is declining year by year in return for these efforts.

6. Hold fast to the opportunity of “electric price reform”, exploit new realms of business

In July, 2015, we established a wholly-funded electric marketing company, aiming at competing with

electricity marketing, sharing dividend from “electric price reform”, and cultivating a new point of profits increment. The electric marketing company is being in nice state. It is now engaging in swiftly accumulating clients and broadening electric market.

IV. Management’s Discussion and Analysis

I. General

In 2015, the descending pace of economic growth made the Guangdong market demand for electricity keeping falling. Guangxi Power Grid had supplied additional power beyond the original plan to Guangdong province. Guangdong Power Grid Corporation’s year-round purchase of Guangxi Power Grid was 168.21 billion KWH, 6.8% YoY growth, and had supplied additional power 12.8 billion KWH beyond the original plan. The power supplied by Guangxi Power Grid accounted for 33.4% of the total purchased power dispatched from other places. The intra-provincial new-built nuclear and coal-based plants had gone into operation in succession, where nuclear power was increased by 12% year on year, the hours and market shares intra-provincial coal-burning units utilized and contributed declined considerably.

In the reporting period, our total generation reached 64.091 billion KWH, declining 6.98% year on year; on-grid energy is 60.341 billion KWH, which accomplished 89.5% of annual plan, declining 6.98% year on year. Converted with interest percentage (including participated power plants), our interest generation was 52.22 billion KWH and interest on-grid energy is 49.324 billion KWH, declining 7.63% and 7.65% year on year respectively. Our annual generation took up 12.7% of provincial electricity market, 0.08% YoY drop.

In the reporting period, despite the falling price of coal, generation income experienced significant decline under the impact of decreasing “electricity consumption” and “electricity price”. Our annual operating income was 25.724 billion Yuan, 11.44% YoY drop. However, benefited from cost control and investment optimization, the annual operating profit reached 5.713 billion Yuan, increasing 1.28% YoY growth, among which, 3.238 billion Yuan belongs to parent company shareholders, increasing 7.78% year on year. Our business performance reached a new peak.

In the reporting period, we adhered to the principal industry and proactively promoted power source construction. Shaoguan Power Plant “developing big units and suppressing small units” project and #1 Unit of Taipo Power Plant “developing big units and suppressing small units” project, invested by company holdings, had started commercial operation and capacity-increasing improvement of Lincang Hydropower Nanrongtian and Gualanzi River power stations were accomplished. These two projects were estimated to increase controllable installed capacity by 1.804 million KW. We kept in steps with favorable policy of clean energy, high-capacity, high parameter, low-energy coal power, continued optimizing structure of power source and promoted Huadu natural gas-thermoelectricity cogeneration, Zhaoqing natural gas-thermoelectricity cogeneration, Bohe coal power and preparation of Guangzhou Wind Power Co., Ltd wind power project.

Facing power reform and competition marketization, we had put great efforts in market-oriented production and marketing strategy, set up Guangdong Yudean Power Marketing Co., Ltd with wholly ownership, seized every market opportunity in power reform and sought for new growth points.

II. Main business analysis

1. General

Refer to relevant contents of “1. Summarization” in “Discussion and Analysis of Management”.

2. Revenue and cost

(1) Component of Business Income

In RMB

	2015		2014		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	25,723,810,816.00	100%	29,046,568,685.00	100%	-11.44%
Industry					
Electric power , Steam sales and labor income	25,527,421,644.00	99.24%	28,834,080,676.00	99.27%	-11.47%
Other	196,389,172.00	0.76%	212,488,009.00	0.73%	-7.58%
Products					
Sales Electric Power	25,385,066,625.00	98.68%	28,695,501,698.00	98.79%	-11.54%
Steam income	70,338,411.00	0.27%	80,952,215.00	0.28%	-13.11%
Labor income	72,016,608.00	0.28%	57,626,763.00	0.20%	24.97%
Certified emission reduction sales revenue	2,805,445.00	0.01%	793,938.00	0.00%	253.36%
Lease revenue	11,071,005.00	0.04%	9,322,216.00	0.03%	18.76%
Comprehensive utilization of fly ash	171,093,179.00	0.67%	190,465,183.00	0.66%	-10.17%
Other	11,419,543.00	0.04%	11,906,672.00	0.04%	-4.09%
Area					
Guangdong	25,707,559,952.00	99.94%	29,046,568,685.00	100.00%	
Yunnan	16,250,864.00	0.06%			

(2) Situation of Industry, Product and District Occupying the Company's Business Income and Operating Profit with Profit over 10%

√ Applicable □ Not applicable

In RMB

	Turnover	Operation cost	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of 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 , Steam sales and labor income	25,527,421,644.00	18,004,382,092.00	29.47%	-11.47%	-13.76%	6.78%
Products						
Electric power , Steam sales and labor income	25,527,421,644.00	18,004,382,092.00	29.47%	-11.47%	-13.76%	6.78%
Area						
Guangdong	25,707,559,952.00	18,043,998,518.00	29.81%	-11.50%	-13.83%	6.82%

Under circumstances of adjustment in reporting period for statistic scope of main business data, adjusted main business based on latest on year's scope of period-end.

□ Applicable √ Not applicable

(3) Whether the Company's Physical Sales Income Exceeded Service Income

√ Yes □ No

Classification	Items	Unit	2015	2014	Changes
Electric Power	Sales volume	Billion kwh	60.341	64.866	-6.98%
	Production	Billion kwh	64.091	68.903	-6.98%

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

□ Applicable √ Not applicable

(4) Degree of Performance of the Significant Sales Contract Signed up to this Report Period

√ Applicable □ Not applicable

In the reporting period, China Southern Power Grid was our No.1 client, taking up approximately 98.62% of annual sales. Company and company's holding subsidiaries had signed a *Power Purchase Agreement* with China Southern Power Grid and its holding subsidiaries in accordance to related provisions. By the end of the reporting period, the agreement had been executed rightfully.

(5) Component of business cost

Industry and product classification

In RMB

Industry	Items	2015		2014		Increase/Decrease
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Electric Power	Fuel cost	11,319,013,762.96	62.70%	14,103,229,832.32	67.35%	-19.74%
Electric Power	Depreciation expense	3,620,711,809.67	20.06%	3,571,001,199.48	17.05%	1.39%
Electric Power	Labor cost	1,402,718,793.65	7.77%	1,399,872,849.93	6.69%	0.20%
Electric Power	Other	1,711,256,290.59	9.48%	1,865,996,332.10	8.91%	-8.29%

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 63% of total cost.

(6) Whether Changes Occurred in Consolidation Scope in the Report Period

√ Yes □ No

1. Non-unitary controlled enterprise merger

Lincang Company was founded in Licang city, on March 4, 2005, with its headquarter located in Lincang city, Yunnan province. Its main business was investment, development, construction and operation of electric projects. Its parent company before merger was Yunnan Power Investment Co., Ltd, being in the hands of Yunnan Provincial Energy Investment Group Co., Ltd and Yunnan provincial People's Government - Owned Assets Supervision and Administration Commission. On January 5, 2015, we exchanged 14.34% stock right of Weixin Yuntou Yudean Zhaxi Energy Co., Ltd., with 51.00% of Lincang Company held by the third party. After this exchange, the share proportion of Lincang Company was increased to 100% from original 49%, making absolute control on Lincang Company come true.

2. New Subsidiary Establishment of the Year

Name	Business place	Registered address	Nature	Registered capital	Proportion (%)	Acquired
Guangdong Yudean Electric Power Sales Co., Ltd.	Guangzhou	Guangzhou	Electric Power	500,000,000	100.00%	Invested
Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	Zhanjiang	Zhanjiang	Electric Power	200,000,000	100.00%	Invested
Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd.	Yangjiang	Yangjiang	Electric Power	55,000,000	100.00%	Invested

(7) Relevant Situation of Significant Changes or Adjustment of the Business, Product or Service in the Company's Report Period

Applicable Not applicable

(8) Situation of Main Customers and Main Supplier

Information of the Company's top 5 customers

Total sales amount to top 5 customers (RMB)	25,636,091,300.00
Proportion of sales to top 5 customers in the annual sales(%)	99.65%

Information of the Company's top 5 customers

No	Name	Amount(RMB)	Proportion%
1	GPGC	25,385,066,625.00	98.68%
2	Guangdong Yudean Environmental Protection Co., Ltd.	133,516,839.00	0.52%
3	Huizhou Huiling Huacheng Co., Ltd.	58,435,893.00	0.23%
4	Guangdong Yudean Group, Shajiao C Power Plant	47,051,762.00	0.18%
5	Meizhou Jiayuan Investment Development Co., Ltd.	12,020,181.00	0.04%
Total	--	25,636,091,300.00	99.65%

Other explanation :

Applicable Not applicable

The Company with Guangdong Yudean Environmental Protection Co., Ltd., and Guangdong Yudean Group Co., Ltd Shajiao C Power Plant is controlled by Yudean Group, where relationship exists.

Principal suppliers

Total purchase of top 5 Suppliers (RMB)	11,059,708,768.62
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	65.75%

Information about the top 5 suppliers

No	Name	Amount (RMB)	Proportion
1	Guandong Electric power Industry Fuel Co., Ltd.	8,288,420,119.10	49.27%
2	Guangdong Dapeng ING Co., Ltd	1,574,482,213.24	9.36%
3	Guangdong Zhutou Electric Power Industry Fuel Co., Ltd.	569,452,104.60	3.39%
4	Energy China GPEC	516,047,168.89	3.07%
5	MITSUBISHI heavy industries East gas	111,307,162.79	0.66%

	turbine (Guangzhou) Co., Ltd.		
Total	--	11,059,708,768.62	65.75%

Other explanation :

Applicable Not applicable

Guangdong Electricity Power Industrial Fuel Co., Ltd is the joint venture of the Company and Yudean Group Co., Ltd., where relationship exists.

3. Expenses

In RMB

	2015	2014	Increase/Decrease(%)	Notes
Sale expenses	1,839,453.00	4,540,907.00	-59.49%	Declining in sales volume, strengthen the control in selling expense simultaneously.
Administration expenses	921,738,681.00	902,594,273.00	2.12%	
Financial expenses	1,581,536,918.00	1,805,142,563.00	-12.39%	

4. R& D Expenses

Applicable Not applicable

5. Cash Flow

In RMB

Items	2015	2014	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	30,671,666,575.00	34,838,452,205.00	-11.96%
Subtotal of cash outflow received from operation activities	20,229,229,430.00	26,445,657,561.00	-23.51%
Net cash flow arising from operating activities	10,442,437,145.00	8,392,794,644.00	24.42%
Subtotal of cash inflow received from investing activities	1,117,139,770.00	700,048,533.00	59.58%
Subtotal of cash outflow for investment activities	5,456,331,056.00	6,794,508,482.00	-19.69%
Net cash flow arising from investment activities	-4,339,191,286.00	-6,094,459,949.00	-28.80%
Subtotal cash inflow received from financing activities	23,365,281,996.00	24,773,933,487.00	-5.69%
Subtotal cash outflow for financing activities	28,769,398,444.00	26,921,302,044.00	6.86%
Net cash flow arising from financing activities	-5,404,116,448.00	-2,147,368,557.00	151.66%
Net increase in cash and cash equivalents	699,129,411.00	150,966,138.00	363.10%

Notes to the year-on-year change of the relevant data

Applicable Not applicable

(1) Cash in-flow from operation activity Increased by 24%, Mainly for the increase in cash flow of electricity generation profit in the report period.

(2) cash out-flow from investment activity decreased by 29%, Mainly for the decrease in the cash paid for the acquisition and construction for long-term asset and the increase in withdrawn investment cash

(3) The net cash out-flow from financing activities increased by 152%, Mainly for the increase in cash paid for debt repayment in the report period

(4) Net increase in cash and cash equivalents increased by 363%, Mainly for the increase in cash flow of the operating activities and investment activities in the report period.

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. Analysis of Non-core Business

□Applicable √Not applicable

IV. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

In RMB

	End of 2015		End of 2014		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	5,237,406,725.00	7.28%	4,548,277,314.00	6.58%	0.70%	
Accounts receivable	2,484,683,890.00	3.45%	2,580,733,823.00	3.74%	-0.29%	
Inventories	1,333,654,623.00	1.85%	1,623,199,010.00	2.35%	-0.50%	
Investment real estate	9,567,835.00	0.01%	10,203,433.00	0.01%	0.00%	
Long-term equity investment	5,924,410,159.00	8.24%	6,604,709,646.00	9.56%	-1.32%	
Fixed assets	44,330,167,621.00	61.64%	39,164,300,297.00	56.69%	4.95%	
Construction in process	5,613,398,840.00	7.81%	6,349,045,387.00	9.19%	-1.38%	
Short-term loans	6,288,060,000.00	8.74%	5,721,000,000.00	8.28%	0.46%	
Long-term loans	21,303,229,910.00	29.62%	20,614,916,646.00	29.84%	-0.22%	

2. Asset and Liabilities Measured by Fair Value

√Applicable □Not applicable

In RMB

Item	Amount at year	Gain/loss on fair value	Cumulative fair value change	Impairment provisions in	Purchased amount in the	Sold amount in the reporting	Amount at

	beginning	change in the reporting period	recorded into equity	the reporting period	reporting period	period	year end
Financial assets							
3. Available-for-sale financial assets	452,482,335.00	97,268,153.00	298,021,872.00	0.00	0.00	0.00	553,350,488.00
Subtotal of financial assets	452,482,335.00	97,268,153.00	298,021,872.00	0.00	0.00	0.00	553,350,488.00
Total	452,482,335.00	97,268,153.00	298,021,872.00	0.00	0.00	0.00	553,350,488.00
Financial Liability	0.00						0.00

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

Yes No

V. Investment situation

1. General

Applicable Not applicable

Investment Amount in 2015(RMB)	Investment Amount in 2014(RMB)	Change rate
1,761,257,008.00	1,427,045,100.00	23.42%

2. Condition of Acquiring Significant Share Right Investment during the Report Period

√Applicable □Not applicable

In RMB

Name	Main business	Way of invest	Invest amount	Ratio of shareholding	Source of funds	Partner	Term of investment	Type of product	Progress up to the balance sheet date	Expected return	Current investment profit and loss	Whether litigation	Date of disclosure(If any)	Index of disclosure (If any)
Guangdong Yudean Electric Power Sales Co., Ltd.	Electric power sale	New established	230,000,000.00	100.00%	Ownfunds	No	Long-term	Electric power	Established, Businesses are developed gradually.	--	-295,455.38	No	July 21,2015	Name of Announcement : <i>Announcement of Establishment of Guangdong Yudean Electric Power Sales Co., Ltd.</i> (2015-38) , Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn .
Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	Windpower generation	Establishment	140,000,000.00	100.00%	Ownfunds	No	Long-term	Electric power	Established, Preliminary work of the project is being orderly promoted	--	275,757.81	No	October30,2014	Name of Announcement : <i>Announcement of Establishing Guangdong Yudean Qujie Wind Power Generation Co., Ltd.</i> (2014-36) , Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn .
Guangdong Yudean Yangjiang Offshore Wind Power	Windpower generation	Establishment	55,000,000.00	100.00%	Ownfunds	No	Long-term	Electric power	Established, Preliminary work of the project is being orderly	--	-2,189.91	No	April 29,2015	Name of Announcement : <i>Announcement of Establishing Guangdong</i>

						Structure Construction Investment Co., Ltd.								
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	Thermal power	Capital increase	563,004,000.00	90.00%	Ownfunds	Shaoguan Yuejiang Public Asset Management Center	Long-term	Electric power	Unit #1 and Unit #2 were put into official production in July and September 2015 respectively.	--	0.00	No	August 26, 2014	Name of Announcement: <i>Announcement on External Investment</i> (2014-30), Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Yudean Dapu Power Generation Co., Ltd.	Thermal power	Capital increase	300,000,000.00	100.00%	Ownfunds	No	Long-term	Electric power	Unit #1 was put into official production in December 2015	--	0.00	No	October 31, 2012	Name of Announcement: <i>Announcement on External Investment</i> (2012-45), Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Yudean Bohe Coal-fired Power Co., Ltd.	Thermal power, logistics	Capital increase	300,000,000.00	100.00%	Ownfunds	No	Long-term	Electric power	The general rate of progress of coal terminals project has been completed to 64%.	--	0.00	No	October 31, 2012	Name of Announcement: <i>Announcement on External Investment</i> (2012-45), Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Lincang Yudean Energy Co., Ltd.	Hydropower	Equity replacement	427,689,439.00	100.00%	Ownfunds	No	Long-term	Electric power	Share right replacement has been completed.	--	1,181,703.97	No	December 17, 2014	Name of Announcement: <i>Announcement of Resolutions of the 4th Meeting of the Eighth Board of Director</i>

															(2014-41), <i>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.</i> (2014-42), Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Total	--	--	2,188,946,447.00	--	--	--	--	--	--	--	2,911,913.64	--	--	--	--

3. Situation of the Significant Non-equity Investment Undergoing in the Report Period

Applicable Not applicable

Notes: Refer to “Note 14 Construction in Progress of Chapter X Financial Report” of this report for more information

4. Investment of Financial Asset

(1) Securities investment

Applicable Not applicable

In RMB

Security category	Security code	Stock Abbreviation:	Initial investment cost	Mode of accounting measurement	Book value balance at the beginning of the reporting period	Changes in fair value of the this period	Cumulative fair value changes in equity	Purchase amount in the this period	Sale amount in the this period	Gain/loss of the reporting period	Book value balance at the end of the reporting period	Accounting items	Source of the shares
Domestic and foreign stocks	600642	Shenergy	235,837,988.00	Fair value measurement	358,738,335.00	60,530,153.00	183,430,500.00	0.00	0.00		419,268,488.00	Financial assets available for sales	Own-Funds
Domestic and foreign stocks	000027	Shenzhen Energy	15,890,628.00	Fair value measurement	93,744,000.00	29,988,000.00	107,841,372.00	0.00	0.00		123,732,000.00	Financial assets available for sales	Own-Funds
Domestic and foreign stocks	831039	GMGIT C	3,600,000.00	Fair value measurement	0.00	6,750,000.00	6,750,000.00	0.00	0.00		10,350,000.00	Financial assets available for sales	Own-Funds
Total			255,328,616.00	--	452,482,335.00	97,268,153.00	298,021,872.00	0.00	0.00	0.00	553,350,488.00	--	--

Notes : On December 31, 2015, the Company held 1,800,000 shares of GMG International Tendering Co., Ltd. in total, which were listed in the share transfer system of national small and medium-sized enterprises, of which the investment cost was 3.6 million RMB. In the report period, the Company listed the project's reference market price with fair value.

(2) Investment in Derivatives

Applicable Not applicable

N/A.

5. Application of the raised capital

Applicable Not applicable

N/A.

VI. Significant Asset and Right Offering

1. Situation of Significant Asset Sale

Applicable Not applicable

N/A.

2. Situation of Substantial Stake Sale

√ Applicable □ Not applicable

Counter party	Sold equities	Sold date	Transaction price(RMB'0000)	Net profits contributed by the equities to the listed companies from the period-begin to the sold date (RMB'0000)	Influence of the selling of the Company	Proportion of the net profits of the contributed amount of the equities selling to the listed companies to the total amount of the net profits	Pricing principles of the equities selling	Whether was the related transaction	Relationship with the center party	Whether the involved equities all completed the ownership transfer	Whether execute as scheduled and if failed, should state the reasons and the adopted measurements of the company	Disclosure date	Disclosure Index
Yunnan Baoshan Electric Power Co., Ltd.	Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	September 17, 2015	26,131.58	-1,118	1. This share right transfer is beneficial to protect the Company's investment interests and eliminate the guarantee risks, and beneficial for the Company to focus on the operation development of controlling hydropower projects. 2. This share right transfer increases 66.8593 million RMB in the Company's current income.	1.44%	Pricing is negotiated with the base of audit and assessment	No	No	Yes	Yes	August 6, 2015	Name of Announcement: <i>Announcement of Resolutions of the 5th Meeting of the Eighth Board of Directors by Correspondence in 2015</i> (2015-43), <i>Announcement to transfer the owning 29% stock equity of Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.</i> (2015-44), Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Yunnan Electric Power Investment	Weixin Yuntou Yudean	January 5, 2015	24,325.25	0	1. The equity replacement will enhance the	1.54%	Pricing is negotiated with the base	No	No	Yes	Yes	December 17, 2014	Name of Announcement: <i>Announcement of Resolutions</i>

VII. Analysis of the Main Share Holding Companies and Share Participating Companies

√ Applicable □ Not applicable

Situation of Main Subsidiaries and the Joint-stock Company with over 10% net profit influencing to the Company

In RMB

Company Name	Company type	Sectors engaged in	Registered capital	Total assets	Net assets	Turnover	Operating profit	Net Profit
Guangdong Yudean Jinghai Power Generation Co., Ltd.	Subsidiary	Power generation and power station construction.	2,919,272,000	10,728,646,313.00	4,198,654,766.00	5,015,690,210.00	1,292,239,402.00	969,881,853.00
Guangdong Red Bay Power Generation Co., Ltd.	Subsidiary	Power generation and power station construction.	2,749,750,000	8,494,794,860.00	3,649,420,683.00	3,884,965,789.00	862,133,187.00	646,579,058.00
Guangdong Huizhou Pinghai Power Generation Co., Ltd.	Subsidiary	Power generation and power station construction.	1,370,000,000	6,711,190,523.00	2,019,949,688.00	3,239,311,243.00	1,064,187,031.00	815,803,324.00
Zhanjiang Electric Power Co., Ltd.	Subsidiary	Power generation and power station construction.	2,875,440,000	4,544,317,690.00	4,158,457,719.00	2,040,013,797.00	601,028,948.00	457,330,230.00
Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.	Sharing Company	Power generation and power station construction.	2,700,000,000	15,711,664,172.00	10,521,526,045.00	7,607,483,589.00	2,338,912,215.00	1,528,736,740.00

Acquirement and disposal of subsidiaries in the Reporting period

√ Applicable □ Not applicable

Company name	Way of acquiring and disposing of subsidiary corporations within the reporting period	Impact on the whole producing operation and performance
Lincang Yudean Energy Co., Ltd.	The company replaced the share of 14.34% of Weixin Yuntou Yudean Zhaxi Energy Co., Ltd. with the share of 51.00% of Lincang Company held by the Third Party within the reporting period. Upon completion of the replacement, the company achieved absolute control on Lincang Energy. The shareholding proportion of Lincang Energy was increased to 100.00% from original 49.00%.	The profit and loss of Lincang company, belonging to the parent company, was 1.18 million Yuan within the reporting period. There was no significant impact on the whole producing operation and performance.
Guangdong Yudean Electric Power Sales Co., Ltd.	It was invested and established by the company.	The profit and loss of Yudean Electric Power Sales Company, belonging to the parent company, was 300 thousand Yuan within the reporting period. There was no significant impact on the whole producing operation and performance.
Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	It was invested and established by the company.	Qujie wind power generation project was in the early working stage, and the construction had not yet started within the

		reporting period.
Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd.	It was invested and established by the company.	Yangjiang Offshore Wind Power Project was in the early working stage, and the construction had not yet started within the reporting period.

Overview of main share holding and share participating companies

(1) The impact of the power generation profit of holding subsidiaries of the company, including Jinghai, Pinghai, Red Bay, and Zhanjiang Company, on the net profit of the company reached over 10%, while the profit year-on-year was slid affected by the dropping of the electric quantity and the electricity price;

(2) We decreased investment on Taishan Company, one of our sharing subsidiaries due to its profits reduction from power generation and the impairment loss of the equipment provision disassembled for unit transformation.

(3) Other holding subsidiaries, having more contribution to the profit of the company include Guangqian Company, Yuejiang Company, Huizhou Natural Gas Company, Zhanjiang Zhongyue Company, Zhenneng Company, Yuejia Company, and Zhanjiang Wind Power Company. The net profits belonging to the parent company derived from these companies within the reporting period, were respectively 191.50 million Yuan, 162.14 million Yuan, 133.32 million Yuan, 105.22 million Yuan, 87.52 million Yuan, 25.89 million Yuan, 11.41 million Yuan.

VIII.Special purpose vehicle controlled by the Company

Applicable Not applicable

IX.Prospect for future development of the Company

1. The Development Trend of the Industry

The competition is continuously pluralistic in Chinese power generation industry, which mainly includes five power generation groups directly under the central government, other seven centrally administered power generation companies and fifteen local state-owned power generation enterprises at relatively larger-scale, and so on. Main power assets of the company gather in Guangdong Province. The independent power producers of the region include the company and Guangdong Province Yudean Group Co., Ltd., Shenzhen Energy Group Co., Ltd., China Guangdong Nuclear Group Co., Ltd., and Guangzhou Development Industry (Holdings) Co., Ltd., etc. In 2015, 640.91 billion KWH generated held 12.7% of Guangdong power generation and purchase market shares. The power generation proportion of the company is 19.19% upon the calculation of the power generation caliber of the province.

In China, the generator capacity still mainly relies on thermal power at present, while the hydropower, nuclear power and wind power account for small proportion, thus bringing forth unbalanced power source structure. The electric power supply tells scale of generator capacity still keeps rapid increasing, and the electricity supply and demand is generally loose. Affected by the policy that clean power source is given priority to surf the internet, thermal power is relatively inferior in the competition among power sources. The improvement of the clean power source in energy production and generating efficiency poses a certain pressure on thermal power supply.

(II) Development strategy

Pursuing the concept of “creating green energy intentionally”, we will positively arrange and distribute clean energies including wind power, hydropower, and gas power in the future and optimize power generation structure; actively promote the thermal power project to develop large units and suppress small ones, conduct upgrading and transforming, and promote power quality; strive to explore the power-sold side business, conform to the reformation of electric power system and open up new business areas and development space; finally realize the strategic positioning and objective that “the company is built to be the domestic first-class listed company on power generation with international competitiveness upon coordinated development of relative industries and taking power generation as the core, specialization as the resort, capital as the link, and maximization of the company value as the objective.”

(III) Production and operation plan

The base power is 43.896 billion KWH in the plan of 2016 issued jointly by the development and reform commission and the economic and information commission of Guangdong province. And the total on-grid power is 56.219 billion KWH, which includes the long time negotiated power of 8.162 billion KWH traded directly by big users and the bidding share of 4.161 billion KWH. The company's on-grid power budget target in 2016 is 62.777 billion KWH, and the expected investment is 892 million Yuan all for power project under construction or

(IV) The background and the countermeasures

In the new normal economic background, the slow growth of social electricity demand remains. Suffering the new installed generator and the west-east electricity transmission project, the company's generation market is diverted, with the utilization time of company's generator especially the coal unit continues to decrease. The cutting down of coal unit on-grid price by 0.023 Yuan/KWH again since 2016 January 1st suggests a continuous decline in generation profit. In addition, the electricity market-oriented reform goes deeper, the proportion of direct trading power goes higher, and the competition of power supply market goes intensely.

We aim at promoting the supply side structural reforms in the new normal economic environment, and focus on capacity removing, inventories reduction, de-leveraging, cost declining and leak filling in 2016 to meet the opportunities and challenges brought by the reform of state-owned enterprises and electric power system. Precisely, we will elaborate the management to complete the core target of this year, maintain sustainable development as compiled 13th five-year plan, reconstruct energy saving system reasonably to improve the environmental economy, engage in the new profit driving point by spreading power sales business steadily, blaze a new way of capital and funding operation to maximize their efficiency, and optimize the corporation management by seizing the opportunities of "two reforms".

X.Particulars about researches, visits and interviews received in this reporting period

1.Particulars about researches, visits and interviews received in this reporting period

√ Applicable □ Not applicable

Reception time	Way of reception	Types of visitors	Basic index
January 28,2015	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 30 January 2015.
May 4, 2015	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 8 May 2015.
May 5, 2015	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 8 May 2015.
May 6,2015	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 8 May 2015.
May 15,2015	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 25 May 2015.
December 29,2015	Onsite investigation	Organization	Details can be found in the Record Chart of the Investor Relation Activity disclosed on Juchao website(www.cninfo.com.cn) on 31

		December 2015.
Reception times		6
Reception agency amount		15
Reception personal number		0
Others		0
Whether to disclose, reveal or disclose non-public material information	No	

V. Important Events

I Specification of profit distribution of common shares and capitalizing of common reserves

Formulation, implementation and adjustment of profit distribution policy of common shares especially cash dividend policy during the reporting period

√Applicable Not applicable

During the reporting period, with the approval of the first time extraordinary shareholders' meeting in 2015, our company revised the constitution in the light of the Rules for the General Assemblies of Shareholders of Listed Companies (revised in 2014), Guidelines for Articles of Association of Chinese Listed Companies (revised in 2014), No. 3 Guidelines for Supervision of Association of Chinese Listed Companies: the Cash Dividends of Listed Companies Promulgated by CSRC(China Securities Regulatory Commission).

The profit distribution policy in the Articles of Association of the company is as follows:

Article 155

The company highly valued the investors especially the reasonable investment returns for the small and medium investors, and the company's dividend policy is:

1) The company's dividend shall be distributed according to the share proportion held by the shareholders.

(2) The company can use cash, stock, cash and stock combination or other means for the distribution of dividends that allowed by the laws, but shall give the priority to the cash dividends distribution for profits distribution. If it meets the conditions required for cash dividends distribution, then the company shall adopt the cash dividends for the profits distribution.

(3) If the net profits attributable to shareholders of the parent company realized by the company in the year are positive and the cumulative distributable profits in the end of the year are positive, the company shall distribute dividends.

(4) The profits annually distributed by the company in cash dividends shall be not less than 10% of distributable profits realized in the year, and the accumulative profits distributed in cash dividends in the most recent three years shall be not less than 30% of the mean distributable profits realized in the most recent three years. When the company carries out the profit distribution, the proportion of the cash dividends shall be not less than 20% in the profits distribution.

(5) The company can carry out the interim profit distribution.

Special explanation on cash dividend policy	
Satisfy regulations of General Meeting or requirement of Article of Association (Yes/No)	Yes
Well-defined and clearly dividend standards and proportion (Yes/No)	Yes
Completed relevant decision-making process and mechanism (Yes/No)	Yes
Independent directors perform duties completely and play a	Yes

proper role (Yes/No) Y	
Minority shareholders have ample opportunities and their legitimate rights and interests are effectively protected (Yes/No)	Yes
Condition and procedures are compliance and transparent while the cash bonus policy adjusted or changed (Yes/No)	Yes

Statement on profit distribution plan and capitalization of capital reserve plan of the Company in nearly three years (including the report period)

The company's dividend distribution plan of the year 2015 was: Based on that the total share capital of the company is 5,250,283,986 shares, for A-share, the company will distribute cash dividends of RMB 2.3 (tax inclusive per 10 shares; for B-share, the company will distribute cash dividends of RMB 2.3 (tax inclusive) per 10 shares.

The company's dividend distribution plan of the year 2014 was: Based on that the total share capital of the company is 4,375,236,655 shares, for A-share, the company will distribute cash dividends of RMB 2 (tax inclusive) and two bonus shares per 10 shares; for B-share, the company will distribute cash dividends of RMB 2 (tax inclusive) and two bonus shares per 10 shares.

The company's dividend distribution plan of the year 2013 was: Based on that the total share capital of the company is 4,375,236,655 shares, for A-share, the company will distribute cash dividends of RMB 2 (tax inclusive per 10 shares; for B-share, the company will distribute cash dividends of RMB 2 (tax inclusive) per 10 shares.

Cash dividend in latest three years

In RMB

Year	Cash dividend (Including Tax)	Net profit attributable to the over of the parent company in the consolidated financial statements	Ratio in net profit attributable to the parent company in the consolidated financial statements	Amount of cash dividends from cash offer to repurchase shares of the funds	Proportion of cash dividends from cash offer to repurchase shares of the funds
2015	1,207,565,316.78	3,237,733,312.00	37.30%		
2014	875,047,331.00	3,003,977,134.00	29.13%		
2013	875,047,331.00	3,086,428,618.00	28.35%		

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

II. Profit distribution plan and capitalizing of common reserves plan for the Period

Applicable Not applicable

Distributing bonus shares for every 10 shares (share)	0
Distributing cash dividend for every 10 shares (tax)	2.3

included) (RMB)	
Shares added for every 10-share base (Share)	0
Equity base for distribution preplan (share)	5,250,283,986
Total amount distribution in cash (RMB) (tax included)	1,207,565,316.78
Profit available for distribution (RMB)	3,506,854,546.00
Cash distributing accounted for the proportion of the total amount of profit distribution (%)	100.00%
Particular about cash dividend in the period	
If the company's development is at the growth stage with arrangements of significant capital expenditures, the minimum proportion of cash dividend in the profit distribution should reach 20%.	
Details of proposal of profit distribution preplan or share conversion from capital public reserve	
In 2015, the base number for the company's net profits distribution is RMB 2,950,885,836, plus the non-distributed profits of RMB 1,588,778,753 in the prior year, thus the upper limit of the distributable profits is RMB 4,539,664,589. According to the Articles of Association of the company, draw RMB 295,088,584 for the statutory surplus reserve taking for 10% of net profits, draw RMB 737,721,459 for the other surplus reserve taking 25% of the total net profits, then the upper limit of the distributable profits to the shareholders is RMB 3,506,854,546. The company's 2015 annual profits distribution plan is: Based on that the number of the company's total share capital at the end of 2015 is 5,250,283,986 shares, planned that the company will distribute cash dividends of RMB 2.30 (tax inclusive) to A-share shareholders and the company will distribute cash dividends of RMB 2.30 (tax inclusive) to B-share shareholders, thus the total distribution of profits is RMB 1,207,565,316.78, the remaining undistributed profits will be carried forward for the future years of profit distribution.	

III. Commitments to fulfill the situation

1. The fulfilled commitments in the reporting period and under-fulfillment commitments by the end of the reporting period made by the company, shareholder, actual controller, acquirer, director, supervisor, senior management personnel and other related parties.

√ Applicable □ Not applicable

Commitment	Commitment maker	Type	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		Yue Dian Li is the only quoted platform of Yudean Group's electricity	November 3,	Within 5 years after t	Under fulfillment

	Co., Ltd.		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 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".	2011	the completion of major asset reorganization	
Commitments in initial public offering or re-financing						
Equity incentive commitment						
Other commitments for medium and small shareholders	Guangdong Yudean Group Co., Ltd.		To maintain the stability of the market, Yudean Group promised not to reduce the Yudean electric power shares within the next 12 months.	July 8, 2015	12 months	Under fulfillment
Completed on time(Y/N)	Yes					

2.The existence of the company's assets or projects earnings forecasts and earnings reporting period is still in the forecast period, the company has assets or projects meet the original profit forecast made and the reasons explained

Applicable Not applicable

IV.Particulars about the non-operating occupation of funds by the controlling shareholder

Applicable Not applicable

No non-operating occupation from controlling shareholders and its related party in the period.

V.Explanation of the Supervisory Committee and Independent Directors (If applicable)on the Qualified Auditor's Report Issued by the CPAs.

Applicable Not applicable

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

Applicable Not applicable

No particulars about the changes in aspect of accounting policy, estimates or calculation method in the period.

VII.Explain retrospective restatement due to correction of significant accounting errors in the reporting period

Applicable Not applicable

No major accounting errors within reporting period that needs retrospective restatement for the Company in the period.

VIII.Explain change of the consolidation scope as compared with the financial reporting of last year.

Applicable Not applicable

1. Non-unitary controlled enterprise merger

Lincang Company was founded in Licang city, on March 4, 2005, with its headquarter located in Lincang city, Yunnan province. Its main business was investment, development, construction and operation of electric projects. Its parent company before merger was Yunnan Power Investment Co., Ltd, being in the hands of Yunnan Provincial Energy Investment Group Co., Ltd and Yunnan provincial People's Government - Owned Assets Yuntou Yudean Zhaxi Energy Co., Ltd., with 51.00% of Lincang Company held by the third party. After this exchange, the share proportion of Lincang Company was increased to 100% from original 49%, making absolute control on Lincang Company come true.

2. New Subsidiary Establishment of the Year

Name	Business place	Registered address	Nature	Registered capital	Proportion (%)	Acquired

Guangdong Yudean Electric Power Sales Co., Ltd.	Guangzhou	Guangzhou	Electric Power	500,000,000	100.00%	Invested
Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	Zhanjiang	Zhanjiang	Electric Power	200,000,000	100.00%	Invested
Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd.	Yangjiang	Yangjiang	Electric Power	55,000,000	100.00%	Invested

IX. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	KPMG (Special General Partnership)
Remuneration for domestic accounting firm (RMB'0000)	206.52
Continuous life of auditing service for domestic accounting firm	3
Name of domestic CPA	Peng Jing, Chen Lijia

Has the CPAs been changed in the current period

Yes No

Description of the CPAs, financial adviser or sponsor engaged for internal control auditing

Applicable Not applicable

In the report year, the Company engaged KPMG (Special General Partnership) as the certified public accountants and internal control audit body in 2015. The audit remuneration was RMB 2.0652 million, if including subsidiary was RMB 3.3922 million.

0.25 million (including traveling expenses).

X. Situation of Facing Listing Suspension and Listing Termination after the Disclosure of the Yearly Report

Applicable Not applicable

XI. Bankruptcy reorganization

Applicable Not applicable

No bankruptcy reorganization for the Company in reporting period.

XII. Significant lawsuits and arbitrations of the Company

Applicable Not applicable

No significant lawsuits and arbitrations occurred in the reporting period.

XIII.Situation of Punishment and Rectification

Applicable Not applicable

No penalty and rectification for the Company in reporting period.

XIV.Credit Condition of the Company and its Controlling Shareholders and Actual Controllers

Applicable Not applicable

XV.Implementation Situation of Stock Incentive Plan of the Company, Employee Stock Ownership Plan or Other Employee Incentive Measures

Applicable Not applicable

During the reporting period, the company has no stock incentive plan, employee stock ownership plan or other employee incentives that have not been implemented.

XVI.Material related transactions**1. Related transactions in connection with daily operation**

Applicable Not applicable

N/A

2. Related-party transactions arising from asset acquisition or sold

Applicable Not applicable

No related transactions by assets acquisition and sold for the Company in reporting period.

3. Related-party transitions with joint investments

Applicable Not applicable

No main related transactions of joint investment outside for the Company in reporting period.

4. Credits and liabilities with related parties

Applicable Not applicable

N/A

5. Other significant related-party transactions

Applicable Not applicable

(1) In 2015, daily related transactions were carried out after examination and approval by 2014 annual shareholders' general meeting. Refer to (5) Related transactions of XII. Relationship between related parties and the transactions between them of the Financial Report of this report for details.

(2) The Proposal on the Financial Services such as Making the Application of the Total Loan Limit of RMB 17 Billion and Handling the Deposit Settlement to the Related Party- Guangdong Yudean Finance Co., Ltd by the Company and Some of its Subsidiaries was approved in the company's 2014 annual general shareholder meeting for implementation.

(3) The company's share-controlling subsidiary-Guangdong Red Bay Power Generation Co., Ltd's purchase on the quota of shutting down unit capacity held by Guangdong Yueyang Power Generation Co., Ltd at the price of RMB 78 million had been approved in 2015 fourth communication meeting of the eighth session board of directors for implementation.

(4) The company together with Guangdong Yudean Group Co., Ltd jointly established Guangdong Yuden Captive Insurance Company, which had been approved in the ninth board meeting of the eighth session board of directors for implementation.

Website for temporary disclosure of the connected transaction

Announcement	Date of disclosure	Website for disclosure
Daily related transaction announcement	April 18,2015	http://www.cninfo.com.cn .
Announcement on the Company's Related Transaction of Guangdong Yudean Finance Co., Ltd.	April 18,2015	http://www.cninfo.com.cn .
Announcement on the Controlling Subsidiary's Acquisition of the Volume Index of Closed-down Units	July 21,2015	http://www.cninfo.com.cn .
Related Transaction Announcement on Establishing Guangdong Yudean Property Insurance Captive Co., Ltd. with Participation	December 12,2015	http://www.cninfo.com.cn .

XVII.Particulars about significant contracts and their fulfillment

1. Particulars about trusteeship, contract and lease

(1) Trusteeship

Applicable Not applicable

No trusteeship, contract or leasing for the Company in reporting period.

(2) Contract

Applicable Not applicable

No any contract for the Company in the reporting period.

(3) Lease

Applicable Not applicable

No any lease for the Company in the reporting period..

2.Guarantees

(1) Guarantee situation

Applicable Not applicable

In RMB'0000

Particulars about the external guarantee of the Company (Barring the guarantee for 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)
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	March 8,2012	27,400	April 11,2013	11,520	Guaranteeing of joint liabilities.	The power plant put into operation and terminated after two years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24,2007	1,305	November 30,2007	261	Guaranteeing of joint liabilities.	12 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24,2007	4,350	December 19,2007	2,900	Guaranteeing of joint liabilities.	15 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	December 19,2007	4,350	December 25,2007	1,450	Guaranteeing of joint liabilities.	15 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	December 19,2007	12,000	March 18,2008	11,000	Guaranteeing of joint liabilities.	18 years	No	No

Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	August 22,2008	5,800	October 31,2008	4,300	Guaranteeing of joint liabilities.	17 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	November 12,2008	7,250	November 14,2008	2,088	Guaranteeing of joint liabilities.	10 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27,2009	7,250	May 27,2009	4,350	Guaranteeing of joint liabilities.	12 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27,2009	9,367	June 22,2009	7,047	Guaranteeing of joint liabilities.	18 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	September 10,2010	14,500	December 16,2010	6,245	Guaranteeing of joint liabilities.	10 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)		-68,890.99		
Total amount of approved external guarantee at the end of the report period(A3)		190,835		Total actually amount of external guarantee at the end of the report period(A4)		51,161		
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)
Lincang Yudean Energy Co., Ltd.	July 22, 2006	3,430	December 25,2006	1,029	Guaranteeing of joint liabilities.	14 years	No	No
Lincang Yudean	July	1,372	July 29,2008	411.6	Guaranteeing	10 years	No	No

Energy Co., Ltd.	22,2006				g of joint liabilities.			
Zhanjiang Wind Power Generation Co., Ltd.	April 29,2009	18,571.7	October 9,2010	18,571.7	Guaranteeing of joint liabilities.	18 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	June 29,2011	23,075	July 28,2011	2,986.47	Guaranteeing of joint liabilities.	7 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	November 16,2013	23,400	July 3,2014	16,920	Guaranteeing of joint liabilities.	5 years	No	No
Total of guarantee for subsidiaries approved in the period(B1)		3,920		Total of actual guarantee for subsidiaries in the period (B2)		-13,968.74		
Total of guarantee for subsidiaries approved at period-end(B3)		141,536		Total of actual guarantee for subsidiaries at period-end(B4)		39,918.77		
Total amount of guarantee of the Company(total of two abovementioned guarantee)								
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)
Total of Company's guarantee (namely total of the large three aforementioned)								
Total of guarantee in the Period (A1+B1+C1)		3,920		Total of actual guarantee in the Period (A2+B2+C2)		-82,859.73		
Total of guarantee at Period-end (A3+B3+C3)		332,371		Total of actual guarantee at Period-end (A4+B4+C4)		91,079.77		
The proportion of the total amount of actually guarantee in the net assets of the Company(that is A4+B4+C4)				3.83%				
Including								
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)				71,067.47				
Total guarantee Amount of the abovementioned guarantees (D+E+F)				71,067.47				

Description of the guarantee with complex method

(2) Illegal external guarantee

Applicable Not applicable

No Illegal external guarantee in the report period.

3.Situation of Entrusting Others for Managing Spot Asset**(1)Situation of Entrusted Finance**

Applicable Not applicable

No any Entrusted Finance for the Company in the reporting period..

(2) Situation of Entrusted Loans

Applicable Not applicable

No any Entrusted loans for the Company in the reporting period..

4. Other significant contract

Applicable Not applicable

No other significant contracts for the Company in reporting period.

XVIII. Explanation about other significant matters

Applicable Not applicable

No Explanation about other significant matters other for the Company in reporting period.

XIX. Major issues of subsidiary

Applicable Not applicable

XX. Social responsibility

Applicable Not applicable

The company actively fulfilled the social responsibilities. From 2008, the company disclosed its annual social responsibility report. Please see the full text of the reports issued on 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

XXI. Information about the corporate bonds

Whether the listed company failed to honor the corporate bonds public issued and listed on the Stock Exchange in

due or undue at the approval date of the annual report

No

1. Basic information of corporate bonds

Bond name	Bond short name	Bond code	Issue day	Due day	Bond balance '0000	Interest rate	Servicing way
2012 Corporate bonds of Guangdong Electric Power Development Co., Ltd.	12 Yudean Bond	112162.SZ	March 18,2013	March 17,2020	120,000	4.95%	Using simple interest rate on a yearly basis, regardless of compound interest. Due payments once a year, maturing debt at a time. In the final phase, interest is paid together with the principal redemption.
Corporate bonds listed or trading places		Shenzhen Stock Exchange					
During the reporting period, interest payment situation of the company bonds		The company paid the bond interests of the current year on March 18, 2015 to all the bond holders who were registered in China Securities Depository and Clearing Co., Ltd. Shenzhen branch as of the afternoon of March 17, 2015 when the Shenzhen Stock Exchange closed.					
If the corporate bonds attached to special clauses to the issuer or the investors such as option clause and exchangeable clause, please specify the implementation status of the corresponding clauses. (When applicable)		The duration of the bonds is 7 years, with redemption option, option of raising coupon rate by the issuer and the puttable right for the investors at the end of the fifth year. During the reporting period, the relevant clauses have not met the conditions for implementation.					

2、 Bond trustee and the credit rating agency information

Bond trustee:							
Name	CITIC Securities Co., Ltd.	Office	22/F, CITIC Securities Building , No.48. Liangmaqiao Road, Chaoyang District , Beijing	Contact	Liu Longwen,Zhao Xinxin, Wang Chaonan, Song Yilan, He Shen, Guo Jianhan, Chen Yali, Wang Hongfeng, Zhang Zengwen, Wu Annan, Chen Xi and Chang Wei.	Tel	010-60838888
The credit rating agencies which follow and rate the corporate bond during the reporting period							
Name	CCXR			Office address	8/F, Anji Building, No.760, Tibet South Road, Huangpu District, Shanghai.		

3、 The usage of corporate bonds to raise money

The usage and performance of raised funds	According to the relevant contents in the Prospectus of the Issuance of Bonds
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from Corporate bonds	announced on March 14, 2013, the company planned to use RMB 820 million of the raised funds to repay the loans, thus to adjust the debt structure; the remaining RMB 380 million of the raised funds planned for supplementing the company's liquidity, so as to improve the company's funds status. The net amount of the funds raised by the bonds had been remitted to the company's designated bank account on March 20, 2013, of which the amount of RMB 820 million of the raised funds had been used for repaying the loans, so as to adjust the debt structure; the remaining RMB 380 million of the raised funds used for supplementing the company's liquidity, so as to improve the company's funds status.
At the end of balance (ten thousand)	0
Whether the usage of the raised money corresponding to the purposes of promise, use plans, and other agreement	Yes

4、 Corporate bond rating information

On June 18, 2015, CCXR traced and analyzed the credit status of the company and the company's bonds of "12-Yuedian Bonds", maintained the credit rating of AAA for the main body of the company, with a stable outlook; maintained the credit rating of AAA for the corporate bonds.(The rating results were disclosed on the website: <http://www.ccxr.com.cn/>, with the title of Tracking and Rating Report for the 2012-Corporate Bonds of Guangdong Electric Power Development Co., Ltd(2015).

5、 Corporate bond credit mechanism, the debt repayment plans and other security measures

(1)The credit-raising mechanism: No guarantee of the company's bonds. After the comprehensive assessment by CCXR, the credit rating of the main body of the company is AAA with a stable outlook, and the credit rating of the corporate bonds is AAA.

(2)The repayment plan: The interest of the bonds commenced from the date of March 18, 2013, and the interest of the bonds shall be paid once each year within the duration of the bonds after the commencement date of the interest. The date of March 18 of each year in the period from 2014 to 2020 shall be the interest paying day for paying the recent full year's bond interests (If it is not a working day, the payment day will be postponed to the first working day after the day). If the issuer performs the redemption option or the investors perform the puttable right, then the date of March 18 of each year in the period from 2014 to 2018 is the interest paying day for paying the recent full year's interests of the bonds being redeemed or the bonds being sold back. The maturity date of the bonds is March 18, 2020, and the company will repay the principal and pay the last full year's interest when the bond is due. If the issuer performs the redemption option or the investors perform the puttable right, the maturity date of the bonds being redeemed or the bonds being sold back is March 18, 2018, and the corresponding principal and the last full year's interest will be repaid.

(3) Safeguard measures for the repayment: in order to fully and effectively safeguard the interests of the bondholders, the company had made a series of work plans for the full repayment of the bonds that can be implemented on time, including the designated department and personnel, arrangement of repaying the bonds, establishment of the management measures, doing good organization and coordination, strengthening the information disclosure and so on, strived to form a set of safeguard measures for ensuring the repayment of the bonds.

6、 During the reporting period the bondholder meeting

During the reporting period, the company did not hold bondholders meeting.

7、 During the reporting period the bond trustee perform his duties

The company's bond trustee- CITIC Securities Co., Ltd safeguarded the legal rights of the bond holders with in accordance with the law and performed the obligations stipulated in the Prospectus of the Issuance of Bonds and other publicly disclosed documents, hence continuously followed up and acquainted the relevant information of the company during the entrusting period, issued and provided the regular report of the bond trustee, with in accordance with the company's information being followed up and acquainted.

During the reporting period, CITIC Securities Co., Ltd issued the Report of the 2012 Corporate Bonds Trustee for Guangdong Electric Power Development Co., Ltd(year of 2014) on April 30, 2015, and the report was disclosed on the cninf website on May 8, 2015 by the company.

8、 During the reporting period, the company's major accounting data and financial indicators for last 2 years

In RMB'0000

Items	2015	2014	At the same time rate of change
EBITDA	1,115,030.95	1,109,645.33	0.49%
The net cash flow generated by investment activities	-433,919.13	-609,445.99	-28.80%
The net cash flow generated by financing activities	-540,411.64	-214,736.86	151.66%
The final cash and balance of cash equivalents	522,740.67	452,827.73	15.44%
liquidity ratio	66.99%	67.38%	-0.39%
Asset-liability ratio	57.98%	59.78%	-1.80%
Quick action ratio	54.93%	53.38%	1.55%
EBITDA total debt ratio	31.51%	31.06%	0.45%
The multiple of interest safeguard	3.87	3.67	5.45%
The multiple of cash interest safeguard	7.15	6.27	14.04%
EBITDA multiple of interest safeguard	5.8	5.48	5.84%
loan payment rate	100.00%	100.00%	0.00%
Interest rate of pay	100.00%	100.00%	0.00%

The main reason that the accounting data and financial indicators yoy change more than 30%

√ Applicable □ not applicable

The net outflow of the cash flow from financing activities increased by 151.66%, which mainly due to the increase of cash payments repaid for the debt during the reporting period.

9. Property rights limits by the end of report period

None

10. During the report period interest payment for other bonds and debt financing tool

1. 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.

During the reporting period, the transaction for "08-Yudean Bond" on the Shenzhen Stock Exchange was terminated on March 3, 2015. The company completed the works of honoring the bonds and paying the bonds interests on March 10, 2015.

2. On August 19, 2014, The company issued 400,000,000 yuan of short-term financing bonds with a time limit of 365 days, during the reporting period, the company has repaid the principal and interests of RMB 413,361,187.

3. On December 24, 2014, The company issued 100,000,000 yuan of short-term financing bonds with a time limit of 365 days, during the reporting period, the company has repaid the principal and interests of RMB 101,774,520.

4. The company's subsidiary- Guangdong Huizhou Pinghai Power Generation Plant Co., Ltd issued 300,000,000 yuan of short-term financing bonds with a time limit of 365 days, during the reporting period, the company has

repaid the principal and interests of RMB 314,427,312.

11、 During the report period obtain bank credit, its use situation and repayment of bank loans

On December 31, 2015, the company signed an unconditional available bank amount limit of about RMB 43.117 billion, of which the used amount limit was RMB 16.068 billion, thus the remaining available bank amount limit was about RMB 27.049 billion. The company repaid the bank loans of about RMB 21.556 billion in the current year, and the balance of the bank loans was RMB 27.591 billion.

12、 During the reporting period the situation of performing the related agreement or commitment in the corporate bond prospectus

During the reporting period, the company strictly implemented the provisions stipulated in the Prospectus of Issuance of Bonds, timely paid the bond interests to the bond holders according to the time stipulated in the basic clauses of the bonds and performed the obligation of information disclosure related to the bonds with in accordance with relevant laws, and there was no situation of jeopardizing the interests of the bond investors.

13、 Major events occurring in the period of report

None

14、 Whether there is a guarantor corporate bonds

Yes No

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	1,582,205,389	36.16%		316,327,804		-566,370	315,761,434	1,897,966,823	36.15%
2. State-owned legal person shares	1,577,865,257	36.06%		315,557,104		-79,740	315,477,364	1,893,342,621	43.27%
3. Other domestic shares	4,340,132	0.10%		770,700		-486,630	284,070	4,624,202	0.09%
Of which: Domestic legal person shares	4,272,301	0.10%		770,111		-421,746	348,365	4,620,666	0.09%
Domestic natural person shares	67,831	0.00%		589		-64,884	-64,295	3,536	0.00%
II. Shares with unconditional subscription	2,793,031,266	63.84%		558,719,527		566,370	559,285,897	3,352,317,163	63.85%
1. Common shares in RMB	2,127,691,266	48.63%		425,651,527		566,370	426,217,897	2,553,909,163	48.64%
2. Foreign shares in domestic market	665,340,000	15.21%		133,068,000			133,068,000	798,408,000	15.21%
III. Total of capital shares	4,375,236,655	100.00%		875,047,331			875,047,331	5,250,283,986	100.00%

Reasons for share changed:

 Applicable Not applicable

- The total shares have additional 875,047,331 shares on June 26, 2015 owing to the implementation of 2014 annual equity distribution program.
- 566,370 Share A stocks have become the unrestricted circulation stocks since May 25, 2015 due to the dissolution of restriction procedure handled by some corporate shareholders in the equity division reform.

Approval of Change of Shares

 Applicable Not applicable

Ownership transfer of share changes

 Applicable Not applicable

Influence on the basic EPS and diluted EPS as well as other financial indexes of net assets per share attributable to common shareholders of Company in latest year and period

 Applicable Not applicable

After the implementation of stock dividend program in this time, the annual earnings per share is RMB0.57 in 2014 and the semi-annual earnings per share is RMB0.33, which are calculated according to the dilution of

5,250,283,986 new capital stocks.

Other information necessary to disclose for the company or need to disclosed under requirement from security regulators

Applicable Not applicable

Explanation on changes in aspect of total shares, shareholders structures as well as structure of assets and liability of the Company

Applicable Not applicable

After the implementation of the stock dividend plan, according to the new share capital of 5,250,283,986 shares for the calculation, the 2014 annual earnings per share was RMB 0.57 and the earnings per share in the first three quarters of 2015 was RMB 0.50.

2. Change of shares with limited sales condition

In Shares

Applicable Not applicable

Name of shareholders	Non-circulated shares held at the year-beginning	Decrease during the reporting period	Increase during the reporting period	Non-circulated shares held at the year-end	Reason for non-circulated shares	Date for the circulated shares
Peng Guoqing	64,884	64,884	0	0	The relevant procedures for the stock right dividing reform have not been completed.	2015-05-25
Shenzhen Zhongceyuan Investment Development Co., Ltd.	421,746	421,746	0	0	The relevant procedures for the stock right dividing reform have not been completed.	2015-05-25
Guangdong Yudean Group Co., Ltd.	1,577,865,257	79,740	315,557,104	1,893,342,621	The advance repayment shares acquired in the stock right dividing reform	2015-05-25
Total	1,578,351,887	566,370	315,557,104	1,893,342,621	--	--

II. Issuing and listing

1. Explanation of the Situation of the Security Issue(No Preferred Shares) in the Report Period

Applicable Not applicable

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

Applicable Not applicable

During the reporting period, the company implemented the 2014 profits distribution plan, according to the total share capital of 4375236655 shares, for A-share, the company will distribute cash dividends of RMB 2 (tax inclusive) and two bonus shares per 10 shares; for B-share, the company will distribute cash dividends of RMB 2 (tax inclusive) and two bonus shares per 10 shares. The company's total share capital increased 875,047,331 shares on June 26, 2015, thus the total share capital changed to 5,250,283,986 shares.

3.About the existing employees' shares

□Applicable√Not applicable

III.Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Share

Total number of common shareholders at the end of the reporting period	112,666	Total shareholders at the end of the month from the date of disclosing the annual report	112,579	The total number of preferred shareholders voting rights restored at period-end(if any)(See Notes 8)	0	Total preferred shareholders at the end of the month from the date of disclosing the annual report(if any)(See Notes 8)	0	
Particulars about shares held above 5% by shareholders or top ten shareholders								
Shareholders	Nature 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 share pledged/frozen	
							State of share	Amount
Guangdong Yudean Group Co., Ltd.	State-owned legal person	67.39%	3,538,005,285	589,667,548	1,893,342,621	1,644,662,664		
China Securities Finance Co., Ltd.	State-owned legal person	2.78%	145,748,980	145,748,980		145,748,980		
Guangdong Guangfa Electric Power Investment Co., Ltd.	State-owned legal person	2.22%	116,693,602	14,916,417		116,693,602		
Guangdong Electric Power Development Corporation	State-owned legal person	1.80%	94,367,341	15,727,890		94,367,341		
GOLDEN CHINA MASTER FUND	Overseas Legal person	0.62%	32,393,060	5,398,843		32,393,060		
National social security fund 102	Domestic non State-owned Legal person	0.46%	23,999,685	23,999,685		23,999,685		
GREENWOODS CHINA ALPHA MASTER FUND	Overseas Legal person	0.39%	20,238,886	3,373,148		20,238,886		
NORGES BANK	Overseas Legal person	0.35%	18,209,318	-2,240,108		18,209,318		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Overseas Legal person	0.30%	15,682,336	5,034,093		15,682,336		
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas Legal person	0.30%	15,675,144	2,344,607		15,675,144		

Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)	Not applicable		
Explanation on associated relationship among the aforesaid shareholders	The fourth largest shareholder Guangdong Electric Power Development Corporation is the wholly-owned subsidiaries of the largest shareholder Yudean Group. These two 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.	1,644,662,664	RMB Common shares	
China Securities Finance Co., Ltd.	145,748,980	RMB Common shares	
Guangdong Guangfa Electric Power Investment Co., Ltd.	116,693,602	RMB Common shares	
Guangdong Electric Power Development Corporation	94,367,341	RMB Common shares	
GOLDEN CHINA MASTER FUND	32,393,060	Foreign shares placed in domestic exchange	
National social security fund 102	23,999,685	RMB Common shares	
GREENWOODS CHINA ALPHA MASTER FUND	20,238,886	Foreign shares placed in domestic exchange	
NORGES BANK	18,209,318	Foreign shares placed in domestic exchange	
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	15,682,336	Foreign shares placed in domestic exchange	
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	15,675,144	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 fourth largest shareholder Guangdong Electric Power Development Corporation is the wholly-owned subsidiaries of the largest shareholder Yudean Group. These two 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)	Not applicable		

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

Nature of Controlling Shareholders: Local state holding

Type of Controlling Shareholders: Legal person

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

Change of the actual controller in the reporting period

Applicable Not applicable

N/A

3. Information about the controlling shareholder of the Company

Actual controller nature: Local state owned assets management

Actual controller type: Legal person

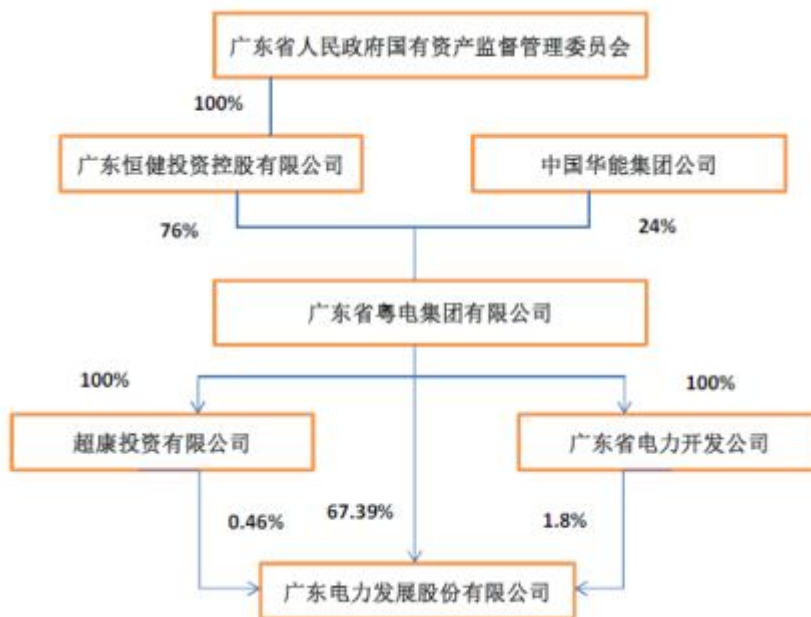
Name of the controlling shareholder	Legal representative/person in charge	Date of establishment	Organization code	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People's Government	Lv Yesheng	August 26, 2006	758336165	As the special institution directly subordinate to Guangdong Provincial People's Government, performed the obligation of provincial state-asset contributor entrusted by the provincial government.
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

5.Situation of Share Limitation Reduction of Controlling Shareholders, Actual Controllers, Restructuring Party and Other Commitment Subjects

Applicable Not applicable

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 year-begin (share)	Amount of shares increased at the reporting period (share)	Amount of shares decreased at the reporting period (share)	Other changes increase/decrease	Shares held at the year-end (share)
Li Zhuoxian	Board chairman	In office	Male	52	May 7, 2015	May 20, 2017					
Zhong Weimin	Director	In office	Male	59	May 20, 2014	May 20, 2017					
Hong Rongkun	Director	In office	Male	58	May 20, 2014	May 20, 2017					
Gao Shiqiang	Director	In office	Male	58	May 20, 2014	May 20, 2017					
Kong Huitian	Director	In office	Male	59	May 20, 2014	May 20, 2017					
Li Mingliang	Director	In office	Male	51	May 20, 2014	May 20, 2017					
Yang Xinli	Director	In office	Male	53	May 20, 2014	May 20, 2017					
Yao Jiheng	Director, General Manager	In office	Male	50	May 20, 2014	May 20, 2017					
Hu Xiaolei	Director	In office	Male	50	May 20, 2014	May 20, 2017					
Zhang Xueqiu	Director	In office	Male	49	May 20, 2014	May 20, 2017					
Liu Tao	Independent director	In office	Male	44	May 20, 2014	May 20, 2017					
Zhang Hua	Independent	In office	Male	50	May 20, 2014	May 20, 2017					

	director										
Sha Qilin	Independent Supervisor	In office	Male	55	May 20,2014	May 20,2017					
Mao Fugen	Independent Supervisor	In office	Male	52	May 20,2014	May 20,2017					
Ding Yougang	Independent Supervisor	In office	Male	46	May 20,2014	May 20,2017					
Lu Jun	Independent Supervisor	In office	Male	53	May 20,2014	May 20,2017					
Zhang Dewei	Chairman of the Supervisory Committee	In office	Male	54	May 20,2014	May 20,2017					
Zhao Li	Supervisor	In office	Female	43	May 20,2014	May 20,2017					
Zhu Weiping	Independent Supervisor	In office	Male	58	May 20,2014	May 20,2017					
Jiang Jinsuo	Independent Supervisor	In office	Male	47	May 20,2014	May 20,2017					
Lin Weifeng	Employee supervisor	In office	Male	47	May 20,2014	May 20,2017	3,930	786	0		4,716
Li Qing	Employee supervisor	In office	Male	38	May 20,2014	May 20,2017					
Yang Xuanxing	Deputy GM	In office	Male	50	May 20,2014	May 20,2017					

Li Xiaqing	Deputy GM, Finance manager	In office	Female	44	May 20,2014	May 20,2017					
Liu Hui	Deputy GM	In office	Female	50	May 20,2014	May 20,2017					
Liu Wei	Board secretary	In office	Male	36	May 20,2014	May 20,2017					
Pan Li	Board chairman	Retired	Male	61	May 20,2014	May 7,2015					
Zhu Dejun	Director	Retired	Male	55	May 20,2014	July 4,2015					
Total	--	--	--	--	--	--	3,930	786	0		4,716

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

Name	Positions	Types	Date	Reason
Pan Li	Board Chairman	Retired	May 7,2015	Job Changes
Li Zhuoxian	Board Chairman	Appoint and remove	May 7,2015	After the 2st meeting of the Eighth Board of Directors of company by correspondence in 2015,the election of Mr. Li Zhuoxian as chairman of the company.
Zhu Dejun	Director	Retired	July 4,2015	Job Changes

III. Posts holding

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

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. 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 Dransfer 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. 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. 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 Guangdong 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, Han 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, from 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, from 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. Zhao Li, 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 director of Guangdong Guangqian Electric Power Co., Ltd.

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
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	February 9,2007		Yes

		Party committee, secretary of Committee for Disciplinary inspection			
Hong Rongkun	Guangdong Yudean Group Co., Ltd.	Director, Deputy GM	February 9,2007		Yes
Gao Shiqiang	Guangdong Yudean Group Co., Ltd.	Director, Deputy GM, Chief Counselor	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 GM	November 4,2011		Yes
Yang Xinli	Guangdong Yudean Group Co., Ltd.	Deputy GM	December 30,2012		Yes
Zhang Xueqiu	Guangdong Yudean Group Co., Ltd.	Vice President , Secretary to the board of directors	May 8,2009		Yes
Zhang Dewei	Guangdong Yudean Group Co., Ltd.	Secretary of Audit Supervise Dept	July 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

Punishments to the current and leaving board directors, supervisors and senior managers during the report period by securities regulators in the recent three years

Applicable Not applicable

IV. 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 5.2707 million .

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

Unit : RMB'0000

Name	Positions	Sex	Age	Office status	Total remuneration received from the shareholder	Remuneration actually received at the end of the reporting period
Li Zhuoxian	Board chairman	Male	52	In Office	0	Yes
Zhong Weimin	Director	Male	59	In office	0	Yes
Hong Rongkun	Director	Male	58	In Office	0	Yes
Gao Shiqiang	Director	Male	58	In office	0	Yes
Kong Huitian	Director	Male	59	In Office	0	Yes
Li Mingliang	Director	Male	51	In Office	0	Yes
Yang Xinli	Director	Male	53	In office	0	Yes
Yao Jiheng	Director General Manager	Male	50	In Office	75.44	No
Hu Xiaolei	Director	Male	50	In office	61.23	No
Zhang Xueqiu	Director	Male	49	In Office	0	Yes
Liu Tao	Independent director	Male	44	In Office	7.46	No
Zhang Hua	Independent director	Male	50	In office	8.53	No
Sha Qilin	Independent director	Male	55	In Office	9.6	No
Mao Fugen	Independent director	Male	52	In office	8	No
Ding Yougang	Independent director	Male	46	In Office	6.92	No
Lu Jun	Independent director	Male	53	In Office	8	No
Zhang Dewei	Chairman of the Supervisory	Male	54	In office	0	Yes

	Committee					
Zhao Li	Supervisor	Female	43	In Office	0	Yes
Zhu Weiping	Independent Supervisor	Male	58	In office	5	No
Jiang Jinshuo	Independent Supervisor	Male	47	In Office	5.36	No
Lin Weifeng	Employee supervisor	Male	47	In Office	38.69	No
Li Qing	Employee supervisor	Male	38	In office	37.12	No
Yang Xuanxing	Deputy General Manager	Male	50	In Office	73.05	No
Li Xiaoqing	Deputy GM, Finance manager	Female	44	In office	70.88	No
Liu Hui	Deputy GM	Female	50	In Office	70.57	No
Liu Wei	Board secretary	Male	36	In Office	41.22	No
Pan Li	Original Board chairman	Male	61	Retired	0	Yes
Zhu Dejun	Original director	Male	55	Retired	0	Yes
Total	--	--	--	--	527.07	--

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

Applicable Not applicable

V. Particulars about employees.

1. Staff jobs, education, job title number and proportion refer to the following pie chart:

Number of in-service staff of the parent company (person)	1,303
Number of in-service staff of the main subsidiaries (person)	5,640
Total number of the in-service staff (person)	6,943
Total number of staff receiving remuneration in the current period (person)	6,943
The number of the parent company and the main subsidiary's retired staffs who need to bear the cost (person)	3,161
Professional	
Classified according by Professions	Number of persons (person)
Production	4,419
Sales	32

Technical	1,293
Financial	163
Administrative	1,036
Total	6,943
Education	
Classified according by education background	Number of persons (person)
Doctor	4
Master	199
Universities	2,888
Colleges	2,021
Technical secondary school	490
High school and Below	1,341
Total	6,943

2. Remuneration policies

The company's staff received the salaries and enjoyed the benefits according to the relevant provisions stipulated in the company's Salary Management Approach. The salary of the company's staff (Except the management staff who categorized in the annual salary system) basically constituted by the basic salary, post salary, performance salary, allowance, overtime wages and special bounties and so on.

3. Training plan

The company formulated the Temporary Provisions for the Management of Staff Education and Training. The staff training was adhered to the principle of learning integrated with application, learning by the needs and stressing of practical effect, focused on the main contents of the post and the practical operation skills. The training contents included the new staff orientation training, post training, continuing education, overseas training and other trainings.

4. Outsourcing situation

Applicable Not applicable

IX. Administrative structure

I. Basic state of corporate governance

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.

II. 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.

III. Competition situations of the industry

Applicable Not Applicable

Problem Types	Name of the Controlling Shareholders	Property of the Controlling Shareholders	Problems and Causes	Countermeasures	Time Schedule of Works and Follow-up Program
Horizontal competitions	Guangdong Yudean Group Co., Ltd.	Local SASAC	Guangdong Yudean Group is the strongest power generation company of largest scale in Guangdong Province. It was founded by the Guangdong Yudean Group as a division	In order to thoroughly eliminate horizontal competitions between the Guangdong Yudean Group and others companies, the Guangdong Yudean Group has issued	To achieve the above commitments, specific plan of Guangdong Yudean Group to avoid and resolve intro-industry competition is as follows: (1) the previous

			<p>of the company, when the electricity system reform "separation of power plants from network" was initially carried out by Guangdong provincial government nationwide. Guangdong Electric Power Development, as the only listed company of Guangdong Power Group, is engaged in the electricity business. Parts of its remaining generation assets of Guangdong Power Group are currently not included into Guangdong Electric Power Development, as most of the parts are still not up to the listing requirements and some problems of them cannot be resolved in short term, thus incurring to some extent horizontal Industry competitions.</p>	<p>"commitment letter" about horizontal competitions on November 3, 2011. And they Standardized the commitments about avoiding and resolving intro-industry competitions in accordance with regulatory requirements on June 5, 2014 .Concrete contents are as follows: 1, Guangdong Electric Power Development is the only listed platform of integrated domestic generation assets. 2, Apart from generation assets of Guangdong Electric Power Development, the Guangdong Yudean Group will access problems in remaining generation assets in terms of imperfect approval process, earnings, cooperation agreement and land utilization, and will inject the reformed assets that are up to the listing requirements by acquisitions and restructuring in the last five years after the completion of the reorganization 3, the Guangdong Yudean Group offers the first refusal rights for Guangdong Electric Power Development administration in terms of domestic power project development and asset acquisition, and if Guangdong Electric Power Development give up the development or acquisition. Generation assets of Guangdong Yudean Group, that are that are up to the listing requirements will</p>	<p>restructuring mentioned in "proposal about associated business plan and major assets restructuring for the company to issue shares to buy assets ", which is adopted by Guangdong Electric Power Development Fourth Extraordinary General Assembly , has been completed for one year, and related works about asset injection will be finished as well. This work was launched in May 2013, and there is currently an inventory of related assets about its existence defects and a research solutions to this disorders on the way. (2) Remaining generation assets of Guangdong Yudean Group, which have a good profitability and are up to the listing requirements, will be injected into Guangdong Electric Power Development within the last five years after the restructuring, achieving the holistic listing of domestic high-class generation assets in the Guangdong Yudean Group. (3) Within five years after the completion of the reorganization, if there are still risk of closing down and unprompted profitability of power generation enterprises under the control of the Guangdong Yudean Group or failing to eliminate the defect domestic power generation enterprises, it is the Guangdong Electric Power Development</p>
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				be injected in put into Guangdong Electric Power Development after the completion of the acquisition in the project.	that will decide whether the Guangdong Yudean Group can hold such generation companies' equity.
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IV. Annual General Meeting and Extraordinary Shareholders' Meetings in the Reporting Period

1. Annual General Meeting

Sessions	Type	Investor participation ratio	Meeting Date	Disclosure date	Disclosure index
2014 Shareholders' general meeting	Annual General Meeting	13.95%	May 20,2015	May 21,2015	Name of Announcement :Announcement of Resolution of 2014 shareholders' general meeting , Announcement No.:2015-17. Published in China Securities Daily, Securities Times and http // . www . cninfo . com . cn .
The first provisional shareholders' General meeting in 2015	Provisional shareholders' General Meeting	16.10%	June 30,2015	July 1,2015	Name of Announcement :Announcement of Resolution of the first Provisional shareholders' general meeting in 2015, Announcement No.:2015-27, Published in China Securities Daily, Securities Times and http // . www . cninfo . com . cn .
The second provisional shareholders' General meeting in 2015	Provisional shareholders' General Meeting	9.38%	December 28,2015	December 29,2015	Name of Announcement :Announcement of Resolution of the second Provisional shareholders' general meeting in 2015, Announcement No.:2015-58, Published in China Securities Daily, Securities Times and http // . www . cninfo . com . cn .

2. Request for extraordinary general meeting by preferred stockholders whose voting rights restore

Applicable Not applicable

V. Responsibility performance of independent directors in report period

1. The attending of independent directors to board meetings and shareholders' general meeting

The attending of independent directors						
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	11	3	6	2	0	No
Zhang Hua	11	4	6	1	0	No
Sha Qilin	11	5	6	0	0	No
Mao Fugen	11	4	6	1	0	No
Ding Yougang	11	3	6	2	0	No
Lu Jun	11	4	6	1	0	No
Number of general meetings attended by independent directors as non-voting delegates		3				

Notes to failure to personally attend Board Meetings Successively Twice

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.

VI. 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 2015, 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 2015 annual audit work. On December 28, 2015, the 5th 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 2015 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, 2016, the 6th 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 2015 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 Eight board held its 1st meeting on April 2, 2015 , reviewed and adopted the “Proposal on Illustration of Budget Implementation in 2014 and Budget Preparation in 2015”.

4. The strategy committee of the board of directors did not hold meetings in 2015.

VII. 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 against any matters under supervision in the reporting period

VIII. Assessment and incentive Mechanism for Senior executives

Performance evaluation and incentive system will be employed by senior managers on the basis of enterprise salary management system.

IX. Internal control situations

1. Specific situations on major defects of internal control discovered during report period

Yes No

2. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	April 30, 2016	
Disclosure index of appraisal report on internal control	Juchao Website: (http://www.cninfo.com.cn) , Selfevaluation report of internal control in 2015	
Proportion of total unit assets covered by appraisal in the total assets of the consolidated financial statements of the company		88.85%
Proportion of total unit incomes covered by appraisal in the total business incomes of the consolidated financial statements of the company		99.25%
Standards of Defects Evaluation		
Category	Financial Report	Non-financial Report
Qualitative criteria	Qualitative criteria of evaluation towards	Qualitative criteria of evaluation towards

	<p>inner control deficiency of financial report made by company are as follows: I, the inner control of financial report should be considered as “significant deficiency” if the following circumstances (including but not limited to) occurred: ① the ineffective environmental control; ② irregularities appearing between company directors, supervisors and senior executives; ③ serious mistakes in the financial statements of the current period found by external audit but not the inner control in the process of operating; ④ ineffective supervision of inner control from directorate and inner audit institution. II, the inner control of financial report should be considered as “serious deficiency” if the following circumstances occurred: ① accounting policy chosen and applied is not based on the GAAP; ② anti-irregularity procedure and control measures are not established; ③ very few relative control measures are established or implemented in terms of the accounting treatment related to unconventional or special transaction; ④ one or more deficiencies exist in the control process of final financial report and the authenticity, accuracy and integrity of establishment can not be assured reasonably. III common deficiency means, apart from the above “significant deficiency” and “serious deficiency”, other deficiencies exist in the inner control process.</p>	<p>inner control deficiency of non-financial report made by company are as follows: ① significant deficiency means one or more combinations of control deficiency which may result in seriously deviating from control goals. ② serious deficiency means one or more combinations of control deficiency whose severity and financial result are less than those of significant deficiency with possibility of deviating company from its control goals. ③ common deficiency means other control deficiencies apart from significant and serious deficiencies.</p>
Quantitative criteria	<p>A quantitative criterion regards operating receipt and gross value of assets as its yard stick. ① inner control deficiency may lead to loss related to profit statement, which is measured by operating receipt. The amount of misstatement in financial report resulted from the control deficiency or its combination is less than 0.5 percent of the operating receipt, which could be considered as the common deficiency. That would be considered as serious deficiency if the amount of misstatement in financial report resulted from the control deficiency or its combination is more than 0.5 percent but less than 1 percent of the operating receipt. And that would be regarded as significant deficiency if that is more than 1 percent of the operating receipt. ② inner control deficiency may lead to loss related to assets management, which is measured by total assets. The amount of misstatement in financial report resulted from the control deficiency or its combination is less than 0.5 percent of the total assets, which could be considered as the common deficiency. That would be considered as serious deficiency if the amount of misstatement in financial report resulted from the control deficiency or its combination is more than 0.5 percent but less than 1 percent of the total assets. And that would be regarded as significant deficiency if that is more than 1 percent of</p>	<p>Quantitative criteria of evaluation towards inner control deficiency of non-financial report made by company are as follows: the common deficiency means that the direct property loss is between 100,000 (including 100,000) and 30 million; the serious deficiency means that the direct property loss is between 30 million (including 30 million) and 50 million; and the significant deficiency means that the direct property loss is more than 50million.</p>

	the total assets.	
Number of major defects in financial reporting (a)		0
Number of major defects in non financial reporting (a)		0
Number of important defects in financial reporting (a)		0
Number of important defects in non financial reporting (a)		0

X. 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, 2015.	
Disclosure date of audit report of internal control (full-text)	Disclosure
Index of audit report of internal control (full-text)	April 30,2016
Internal audit report’s opinion	Juchao Website: (http://www.cninfo.com.cn) ;Audit report of internal control
Type of audit report on internal control	Unqualified auditor’s report
Whether there is significant defect in non-financial report	No

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

X. Financial Report

AUDITORS' REPORT

毕马威华振审字第 1601344 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 2015, 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 1601344 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 2015, 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 LLP

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

Peng Jing

Beijing, China

Chen Li Jia

28 April 2016

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2015
(Expressed in Renminbi Yuan)

Assets	Note	<u>2015</u>	<u>2014</u>
Current assets:			
Cash at bank and on hand	V.1	5,237,406,725	4,548,277,314
Accounts receivable	V.2	2,484,683,890	2,580,733,823
Prepayments	V.3	1,063,701,630	1,529,371,276
Interests receivable	V.4	10,232,658	5,471,097
Dividends receivable	V.5	4,000,000	-
Other receivables	V.6	188,899,280	214,346,505
Inventories	V.7	1,333,654,623	1,623,199,010
Other current assets	V.8	638,461,972	704,977,094
		<hr/>	<hr/>
Total current assets		10,961,040,778	11,206,376,119
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
Assets (continued)			
Non-current assets:			
Available-for-sale financial assets	V.9	1,094,350,488	997,082,335
Long-term receivables	V.10	128,640,631	121,334,809
Long-term equity investments	V.11	5,924,410,159	6,604,709,646
Investment properties	V.12	9,567,835	10,203,433
Fixed assets	V.13	44,330,167,621	39,164,300,297
Construction in progress	V.14	5,613,398,840	6,349,045,387
Construction materials	V.15	1,673,547	6,791,093
Disposal of fixed assets	V.16	3,475,384	1,493,296
Intangible assets	V.17	1,663,430,069	1,487,859,824
Goodwill	V.18	27,486,780	2,449,886
Long-term deferred expenses	V.19	28,843,225	31,000,707
Deferred tax assets	V.20	116,237,351	60,234,315
Other non-current assets	V.21	2,017,211,435	3,041,944,705
		<u>60,958,893,365</u>	<u>57,878,449,733</u>
Total non-current assets		<u>60,958,893,365</u>	<u>57,878,449,733</u>
Total assets		<u>71,919,934,143</u>	<u>69,084,825,852</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	V.22	6,288,060,000	5,721,000,000
Bills payable	V.23	593,971,146	321,711,616
Accounts payable	V.24	1,739,227,291	1,913,294,877
Advances from customers	V.25	244,798	179,708
Employee benefits payable	V.26	123,477,922	105,824,243
Taxes payable	V.27	404,729,354	462,231,344
Interests payable	V.28	105,492,698	214,956,543
Dividends payable	V.29	8,640,994	7,918,730
Other payables	V.30	3,536,133,625	2,577,102,293
Non-current liabilities due within one year	V.31	1,850,970,652	4,483,962,344
Provisions	V.32	700,000	14,000,000
Other current liabilities	V.33	1,711,348,630	808,630,228
		<u>16,362,997,110</u>	<u>16,630,811,926</u>
Non-current liabilities:			
Long-term loans	V.34	21,303,229,910	20,614,916,646
Debentures payable	V.35	1,196,029,762	1,195,076,905
Long-term payables	V.36	2,495,443,111	2,649,435,371
Long-term employee benefits payable	V.37	85,827,126	53,839,983
Special payables	V.38	24,711,974	16,192,269
Deferred tax liabilities	V.20	87,243,028	42,136,023
Deferred income	V.39	103,256,725	98,197,020
Other non-current liabilities	V.40	39,000,000	-
		<u>25,334,741,636</u>	<u>24,669,794,217</u>
Total liabilities		<u>41,697,738,746</u>	<u>41,300,606,143</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity (continued)			
Shareholders' equity:			
Share capital	V.41	5,250,283,986	4,375,236,655
Capital reserve	V.42	5,007,077,158	4,998,433,067
Other comprehensive income	V.43	245,708,715	172,496,403
Surplus reserve	V.44	5,812,191,775	4,810,903,365
Retained earnings	V.45	<u>7,439,335,347</u>	<u>6,952,985,107</u>
Total equity attributable to shareholders of the Company		23,754,596,981	21,310,054,597
Non-controlling interests		<u>6,467,598,416</u>	<u>6,474,165,112</u>
Total shareholders' equity		<u>30,222,195,397</u>	<u>27,784,219,709</u>
Total liabilities and shareholders' equity		<u>71,919,934,143</u>	<u>69,084,825,852</u>

These financial statements were approved by the Board of Directors of the Company on 28 April 2016.

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

Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2015
(Expressed in Renminbi Yuan)

Assets	Note	<u>2015</u>	<u>2014</u>
Current assets:			
Cash at bank and on hand		682,950,639	468,233,799
Accounts receivable	XV.1	134,539,664	233,268,283
Prepayments		115,303,150	142,923,390
Interests receivable		1,818,442	1,786,468
Dividends receivable		21,512,934	-
Other receivables	XV.2	318,483,048	360,853,242
Inventories		141,559,999	110,192,735
Other current assets		10,508,362	85,145,999
Total current assets		<u>1,426,676,238</u>	<u>1,402,403,916</u>
Non-current assets:			
Available-for-sale financial assets		1,094,350,488	997,082,335
Long-term receivables		100,000,000	550,000,000
Long-term equity investments	XV.3	22,588,550,554	21,651,878,481
Investment properties		9,567,835	10,203,433
Fixed assets		1,217,618,892	1,269,105,391
Construction in progress		26,156,889	43,403,794
Intangible assets		95,876,179	99,372,754
Other non-current assets		653,004,000	90,000,000
Total non-current assets		<u>25,785,124,837</u>	<u>24,711,046,188</u>
Total assets		<u>27,211,801,075</u>	<u>26,113,450,104</u>

Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity		
Current liabilities:		
Short-term loans	900,000,000	1,050,000,000
Accounts payable	292,714,747	92,264,357
Employee benefits payable	30,063,156	25,676,736
Taxes payable	21,266,249	46,543,086
Interests payable	52,100,633	141,345,087
Dividends payable	8,640,994	7,918,730
Other payables	112,031,125	143,109,145
Non-current liabilities due within one year	-	1,999,548,864
Other current liabilities	1,509,599,589	507,146,666
Total current liabilities	2,926,416,493	4,013,552,671
Non-current liabilities:		
Long-term loans	1,500,000,000	1,500,000,000
Debentures payable	1,196,029,762	1,195,076,905
Long-term employee benefits payable	24,192,962	11,640,351
Special payables	-	11,297,686
Deferred tax liabilities	54,572,001	32,839,813
Deferred income	52,918,949	43,105,866
Total non-current liabilities	2,827,713,674	2,793,960,621
Total liabilities	5,754,130,167	6,807,513,292

Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	<u>2015</u>	<u>2014</u>
Liabilities and shareholders' equity (continued)		
Shareholders' equity: :		
Share capital	5,250,283,986	4,375,236,655
Capital reserve	5,609,821,843	5,607,138,564
Other comprehensive income	245,708,715	172,496,403
Surplus reserve	5,812,191,775	4,810,903,365
Retained earnings	4,539,664,589	4,340,161,825
Total shareholders' equity	21,457,670,908	19,305,936,812
Total liabilities and shareholders' equity	27,211,801,075	26,113,450,104

These financial statements were approved by the Board of Directors of the Company on 28 April 2016.

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

Guangdong Electric Power Development Co., Ltd.
Consolidated income statement for the year ended 31 December 2015
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
I. Operating income	V.46	25,723,810,816	29,046,568,685
II. Less: Operating costs	V.46	(18,053,754,759)	(20,940,100,214)
Business taxes and surcharges	V.47	(230,127,055)	(204,827,418)
Selling and distribution expenses		(1,839,453)	(4,540,907)
General and administrative expenses	V.48	(921,738,681)	(902,594,273)
Financial expenses	V.49	(1,581,536,918)	(1,805,142,563)
Impairment losses	V.50	(22,907,440)	(160,135,462)
Investment income	V.51	801,398,115	612,109,129
Including: Income from investment in associates and jointly controlled enterprises		485,710,643	584,712,096
III. Operating profit (“()” for loss)		5,713,304,625	5,641,336,977
Add: Non-operating income	V.52	98,430,653	40,112,173
Including: Income from disposal of non-current assets		2,053,224	3,244,404
Less: Non-operating expenses	V.53	(18,607,598)	(107,243,577)
Including: Loss from disposal of non-current assets		(10,075,720)	(60,929,606)
IV. Profit before income tax (“()” for total loss)		5,793,127,680	5,574,205,573
Less: Income tax expense	V.54	(1,162,984,273)	(1,245,455,584)
V. Net profit for the year (“()” for net loss)		4,630,143,407	4,328,749,989
Attributable to:			
Shareholders of the Company		3,237,733,312	3,003,977,134
Minority interests		1,392,410,095	1,324,772,855

Guangdong Electric Power Development Co., Ltd.
Consolidated income statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
V. Net profit (“()” for net loss)		4,630,143,407	4,328,749,989
VI. Other comprehensive income after tax, net	V.43		
Attributable to owners of the Company		73,212,312	115,475,888
Other comprehensive income subsequently reclassified to profit and loss			
1. Share in investees’ other comprehensive income subsequently reclassified to profit and loss under equity method		261,197	267,940
2. Profit and loss arising from changes in fair value of available-for-sale financial assets		72,951,115	115,207,948
Attributable to minority interests		-	-
		-----	-----

Guangdong Electric Power Development Co., Ltd.
Consolidated income statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
VII. Total comprehensive income		<u>4,703,355,719</u>	<u>4,444,225,877</u>
Attributable to:			
Shareholders of the Company		3,310,945,624	3,119,453,022
Minority interests		1,392,410,095	1,324,772,855
VIII. Earnings per share			
(1) Basic earnings per share	V.55	<u>0.62</u>	<u>0.57</u>
(2) Diluted earnings per share	V.55	<u>0.62</u>	<u>0.57</u>

These financial statements were approved by the Board of Directors of the Company on 28 April 2016.

Zhuoxian Li	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.
Income statement for the year ended 31 December 2015
(Expressed in Renminbi Yuan)

	Note	<u>2015 年</u>	<u>2014 年</u>
I. Operating income	XV.4	2,165,343,994	2,648,266,587
Less: Operating costs	XV.4	(1,618,676,768)	(2,039,143,268)
Business taxes and surcharges		(18,406,421)	(16,117,288)
Selling and distribution expenses		(39,868)	(488,026)
General and administrative expenses		(161,485,630)	(146,406,583)
Financial expenses		(286,215,799)	(361,030,388)
Reversal of Impairment losses		-	1,502,098
Investment income	XV.5	2,907,200,029	2,802,552,306
Including: Income from investment in associates and jointly controlled enterprises		<u>480,914,756</u>	<u>582,033,705</u>
II. Operating profit (“()” for loss)		2,987,719,537	2,889,135,438
Add: Non-operating income		23,817,223	6,618,483
Including: Income from disposal of non-current assets		-	910,256
Less: Non-operating expenses		(8,385,896)	(8,034,321)
Including: Loss from disposal of non-current assets		(7,426,110)	(1,899,358)
III. Profit before income tax (“()” for total loss)		3,003,150,864	2,887,719,600
Less: Income tax expense		<u>(52,265,028)</u>	<u>(26,895,571)</u>
IV. Net profit (“()” for net loss)		<u>2,950,885,836</u>	<u>2,860,824,029</u>

Guangdong Electric Power Development Co., Ltd.
Income statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
V. Other comprehensive income after tax, net	V.43	73,212,312	115,475,888
Other comprehensive income subsequently reclassified to profit and loss			
1. Shares in investees' other comprehensive income subsequently reclassified to profit and loss under equity method		261,197	267,940
2. Profit and loss arising from changes in fair value of available-for-sale financial assets		<u>72,951,115</u>	<u>115,207,948</u>
VI. Total comprehensive income		<u>3,024,098,148</u>	<u>2,976,299,917</u>

These financial statements were approved by the Board of Directors of the Company on 28 April 2016.

Zhuoxian Li	Xiaoqing Li	Jingdong Qin	
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	(Company stamp)
(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 2015
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		30,520,140,122	34,681,656,661
Refund of taxes		14,443,818	9,410,754
Cash received relating to other operating activities	V.57(1)	137,082,635	147,384,790
Sub-total of cash inflows		<u>30,671,666,575</u>	<u>34,838,452,205</u>
Cash paid for goods and services		(14,057,756,199)	(20,417,380,860)
Cash paid to and for employees		(1,808,136,239)	(1,763,643,034)
Cash paid for all types of taxes		(3,896,301,670)	(3,778,941,928)
Cash paid relating to other operating activities	V.57(2)	(467,035,322)	(485,691,739)
Sub-total of cash outflows		<u>(20,229,229,430)</u>	<u>(26,445,657,561)</u>
Net cash inflow from operating activities	V.58(1)(a)	<u>10,442,437,145</u>	<u>8,392,794,644</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015 年</u>	<u>2014 年</u>
II. Cash flows from investing activities:			
Cash received from disposal of investments		448,768,620	95,095,391
Cash received from return on investments		612,292,965	585,827,640
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		4,049,408	19,125,502
Net cash received from acquisition of subsidiaries and other operating units		52,028,777	-
Sub-total of cash inflows		<u>1,117,139,770</u>	<u>700,048,533</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(5,363,878,048)	(6,657,922,382)
Cash paid for acquisition of investments		-	(136,586,100)
Cash paid for acquisition of minority interests		(92,453,008)	-
Sub-total of cash outflows		<u>(5,456,331,056)</u>	<u>(6,794,508,482)</u>
Net cash outflow from investing activities		<u>(4,339,191,286)</u>	<u>(6,094,459,949)</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	<u>2015</u>	<u>2014</u>
III. Cash flows from financing activities:		
Cash received from investors	39,000,000	30,000,000
Including: Cash received from minority shareholders of subsidiaries	39,000,000	30,000,000
Cash received from borrowings	21,628,567,512	22,680,701,543
Cash received from issuance of debentures and short-term financing notes	1,697,712,500	797,612,500
Cash received from finance leases resulting from sale and leaseback	-	1,265,567,825
Cash received relating to other financing activities	1,984	51,619
	V.57(3)	
Sub-total of cash inflows	<u>23,365,281,996</u>	<u>24,773,933,487</u>
Cash repayments of borrowings	(24,313,422,024)	(21,710,793,905)
Cash paid for dividends, profit distributions or interests	(4,028,946,933)	(4,185,125,648)
Including: Dividends and profit paid to minority shareholders of subsidiaries	(1,250,162,971)	(1,418,364,545)
Cash paid for finance leases resulting from sale and leaseback	(376,629,487)	(1,025,382,491)
Cash paid for minority shareholders for capital reduction of subsidiaries	(50,400,000)	-
Sub-total of cash outflows	<u>(28,769,398,444)</u>	<u>(26,921,302,044)</u>
Net cash outflow from financing activities	(5,404,116,448)	(2,147,368,557)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-	-

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2015</u>	<u>2014</u>
V. Net increase in cash and cash equivalents (“()” for net decrease)	V.58(1)(b)	699,129,411	150,966,138
Add: cash and cash equivalents at the beginning of the year		<u>4,528,277,314</u>	<u>4,377,311,176</u>
VI. Cash and cash equivalents at the end of the year	V.58(2)	<u><u>5,227,406,725</u></u>	<u><u>4,528,277,314</u></u>

These financial statements were approved by the Board of Directors of the Company on 28 April 2016.

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

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2015
(Expressed in Renminbi Yuan)

	<u>2015</u>	<u>2014</u>
I. Cash flows from operating activities:		
Cash received from sale of goods and rendering of services	2,626,251,815	3,112,939,588
Cash received relating to other operating activities	28,738,089	37,258,836
	<hr/>	<hr/>
Sub-total of cash inflows	<u>2,654,989,904</u>	<u>3,150,198,424</u>
Cash paid for goods and services	(1,153,128,204)	(2,154,038,591)
Cash paid to and for employees	(386,460,091)	(391,659,259)
Cash paid for all types of taxes	(283,379,618)	(190,679,628)
Cash paid relating to other operating activities	(64,921,710)	(59,025,302)
	<hr/>	<hr/>
Sub-total of cash outflows	<u>(1,887,889,623)</u>	<u>(2,795,402,780)</u>
Net cash inflow from operating activities	<u>767,100,281</u>	<u>354,795,644</u>
	<hr/>	<hr/>

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	<u>2015</u>	<u>2014</u>
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,368,368,620	307,274,041
Cash received from return on investments	2,776,757,775	2,765,772,458
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	<u>180,482</u>	<u>2,609,849</u>
Sub-total of cash inflows	<u>4,145,306,877</u>	<u>3,075,656,348</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(124,175,374)	(196,868,365)
Cash paid for acquisition of investments	(2,111,357,008)	(1,326,586,100)
Sub-total of cash outflows	<u>(2,235,532,382)</u>	<u>(1,523,454,465)</u>
Net cash inflow from investing activities	<u>1,909,774,495</u>	<u>1,552,201,883</u>

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	<u>2015</u>	<u>2014</u>
III. Cash flows from financing activities:		
Cash received from borrowings	2,550,000,000	1,750,000,000
Cash received from issuance of debentures and short-term financing notes	1,498,312,500	498,512,500
Cash received relating to other financing activities	1,984	51,619
Sub-total of cash inflows	4,048,314,484	2,248,564,119
Cash repayments of borrowings	(5,199,999,300)	(2,789,000,000)
Cash paid for dividends or interests	(1,250,473,122)	(1,254,804,700)
Sub-total of cash outflows	(6,450,472,422)	(4,043,804,700)
Net cash outflow from financing activities	(2,402,157,938)	(1,795,240,581)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	-	-

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2015 (continued)
(Expressed in Renminbi Yuan)

	<u>2015</u>	<u>2014</u>
V. Net increase in cash and cash equivalents (“()” for net decrease)	274,716,838	111,756,946
Add: cash and cash equivalents at the beginning of the year	408,233,801	296,476,855
VI. Cash and cash equivalents at the end of the year	682,950,639	408,233,801

These financial statements were approved by the Board of Directors of the Company on 28 April 2016.

Zhuoxian Li	Xiaoqing Li	Jingdong Qin	
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	(Company stamp)
(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 2015
(Expressed in Renminbi Yuan)

	Note	Attributable to shareholders of the Company					Minority interests	Total	
		Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings			
I.	Balance at the beginning 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	
II.	Changes in equity for the year ("()" for decreases)								
(1)	Total comprehensive income	V.43	-	-	73,212,312	-	3,237,733,312	1,392,410,095	4,703,355,719
(2)	Shareholders capital reduction		-	-	-	-	(50,400,000)	(50,400,000)	
(3)	Appropriation of profit	V.45	-	-	-	-	-	-	
	1. Appropriation for surplus reserve		-	-	-	1,001,288,410	(1,001,288,410)	-	
	2. Distribution to shareholders		-	-	-	-	-	-	
	- in cash		-	-	-	-	(875,047,331)	(1,250,162,971)	
	- in share		875,047,331	-	-	-	(875,047,331)	-	
(4)	Share of equity in associates based on shareholding	V.42	-	2,681,295	-	-	-	2,681,295	
(5)	Increase in capital reserve resulting from acquisition of minority interests	VII.2	-	5,960,812	-	-	-	(98,413,820)	
(6)	Others		-	1,984	-	-	-	1,984	
	Sub-total of (1) to (6)		875,047,331	8,644,091	73,212,312	1,001,288,410	486,350,240	(6,566,696)	
III.	Balance at the end of the year		5,250,283,986	5,007,077,158	245,708,715	5,812,191,775	7,439,335,347	6,467,598,416	
								30,222,195,397	

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

	Note	Attributable to shareholders of the Company					Minority interests	Total
		Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings		
I.	Balance at the beginning 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
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	-	-	-	-	-	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 based on shareholding	-	10,683,237	-	-	-	-	10,683,237
(5)	Acquisition of minority interests	-	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

Zhuoxian Li	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.
Statement of changes in shareholders' equity for the year ended 31 December 2015
(Expressed in Renminbi Yuan)

	<u>Note</u>	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
I.							
Balance at the beginning of the year		4,375,236,655	5,607,138,564	172,496,403	4,810,903,365	4,340,161,825	19,305,936,812
II.							
Changes in equity for the year (“()” for decreases)							
(1) Total comprehensive income		-	-	73,212,312	-	2,950,885,836	3,024,098,148
(2) Share of equity in investees based on shareholding		-	2,681,295	-	-	-	2,681,295
Others		-	1,984	-	-	-	1,984
(3) Appropriation of profit	v.45						
1. Appropriation for surplus Reserve		-	-	-	1,001,288,410	(1,001,288,410)	-
2. Distribution to shareholders							
- in cash		-	-	-	-	(875,047,331)	(875,047,331)
- in share		875,047,331	-	-	-	(875,047,331)	-
III.							
Balance at the end of the year		<u>5,250,283,986</u>	<u>5,609,821,843</u>	<u>245,708,715</u>	<u>5,812,191,775</u>	<u>4,539,664,589</u>	<u>21,457,670,908</u>

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

	<u>Note</u>	Share capital	Capital reserve	Other comprehensive income	Surplus reserve	Retained earnings	Total
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 investees based on shareholding		-	10,682,812	-	-	-	10,682,812
Others		-	51,619	-	-	-	51,619
(3) Appropriation of profit	V.45						
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>

These financial statements were approved by the Board of Directors of the Company on 28 April 2016.

<hr/> Zhuoxian Li Legal Representative (Signature and stamp)	<hr/> Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	<hr/> Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Notes to the financial statements
(Expressed in Renminbi Yuan, unless otherwise indicated)

I. Company status

Guangdong Electric Power Development Co., Ltd. (the “Company”) is a limited liability company founded in Guangzhou City, Guangdong Province with headquarter located in Guangzhou City. The Company’s parent company is Guangdong Province Yudean Group Co., Ltd. (“Yudean”, formerly Guangdong Province Yudean Assets Management Co., Ltd.) and its ultimate holding company is the State-owned Assets Supervision and Administration Commission of the People’s Government of Guangdong Province.

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. 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. Basis of preparation

As at 31 December 2015, the Group’s current liabilities exceeded its current assets by RMB 5.402 billion. The Group is committed to a capital expenditure of RMB 3.137 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 Group’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 2015, the Group had credit facilities of approximately RMB 27.049 billion provided by banks, which was contracted for without conditions.

III. Significant accounting policies and accounting estimates

1 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 2015, 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.

2 Accounting period

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

3 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.

4 Functional currency

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

5 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.

(2) Business combinations not involving enterprises 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 III.18). 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.

For a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date and recognises any resulting difference between the fair value and the carrying amount as investment income for the current period. In addition, any amount recognised in other comprehensive income that can be reclassified to profit or loss, in prior reporting periods relating to the previously-held equity interest, and any other changes in the owners' equity

under equity accounting (see Note III. 12(2)(b)), are transferred to investment income in the period in which the acquisition occurs.

6 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.

Non-controlling interests are 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.

(2) Acquisition of subsidiaries through business combinations

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.

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, based 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-relationships 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 III. 6(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.

7 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.

8 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 III.16), 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.

9 Financial instruments

Financial instruments include cash at bank and on hand, receivables, equity securities other than long-term equity investments (see Note III.12), 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 and liabilities 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 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 III. 23(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 III. 22).

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 expired.

(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 more 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 III.10. 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.

10 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 ("GPGC") 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.

11 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.

12 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 by 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.
- (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.
- Test and provision for impairment of investment in subsidiaries are described in Note III. 20.
- In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note III.6.
- (b) Investments in joint ventures and associates

A joint ventures is an enterprise which operates under joint control (see Note III.12 (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 III.12 (3)).

An investment in a joint ventures 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 III. 20.

(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 related operating activities unilaterally;
- Whether strategic decisions relating to the investee's related 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.

13 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 III. 20.

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%

14 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 III.15. 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 as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance 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 (years)</u>	<u>Residual value (%)</u>	<u>Depreciation rate (%)</u>
Plant and buildings	10 - 50 years	0 - 10%	1.80% - 10.00%
Power generation equipment	6 - 31 years	0 - 10%	2.90% - 16.67%
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 III. 20.
- (4) For the recognition, measurement and depreciation of fixed assets acquired under finance leases, please refer to the accounting policy set out in Note III.27 (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.

15 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 III.16), 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 III.20).

16 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. Other borrowing costs are recognised as financial expenses 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.

17 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 III.20). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using 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	16 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.

18、 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 III. 20). 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.

19 Long-term deferred expenses

Long-term deferred expenses are amortised using 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	15 - 180 months
Long-term lease expenses	79 - 180 months

20 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, or asset group, set of asset groups is the higher of its fair value (see Note III. 21) 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.

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 to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to 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.

21 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.

22 Provisions

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.

23 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.

(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) produced by electricity generations to the designated delivery place pursuant to the contract or agreement and the recipient resource utilization 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 Group 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.

24 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 Group 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 termination benefits 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 main content, thereby making the restructuring plan reasonably expected by all related parties.

(4) Other long-term employee benefits

According to the Urban Employee Basic Medical Insurance (UEBMI) policy governing the Company and some of the Group's subsidiaries, if an employee's UEBMI contribution period who participates in basic medical insurance for urban residents, fails to reach the time requirement when the employee reaches the statutory retirement age, the employee shall continue to contribute to the UEBMI till the contribution period meets the required time. The Group determines the amount to be contributed in the residual service period of an employee based on the present value of the future cash flow expected to be paid for UEBMI till the required time is met, which will be recognised as long-term employee benefits liabilities with a corresponding charge to profit or loss or included in cost of related assets.

25 Government grants

Government grants are non-reciprocal transfers of monetary 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.

26 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.

27 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 III.13), are depreciated in accordance with the Group's depreciation policies

described in Note III.14 (2). Impairment losses are recognised in accordance with the accounting policy described in Note III. 20. Income derived from operating leases is recognised in the profit or loss 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 fair 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 III.14 (2) and Notes III.20, 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 III.16).

At the balance sheet date, long-term payables arising from finance leases, net of the unrecognised finance charges, are separately 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.

28 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.

29 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.

30 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, taking into account the materiality principle. 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 segment's product and service, the nature of production processes, the types or classes 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 the actual transaction price for such transactions for segment reporting. Segment accounting policies are consistent with those for the consolidated financial statements.

31 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 as well as underlying assumptions uncertainties involved 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 uncertainties are as follows:

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

As described in Note III.20, 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 available 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, buildings and equipment

The estimated useful lives of plants, buildings and equipment are determined by management after taking into account their durability and past maintenance records based on 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 judgements and estimations, 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.

(d) Deferred tax assets

When assessing whether there will be sufficient future taxable profits available against which the deductible temporary differences can be utilised, the Group recognises deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, using tax rates that would apply in the period when the asset would be utilised. In determining the amount of deferred tax assets, the Group exercises judgements about the estimated timing and amount of taxable profits of the following periods, and of the tax rates applicable in the future according to the existing tax policies and other relevant regulations. Differences between such estimates and the actual timing and amount of future taxable profits and the actual applicable tax rates affect the amount of deferred tax assets that should be recognised.

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	3% or 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 Group 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, the applicable corporate income tax rate for Xuwen Wind is 12.5% in 2015 (2014: 0%).

In addition, 50% of VAT levied on the sales of electricity generated by Guangdong Yudean Shibeishan Wind Power Co., Ltd (“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 Value Added Tax Policies on Wind Power Generation* (Notice Cai Shui [2015] No.74).

V Notes to the consolidated financial statements

1 Cash at bank and on hand

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Cash on hand		78,223	88,728
Deposits with bank	(a)	779,724,597	1,466,266,988
Deposits with Yudean Finance	(b)	4,447,603,905	3,061,921,598
Other monetary funds	(c)	10,000,000	20,000,000
Total		<u>5,237,406,725</u>	<u>4,548,277,314</u>

- (a) Deposits at bank as at 31 December 2014 includes cash of RMB 60,000,000 which is the capital contribution to be injected in Zhanjiang Qujie Wind Electric preparatory group (湛江曲界风电筹备组).
- (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 RMB10,000,000 are used as security deposit for bank acceptance (31 December 2014: RMB20,000,000, used as security deposit for bank acceptance).

2 Accounts receivable

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

<u>Customer type</u>	<u>2015</u>	<u>2014</u>
Related parties	32,724,817	24,481,435
Third parties	<u>2,451,959,073</u>	<u>2,556,252,388</u>
Sub-total	2,484,683,890	2,580,733,823
Less: Provision for bad debts	<u>-</u>	<u>-</u>
Total	<u><u>2,484,683,890</u></u>	<u><u>2,580,733,823</u></u>

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

<u>Ageing</u>	<u>2015</u>	<u>2014</u>
Within 1 year (inclusive)	2,484,683,890	2,580,733,823
Less: Provision for bad debts	<u>-</u>	<u>-</u>
Total	<u><u>2,484,683,890</u></u>	<u><u>2,580,733,823</u></u>

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

(3) As at 31 December 2015, the Group's accounts receivable with the carrying amount of RMB 498,786,073 (31 December 2014: RMB 172,806,399) and the on-grid power tariff collection right were pledged to banks to obtain long-term loans of RMB 2,526,301,960, including RMB 70,645,920 due within one year (31 December 2014: RMB 547,888,400 (RMB 131,520,000 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	2015					2014				
		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	(5)	2,464,272,746	99.18%	-	-	2,464,272,746	2,565,462,568	99.41%	-	-	2,565,462,568
Individually insignificant but assessed individually for impairment		20,411,144	0.82%	-	-	20,411,144	15,271,255	0.59%	-	-	15,271,255
Total		2,484,683,890	100.00%	-	-	2,484,683,890	2,580,733,823	100.00%	-	-	2,580,733,823

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 Shenzhen Power Supply Bureau	Third party	2,288,218,593	Within 1 year	92.09%
Guangdong Yudean Group Co., Ltd. Shajiao Power Plant C (“Shajiao C”)	Third party	131,251,004	Within 1 year	5.28%
GPGC – Zhanjiang Power Supply Bureau	Related party	24,221,331	Within 1 year	0.98%
GPGC – Jieyang Power Supply Bureau	Third party	11,057,761	Within 1 year	0.45%
	Third party	9,524,057	Within 1 year	0.38%
Total		2,464,272,746		99.18%

3 Prepayments

(1) Prepayments by category:

<u>Item</u>	<u>2015</u>	<u>2014</u>
Prepayments for construction equipment	2,867,791	1,487,295
Prepayments for fuel	982,750,864	1,489,624,560
Prepayments for materials	8,746,400	3,111,339
Prepayment for insurances	20,725,264	17,563,051
Freight prepaid	41,085,073	13,584,445
Others prepaid	7,526,238	4,000,586
Total	1,063,701,630	1,529,371,276

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

<u>Ageing</u>	<u>2015</u>		<u>2014</u>	
	<u>Amount</u>	<u>Percentage (%)</u>	<u>Amount</u>	<u>Percentage (%)</u>
Within 1 year (inclusive)	1,061,957,143	99.84%	1,524,462,657	99.68%
1 to 2 years (inclusive)	264,229	0.02%	1,990,267	0.13%
2 to 3 years (inclusive)	457,834	0.04%	2,057,901	0.13%
Over 3 years	1,022,424	0.10%	860,451	0.06%
Total	1,063,701,630	100.00%	1,529,371,276	100.00%

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

As at 31 December 2015, the prepayments of significant amounts with ageing over one year included prepayments for fuel, materials and freight.

(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 1,015,006,151, accounting for 95% of the total balance of prepayment.

4 Interest receivable

Interest receivable by category

<u>Item</u>	<u>2015</u>	<u>2014</u>
Interest receivable from fixed term deposit	10,232,658	5,447,764
Interests receivable from entrusted loans	-	23,333
Total	<u>10,232,658</u>	<u>5,471,097</u>

5 Dividends receivable

<u>Investee</u>	<u>2015</u>	<u>2014</u>
Shanxi Yudean Energy Co. Ltd. ("Shanxi Energy")	<u>4,000,000</u>	<u>-</u>

6 Other receivables

(1) Other receivables by category:

<u>Item</u>	<u>2015</u>	<u>2014</u>
Entrusted loans	-	50,000,000
Prepayments for construction	30,660,145	25,670,161
By-product sales	94,220,368	80,858,769
Petty cash	9,263,643	6,636,284
Government grants	32,485,261	5,193,307
Others	28,635,154	52,371,738
	<hr/>	<hr/>
Sub-total	195,264,571	220,730,259
Less: Provision for bad debts	(6,365,291)	(6,383,754)
	<hr/>	<hr/>
Total	<u>188,899,280</u>	<u>214,346,505</u>

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

<u>Ageing</u>	<u>2015</u>	<u>2014</u>
Within 1 year (inclusive)	161,748,873	187,744,674
Over 1 year but within 2 years (inclusive)	1,812,363	6,324,875
Over 2 years but within 3 years (inclusive)	5,323,449	665,191
Over 3 years	26,379,886	25,995,519
	<hr/>	<hr/>
Sub-total	195,264,571	220,730,259
Less: Provision for bad debts	(6,365,291)	(6,383,754)
	<hr/>	<hr/>
Total	<u>188,899,280</u>	<u>214,346,505</u>

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

(3) Other receivables by category:

Category	2015					2014				
	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	138,170,845	70.76%	-	-	138,170,845	164,168,157	74.38%	-	-	164,168,157
Individually insignificant but assessed individually for impairment	57,093,726	29.24%	(6,365,291)	11.15%	50,728,435	56,562,102	25.62%	(6,383,754)	11.29%	50,178,348
Total	195,264,571	100.00%	(6,365,291)	3.26%	188,899,280	220,730,259	100.00%	(6,383,754)	2.89%	214,346,505

(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 Balance at the end of the year</u>
Guangdong Yudean Environmental Protection Co., Ltd.	By-product sales	86,039,277	Within 1 year	45.55%	-
Economy, Trade and Information Commission of Shenzhen Municipality	Subsidies for natural gas	30,643,893	Within 1 year	16.22%	-
Huidong Finance Bureau	Advances for land	21,318,970	Over 3 years	11.29%	-
ICBC Financial Leasing Co., Ltd.	Refunds	2,831,566	Within 1 year	1.50%	-
Guangzhou Huading Building Materials Co., Ltd	By-product sales	2,803,641	Over 2 years but within 3 years	1.48%	(2,803,641)
Total		143,637,347		76.04%	(2,803,641)

(5) Government grants

<u>Debtor</u>	<u>Name of government grant</u>	<u>Closing balance</u>	<u>Ageing</u>	<u>Expected date of receipt, amount and basis of the grant</u>
Economy, Trade and Information Commission of Shenzhen Municipality	Subsidies for natural gas	30,643,893	Within 1 year (inclusive)	Expected to be fully recovered in June 2016
Huilai County Office, State Administration of Taxation	Immediate Refund of VAT	1,626,072	Within 1 year (inclusive)	Expected to be fully recovered in June 2016
Xuwen County Office, State Administration of Taxation	Immediate Refund of VAT	215,296	Within 1 year (inclusive)	Expected to be fully recovered in June 2016
Total		32,485,261		

7 Inventories

(1) Inventories by category:

<u>Item</u>	<u>2015</u>			<u>2014</u>		
	<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	617,225,212	-	617,225,212	920,420,055	-	920,420,055
Spare parts	762,897,800	(62,309,494)	700,588,306	735,994,949	(61,454,752)	674,540,197
Others	15,841,105	-	15,841,105	28,238,758	-	28,238,758
Total	<u>1,395,964,117</u>	<u>(62,309,494)</u>	<u>1,333,654,623</u>	<u>1,684,653,762</u>	<u>(61,454,752)</u>	<u>1,623,199,010</u>

(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	920,420,055	11,058,888,008	(11,362,082,851)	617,225,212
Spare parts	735,994,949	701,690,554	(674,787,703)	762,897,800
Others	28,238,758	255,019,435	(267,417,088)	15,841,105
Total	<u>1,684,653,762</u>	<u>12,015,597,997</u>	<u>(12,304,287,642)</u>	<u>1,395,964,117</u>

(3) Provision for impairment of inventories

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>		<u>Written back during the year</u>		<u>Balance at the end of the year</u>
		<u>Provision</u>	<u>Others</u>	<u>Reversal or write-off</u>	<u>Others</u>	
Spare parts	<u>(61,454,752)</u>	<u>(854,742)</u>	-	-	-	<u>(62,309,494)</u>

As at 31 December 2015, 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

<u>Item</u>	<u>Note</u>	<u>2015</u>	<u>2014</u>
Deductible VAT		583,680,487	589,611,053
Other current assets to be disposed of	(1)	-	57,387,152
Prepayment of income tax		3,921,884	10,170,681
Others	(2)	50,859,601	47,808,208

	638,461,972	704,977,094
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- (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 2015, the liquidation of Oil Shale Electric was completed. The Company’s proceed from the liquidation amounted to RMB 187,452,820, exceeding the carrying amount by RMB 130,065,668, which was recognized as investment income.
- (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 2015, Zhanjiang Wind Power had withdrawn USD 28,600,000, or RMB 185,716,960 (31 December 2014: USD 28,600,000, or RMB 175,003,400) from EIB, of which USD 20,895,810, or RMB 135,689,029 (2014: USD 20,895,810, or RMB 127,195,192) was used to purchase equipment for Yongshi Wind Power Plant. The balance and interest income amounting to USD 7,832,266, or RMB 50,859,601 (31 December 2014: USD 7,813,075, or RMB 47,808,208) were still placed with the Department of Finance of Guangdong Province.

9 Available-for-sale financial assets

(1) Available-for-sale financial assets

<u>Item</u>	2015			2014		
	<u>Book value</u>	<u>Provision for impairment</u>	<u>Carrying value</u>	<u>Book value</u>	<u>Provision for impairment</u>	<u>Carrying value</u>
Available-for-sale equity instruments						
- measured at fair value	553,350,488	-	553,350,488	452,482,335	-	452,482,335
- measured at cost	541,000,000	-	541,000,000	544,600,000	-	544,600,000
Total	1,094,350,488	-	1,094,350,488	997,082,335	-	997,082,335

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

	<u>Equity instruments</u>
Cost of equity instruments	255,328,616
Fair value	553,350,488
Accumulative fair value changes recognised in other comprehensive income	298,021,872
Provision for impairment	-

- (a) As at 31 December 2015, the Company held 12,600,000 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 29,988,000 (2014: gains of RMB 47,544,000) in fair value were recognized in other comprehensive income accordingly.
- (b) As at 31 December 2015, 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 60,530,153 (2014: gains of RMB 106,066,597) in fair value were recognized in other comprehensive income accordingly.
- (c) As at 31 December 2015, the Company held 1,800,000 shares of GMG International Tendering Co., Ltd. traded at the National Equities Exchange and Quotations system and the investment cost was RMB 3,600,000. The investment was stated at fair value determined with reference to the market price. During the year, gains of RMB 6,750,000 (2014: nil) 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

<u>Investee</u>	<u>Book value</u>				<u>Provision for impairment</u>				<u>Shareholding ratio in investees (%)</u>	<u>Cash dividends for the year</u>
	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year	Balance at the beginning of the year	Increase during the year	Decrease during the year	Balance at the end of the year		
Shenzhen Capital Group Co., Ltd.	115,000,000	-	-	115,000,000	-	-	-	-	3.67%	15,435,000
Sunshine Insurance Group Corporation	356,000,000	-	-	356,000,000	-	-	-	-	5.22%	17,500,000
GMG International Tendering Co.,Ltd	3,600,000	-	(3,600,000)	-	-	-	-	-	-	-
South Sea Wind Electricity Development Co., Ltd.	70,000,000	-	-	70,000,000	-	-	-	-	10.00%	-
Total	<u>544,600,000</u>	<u>-</u>	<u>(3,600,000)</u>	<u>541,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>		<u>32,935,000</u>

10 Long-term receivables

Item	2015			2014			Range of discount rate
	Book value	Provision for bad debts	Carrying amount	Book value	Provision for bad debts	Carrying amount	
Sales and leaseback deposits	128,640,631	-	128,640,631	121,334,809	-	121,334,809	4.93% - 7.30%

As at 31 December 2015, the Group's long-term receivables mainly represented the present value of RMB 50,000,000 of deposits paid by Zhanjiang Zhongyue Energy Co.,Ltd ("Zhongyue Energy") for its fixed assets (31 December 2014: RMB 50,000,000) held under sales and leaseback and RMB 110,000,000 of deposits paid by Guangdong Jinghai Power Co.,Ltd ("Jinghai Power") for its fixed assets (31 December 2014: RMB 110,000,000) held under sales and leaseback.

11 Long-term equity investments

(1) Long-term equity investments by category:

Item	2015	2014
Investment in joint ventures	601,637,346	597,811,376
Investment in associates	5,322,772,813	6,006,898,270
Total	5,924,410,159	6,604,709,646

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

Investee	Note	Balance at the beginning of the year	Increase / decrease during the year						Balance at the end of the year	Closing balance of impairment provision		
			Increase in capital	Decrease in capital	Investment income recognised under equity method	Other comprehensive income	Other equity movements	Declared distribution of cash dividends or profits			Provision for impairment	Disposal during the year
Joint venture												
Guangdong Electric Power Industry Fuel Co., Ltd.("Industry Fuel")		597,811,376	-	-	78,598,223	-	-	(74,772,253)	-	-	601,637,346	-
Associates												
Shanxi Yudean Energy Co., Ltd. ("Shanxi Yudean Energy")		869,294,193	-	-	48,312,457	-	-	(4,000,000)	-	-	913,606,650	-
Guangdong Yudean Finance Co., Ltd. ("Yudean Finance")		648,047,185	-	-	79,717,646	-	-	(57,535,462)	-	-	670,229,369	-
Guangdong Guohua Yudean Taishan Power Generation Company ("Taishan Electric")		2,208,688,289	-	-	305,747,348	-	-	(410,130,428)	-	-	2,104,305,209	-
Yunnan Baoshan Binlang River Electric Development Co., Ltd. ("Binlang River")	(i)	205,634,475	-	-	(11,177,975)	-	-	-	-	(194,456,500)	-	-
Guangdong Yudean Shipping Co., Ltd. ("Yudean Shipping")		945,671,363	-	-	7,837,967	70,449	2,681,295	(15,835,300)	-	-	940,425,774	-
Yudean Holding West Investment Co., Ltd. ("West Investment")		256,008,451	-	-	8,612,092	190,748	-	-	-	-	264,811,291	-
Lincang Yudean Energy Co., Ltd. (formerly Lincang Yuntou Yudean Hydroelectric Development Co., Ltd., "Lincang Yudean")	(ii)	184,436,952	-	-	-	-	-	-	-	(184,436,952)	-	-
Weixin Yuntou Yudean Zhaxi Energy Co.,Ltd ("Weixin Yuntou")	(ii)	617,225,872	-	-	(38,274,657)	-	-	-	-	(221,275,475)	357,675,740	-
Huaneng Shantou Wind Power Company ("Shantou Wind Power")		58,176,055	-	-	4,795,887	-	-	(5,425,000)	-	-	57,546,942	-
Yangshan Jiangkeng Hydropower Station Co., Ltd. ("Jiangkeng Hydropower")		5,867,441	-	-	123,614	-	-	-	-	-	5,991,055	-
Yangshan Centre Keng Electric Co., Ltd. ("Centre Keng Electric")		7,847,994	-	-	1,418,041	-	-	(1,085,252)	-	-	8,180,783	-
Sub-total		6,006,898,270	-	-	407,112,420	261,197	2,681,295	(494,011,442)	-	(600,168,927)	5,322,772,813	-
Total		6,604,709,646	-	-	485,710,643	261,197	2,681,295	(568,783,695)	-	(600,168,927)	5,924,410,159	-

- (i) In 2015, the company transferred 29% of equity shares in Binlang River to a third party with a consideration of RMB 261,315,800, generating investment income of RMB 66,859,300.
- (ii) On 5 January 2015, the Company replaced its 14.34% share in Weixin Yuntou with a third party's 51.00% share in Lincang Energy. After the equity replacement, the Company obtained the control of Lincang Energy by increasing its shareholding ratio from 49.00% to 100.00%. According to Note III. 5(2) , for a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date and recognises any resulting difference between the fair value and the carrying amount as investment income for the current period. In addition, any amount recognised in other comprehensive income that can be reclassified to profit or loss, in prior reporting periods relating to the previously-held equity interest, and any other changes in the owners' equity under equity accounting, are transferred to investment income in the period in which the acquisition occurs. As at the acquisition date, the fair value of the Company's 49% share in Lincang Energy held prior to the acquisition was RMB 233,713,174. Based on the fair value measured on the acquisition date, the investment income was RMB 49,276,222. On the other hand, the Company's shareholding ratio in Weixin Yuntou decreased from 40.00% to 25.66% while recognising an investment income of RMB 21,977,012 based on the fair value of the Company's 14.34% share in Weixin Yuntou amounting to RMB 243,252,487 as at the acquisition date.

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	(9,931,732)
Charge for the year	(635,598)
Balance at the end of the year	(10,567,330)
Carrying amount	
At the end of the year	9,567,835
At the beginning of the year	10,203,433

13 Fixed assets

(1) Fixed assets

<u>Item</u>	<u>Plant and building</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	13,834,307,849	47,775,699,632	612,368,738	1,014,042,348	63,236,418,567
Additions during the year					
-Acquisition	552,311	18,451,432	9,452,213	23,897,768	52,353,724
-Transfer from construction in progress	3,093,319,010	5,386,856,382	-	49,161,117	8,529,336,509
-Increase from business combination involving enterprises under common control	176,576,673	30,224,424	739,545	497,088	208,037,730
-Adjustment for project settlement differences	35,186,657	10,909,136	-	-	46,095,793
Disposal during the year	(275,270,808)	(126,213,479)	(16,478,511)	(10,180,361)	(428,143,159)
Balance at the end of the year	16,864,671,692	53,095,927,527	606,081,985	1,077,417,960	71,644,099,164
Accumulated depreciation					
Balance at the beginning of the year	(4,575,546,265)	(17,734,197,932)	(380,854,757)	(633,443,892)	(23,324,042,846)
Charge for the year	(592,659,573)	(2,896,182,961)	(56,297,398)	(96,134,473)	(3,641,274,405)
Disposal during the year	151,567,373	95,636,961	14,889,451	9,335,662	271,429,447
Balance at the end of the year	(5,016,638,465)	(20,534,743,932)	(422,262,704)	(720,242,703)	(26,693,887,804)
Provision for impairment					
Balance at the beginning of the year	(240,233,419)	(500,953,423)	(2,892,966)	(3,995,616)	(748,075,424)
Charge for the year	(286,755)	(12,468,800)	(18,908)	(1,853,572)	(14,628,035)
Disposal during the year	123,199,188	17,387,215	229,828	1,843,489	142,659,720
Balance at the end of the year (Note (b))	(117,320,986)	(496,035,008)	(2,682,046)	(4,005,699)	(620,043,739)
Carrying amount					
At the end of the year	11,730,712,241	32,065,148,587	181,137,235	353,169,558	44,330,167,621
At the beginning of the year	9,018,528,165	29,540,548,277	228,621,015	376,602,840	39,164,300,297

- (a) As at 31 December 2015, the Group's fixed assets with restrictions imposed represented: power generators at the carrying value of RMB 971,940,400 (original cost: RMB 2,549,783,097) (31 December 2014: carrying value of RMB 1,137,751,562 (original cost: RMB 2,542,882,598)) were pledged as collateral for long-term loans of RMB 346,400,000 (31 December 2014: long-term loans of RMB 346,400,000); and plants and buildings at the carrying value of RMB 177,120,517 (original cost: 210,072,027) were pledged as collateral for long-term loans of RMB 29,400,000 (31 December 2014: nil) (see Note V.31 (2)(b) and 34(1)(b)).

(b) Impairment of Fixed assets

As at 31 December 2015, the Group's balance of impairment provision for fixed assets included: (1) provisions of RMB 481,910,703 for the impairment of fixed assets related to the generator units of Guangdong Yuejia Electric Co.,Ltd ("Yuejia Electric"); (2) provisions of RMB 126,877,473 for the impairment of fixed assets related to the generator units of Xuwen Wind Power; (3) and provisions of RMB 10,598,065 for the impairment of fixed assets related to the generator units of Guangdong Shaoguan Yuejiang Electric Power Co.,Ltd ("Yuejiang Power") ; (4) and provision of RMB 657,498 for the impairment of fixed assets of Maoming Zhenneng Thermal Power Co.,Ltd ("Maoming Zhenneng") related to the damage or retirement of equipment resulting from prolonged service time or idling period.

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. 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. There was no evidence of further impairment of the related assets of Yuejia Electric for the year. As a result, no provision for further impairment was made. As at 31 December 2015, the Group recorded a provision of RMB 481,910,703 for the impairment of fixed assets related to the above generator units of Yuejia Electric, and wrote off RMB 123,337,955 of impairment of fixed assets for the disposal of some of the above equipment.

Impairment of generator units of Xuwen Wind Power

In July 2014, super typhoon Rammasun slammed the Yongshi Wind Power Plant owned by Xuwen Wind Power. 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 against their full carrying amounts, as the units were completely destroyed. As at 31 December 2015, the fixed assets were still in the clearing process, thus were yet to be disposed of or reversed.

Impairment of other asset groups

In 2014, Yuejiang Power and Zhanjiang Electric recorded provisions of RMB 33,535,951 for the impairment of fixed assets based on their valuation as some fixed assets were suspended or retired because of reformation of generator units. The impaired fixed assets of Zhanjiang Electric were disposed of in 2014, with RMB 17,586,658 of impairment provision written off accordingly.

In 2015, Yuejiang Power and Zhanjiang Electric recorded provisions of RMB 3,146,968 and RMB 10,823,569 for the impairment of fixed assets based on their valuation as some fixed assets were suspended or retired because of the reformation of generator units, respectively. Maoming Zhenneng recorded provisions of RMB 657,498 for the impairment of fixed assets related to damage or retirement of equipment resulting from prolonged service time or idling period. Some of the impaired fixed assets of Yuejiang Power were disposed of during the year, with RMB 8,498,196 of impairment provision written off accordingly. The impaired fixed assets of Zhanjiang Electric were disposed of during the year, with RMB 10,823,569 of impairment provision written off accordingly. The recoverable amount of the above impaired assets was calculated based the fair value of the fixed assets determined with reference to the recent transaction prices for similar assets in the industry less disposal expenses.

(2) Fixed assets acquired under sales and leaseback

<u>Item</u>	<u>2015</u>			<u>2014</u>		
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>
Power generator	<u>2,820,280,000</u>	<u>(1,039,861,567)</u>	<u>1,780,418,433</u>	<u>3,131,080,000</u>	<u>(606,636,003)</u>	<u>2,524,443,997</u>

(3) Fixed assets leased out under operating leases

<u>Item</u>	<u>Carrying amount</u>
Plant and buildings	54,966,344
Power generator	205,418
Total	<u>55,171,762</u>

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

As at 31 December 2015, the Group did not have any significant fixed asset held for sale (2014: Nil).

(5) Fixed assets with pending certificates of ownership

As at 31 December 2014 and 2015, 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 no material adverse impact on the normal operation of the Group will be incurred.

14 Construction in progress

(1) Construction in progress

Item	2015			2014		
	Book value	Impairment provision	Carrying amount	Book value	Impairment provision	Carrying amount
Yuejiang Power 2*600MW upgrade project	-	-	-	3,787,247,455	-	3,787,247,455
Da Pu Electric 2*600MW generator construction	1,267,286,429	-	1,267,286,429	541,350,180	-	541,350,180
Bohe Coal Integration project	2,105,426,029	-	2,105,426,029	1,229,219,826	-	1,229,219,826
Lincang Dayakou Hydropower Station	984,023,323	-	984,023,323	-	-	-
Dianbai Reshui wind power plant project	338,264,433	-	338,264,433	59,452,711	-	59,452,711
Humen Electric 2*1000MW project	137,354,887	(10,354,156)	127,000,731	137,253,230	(2,916,126)	134,337,104
Xuwen Yongshi Rebuild project	62,959,412	-	62,959,412	-	-	-
LeiZhou Hongxinlou wind power project	49,736,645	-	49,736,645	12,925,651	-	12,925,651
Red Bay No. 5 & 6 generator units	34,640,172	-	34,640,172	40,470,000	-	40,470,000
Other infrastructure projects	458,948,444	-	458,948,444	282,812,028	-	282,812,028
Technology improvement and other projects	185,999,685	(886,463)	185,113,222	262,111,799	(881,367)	261,230,432
Total	<u>5,624,639,459</u>	<u>(11,240,619)</u>	<u>5,613,398,840</u>	<u>6,352,842,880</u>	<u>(3,797,493)</u>	<u>6,349,045,387</u>

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

Item	Budget	Balance at the beginning of the year	Addition for the year	Transfer to fixed assets	Other decreases (Note (i))	Balance at the end of the year	Actual cost / budget (%)	Project progress	Accumulated capitalised interest	including: interest capitalised for the year	Interest rate for capitalisation in 2015 (%)	Source of funding
Yuejiang Power 2*600MW upgrade project	5,128,000,000	3,787,247,455	1,142,331,999	(4,929,579,454)	-	-	96.13%	100.00%	-	102,457,052	3.44%	Borrowing, proprietary funding
Da Pu Electric 2*600MW generator construction	4,807,272,526	541,350,180	3,781,841,217	(2,971,352,443)	(84,552,525)	1,267,286,429	89.93%	89.93%	60,207,344	102,537,442	5.93%	Borrowing, proprietary funding
Bohe Coal Integration project	9,785,950,000	1,229,219,826	894,494,449	(18,288,246)	-	2,105,426,029	21.70%	21.70%	60,615,072	36,130,174	5.60%	Borrowing, proprietary funding
Lincang Dayakou Hydropower Station	998,754,400	-	984,023,323	-	-	984,023,323	98.53%	98.53%	34,985,021	34,985,021	5.67%	Borrowing, proprietary funding
Dianbai Reshui wind power plant project	483,714,800	59,452,711	278,811,722	-	-	338,264,433	69.93%	69.93%	7,156,735	5,872,303	4.95%	Borrowing, proprietary funding
Humen Electric 2*1000MW project	7,789,510,000	134,337,104	101,657	-	(7,438,030)	127,000,731	1.77%	1.77%	-	-	-	Proprietary funding
Xuwen Yongshi Rebuild project	186,980,000	-	62,959,412	-	-	62,959,412	33.67%	33.67%	-	-	-	Proprietary funding
LeiZhou Hongxinlou wind power project	462,920,000	12,925,651	36,810,994	-	-	49,736,645	10.74%	10.74%	301,475	301,475	5.61%	Borrowing, proprietary funding
Red Bay No. 5 & 6 generator units	7,714,370,000	40,470,000	5,361,501	-	(11,191,329)	34,640,172	0.59%	0.59%	-	-	-	Proprietary funding
Lincang Nanrongtian Hydropower Station technical improvement project	63,491,110	-	83,782,659	(83,782,659)	-	-	131.96%	100.00%	-	-	-	Proprietary funding
Lincang Gualanzi River Hydropower Station technical improvement project	22,780,000	-	34,707,308	(34,707,308)	-	-	152.36%	100.00%	-	-	-	Proprietary funding
Other infrastructure projects	N.A	282,812,028	187,677,541	(8,675,079)	(2,866,046)	458,948,444	N.A	N.A	-	-	-	Proprietary funding
Technology improvement and other projects	N.A	261,230,432	413,053,502	(482,951,320)	(6,219,392)	185,113,222	N.A	N.A	-	-	-	Proprietary funding
Total		<u>6,349,045,387</u>	<u>7,905,957,284</u>	<u>(8,529,336,509)</u>	<u>(112,267,322)</u>	<u>5,613,398,840</u>			<u>163,265,647</u>	<u>282,283,467</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>Project</u>	<u>Charge for the year</u>	<u>Reason for provision</u>
Humen Electric 2*1000MW project	7,438,030	Upfront expenses for construction in progress
Zhanjiang Electric technical improvement project	5,096	old plant renovation
Total	<u>7,443,126</u>	

(4) As at 31 December 2015, 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 put into production. Therefore, the risk of impairment of such generators was low.

15 Construction materials

<u>Item</u>	<u>2015</u>	<u>2014</u>
Special materials	1,504,247	2,157,295
Special equipment	169,300	4,633,798
Sub-total	1,673,547	6,791,093
Less: Provision	-	-
Total	<u>1,673,547</u>	<u>6,791,093</u>

16 Fixed assets to be disposed of

<u>Item</u>	<u>2015</u>	<u>2014</u>
Retirement of power equipment parts due to technology improvement	2,881,645	1,394,895
Administrative resources	202,396	98,401
Plants and buildings	391,343	-
Total	<u>3,475,384</u>	<u>1,493,296</u>

As at 31 December 2015 and 2014, there were no fixed assets transferred to “fixed assets to be disposed of” for more than one year.

17 Intangible assets

(1) Intangible assets

Item	Associated projects for electricity transmission and microwave engineering	Land use right	Sea use right	Transportation project	Concession contract	Software	Non-patent technology and others	Total
Cost								
Balance at the beginning 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
Additions during the year								
- Purchase	-	25,344,628	40,649,765	-	-	4,570,646	6,271,008	76,836,047
- Transfer from construction in progress	-	84,552,525	-	-	-	3,844,272	-	88,396,797
- Increase from business combinations not involving enterprises under common control	-	68,339,480	-	-	-	-	-	68,339,480
Disposal during the year	-	-	-	-	-	-	(6,196,008)	(6,196,008)
Balance at the end of the year	442,517,684	1,729,875,675	129,906,544	22,468,672	13,720,736	82,290,380	693,319	2,421,473,010
Accumulated amortisation								
Balance at the beginning 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)
Charge for the year	(1,201,573)	(37,627,589)	(2,416,244)	(125,363)	(952,142)	(9,404,699)	(78,461)	(51,806,071)
Balance at the end of the year	(404,925,877)	(215,263,046)	(15,245,415)	(21,426,174)	(8,006,421)	(58,695,580)	(269,450)	(723,831,963)
Impairment provision								
Balance of impairment provision at the beginning and end of the year	(33,189,374)	-	-	(1,021,604)	-	-	-	(34,210,978)
Carrying amount								
At the end of the year	4,402,433	1,514,612,629	114,661,129	20,894	5,714,315	23,594,800	423,869	1,663,430,069
At the beginning 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

- (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 2015, 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 2015, the Group had obtained land use right certificates for all its lands, except for the land use right certificates under application and approval procedures for the lands with the carrying value of RMB 37,811,419. After consulting the Group's legal consultant, management believed that there were no substantial legal obstacles in obtaining the certificates and no material adverse impact on the normal operation of the Group will be incurred.

18 Goodwill

<u>Name of investee or events generating goodwill</u>	<u>Note</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Decreases during the year</u>	<u>Balance at the end of the year</u>	<u>Impairment provision at the beginning and end of the year</u>
Guangdong Province Wind Power Generation Co., Ltd. ("Guangdong Wind Power")	(1)	2,449,886	-	-	2,449,886	-
Lincang Energy	(2)	-	25,036,894	-	25,036,894	-
Total		2,449,886	25,036,894	-	27,486,780	-

- (1) In 2013, the Group acquired 55% shares in Guangdong Wind Power with a combined cost of RMB 5,994,670. The excess of the combined cost over the fair value of the Group's share of Guangdong Wind Power's identifiable assets and liabilities amounted to RMB 2,449,886 and was recognised as good will.

- (2) As stated in Note V. 11(2)(ii), the Company replaced its 14.34% shares in Weixin Yuntou with a third party's 51.00% shares in Lincang Energy. The excess of the combined cost over the fair value of the Company's share in Lincang Energy's identifiable assets and liabilities amounted to RMB 25,036,894, and was recognised as good will. As the Group acquired equity shares of Lincang Energy at the beginning of 2015, and Lincang Energy's business operation did not incur any adverse changes from the acquisition date to the balance sheet date, no impairment provision was made for good will related to Lincang Energy.

19 Long-term deferred expenses

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Amortisation during the year</u>	<u>Balance at the end of the year</u>
Leased assets improvement	5,572,416	644,010	(773,326)	5,443,100
Long-term lease charges	25,428,291	-	(2,028,166)	23,400,125
Total	<u>31,000,707</u>	<u>644,010</u>	<u>(2,801,492)</u>	<u>28,843,225</u>

20 Deferred tax assets and liabilities

(1) Deferred tax assets and liabilities

Item	2015		2014	
	Deductible or taxable temporary differences (“()”for taxable temporary differences)	Deferred tax assets / liabilities (“()”for liabilities)	Deductible or taxable temporary differences (“()”for taxable temporary differences)	Deferred tax assets / liabilities (“()”for liabilities)
Deferred tax assets:				
Impairment provision	107,427,844	26,374,328	133,188,421	31,140,365
Pre-operating expenses	6,459,331	807,416	9,829,416	1,361,496
Deductible losses	493,320	123,330	-	-
Depreciation of fixed assets	66,617,909	16,654,477	66,617,909	16,654,477
Employee benefits payable	70,926,428	17,731,607	49,254,790	12,313,698
Net income from test run included in construction in progress	27,816,165	6,874,116	26,896,029	6,604,120
Government grants related to assets	47,600,568	11,900,142	47,889,337	11,972,334
Amortisation of land use right	3,072,296	768,073	3,108,146	777,036
Intra-Group transactions	234,495,579	58,623,895	-	-
Sub-total	564,909,440	139,857,384	336,784,048	80,823,526
Amount of off-setting	(94,480,137)	(23,620,033)	(82,356,846)	(20,589,211)
Amount after off-setting	470,429,303	116,237,351	254,427,202	60,234,315
Deferred tax liabilities:				
Changes in fair value of available-for-sale financial assets included in capital reserve	(298,021,872)	(74,505,468)	(200,753,719)	(50,188,427)
Net expenses in test run included in construction in progress	(47,835,721)	(11,958,930)	(46,892,153)	(11,723,038)
Revaluation upon acquisition	(97,594,651)	(24,398,663)	(3,255,066)	(813,769)
Sub-total	(443,452,244)	(110,863,061)	(250,900,938)	(62,725,234)
Amount of off-setting	94,480,137	23,620,033	82,356,846	20,589,211
Amount after off-setting	(348,972,107)	(87,243,028)	(168,544,092)	(42,136,023)

(2) Details of unrecognised deferred tax assets

<u>Item</u>	<u>2015</u>	<u>2014</u>
Deductible temporary differences	749,873,728	912,430,704
Deductible tax losses	121,380,071	461,474,828
Total	<u>871,253,799</u>	<u>1,373,905,532</u>

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

<u>Year</u>	<u>2015</u>	<u>2014</u>
2015	-	108,707,352
2016	36,164,017	227,073,101
2017	67,959,606	113,780,436
2018	2,504,832	2,637,971
2019	7,350,102	9,275,968
2020	7,401,514	-
Total	<u>121,380,071</u>	<u>461,474,828</u>

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

21 Other non-current assets

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Prepayments for construction equipment		1,615,366,249	2,773,281,452
Unrealised losses on sale and leaseback	(1)	212,312,445	231,510,352
Prepayments for house purchase		150,799,140	-
Prepayments for land		38,733,601	37,152,901
Total		<u>2,017,211,435</u>	<u>3,041,944,705</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>	Note	<u>2015</u>	<u>2014</u>
Credit loan	(a)	<u>6,288,060,000</u>	<u>5,721,000,000</u>

(a) As at 31 December 2015, balance of short-term credit loans provided by Yudean Finance amounted to RMB 4,315,000,000 (31 December 2014: RMB 4,149,000,000).

(b) As at 31 December 2015, the annual interest rates of the short-term loans ranged from 3.92% ~ 5.80% (31 December 2014: 5.04% ~ 6.30%).

(2) As at 31 December 2015, all due short-term loans had been repaid (2014: Nil).

23 Bills payable

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Acceptance bills of other financial institutions	(1)	150,000,000	70,000,000
Bank acceptance bills	(2)	<u>443,971,146</u>	<u>251,711,616</u>
Total		<u>593,971,146</u>	<u>321,711,616</u>

The above bills payable are all due within one year.

(1) As at 31 December 2015, the Group had RMB 150,000,000 acceptance bills for Yuedian Finance (31 December 2014: RMB 70,000,000).

- (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 2015, the balance of bank acceptance bills issued by the Group and discounted by Fuel Supply with Yudean Finance amounted to RMB 250,000,000 (31 December 2014: RMB 100,000,000) with discounting rate of 3.87% ~ 4.08% (31 December 2014: 4.98%). The acceptance bills were ranging from three to six months (31 December 2014: due within six months). The amount of the above discounted bills payable represented the amount payable to Yudean Finance. The Group paid a total of RMB 11,027,433 (31 December 2014: RMB 29,317,009) of discounting interest to Yudean Finance in 2015.

24 Accounts payable

- (1) Accounts payable:

<u>Item</u>	<u>2015</u>	<u>2014</u>
Fuel payable	1,169,095,741	1,361,267,039
Materials and spare parts payable	438,231,110	426,407,376
Maintenance and administrative fees payable	94,009,782	94,009,782
Others	37,890,658	31,610,680
Total	<u>1,739,227,291</u>	<u>1,913,294,877</u>

- (2) Significant accounts payable ageing more than one year:

<u>Item</u>	<u>Balance at the end of the year</u>
Maintenance and administrative fees payable	94,009,782
Fuel payable	11,753,524
Total	<u>105,763,306</u>

25 Advances

Details of advances are as follows:

<u>Item</u>	<u>2015</u>	<u>2014</u>
Advances from disposal of renewable resources	<u>244,798</u>	<u>179,708</u>

As at 31 December 2015, the Group did not have any significant advances ageing more than one year (31 December 2014: Nil).

26 Employee benefits payable

(1) Employee benefits payable:

	Note	<u>Balance at the beginning of the year</u>	<u>Increase from business combination</u>	<u>Accrued during the year</u>	<u>Decrease during the year</u>	<u>Balance at the end of the year</u>
Short-term employee benefits	(2)	91,157,716	656,744	1,771,940,712	(1,753,807,570)	109,947,602
Post-employment benefits - defined contribution plans	(3)	1,497,384	-	214,853,137	(216,402,627)	(52,106)
Termination benefits	(a)	13,169,143	-	16,250,886	(15,837,603)	13,582,426
Total		<u>105,824,243</u>	<u>656,744</u>	<u>2,003,044,735</u>	<u>(1,986,047,800)</u>	<u>123,477,922</u>

(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

	<u>Balance at the beginning of the year</u>	<u>Increase from business combination</u>	<u>Accrued during the year</u>	<u>Decrease during the year</u>	<u>Balance at the end of the year</u>
Salaries, bonuses, allowances	-	62,400	1,195,940,210	(1,195,940,210)	62,400
Staff welfare	4,221,970	-	137,098,739	(137,091,739)	4,228,970
Social insurance	30,595,525	-	78,810,828	(71,352,019)	38,054,334
- Medical insurance	30,593,711	-	72,717,011	(65,256,388)	38,054,334
- Work-related injury insurance	1,814	-	3,531,917	(3,533,731)	-
- Maternity insurance	-	-	2,561,900	(2,561,900)	-
Housing fund	33,064	-	241,932,124	(241,965,188)	-
Labour union fee and staff and workers' education f	54,787,346	594,344	50,989,621	(41,524,023)	64,847,288
Others	1,519,811	-	67,169,190	(65,934,391)	2,754,610
Total	<u>91,157,716</u>	<u>656,744</u>	<u>1,771,940,712</u>	<u>(1,753,807,570)</u>	<u>109,947,602</u>

(3) Post-employment benefits – defined contribution plans

	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Decrease during the year</u>	<u>Balance at the end of the year</u>
Pension insurance	973,508	150,050,352	(151,079,639)	(55,779)
Unemployment insurance	523,876	6,854,156	(7,374,359)	3,673
Annuity	-	57,948,629	(57,948,629)	-
Total	<u>1,497,384</u>	<u>214,853,137</u>	<u>(216,402,627)</u>	<u>(52,106)</u>

27 Taxes payable

<u>Item</u>	<u>2015</u>	<u>2014</u>
Value added tax	92,133,107	116,279,995
Business tax	2,083,421	2,480,359
Corporate income tax	246,968,994	281,556,788
Individual income tax	40,151,510	31,973,720
Land use tax	905,014	1,190,672
Education surcharges	4,890,004	6,594,531
City maintenance and construction tax	5,613,910	7,976,346
Property tax	830,606	1,240,728
Pollution discharge fee	4,100,793	3,786,528
Price adjustment fund	4,710,949	5,598,220
Others	2,341,046	3,553,457
Total	<u>404,729,354</u>	<u>462,231,344</u>

28 Interests payable

<u>Item</u>	<u>2015</u>	<u>2014</u>
Interest payable for long-term loans with interest paid in installments and principal repaid on maturity	43,836,517	51,758,493
Interest payable for debentures	44,398,814	136,065,449
Interest payable for short-term loans	17,257,367	27,132,601
Total	<u>105,492,698</u>	<u>214,956,543</u>

As at 31 December 2015, the Group did not have any overdue interest (31 December 2014: Nil).

29 Dividend payable

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Payable to non-tradable shareholders of the Company	(1)	<u>8,640,994</u>	<u>7,918,730</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>2015</u>	<u>2014</u>
Payment for project warranty	261,377,223	206,292,851
Payment for construction and equipment	3,118,101,571	2,208,802,539
Purchase of unit capacity	4,448,301	33,000,000
Payables to advances from Shaoguan Plant D	9,937,230	25,366,557
Others	<u>142,269,300</u>	<u>103,640,346</u>
Total	<u>3,536,133,625</u>	<u>2,577,102,293</u>

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

As at 31 December 2015, other payables of RMB1,153,892,553 (31 December 2014: RMB1,411,944,130) 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>2015</u>	<u>2014</u>
Long-term loans due within one year	1,471,898,209	2,016,890,836
Debentures payables due within one year	-	1,999,548,864
Long-term payables due within one year	379,072,443	467,522,644
	<u>1,850,970,652</u>	<u>4,483,962,344</u>
Total	<u>1,850,970,652</u>	<u>4,483,962,344</u>

(2) Long-term loans due within one year

<u>Item</u>	<u>2015</u>	<u>2014</u>
Pledged loans (a)	70,645,920	131,520,000
Loan secured by mortgages (b)	9,800,000	-
Guaranteed loan (c)	56,525,000	7,625,000
Credit loan	1,334,927,289	1,877,745,836
	<u>1,471,898,209</u>	<u>2,016,890,836</u>
Total	<u>1,471,898,209</u>	<u>2,016,890,836</u>

- (a) As at 31 December 2015, Yuejiang Power's long-term loans of RMB38,840,000 due within one year are secured by future revenue from power generation and accounts receivable (31 December 2014: RMB114,000,000). Zhanjiang Wind Power's long-term loans of RMB17,520,000 due within one year are secured by future revenue from power generation and accounts receivable (31 December 2014: RMB17,520,000). Xuwen Wind's long-term loans of RMB14,285,920 due within one year are secured by future revenue from power generation and accounts receivable (31 December 2014: Nil).
- (b) Lincang Energy's long-term loans of RMB9,800,000 due within one year are secured by plant and buildings of RMB177,120,517 (Original cost: RMB210,072,027) (31 December 2014: Nil). Such loans are pledged by future revenue from power generation and accounts receivable of Xintangfang Hydropower Station.
- (c) As at 31 December 2015, Zhanjiang Wind Power provides maximum guarantee for Xuwen Wind's long-term loan of RMB8,525,000 (31 December 2014: RMB7,625,000) due within one year. The Company provides joint and several guarantee for Yuejiang Power's long-term loan of RMB48,000,000 (31 December 2014: Nil) due within one year.
- (d) As at 31 December 2015, the annual interest rate of long-term loans due within one year ranges from 0.92% to 6.15% (31 December 2014: from 1.30% to 6.55%). The loans will be due within 12 months.

(3) Long-term payables due within one year

As at 31 December 2015, the long-term payables due within one year is a sale and leaseback payable of RMB379,072,443 (i.e. the net balance of RMB464,277,338 less unrecognised finance cost of RMB85,204,895). As at 31 December 2014, the long-term payables due within one year are a sale and leaseback payable of RMB467,522,644 (i.e. the net balance of RMB586,175,359 less unrecognised finance cost of RMB118,652,715).

As at 31 December 2015, the long-term payables due within one year has been detailed in note V.36.

32 Provisions

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. As at 31 December 2014, balance of such payment amounted to RMB14,000,000. In 2015, RMB 13,300,000 was paid, and the balance was RMB700,000 at 31 December 2015.

33 Other current liabilities

<u>Item</u>	<u>2015</u>	<u>2014</u>
Short-term financing notes payable	<u>1,711,348,630</u>	<u>808,630,228</u>

Changes in short-term debentures payable:

<u>Name</u>	<u>Face value</u>	<u>Issuance date</u>	<u>Maturity period</u>	<u>Issuance amounts</u>	<u>Balance at the beginning of the year</u>	<u>Issuance during the year</u>	<u>Interests at face value</u>	<u>Amortisation of discounts or premium</u>	<u>Repayments for the period</u>	<u>Balance at the end of the year</u>
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	407,048,858	-	6,312,329	-	(413,361,187)	-
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	100,097,808	-	1,676,712	-	(101,774,520)	-
First batch of short-term financing bonds issued by Guangdong Electric Power Development Co., Ltd. in 2015	1,500,000,000	20/10/2015	270 days	1,500,000,000	-	1,500,000,000	9,599,589	-	-	1,509,599,589
First batch of short-term financing bonds issued by Guangdong Huizhou Pinghai Power Plant ("Pinghai Power") in 2014	300,000,000	24/11/2014	365 days	300,000,000	301,483,562	-	12,943,750	-	(314,427,312)	-
First batch of short-term financing bonds issued by Guangdong Huizhou Pinghai Power Plant ("Pinghai Power") in 2015	200,000,000	09/10/2015	365 days	200,000,000	-	200,000,000	1,749,041	-	-	201,749,041
Total	2,500,000,000				808,630,228	1,700,000,000	32,281,421	-	(829,563,019)	1,711,348,630

- (1) As approved by National Association of Financial Market Institutional Investors, the Company issued short-term financing bonds at face value of RMB 1,500,000,000 with a 270-day maturity in October 2015. The Company raised RMB1,498,312,500 after deducting an issue expense of RMB1,687,500. The loan, including its principal and interests, has to be settled at one time. It is subject to an annual interest rate of 3.29% from 22 October 2015.
- (2) 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 200,000,000 in October 2015. Pinghai Power Plant raised RMB199,400,000 after deducting an issue expense of RMB600,000. The loan, including its principal and interests, has to be settled at one time. It is subject to an annual interest rate of 3.80% from 9 October 2015.

34 Long-term loans

- (1) Classification of long-term loans

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Pledged loans	(a)	2,455,656,040	416,368,400
Loan secured by mortgages	(b)	366,000,000	346,400,000
Guaranteed loan	(c)	1,691,350,000	1,743,375,000
Credit loan		<u>16,790,223,870</u>	<u>18,108,773,246</u>
Total		<u>21,303,229,910</u>	<u>20,614,916,646</u>

- (a) As at 31 December 2015, the long-term loans of the following subsidiaries are secured by the future revenue from power generation and accounts receivable:

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Yuejiang Power	(i)	2,110,240,000	49,860,000
Zhanjiang Wind Power	(ii)	173,985,000	191,505,000
Xuwen Yongshi Wind Power project	(iii)	<u>171,431,040</u>	<u>175,003,400</u>
Total		<u>2,455,656,040</u>	<u>416,368,400</u>

- (i) As at 31 December 2015, the Company's subsidiary Yuejiang Power borrows RMB2,149,080,000 from the banking consortium. The loans are secured by Yuejiang Power's future revenue from power generation and accounts receivable. The annual interest rate is from 4.13% to 4.85% and will be matured on 21 June 2020. Included in the loans is a long-term loan of RMB38,840,000 due within one year (2014: included in the loans of RMB163,860,000 was a long-term loan of RMB114,000,000 due within one year).

- (ii) As at 31 December 2015, the Company's subsidiary Zhanjiang Wind Power borrows RMB191,505,000 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 5.09% (2014: 5.90%) with a maturity date on 7 May 2024. Long-term loan of RMB17,520,000 due within one year (2014: included in the loans of RMB209,025,000 was a long-term loan of RMB17,520,000 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 2015, the balance of the loan above is totalled at USD28,600,000 (equivalent to RMB185,716,960) (2014: USD28,600,000 (equivalent to RMB175,003,400)), among which balance of the long-term loan due within one year amounted to USD2,200,000 (equivalent to RMB14,285,920) (2014: Nil). The loan will be matured on 2 March 2029 with an annual interest rate from 0.92% to 1.76% (2014: from 0.92% to 1.55%). The loans are guaranteed by the Company (Note X.5(5)).
- (b) As at 31 December 2015, the long-term loan of RMB346,400,000 (31 December 2014: RMB346,400,000) is secured by electric utilities in service at carrying value of RMB971,940,400 (Original cost of RMB2,549,783,097) (31 December 2014: RMB1,137,751,562 (Original cost of RMB2,542,882,598)). The loans have an annual interest rate from 4.41% to 5.09% (31 December 2014: from 5.54% to 5.90%). Included in Lincang Energy's long-term loans of RMB29,400,000 is a long-term loan due within one year of RMB9,800,000 (31 December 2014: Nil). The loan is secured by plant and buildings of RMB177,120,517 (Original cost of RMB210,072,027) (Note V.13(1)(a)) and has an annual interest rate from 4.41% to 4.86% (31 December 2014: Nil). The loan is also pledged by power generation and accounts receivable of Xintangfang Hydropower station.
- (c) As at 31 December 2015, Zhanjiang Wind Power provides guarantee for Xuwen Wind's long-term loan of RMB52,000,000. Included in the loan is a long-term loan due within one year of RMB7,400,000 (2014: RMB52,000,000, among which balance of the long-term loan due within one year amounted to RMB6,500,000). The loan has an annual interest rate of 4.90% (2014: 6.22%) with a maturity date on 21 August 2022.

As at 31 December 2015, the balance of the long-term loan borrowed by Xuwen Wind Power from Bank of Communication Co., Ltd. amounted to RMB7,875,000, among which balance of the long-term loan due within one year is RMB1,125,000. The loan is secured by the guarantee (31 December 2014: RMB9,000,000, among balance of the long-term loans due within one year is RMB1,125,000) provided by Zhanjiang Wind Power, and has an annual interest rate of 5.65% (2014: 6.55%) with a maturity date on 5 December 2022.

As at 31 December 2015, Yudean provides a guarantee for the Company's long-term loan of RMB1,500,000,000 (2014: RMB1,500,000,000). The loan has an interest rate of 5.00% (2014: 5.47%) with a maturity date on 13 August 2020.

As at 31 December 2015, the long-term loan of Yuejiang Power of RMB188,000,000 (31 December 2014: RMB190,000,000, among which balance of long-term loan due within one year was nil) (Note X.5(5)) is secured by the guarantee provided by the Company based on its shareholding proportion. Balance of the long-term loan due within one year included in the loan amounted to RMB48,000,000. The loan has an interest rate from 5.00% to 6.00% (2014: 6.40%) with a maturity date on 2 July 2019.

35 Debentures payable

(1) Debentures payable

<u>Item</u>	<u>2015</u>	<u>2014</u>
12 Yudean Bond	1,196,029,762	1,195,076,905

(2) Changes in debentures payable

<u>Name</u>	<u>Face value</u>	<u>Issuance date</u>	<u>Maturity period</u>	<u>Issuance amount</u>	<u>Balance at the beginning of the year</u>	<u>Interests at face value</u>	<u>Amortisation of discounts or premium</u>	<u>Repayments during the year</u>	<u>Debentures to due within one year</u>	<u>Balance at the end of the year</u>
12 Yudean Bond	1,200,000,000	18/03/2013	7 years	1,200,000,000	1,195,076,905	59,400,000	952,857	(59,400,000)	-	1,196,029,762

- (a) As approved by CSRC, the Company issued book-entry corporate bonds face value of RMB1,200,000,000 (“12 Yudean Bond”) in March 2013. The Company raised RMB1,193,330,000 after deducting an issue expense of RMB6,670,000. The loan is subject to an annual interest rate of 4.95% from 18 March 2013 and shall be payable annually on simple interest. As at 31 December 2015, debentures payable are measured at amortised cost using effective interest method. The effective interest rate is 5.04%.

36 Long-term payables

<u>Items</u>	Note	<u>2015</u>	<u>2014</u>
Sales and leaseback and other payable	(1)	2,874,515,554	3,116,958,015
Less: sales and leaseback and other payable due within 1 year		<u>(379,072,443)</u>	<u>(467,522,644)</u>
Total		<u>2,495,443,111</u>	<u>2,649,435,371</u>

- (a) The sales and leaseback 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.

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

As at 31 December 2015, the Group's minimum finance lease payments are as follows:

<u>Minimum finance lease payments</u>	<u>2015</u>	<u>2014</u>
Within 1 year (inclusive)	464,277,338	586,175,359
Over 1 year but within 2 year (inclusive)	852,664,261	471,049,003
Over 2 year but within 3 year (inclusive)	448,217,202	862,977,162
Over 3 year	<u>1,312,920,933</u>	<u>1,540,378,303</u>
Sub-total	3,078,079,734	3,460,579,827
Less: Unrecognised finance expense	<u>(203,564,180)</u>	<u>(343,621,812)</u>
Total	<u>2,874,515,554</u>	<u>3,116,958,015</u>

The net balance of finance lease payable due within one year less unrecognised finance expense is disclosed in note V.31.

37 Long-term employee benefits payable

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Termination benefits	(a)	61,863,384	67,009,126
Others	(b)	<u>42,577,766</u>	<u>-</u>
Sub-total		104,441,150	67,009,126
Less: Payment due within one year		<u>(18,614,024)</u>	<u>(13,169,143)</u>
Total		<u><u>85,827,126</u></u>	<u><u>53,839,983</u></u>

- (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 2015, 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 2.80% to 4.91% (2014: 3.77% to 5.41%) of the same period. On 31 December 2015, the Group transferred the termination benefits of RMB48,280,958 (2014: RMB53,839,983) due over one year into long-term employee benefits payable of RMB48,280,958 (2014: RMB53,839,983) in accordance with the *Accounting Standards for Business Enterprises No. 9 - Employee Compensation* effective on 1 July 2014. Termination benefit due within one year totalled at RMB13,582,426 (2014: RMB13,169,143) are recognised in employee benefits payable.
- (b) According to the relevant regulations in Dongguan, Shaoguan and Zhanjiang, individual participating basic medical insurance for urban residents shall continue to make contribution until he reaches the regulated contribution years after he reaches the statutory retirement age, if his accumulated contribution years do not satisfy the local regulations. The Group makes provisions for medical insurance by estimating the present value of cash flow for medical insurance payment. As at 31 December 2015, the Group, by a certain ratio of the original salary, calculated the expected expense for each employee in each year in accordance with the related regulations for internal retirement and estimated the present value of future termination benefits by treasury bond interest rate of 2.80% to 4.91% of the same period. As at 31 December 2015, other long-term employee benefits payable totalled at RMB42,577,766, and the other long-term employee benefits payable due within one year amounted to RMB5,031,598 charged into employee benefits payable.

38 Special payables

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Deductions during the year</u>	<u>Balance at the end of the year</u>
Relocation and construction of windy power plant	4,894,583	-	(2,642,609)	2,251,974
Demolition and construction of pump house	11,297,686	-	(11,297,686)	-
Extension support funds	-	22,460,000	-	22,460,000
Total	<u>16,192,269</u>	<u>22,460,000</u>	<u>(13,940,295)</u>	<u>24,711,974</u>

39 Deferred income

<u>Item</u>	<u>Note</u>	<u>2015</u>	<u>2014</u>
Income from sales and leaseback of fixed assets	(1)	236,738	9,712,758
Deferred income from government grant	(2)	<u>103,019,987</u>	<u>88,484,262</u>
Total		<u>103,256,725</u>	<u>98,197,020</u>

- (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

Item	Note	Balance at the beginning of the year	Additions during this year	Recognised on as non – operating income	Balance at the end of the year	Related to assets/revenue
5# generation set of desulfurization project	(a)	12,307,693	-	(3,076,923)	9,230,770	Assets
Expansion on flow reconstruction project	(b)	4,850,312	-	(350,625)	4,499,687	Assets
Energy saving funds	(c)	2,810,000	6,200,000	(730,000)	8,280,000	Assets
Denitration project	(d)	3,508,547	-	(307,692)	3,200,855	Assets
Refurbishment on air preheater	(e)	2,997,949	1,150,000	(483,333)	3,664,616	Assets
Tax refund for PRC-produced equipment	(f)	25,517,767	-	(3,000,000)	22,517,767	Assets
Water-freshing project	(g)	1,538,462	-	(153,846)	1,384,616	Assets
Shajiao A Zhenkou Pump house	(h)	11,902,314	11,297,686	(64,445)	23,135,555	Assets
Dianbai Reshui wind power plant project	(i)	3,000,000	-	-	3,000,000	Assets
Special funds for differential electricity price	(j)	1,433,000	-	(115,000)	1,318,000	Assets
Special prize funds of recycle economy and energy saving by Shenzhen city	(k)	412,500	3,090,000	(301,845)	3,200,655	Assets
Incentives for energy efficiency of power plant by Dongguan city	(l)	6,705,006	3,182,580	(700,120)	9,187,466	Assets
Development fund for Dayakou Project	(m)	-	400,000	-	400,000	Assets
Development and competitiveness funds from SASAC	(n)	10,666,667	-	(666,667)	10,000,000	Assets
Port construction fee and charge	(o)	834,045	389,782	(1,223,827)	-	Revenues
Total		<u>88,484,262</u>	<u>25,710,048</u>	<u>(11,174,323)</u>	<u>103,019,987</u>	

- (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 refurbishing 4# and 5# air preheaters in 2013. The addition of RMB 1,150,000 is the special energy-saving funds for 2# air preheater. 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) As required by the local government, the pump house of Shaojiao A located in Changdi Road, Dianchang town, was required to relocate with a relocation indemnity of RMB23,200,000. Such indemnity shall be accounted for as special payable upon receipt, and transferred into deferred income when relocation expenses incur. It is amortised over the estimated useful lives of 30 years from the completion date of the project.
- (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 2015.
- (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 and No. 1692 incentives of energy efficiency of power plant of Dongguan city received by Shaojiao A in 2014 and 2015 respectively. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (m) This represents the government grant received from Zhenkang government in relation to Dayakou Hydropower station hit by typhoon "Rammason" in 2015. However, such government grant is not amortised as the project has not been finished as at 31 December 2015.
- (n) 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.
- (o) This represents the construction funds received by Shajiao A for the construction of Humen Harbour. Import and export of goods and containers handled by port would

42 Capital reserve

<u>Item</u>	<u>Opening balance</u>	<u>Additions during the year</u>	<u>Closing balance</u>
Share premium	4,439,517,054	5,960,812	4,445,477,866
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	22,194,784	2,681,295	24,876,079
Others	1,652,919	1,984	1,654,903
Total	<u>4,998,433,067</u>	<u>8,644,091</u>	<u>5,007,077,158</u>

43 Other comprehensive income

Item	Balance at the beginning of the year attributable to shareholders of the Company	Accrued during the year					Balance at the end of the year attributable to shareholders of the Company
		Before-tax amount	Less: transfer to profit or loss previously recognised	Less: Income tax expense	Net-of-tax amount attributable to shareholders of the Company	Net-of-tax amount attributable to non-controlling interests	
Items that will not reclassified to profit or loss							
Including: Remeasurement of changes in liabilities under defined 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							
Gain or loss on changes in fair value of available-for-sale financial assets							
Total							

44 Surplus reserve

<u>Item</u>	Balance at the beginning of the <u>year</u>	Addition during <u>the year</u>	Balance at the end <u>of the year</u>
Statutory surplus reserve	1,847,576,221	286,082,403	2,133,658,624
Discretionary surplus reserve	<u>2,963,327,144</u>	<u>715,206,007</u>	<u>3,678,533,151</u>
Total	<u>4,810,903,365</u>	<u>1,001,288,410</u>	<u>5,812,191,775</u>

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 21 May 2015, the Company appropriated 10% of net profit for 2014, amounted to RMB286,082,403, to the statutory surplus reserve, and appropriate 25% of net profit for 2014, amounted to RMB715,206,007, to discretionary surplus reserve.

45 Retained earning

<u>Item</u>	Note	<u>2015</u>	<u>2014</u>
Retained earnings at the beginning of the year		6,952,985,107	5,431,387,393
Add: Net profits for the year attributable to shareholders of the Company		3,237,733,312	3,003,977,134
Less: Appropriation for statutory surplus reserve	44	(286,082,403)	(173,523,454)
Appropriation for Discretionary surplus reserve	44	(715,206,007)	(433,808,635)
Dividends payable on ordinary shares	(1)	(875,047,331)	(875,047,331)
Ordinary share dividend transferred to share capital	(1)	<u>(875,047,331)</u>	<u>-</u>
Retained earnings at the end of the year	(2)	<u>7,439,335,347</u>	<u>6,952,985,107</u>

(1) Distribution of common stock dividends during the year

Under the approval of the general meeting of shareholders on 21 May 2015, the Company distributed RMB 2 of cash dividends for every 10 shares of 4,375,236,655 shares held by the shareholders with total amount of RMB 875,047,331, and distributed 2 shares for every 10 shares to shareholders, totalling at RMB 875,047,331 transferred into registered capital (share capital).

(2) Retained earnings at the end of the year

The surplus reserve attributable to the parent company appropriated by subsidiaries this year was RMB235,868,227 (2014: RMB228,128,799).

As at 31 December 2015, the consolidated retained earnings attributable to the company included an appropriation of RMB2,007,561,876 (2014: RMB 1,771,693,649) to surplus reserve made by the Company's subsidiaries.

46 Operating income and operating costs

(1) Operating income and operating costs

<u>Item</u>	<u>2015</u>		<u>2014</u>	
	<u>Income</u>	<u>Cost</u>	<u>Income</u>	<u>Cost</u>
Principal activities	25,527,421,644	(18,004,382,092)	28,834,080,676	(20,876,641,483)
Other business	196,389,172	(49,372,667)	212,488,009	(63,458,731)
Total	<u>25,723,810,816</u>	<u>(18,053,754,759)</u>	<u>29,046,568,685</u>	<u>(20,940,100,214)</u>

Details of operating income:

	<u>2015</u>	<u>2014</u>
Operating income from principal activities		
- Sales of electricity	25,385,066,625	28,695,501,698
- Sales of steam	70,338,411	80,952,215
- Service income	72,016,608	57,626,763
	<u>25,527,421,644</u>	<u>28,834,080,676</u>
Sub-total	25,527,421,644	28,834,080,676
Other businesses income		
- Sales revenue from CDM	2,805,445	793,938
- Rental income	11,071,005	9,322,216
- Income from coal ash	171,093,179	190,465,183
- Others	11,419,543	11,906,672
	<u>196,389,172</u>	<u>212,488,009</u>
Sub-total	196,389,172	212,488,009
Total	<u>25,723,810,816</u>	<u>29,046,568,685</u>

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

47 Business taxes and surcharges

<u>Item</u>	<u>2015</u>	<u>2014</u>
Business tax	8,128,839	6,407,981
Urban maintenance and construction tax	122,178,031	108,633,455
Education surcharge	99,820,185	89,785,982
	<u>230,127,055</u>	<u>204,827,418</u>
Total	230,127,055	204,827,418

48 General and administrative expenses

<u>Item</u>	<u>2015</u>	<u>2014</u>
Labour cost	310,515,312	301,271,932
Depreciation	45,909,330	49,537,973
Taxation	113,682,709	112,360,522
Sewage charges	28,038,849	44,392,836
Labour insurance	105,314,711	58,804,900
Office expenses	18,327,901	23,905,903
Amortisation of intangible assets	50,575,510	43,144,332
Fire safety expenses	40,804,802	37,983,292
Entertainment expenses	8,556,131	21,300,005
Traffic expenses	11,291,512	16,963,904
Maintenance cost	9,914,787	10,297,882
Agency fee	19,368,819	16,070,645
Bank protection fee	13,051,380	16,438,967
Travel expenses	7,303,369	9,560,879
Rental expenses	9,946,563	11,913,078
Research and development expenses	21,608,868	18,036,130
Expenses on board meetings	1,181,100	3,576,324
Property management fee	26,754,016	25,535,732
Insurance expenses	3,830,063	3,849,378
Afforestation fees	15,443,272	14,237,498
Service charge	7,124,899	8,895,789
Others	53,194,778	54,516,372
Total	<u>921,738,681</u>	<u>902,594,273</u>

49 Financial expenses

<u>Item</u>	<u>2015</u>	<u>2014</u>
Interest expenses of debt and financing bonds	115,159,263	186,359,697
Interest expenses of borrowings	1,659,564,930	1,662,575,467
Interest expenses of discounted bills	19,259,944	31,401,657
Amortisation of interest adjustment on long-term bonds	1,403,262	3,655,288
Less: Capitalised interest expenses	(282,283,467)	(167,914,751)
Interest income	(72,648,355)	(64,414,222)
Net exchange income	7,035,148	(1,772,646)
Amortisation of unrecognised finance expenses	126,881,204	142,486,844
Other financial expenses	7,164,989	12,765,229
Total	<u>1,581,536,918</u>	<u>1,805,142,563</u>

The capitalisation rate at which the borrowing expenses were capitalised this year ranged from 3.44% to 5.93% (2014: from 5.85% to 6.31%).

50 Impairment losses

<u>Item</u>	<u>2015</u>	<u>2014</u>
Provision for / (Reversal of) other receivables	(18,463)	2,856,886
Inventories	854,742	21,780,246
Fixed assets	14,628,035	135,413,424
Construction in progress	7,443,126	84,906
Total	<u>22,907,440</u>	<u>160,135,462</u>

51 Investment income (“()” for losses)

(1) Items under investment income are as below:

<u>Item</u>	<u>2015</u>	<u>2014</u>
Gain from long-term equity investments under equity method	485,710,643	584,712,096
Gain from disposal of available-for-sale financial assets	196,924,968	-
Investment income recognised from share swap	71,253,234	-
Loss from disposal of available-for-sale financial assets	-	(808,317)
Investment income from holding of available-for-sale financial assets	46,909,270	26,698,950
Interest income from entrusted loans	-	563,812
Others	600,000	942,588
Total	<u>801,398,115</u>	<u>612,109,129</u>

52 Non-operating income

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

<u>Item</u>	<u>2015</u>	<u>2014</u>	<u>Amount recognised in extraordinary gain and loss in 2015</u>
Total gain on disposal of non-current assets	2,053,224	3,244,404	2,053,224
Including: Gain on disposal of			
fixed assets	2,053,224	3,244,404	2,053,224
Government grants	57,848,230	31,040,013	16,112,458
Claim indemnity income	35,073,591	252,330	35,073,591
Payables not required to be settled	-	700,610	-
Others	3,455,608	4,874,816	3,455,608
Total	<u>98,430,653</u>	<u>40,112,173</u>	<u>56,694,881</u>

(2) Breakdown of government grants

<u>Item</u>	<u>2015</u>	<u>2014</u>
VAT refund	11,091,879	10,144,257
Amortisation of government grants	11,174,323	8,136,856
Subsidy for dam reinforcement	1,765,474	-
Special incentive on energy conservation and emission reduction	2,846,311	10,728,900
Allowance on technology	20,000	2,030,000
Subsidy for stock generation	30,643,893	-
Subsidy for financing of capital market	173,750	-
SME support fund	132,600	-
Total	<u>57,848,230</u>	<u>31,040,013</u>

53 Non-operating expenses

<u>Item</u>	<u>2015</u>	<u>2014</u>	<u>Amount recognised in extraordinary gain and loss in 2015</u>
Total loss from disposal of non-current assets	10,075,720	60,929,606	10,075,720
Including: Loss from disposal of			
fixed assets	10,075,720	60,929,606	10,075,720
Fine for delaying payment	5,642,743	23,617,717	5,642,743
Others	2,889,135	22,696,254	2,889,135
Total	<u>18,607,598</u>	<u>107,243,577</u>	<u>18,607,598</u>

54 Income tax expense

<u>Item</u>	<u>2015</u>	<u>2014</u>
Current tax expense for the year based on tax laws and related regulations	1,225,822,566	1,262,275,057
Changes in deferred tax assets / liabilities	(60,388,679)	(21,762,493)
Tax filling differences	(2,449,614)	4,943,020
Total	<u>1,162,984,273</u>	<u>1,245,455,584</u>

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

<u>Item</u>	<u>2015</u>	<u>2014</u>
Profits before taxation	5,793,127,680	5,574,205,573
Expected income tax expense at the rate of 25%	1,448,281,920	1,393,551,393
Effect of tax preferential from subsidiaries	(788,462)	1,234,293
Non-taxable income	(174,378,606)	(152,261,376)
Cost, expense and loss not deductible for tax purposes	26,531,472	20,270,664
Deductible losses of unrecognised deferred tax assets in current period	1,910,226	2,314,866
Temporary difference on unrecognised deferred tax assets in current period	11,988,552	22,597,380
Deductible losses of unrecognised deferred tax assets in prior period	(88,393,676)	(43,231,541)
Temporary difference on unrecognised deferred tax assets in prior period	(59,717,539)	(3,963,115)
Tax filling difference of income tax in prior years	(2,449,614)	4,943,020
Income tax expense	<u>1,162,984,273</u>	<u>1,245,455,584</u>

55 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>2015</u>	<u>2014</u>
Consolidated net profits attributable to the ordinary shareholders of the Company	<u>3,237,733,312</u>	<u>3,003,977,134</u>
Weighted average number of outstanding ordinary shares	<u>5,250,283,986</u>	<u>5,250,283,986</u>
Basic earnings per share (RMB/share)	<u>0.62</u>	<u>0.57</u>

Weighted average number of ordinary shares is calculated as follows:

	<u>2015</u>	<u>2014</u>
Issued ordinary shares at the beginning of the year	4,375,236,655	4,375,236,655
Effect of additional issuance of shares arising from distribution of stock dividend (Note 1)/(Note 2)	875,047,331	875,047,331
Weighted average number of ordinary shares at the end of the year	5,250,283,986	5,250,283,986

Note 1: Under the approval of the general meeting of shareholders on 21 May 2015, the Company distributed 2 shares of stock dividends for every 10 shares of 4,375,236,655 shares held by the shareholders with total amount of RMB875,047,331 transferred into registered capital (share capital).

Note 2: According to CAS, upon the completion of filing procedures for the above stock dividend transferred to share capital, the Company considered the effect of weighted average number of such stock dividends transferred to share capital, as if adjustment is made to the weighted average number of ordinary share at the end of the previous year and the earning per share of the previous year is re-calculated accordingly.

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding (diluted). In 2015 and 2014, the diluted and basic earnings per share are the same since the Company has no diluted potential ordinary shares. The Company re-calculated to the diluted earnings per share of the previous year as the effect of transformation from stock dividend to share capital which is mentioned in Note 2.

56 Supplement to income statement

Expenses in income statement categorised by nature:

<u>Item</u>	<u>2015</u>	<u>2014</u>
Operating income	25,723,810,816	29,046,568,685
Less: Raw material used	(11,459,301,948)	(14,267,430,973)
Employee benefits expenses	(1,867,344,212)	(1,768,882,893)
Depreciation and amortisation expense	(3,701,616,264)	(3,635,994,677)
Impairment losses from non-current assets	(22,071,161)	(135,498,330)
Rental expense	(15,471,029)	(18,739,205)
Financial expense	(1,581,536,918)	(1,805,142,563)
Other expenses	(1,363,164,659)	(1,773,543,067)
Operating profit	<u>5,713,304,625</u>	<u>5,641,336,977</u>

57 Cash flow statement

(1) Proceeds relating to other operating activities

<u>Item</u>	<u>2015</u>	<u>2014</u>
Interest income	67,886,794	64,161,434
Government grant	21,697,888	71,583,360
Rental income	8,968,754	9,322,216
Claim and indemnity income	35,073,591	252,330
Others	3,455,608	2,065,450
Total	<u>137,082,635</u>	<u>147,384,790</u>

(2) Payment relating to other operating activities

<u>Item</u>	<u>2015</u>	<u>2014</u>
Sewage charges	65,502,256	71,730,188
Insurance expenses	83,660,025	72,019,608
Entertainment expenses	10,394,788	25,840,912
Fire safety expenses	40,804,802	37,983,292
Office expense	36,858,382	47,907,893
Agency fee	19,368,819	16,070,645
Maintenance expense	9,914,787	10,297,882
Traffic expense	24,116,166	35,546,111
Bank protection fee	13,237,050	17,371,924
Travel expenses	12,827,835	16,075,819
Rental expenses	17,645,723	18,739,205
Research and development expenses	21,608,868	18,036,130
Property management fees	42,197,288	39,697,455
Labour union funds	21,187,737	20,067,616
Utilities cost	26,384,932	20,994,593
Others	21,325,864	17,312,466
Total	<u>467,035,322</u>	<u>485,691,739</u>

(3) Proceeds relating to other investment activities

<u>Item</u>	<u>2015</u>	<u>2014</u>
Fractional share revenue	<u>1,984</u>	<u>51,619</u>

58 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>2015</u>	<u>2014</u>
Net profit	4,630,143,407	4,328,749,989
Add: Provision for asset impairment	22,907,440	160,135,462
Depreciation of fixed assets and investment properties	3,648,575,190	3,591,830,186
Amortisation of intangible assets and long-term deferred expenses	53,041,074	44,164,491
Losses on disposal of fixed assets, intangible assets and other long-term assets	8,022,496	57,685,202
Financial expenses	1,649,758,920	1,859,179,056
Investment gains	(801,398,115)	(612,109,129)
Increase in deferred income tax	(60,388,679)	(21,762,493)
Decrease / (increase) in inventories	288,689,645	(41,332,846)
Decrease in operating receivables	594,071,602	1,062,896,566
Decrease / (increase) in operating payables	409,014,165	(2,036,641,840)
Net cash flows from operating activities	<u>10,442,437,145</u>	<u>8,392,794,644</u>

(b) Change in cash and cash equivalent:

<u>Item</u>	<u>2015</u>	<u>2014</u>
Cash at the end of the year	5,227,406,725	4,528,277,314
Less: Cash at the beginning of the year	<u>(4,528,277,314)</u>	<u>(4,377,311,176)</u>
Net increase in cash and cash equivalents	<u>699,129,411</u>	<u>150,966,138</u>

(2) Composition of cash and cash equivalents

<u>Item</u>	<u>2015</u>	<u>2014</u>
Cash		
Cash at bank and on hand	5,237,406,725	4,548,277,314
Less: Restricted cash	(10,000,000)	(20,000,000)
	<hr/>	<hr/>
Closing balance of cash and cash equivalents	5,227,406,725	4,528,277,314
	<hr/>	<hr/>
Including: Cash on hand	78,223	88,728
Bank deposits		
available on		
demand	5,227,328,502	4,528,188,586

59 As at 31 December 2015, assets with restrictions placed on their ownership were as follows:

<u>Item</u>	Note	Balance at the beginning of the year	Additions during the year	Decrease during the year	Balance at the end of the year	Reason for restriction
Cash at bank and on hand	V.1	20,000,000	40,000,000	(50,000,000)	10,000,000	Margin deposits at bank
Accounts receivable	V.2	172,806,399	2,572,248,278	(2,246,268,604)	498,786,073	Pledged accounts receivables of electricity bills
Fixed assets	V.13	1,137,751,562	189,160,383	(177,851,028)	1,149,060,917	Mortgaged generating equipment
Total		<u>1,330,557,961</u>	<u>2,801,408,661</u>	<u>(2,474,119,632)</u>	<u>1,657,846,990</u>	

Please see Note V.1, 2(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

1 Business combinations involving enterprises not under common control

(1) Business combinations involving enterprises not under common control during the year

	Acquisition date of equity investment	<u>Cost of equity investment</u>	Proportion of <u>equity investment</u> (%)	Acquisition method	Acquisition date	<u>Basis of acquisition date determination</u>	<u>Acquiree-from acquisition date to 31 December 2015</u>		
							<u>Income</u>	<u>Net profit</u>	<u>Net cash outflow</u>
Lincang Energy	05/01/2015	476,965,661	100%	Equity swap	05/01/2015	The date when the Company obtain control over the acquiree	16,250,864	1,181,704	(15,856,114)

Lincang Energy was established and headquartered in Lincang city, Yunnan province on 4 March 2005. It mainly engages in investment, development, construction and operation of electricity projects. Prior to the acquisition, the parent company of Lincang Energy was Yunan Provincial Power Investment Co., Ltd, and the ultimate holding company was Yunan Investment Group Co., Ltd. and State-owned Assets Supervision and Administration Commission of Yunnan Provincial People's Government.

(2) Acquisition cost and goodwill

<u>Acquisition cost</u>	<u>Lincang Energy</u>	
	<u>Carrying amount</u>	<u>Fair value</u>
Non-cash assets	221,275,475	243,252,487
Equity investments held before acquisition date	184,436,952	233,713,174
Total acquisition cost	405,712,427	476,965,661
Less: share of the fair value of the identifiable net assets acquired		451,928,767
Goodwill		25,036,894

As disclosed in Note V.11 (2)(ii), the Company exchanged for 51.00% of the equity in Lincang Energy held by third parties with 14.34% of equity in Weixin Yuntou on 5 January 2015, after which the Company obtained control over Lincang as the Company's shareholding proportion was increased to 100.00% from 49.00%. The Company determined the acquisition cost including the fair value of 14.34% of equity in Weixin Yuntou for equity replacement and the fair value of the 49% of equity in Lincang Energy held prior to the acquisition date according to Zhong He Ping Bao Zi (2014) No. KMV 1214 and Zhong He Ping Bao Zi (2014) No. KMV 1215 issued by ZhongHe Appraisal Co., Ltd.

(3) Identifiable assets and liabilities of the acquiree at the acquisition date

	<i>Lincang Energy</i>	
	<u>Fair value</u>	<u>Carrying amount</u>
Assets		
Cash on hand and at bank	52,028,777	52,028,777
Fixed assets	208,037,730	183,708,445
Construction in progress	819,005,594	805,034,714
Intangible assets	68,339,480	5,937,213
Other assets	33,134,721	33,134,721
Liabilities		
Short-term loans	239,000,000	239,000,000
Non-current liabilities due within one year	15,800,000	15,800,000
Long-term loans	383,400,000	383,400,000
Special payable	17,470,000	17,470,000
Deferred income tax liabilities	25,175,608	-
Other liabilities	47,771,927	47,771,927
Net asset	451,928,767	376,401,943
Less: Non-controlling interests	-	-
Net assets acquired	<u>451,928,767</u>	<u>376,401,943</u>

If there is an active market for the above identifiable assets, the quoted prices in the active market are used to establish their fair value; if there is no active market, their fair value is determined based on the market prices of the same or similar types of assets which have an active market; if there is no active market for the same asset or similar types of assets, valuation techniques are used to determine the fair value.

For the above identifiable liability, the payable amount or the present value of the payable amount is its fair value.

(4) Gain or loss from remeasurement of equity investments held prior to acquisition date at fair value

Name of acquiree	Carrying amount at acquisition date	Fair value at acquisition date	Gain or loss from remeasurement at fair value	Equity investments held prior to acquisition date		Investment income or loss transferred from other comprehensive income related to equity investments held prior to acquisition date
				Determination method and key assumption of fair value at acquisition date	Income approach Asset-based approach	
Lincang Energy	184,436,952	233,713,174	49,276,222	Income approach Asset-based approach		-

2 Subsidiaries established during the year

Name	Principal place	Place of registration	Nature of business	Registered capital	Shareholding proportion in Company (%)	Acquisition method
Yudean Power Sales Co., Ltd.	Guangzhou	Guangzhou city	Electricity generation	500,000,000	100.00%	Investment
Yudean Qujie Wind Power Generation Co., Ltd.	Zhanjiang	Zhanjiang city	Electricity generation	200,000,000	100.00%	Investment
Yudean Yangjiang Offshore Wind Power Co., Ltd.	Yangjiang	Yangjiang city	Electricity generation	55,000,000	100.00%	Investment

VII Interest in other entities

1 Interest in subsidiaries

(1) Composition of business group

Name	Principal place of business	Place of registration	Nature of business	Registered capital	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
Maoming Zhenneng Thermal Power Co., Ltd (“Maoming Zhenneng”)	Maoming city	Maoming city	Electricity generation	1,019,535,500	66.61%	-	Investment
Guangdong Yudean Jinghai Power Co., Ltd. (“Jinghai Power”)	Jieyang city	Jieyang city	Electricity generation	2,919,272,000	65.00%	-	Investment
Zhanjiang Wind Power Guangdong Yudean Anxin Electric Co.,Ltd (“Anxin Electric”)	Zhanjiang city	Zhanjiang city	Electricity generation	346,110,000	70.00%	-	Investment
Guangdong Yudean Humen Electric Co.,Ltd (“Humen Electric”)	Dongguan city	Dongguan city	Electricity generation	20,000,000	100.00%	-	Investment
Guangdong Yudean Bohe Coal Power Co.,Ltd (“Bohe Coal”)	Dongguan city	Dongguan city	Electricity generation	150,000,000	60.00%	-	Investment
Zhanjiang Yuheng Electric Co., Ltd (“Yuheng Electric”)	Maoming city	Maoming city	Electricity generation	1,685,000,000	100.00%	-	Investment Business combination under common control
Xuwen Wind Power	Zhanjiang city	Zhanjiang city	Electricity generation	20,000,000	-	76.00%	Investment
Yudean Huadu Natural Gas Guangdong Yudean Dabu Electric Co.,Ltd (“Dabu Electric”)	Guangzhou city	Guangzhou city	Electricity generation	173,190,000	-	70.00%	Investment
Guangdong Yudean Leizhou Wind Power Co.,Ltd (“Leizhou Wind Power”)	Meizhou city	Meizhou city	Electricity generation	120,000,000	65.00%	-	Investment
Yudean Dianbai Wind Power	Meizhou city	Meizhou city	Electricity generation	1,000,000,000	100.00%	-	Investment
Guangdong Yudean Zhanjiang Wind Power Generation Co.,Ltd (“Zhanjiang Wind”)	Leizhou city	Leizhou city	Electricity generation	100,000,000	80.00%	14.00%	Investment
Guangdong Yuejia Electric Co., Ltd (“Yuejia Electric”)	Maoming city	Maoming city	Electricity generation	121,872,900	-	100.00%	Investment Business combination under common control
Yuejiang Power	Shaoguan city	Shaoguan city	Electricity generation	2,875,440,000	76.00%	-	Investment Business combination under common control
Zhanjiang Zhongyue Energy Co., Ltd (“Zhongyue Energy”)	Meizhou city	Meizhou city	Electricity generation	1,080,000,000	58.00%	-	Investment Business combination under common control
Yudean Power Sales Co., Ltd. (“Power Sale”)	Shaoguan city	Shaoguan city	Electricity generation	1,070,000,000	90.00%	-	Investment Business combination under common control
Yudean Qujie Wind Power Generation Co., Ltd. (“Qujie Wind Power”)	Zhanjiang city	Zhanjiang city	Electricity generation	1,454,300,000	90.00%	-	Investment
Yudean Yangjiang Offshore Wind Power Co., Ltd. (“Yangjiang Wind Power”)	Guangzhou city	Guangzhou city	Electricity generation	500,000,000	100.00%	-	Investment
Lincang Yudean Energy Co., Ltd. (“Lincang Energy”)	Zhanjiang city	Zhanjiang city	Electricity generation	200,000,000	100.00%	-	Investment
	Yangjiang city	Yangjiang city	Electricity generation	55,000,000	100.00%	-	Investment Business combination not under common control
	Lincang city	Lincang city	Electricity generation	396,490,000	100.00%	-	Investment Business combination not under common control

Name	Principal place of business	Place of registration	Nature of business	Registered capital	Shareholding percentage (%)		Acquisition method
					Direct	Indirect	
Guangqian Electric	Shenzhen city	Shenzhen city	Electricity generation	1,030,292,500	100.00%	-	Business combination under common control
Huizhou Natural Gas	Huizhou city	Huizhou city	Electricity generation	963,000,000	67.00%	-	Business combination under common control
Pinghai Power	Huizhou city	Huizhou city	Electricity generation	1,370,000,000	45.00%	-	Business combination under common control
Shibeishan	Jieyang city	Jieyang city	Electricity generation	231,700,000	-	70.00%	Business combination under common control
Red Bay	Shanwei city	Shanwei city	Electricity generation	2,749,750,000	65.00%	-	Business combination under common control
Guangdong Province Wind Power Co., Ltd	Guangzhou city	Guangzhou city	Electricity generation	551,452,900	100.00%	-	Business combination not under common control
Huilai Wind Power	Jieyang city	Jieyang city	Electricity generation	20,000,000	-	70.00%	Business combination not under common control
Guangdong Yuejiang Hongrui Power Technology Development Co., Ltd. ("Hongrui Technology")	Shaoguan city	Shaoguan city	Electricity generation	20,000,000	-	90.00%	Investment

- (a) Pinghai power was bought by the Company in 2012 by offered non-public shares from Yudean. 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 60.00%, 60.00%, 60.00%, 56.00% and 60.00%, respectively, 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

<u>Name of the subsidiary</u>	<u>Proportion of ownership interest held by non-controlling interests</u>	<u>Profit and loss allocated to non-controlling interests during the year</u>	<u>Dividend declared to non-controlling interests during the year</u>	<u>Balance of non-controlling interests at the end of the year</u>
Jinghai Power	35.00%	339,458,649	326,152,880	1,469,529,168
Zhanjiang Electric	24.00%	109,759,255	87,328,538	998,029,853
Zhongyue Energy	10.00%	11,690,868	5,817,296	157,926,515
Pinghai Power	55.00%	448,691,828	505,118,597	1,110,972,328
Red Bay	35.00%	226,302,670	231,651,012	1,277,297,239

(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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Current assets	1,112,094,074	2,198,924,204	555,657,794	631,073,543	2,694,755,639	2,533,610,385	1,101,435,458	1,561,659,528	991,869,726	1,463,840,846
Non-current assets	5,599,096,449	5,959,689,376	4,779,246,579	4,882,255,394	1,849,562,051	1,992,214,977	9,627,210,855	10,381,718,869	7,502,925,134	8,201,086,069
Total assets	6,711,190,523	8,158,613,580	5,334,904,373	5,513,328,937	4,544,317,690	4,525,825,362	10,728,646,313	11,943,378,397	8,494,794,860	9,664,926,915
Current liabilities	1,041,438,685	994,172,766	2,220,685,027	1,736,162,188	378,318,484	456,081,675	1,542,006,215	2,104,505,777	2,423,774,177	1,311,625,258
Non-current liabilities	3,649,802,150	5,041,897,000	1,534,954,199	2,256,637,324	7,541,487	4,747,289	4,987,985,332	5,678,234,335	2,421,600,000	4,688,600,000
Total liabilities	4,691,240,835	6,036,069,766	3,755,639,226	3,992,799,512	385,859,971	460,828,964	6,529,991,547	7,782,740,112	4,845,374,177	6,000,225,258
Operating income	3,239,311,243	3,837,401,385	1,808,350,497	2,083,466,970	2,040,013,797	2,303,196,128	5,015,690,210	6,075,568,206	3,884,965,789	4,722,896,250
Net profit	815,803,324	907,871,678	116,908,678	64,636,619	457,330,230	394,203,054	969,881,853	1,035,405,970	646,579,058	735,400,037
Total comprehensive income	815,803,324	907,871,678	116,908,678	64,636,619	457,330,230	394,203,054	969,881,853	1,035,405,970	646,579,058	735,400,037
Cash flow from operating activities	1,749,301,834	1,224,362,651	841,451,871	137,731,751	770,306,905	587,581,392	2,435,723,560	2,509,070,670	1,900,348,504	1,977,432,456

2 Transactions that cause changes in the Group's interests in subsidiaries that do not result in loss of control

(1) Changes in the Group's interests in subsidiaries:

The Company acquired 6.406% and 1.931% of non-controlling equity in its subsidiary – Maoming Zhenneng with RMB70,615,500 and RMB21,286,100, respectively, on 28 October 2015. The relevant transaction cost was RMB551,408. Subsequent to the transaction, the Company's shareholding proportion in Maoming Zhenneng is increased to 66.61% from 58.27%.

(2) Impact from transactions with non-controlling interests and equity attributable to the shareholders of the Company:

	<u>Maoming Zhenneng</u>
Acquisition cost	
-Cash	92,453,008
Less: share of net assets in subsidiaries based on the shares acquired	98,413,820
Difference	<u>(5,960,812)</u>
Adjustment of capital reserve	<u>(5,960,812)</u>

3 Interests in joint ventures or associates

<u>Item</u>	<u>2015</u>	<u>2014</u>
Joint ventures		
- material joint ventures	601,637,346	597,811,376
Associates		
- material associates	4,986,242,742	5,288,926,902
- immaterial associates	336,530,071	717,971,368
Total	<u>5,924,410,159</u>	<u>6,604,709,646</u>

(1) Material joint ventures or associates

Name of enterprise	Principal place of business	Registered place	Nature of business	Shareholding percentage		Accounting treatment for investment in joint ventures or associates	Registered capital	Strategic to the Group's activities
				Direct	Indirect			
Joint ventures								
Industry Fuel	Guangzhou city	Guangzhou city	Fuel trade	50.00%	-	Equity method	630,000,000	Yes
Associates								
Taishan Electric	Taishan city	Taishan city	Power generation	20.00%	-	Equity method	4,669,500,000	Yes
Shanxi Yudean Energy	Taiyuan city	Taiyuan city	Coal mine business	40.00%	-	Equity method	1,000,000,000	Yes
Yudean Finance	Guangzhou city	Guangzhou city	Finance	25.00%	-	Equity method	2,000,000,000	Yes
Yudean Shipping	Shenzhen city	Shenzhen city	Shipping	35.00%	-	Equity method	2,465,800,000	Yes
Weixin Yuntou	Zhaotong city	Zhaotong city	Power generation	25.66%	-	Equity method	2,118,277,400	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>Industry Fuel</u>	
	<u>2015</u>	<u>2014</u>
Current assets	4,076,268,154	4,079,683,355
Including: cash and cash equivalents	2,887,513,348	2,745,465,152
Non-current assets	249,325,646	274,183,838
Total assets	<u>4,325,593,800</u>	<u>4,353,867,193</u>
Current liabilities	3,121,089,652	3,156,796,026
Non-current liabilities	-	218,959
Total liabilities	<u>3,121,089,652</u>	<u>3,157,014,985</u>
Net asset	<u>1,204,504,148</u>	<u>1,196,852,208</u>
Non-controlling interests	-	-
Equity attributable to the shareholders of the Company	1,204,504,148	1,196,852,208
Group's share of net assets	602,252,074	598,426,104
Others	(614,728)	(614,728)
Carrying value of equity investment in joint ventures	601,637,346	597,811,376
Operating income	15,772,612,090	19,734,268,933
Financial expense	(29,221,828)	(26,057,748)
Interest income	36,736,862	30,814,439
Interest expense	-	1,486,194
Income tax expense	58,151,568	54,674,648
Net profit	157,196,446	166,160,562
Other comprehensive income	-	-
Total comprehensive income	157,196,446	166,160,562
Dividends received from associates during the current period	74,772,253	66,524,888

(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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Current assets	417,158,415	614,192,403	738,200,355	814,365,573	5,864,097,820	5,296,047,633	179,821,429	88,116,751	1,309,902,206	1,869,119,309
Non-current assets	5,066,354,163	5,418,402,047	8,104,713,694	7,823,443,918	11,228,042,973	11,111,720,508	2,430,269,499	2,421,256,448	14,401,761,966	15,233,384,664
Total assets	5,483,512,578	6,032,594,450	8,842,914,049	8,637,809,491	17,092,140,793	16,407,768,141	2,610,090,928	2,509,373,199	15,711,664,172	17,102,503,973
Current liabilities	1,287,603,159	1,626,332,408	1,188,322,978	848,995,694	14,464,523,324	13,868,879,408	166,074,304	22,937,719	4,912,638,127	5,559,062,528
Non-current liabilities	1,508,978,638	1,704,343,619	5,877,409,775	6,362,471,717	-	-	160,000,000	313,200,000	277,500,000	500,000,000
Total liabilities	2,796,581,797	3,330,676,027	7,065,732,753	7,211,467,411	14,464,523,324	13,868,879,408	326,074,304	336,137,719	5,190,138,127	6,059,062,528
Net assets	2,686,930,781	2,701,918,423	1,777,181,296	1,426,342,080	2,627,617,469	2,538,888,733	2,284,016,624	2,173,235,480	10,521,526,045	11,043,441,445
Non-controlling interests Equity attributable to the shareholders of the Company	-	-	-	-	-	-	-	-	-	-
Group's share of net assets	940,425,774	945,671,448	456,024,721	570,536,832	656,904,369	634,722,185	913,606,650	869,294,193	2,104,305,209	2,208,688,289
Add: Goodwill derived from acquiring investments	-	-	-	-	13,325,000	13,325,000	-	-	-	-
Not synchronize with all shareholders	-	-	(98,348,981)	46,689,040	-	-	-	-	-	-
Others	-	(85)	-	-	-	-	-	-	-	-
Carrying value of equity investment in associates	940,425,774	945,671,363	357,675,740	617,225,872	670,229,369	648,047,185	913,606,650	869,294,193	2,104,305,209	2,208,688,289

<u>Item</u>	<u>Yudean Shipping</u>		<u>Weixin Yuntou</u>		<u>Yudean Finance</u>		<u>Shanxi Energy</u>		<u>Taishan Electric</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Operating income	1,378,367,191	1,717,370,636	748,458,944	1,033,568,328	662,345,486	716,931,715	561,087	-	7,607,483,589	9,455,483,471
Financial expense	151,436,533	193,995,997	310,298,216	317,496,211	(88,953)	(203,254)	19,769,501	20,716,039	190,266,292	265,065,763
Interest income	2,567,260	4,512,297	-	-	101,843	216,781	660,949	956,624	-	-
Interest expense	157,918,073	198,313,702	-	-	-	-	20,426,641	21,666,323	-	-
Income tax expense	9,892,626	30,021,871	-	(56,007)	83,110,080	84,165,144	-	6,272	637,359,428	763,332,658
Net profit / (loss)	22,394,191	48,491,457	(149,160,784)	(195,525,499)	318,870,586	307,708,299	120,781,143	217,345,956	1,528,736,740	2,278,502,380
Other comprehensive income	201,298	(800)	-	-	-	-	-	-	-	-
Total comprehensive income	22,595,489	48,490,657	(149,160,784)	(195,525,499)	318,870,586	307,708,299	120,781,143	217,345,956	1,528,736,740	2,278,502,380
Dividends received from associates during the current period	15,835,300	8,977,900	-	-	57,535,462	53,750,722	4,000,000	-	410,130,428	420,305,320

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

	<u>2015</u>	<u>2014</u>
Associates:		
Aggregate carrying value of investment	336,530,071	717,971,368
Aggregate amount of share of		
- Net profit / (loss)	3,771,659	(33,629,924)
- Other comprehensive income	190,748	114,664
- Total comprehensive income / (loss)	3,962,407	(33,515,260)

VIII Risks 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 2015 and 2014, 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, the Group's current liabilities was more than its current assets of RMB5,402,000,000 (31 December 2014: RMB5,424,000,000) as at 31 December 2015, 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:

Item	2015 contractual undiscounted cash flow					Carrying amount at balance sheet date
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
Short-term loans	(6,460,218,032)	-	-	-	(6,460,218,032)	(6,288,060,000)
Bills payable	(593,971,146)	-	-	-	(593,971,146)	(593,971,146)
Accounts payable	(5,389,494,608)	-	-	-	(5,389,494,608)	(5,389,494,608)
Long-term loans and long-term loans with a maturity of less than 1 year	(2,626,747,358)	(4,178,954,674)	(8,315,163,497)	(19,436,917,046)	(34,557,782,575)	(22,775,128,119)
Debentures payable and debentures with a maturity of less than 1 year	(59,400,000)	(59,400,000)	(1,269,300,000)	-	(1,388,100,000)	(1,196,029,762)
Long-term payables and long-term payables with a maturity of less than 1 year	(464,277,337)	(852,664,261)	(1,245,949,367)	(515,188,768)	(3,078,079,733)	(2,874,515,554)
Provisions	(700,000)	-	-	-	(700,000)	(700,000)
Other current liabilities	(1,744,261,507)	-	-	-	(1,744,261,507)	(1,711,348,630)
Total	<u>(17,339,069,988)</u>	<u>(5,091,018,935)</u>	<u>(10,830,412,864)</u>	<u>(19,952,105,814)</u>	<u>(53,212,607,601)</u>	<u>(40,829,247,819)</u>

Item	2014 contractual undiscounted cash flow					Carrying amount at balance sheet date
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
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 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 and long-term payables with a maturity of less than 1 year	(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	<u>(17,519,093,223)</u>	<u>(3,533,843,757)</u>	<u>(9,436,260,423)</u>	<u>(21,838,618,840)</u>	<u>(52,327,816,243)</u>	<u>(40,522,005,553)</u>

(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:

<u>Item</u>	<u>2015</u>		<u>2014</u>	
	<u>Annual interest rate</u>	<u>Amount</u>	<u>Annual interest rate</u>	<u>Amount</u>
Financial assets				
- Cash at bank and on hand	1.43% ~ 3.30%	1,281,000,000	1.49% ~ 3.30%	737,183,709
Financial liabilities				
- Long-term loans	1.30%	(9,895,525)	1.30% ~ 6.55%	(653,624,003)
- Non-current liabilities due within 1 year	1.30% ~ 6.15%	(398,232,440)	1.30% ~ 6.55%	(2,031,039,700)
- Debentures payable	5.04%	(1,196,029,762)	4.95%	(1,195,076,905)
- Other current liabilities	3.29% ~ 3.80%	(1,711,348,630)	4.75% ~ 5.10%	(808,630,227)
- Bills payable	3.04% ~ 4.08%	(593,971,146)	4.70% ~ 5.10%	(251,711,616)
Total		<u>(2,628,477,503)</u>		<u>(4,202,898,742)</u>

Variable rate instruments:

<u>Item</u>	<u>2015</u>		<u>2014</u>	
	<u>Annual interest rate</u>	<u>Amount</u>	<u>Annual interest rate</u>	<u>Amount</u>
Financial assets				
- Cash at bank and on hand	0.01% ~ 0.44%	3,956,328,502	0.35% ~ 1.15%	3,751,093,605
- Long-term receivables	4.93% ~ 7.30%	128,640,631	5.31% ~ 7.05%	121,334,809
- Other receivables	-	-	5.60%	50,000,000
- Other current assets	0.05% ~ 0.32%	50,859,601	0.13% ~ 0.37%	47,808,208
Financial liabilities				
- Short-term loans	3.92% ~ 5.80%	(6,288,060,000)	5.04% ~ 6.30%	(5,721,000,000)
- Long-term loans	0.92% ~ 6.15%	(21,293,334,385)	0.92% ~ 6.55%	(19,961,292,643)
- Long-term payables	4.30% ~ 7.38%	(2,495,443,111)	5.54% ~ 7.79%	(2,649,435,371)
- Non-current liabilities due within 1 year	0.92% ~ 7.38%	(1,452,738,212)	5.40% ~ 7.79%	(2,452,922,644)
Total		<u>(27,393,746,974)</u>		<u>(26,814,414,036)</u>

- (b) Sensitivity analysis

As at 31 December 2015, 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 and net profit by RMB20,545,310 (31 December 2014: Approximately RMB20,110,811).

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.

	2015		2014	
	Foreign currency balance	Translating RMB balance	Foreign currency balance	Translating RMB balance
Cash at bank and on hand				
- USD	20,075	130,358	189	1,156
- HKD	12,879	10,835	12,878	10,159
Other current assets				
- USD	7,832,266	50,859,602	7,813,075	47,808,208
Long-term loans				
- USD	(26,400,000)	(171,431,040)	(28,600,000)	(175,003,400)
- EUR	(1,394,679)	(9,895,525)	(1,709,320)	(12,744,003)
Non-current liabilities due within 1 year				
- USD	(2,200,000)	(14,285,920)	-	-
- EUR	(314,641)	(2,232,440)	(314,641)	(2,345,836)
Gross balance sheet exposure				
- USD	(20,747,659)	(134,727,000)	(20,786,736)	(127,194,036)
- EUR	(1,709,320)	(12,127,965)	(2,023,961)	(15,089,839)
- HKD	12,879	10,835	12,878	10,159
Notional amounts of forward exchange contracts used as economic hedges	-	-	-	-
Net balance sheet exposure				
- USD	(20,747,659)	(134,727,000)	(20,786,736)	(127,194,036)
- EUR	(1,709,320)	(12,127,965)	(2,023,961)	(15,089,839)
- HKD	12,879	10,835	12,878	10,159

- (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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
USD	6.2284	6.1453	6.4936	6.1190
EUR	6.9141	8.1481	7.0952	7.4556
HKD	0.8034	0.7919	0.8378	0.7889

- (c) Sensitivity analysis

Assuming all other risk variables remained constant, a 10% weakening of the Renminbi against the US dollar, Euro and HK dollar at 31 December would have increased / (decrease) the Group's shareholders' equity and net profit, 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 2015		
USD	(10,104,525)	(10,104,525)
EUR	(909,598)	(909,598)
HKD	809	809
Total	<u>(11,013,314)</u>	<u>(11,013,314)</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>

A 10% strengthening 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 categorised 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

Asset	Note	31 December 2015			Total
		Level 1	Level 2	Level 3	
Available-for-sale financial assets					
Available-for-sale equity instruments	V.9	553,350,488	-	-	553,350,488

Asset	Note	31 December 2014			Total
		Level 1	Level 2	Level 3	
Available-for-sale financial assets					
Available-for-sale equity instruments	V.9	452,482,335	-	-	452,482,335

In 2015, there were no significant transfers between instruments in Level 1 and Level 2.

In 2015, 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

<u>Name of parent</u>	<u>Place of registration</u>	<u>Nature of business</u>	<u>Registered capital</u>	<u>Shareholding percentage (%)</u>	<u>Percentage of voting rights (%)</u>
Yudean	Guangzhou	Operation of power plant, management of electricity assets, construction of power plant and sales of electricity	23,000,000,000	67.39%	67.39%

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.3 for the Company's significant joint venture or associates. Related party transactions with the Company during the current and prior year, details of other joint ventures and associates which have outstanding balances with the Company during the current and prior year are as follows:

<u>Entity name</u>	<u>Relationship with the Company</u>
Industry Fuel	Joint venture
Taishan Electric	Associate
Shanxi Yudean Energy	Associate
Yudean Finance	Associate
Western Investment	Associate
Yudean Shipping	Associate
Weixin Yuntou	Associate
Huaneng Shantou Wind Power	Associate
Jiangkeng Hydropower	Associate
Yangshan Zhongxinkeng Electric	Associate

4 Information of other related parties

<u>Name of other related parties</u>	<u>Relationship with the Company</u>
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. (“Yueyang Electric”)	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
Guangzhou Huangpu Yuehua Power Plant Human Resources Co., Ltd. (“Huangpu Yuehua Human Resources”)	Controlled by Yudean
Inner Mongolia Yudean Menghua New Energy Co., Ltd. (“Menghua New Energy”)	Controlled by Yudean
Chaokang Investment	Controlled by Yudean
Guangdong Yuehua Power Co., Ltd. (“Yuehua Power”)	Controlled by Yudean
Guangdong Yangjiang Hailingwan LNG Co., Ltd. (“Hailingwan LNG”)	Controlled by Yudean
Guangdong Lianzhou Yuelian Power Plant Co., Ltd. (“Lianzhou Power”)	Controlled by Yudean
Guangdong Yudean Yunhe Power Co., Ltd. (“Yunhe Power”)	Controlled by Yudean
Guangdong Yuelong Power Generation Co., Ltd. (“Yuelong Power”)	Controlled by Yudean
Guangdong Yudean Zhongshan Thermal Power Plant (“Zhongshan Thermal”)	Controlled by Yudean
Guangdong Port of Yangjiang Harbour Service Co., Ltd., Co. (“Port of Yangjiang”)	Controlled by Yudean

5 Related party transactions

(1) Purchase of goods / receiving services (excluding key management personnel emolument)

The Group

<u>Related parties</u>	Type of related party transaction	Pricing policy and decision making process	2015		2014	
			<u>Amount</u>	<u>% of similar transactions</u>	<u>Amount</u>	<u>% of similar transactions</u>
Industry Fuel	Fuel purchase	Agreement price	8,288,420,119	91.74%	11,300,462,642	91.46%
GYEP	Material purchase	Agreement price	105,842,766	16.49%	128,505,527	14.53%
Zhuhai Grand Power	Equipment purchase	Agreement price	377,774	0.72%	1,164,188	0.89%
Chaokang Investment	Purchase of carbon emission right	Agreement price	-	-	600,000	5.99%
Yuelong Power	Purchase of carbon emission right	Agreement price	-	-	4,800,000	47.90%
Huangpu Electrical Engineering	Acceptance of repairment services	Agreement price	35,620,584	3.53%	29,562,649	2.60%
Maoming Thermal	Acceptance of leasing service	Agreement price	1,251,483	7.09%	1,251,483	6.68%
Yudean Shipping	Acceptance of tugboat services	Agreement price	26,375,472	55.29%	28,667,925	53.89%
Yudean PM	Acceptance of property management service	Agreement price	24,830,755	92.81%	19,086,629	74.97%
Yudean Technology	Acceptance of management service	Agreement price	2,709,896	0.27%	2,339,230	0.21%
Huangpu Yuehua Human Resources	Acceptance of human resources services	Agreement price	5,760,000	9.38%	3,050,000	4.04%
Yuehua Power	Acceptance of human resources services	Agreement price	-	-	2,520,000	29.14%
Yuehua Power	Acceptance of leasing service	Agreement price	36,156	0.20%	-	-
Yudean PI	Acceptance of leasing service	Agreement price	6,205,571	35.17%	6,156,489	32.85%
Shaoguan Electric Power Plant	Acceptance of leasing service	Agreement price	62,696	0.36%	-	-
Chaokang Investment	Acceptance of advisory services	Agreement price	242,380	8.55%	63,672	22.15%
Port of Yangjiang	Acceptance of tugboat services	Agreement price	8,152,039	17.09%	2,828,941	5.32%
Zhuhai Jinwan Electric	Acceptance of management service	Agreement price	314,371	2.26%	-	-

(2) Payment of pocket expenses

	<u>2015</u>	<u>2014</u>
Shaoguan Electric Power Plant	<u>12,712,137</u>	<u>11,429,869</u>

(3) Sales of goods / rendering of services

The Group

<u>Related parties</u>	<u>Type of related party transaction</u>	<u>Pricing policy and decision making process</u>	<u>2015</u>		<u>2014</u>	
			<u>Amount</u>	<u>% of similar transactions</u>	<u>Amount</u>	<u>% of similar transactions</u>
GYEP Chaokang Investment	Sale income from by-products	Agreement price	133,516,839	78.04%	123,783,462	64.99%
	Sales of carbon emission right	Agreement price	-	-	600,000	100.00%
Shajiao C	Provision of maintenance services	Agreement price	47,051,762	62.38%	42,792,298	74.26%
	Provision of maintenance services	Agreement price	5,473,335	7.26%	3,702,600	6.43%
Zhuhai Jinwan Electric	Provision of maintenance services	Agreement price	-	-	3,624,795	6.29%
	Provision of maintenance services	Agreement price	2,510,049	3.33%	2,213,675	3.84%
Biomass Electric Power	Provision of training services	Agreement price	1,801,568	100.00%	158,757	93.95%
	Provision of training services	Agreement price	-	-	10,228	6.05%
Zhuhai Electric Zhongshan Thermal Power Plant	Provision of maintenance services	Agreement price	142,313	0.19%	-	-
	Provision of maintenance services	Agreement price	5,974,359	7.92%	-	-
Yudean Shipping						
Huangpu Electric						
Yunhe Power						

(4) Leases

The Group as a lessee:

<u>Name of lessor</u>	<u>Name of Lessee</u>	<u>Type of leased assets</u>	<u>Starting date</u>	<u>Maturity date</u>	<u>Pricing basis of leasing payment</u>	<u>Leasing payment recognised in 2015</u>
Maoming Thermal	Maoming Zhenneng	Land lease	1/1/2007	31/12/2037	Agreement price	364,861
Maoming Thermal	Maoming Zhenneng	Land lease	1/8/2010	1/8/2040	Agreement price	731,217
Maoming Thermal *	Maoming Zhenneng	Housing rental	1/1/2013	31/12/2015	Agreement price	155,405
Yudean PI *	The Company	Housing rental	1/1/2015	31/12/2015	Agreement price	3,586,584
Yudean PI *	The Company	Billboard rental	1/1/2015	31/12/2015	Agreement price	798,720
Yudean PI *	Sales of electricity	Housing rental	24/7/2015	31/12/2015	Agreement price	95,387
Yudean PI *	Guangdong Wind Power	Housing rental	1/1/2015	31/12/2015	Agreement price	1,724,880
Shaoguan Electric Power Plant	Hongrui Technology	Housing rental	1/3/2015	Long term	Agreement price	52,440
Shaoguan Electric Power Plant	Hongrui Technology	Equipment rental	1/1/2015	Long term	Agreement price	10,256
Yuehua Power	Huadu Natural Gas	Housing rental	1/1/2015	31/12/2015	Agreement price	36,156
Total						<u>7,555,906</u>

* The above contracts will be updated every year and they have been renewed on 1 January 2016.

(5) Guaranty

The Group as the guarantor

<u>Guarantor</u>	<u>Guarantee</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	<u>Whether the guarantee has been fulfilled or not</u>
The Company	Yuejiang Power	88,200,000	03/07/2014	02/07/2019	No
The Company	Yuejiang Power	81,000,000	03/07/2014	02/07/2019	No
The Company	Yuejiang Power	29,864,700	28/07/2011	20/07/2018	No
The Company	Lincang Energy	10,290,000	20/01/2007	25/12/2020	No
The Company	Lincang Energy	4,116,000	29/07/2008	29/07/2020	No
The Company	Weixin Yuntou	115,200,000	19/04/2013	18/04/2030	No
The Company	Zhanjiang Wind Power	185,571,960	03/03/2011	02/03/2029	No
The Company	Binlang River	110,000,000.00	18/03/2008	05/06/2026	No
The Company	Binlang River	43,000,000.00	31/10/2008	31/10/2025	No
The Company	Binlang River	2,610,000.00	30/06/2005	30/06/2017	No
The Company	Binlang River	29,000,000.00	19/12/2007	18/12/2022	No
The Company	Binlang River	14,500,000.00	31/08/2005	30/08/2020	No
The Company	Binlang River	43,616,000.00	25/08/2009	24/08/2027	No
The Company	Binlang River	26,854,000.00	14/12/2009	24/08/2027	No
The Company	Binlang River	20,880,000.00	14/11/2008	14/11/2018	No
The Company	Binlang River	43,500,000.00	27/05/2009	27/05/2021	No
The Company	Binlang River	62,450,000.00	29/06/2010	15/07/2020	No

Binlang River was no long a related party of the Group from 17 September 2015 as the company transferred 29% of equity shares in Binlang River to a third party in 2015 which is mentioned in Note V.11 (2) (i).

The Group and the Company as the guarantee holders (Note V.34 (1) (c))

<u>Guarantor</u>	<u>Guarantee</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	Whether the guarantee has been fulfilled or not
Yudean	The Company	1,500,000,000	14/08/2013	13/08/2022	No

(6) Related party funding

- (a) According to the 2015 Framework Agreement on Financial Services between the Company and Yudean Finance, Yudean Finance has committed to offer the Group a banking facility of less than RMB17 billion in 2015. In 2015, the Group borrowed a total of RMB12,232,701,463 (2014: RMB11,987,730,000) from Yudean Finance based on its actual capital requirement. The Group paid an interest of RMB313,372,347 (2014: RMB325,207,841) for such borrowing (Note X.5(10)).
- (b) In 2015, the net amount of the Group's deposits with Yudean Finance increased by RMB1,385,682,307 (2014: a net increase of RMB223,440,431). Interests due from Yudean Finance amounted to RMB59,388,723 (2014: RMB49,892,101). 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. As at 31 December 2015, the net amount of Yudean Finance's discounting of acceptance bills issued by the Group to Industry Fuel increased by RMB150,000,000. In 2015, 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 RMB11,027,433.

(d) Transactions between the Company and its subsidiaries

In 2015, the net decrease in non-secured loans borrowed by the Company from its subsidiaries was RMB100,000,000 (2014: net decrease of RMB100,000,000) with an annual interest rate from 4.14% to 5.32% (2014: from 5.32% to 6.00%). An interest expense of RMB57,555,042 (2014: RMB62,889,722) was recognised. The balance of borrowings at the end of 2015 was RMB900,000,000 (2014: RMB1,000,000,000). The Company only disclosed the net change in loan of capital with its subsidiaries due to the frequent transaction of funds.

In 2015, the net decrease in non-secured loans provided by the Company to its subsidiaries was RMB500,000,000 (2014: net increase of RMB350,000,000) with an annual interest rate from 5.60% to 6.00% (2014: 5.83% to 6.77%). An interest income of RMB37,105,403 (2014: RMB37,994,941) was recognised. The balance of borrowings at the end of 2015 was RMB400,000,000 (2014: RMB900,000,000). The Company only disclosed the net change in loan of capital with its subsidiaries due to the frequent transaction of funds.

(7) Purchase of capacity of small firepower units

<u>Purchaser</u>	<u>Seller</u>	<u>Related party transaction</u>	<u>Pricing policy</u>	<u>2015</u>	
				<u>Amount</u>	<u>% of similar transaction</u>
Yuejiang Power	Yuehua Power	Purchase of units capacity	Agreement price	20,000,000	30%
Bohe Coal	Lianzhou Power	Purchase of units capacity	Agreement price	45,600,000	70%
Total				65,600,000	100%

<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 Plant D	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%
Total				178,000,000	100%

(8) 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 2015, the common expenses received by the Group from Shajiao C was RMB3,393,310 (2014: RMB5,740,015).

(9) Interest income

	<u>2015</u>	<u>2014</u>
Deposit income paid from Yudean Finance	59,388,723	49,892,101
Weixin Yuntou	-	607,511
Lincang Energy	-	23,333
	<u>59,388,723</u>	<u>50,522,945</u>
Total	<u>59,388,723</u>	<u>50,522,945</u>
Percentage of interest income	81.75%	77.67%

(10) Interest expense

	<u>2015</u>	<u>2014</u>
Loan interest paid to Yudean Finance	313,372,347	325,207,841
Bill discounting interest paid to Yudean Finance	11,027,433	29,317,009
	<u>324,399,780</u>	<u>354,524,850</u>
Total	<u>324,399,780</u>	<u>354,524,850</u>
Percentage of interest expenses	19.78%	19.08%

In 2015, the loans provided by Yudean Finance to the Group carry an annual interest rate from 3.92% to 5.60% (2014: from 5.04% to 6.55%).

(11) Joint investment

As at 31 December 2015, 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%

(12) Compensation for The Follow-Ups on Project 101

To purchase assets, the Company issued non-public offering of RMB ordinary shares (A shares) to Yudean in 2012. According to the Agreement on Purchase of Assets by Issuing Shares, Yudean promised that, any losses incurred by potential significant litigation, arbitration, administrative penalties and / or other violation of relevant laws and regulations before settlement day, which failed to reflect on the amount in the evaluation report, would be afforded by Yudean. Yudean will compensate the Company in cash prorated on the basis of the share transaction of target assets, totally in time in 30 days after the actual losses were to be determined legally. In 2015, the Company and Yudean signed the Memorandum of Compensation for the Follow-Ups on Project 101, in regards to the actual losses by targets (Pinghai Power and Red Bay). Yudean paid the Company RMB16,760,920 yuan in total as compensation.

(13) Remuneration of key management personnel

	<u>2015</u>	<u>2014</u>
Remuneration of key management personnel	<u>4,681,890</u>	<u>4,628,802</u>

(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:

	<u>31 December 2015</u>	<u>31 December 2014</u>
Assets under leased		
Yudean PI	6,110,184	3,637,434
Maoming Thermal	<u>26,000,255</u>	<u>27,254,176</u>
Total	<u>32,110,439</u>	<u>30,891,610</u>

(14) Investment commitments

As at 31 December 2015, 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>2015</u>	<u>2014</u>
Cash at bank and on hand	Yudean Finance	4,447,603,905	3,061,921,598
Accounts receivable	Shajiao C	24,221,331	18,072,681
	Zhuhai Jinwan Electric	168,889	-
	Zhuhai Electric	2,018,914	2,590,000
	Biomass Electric		
	Power	3,153,754	3,818,754
	Yunhe Power	3,161,929	-
Total		32,724,817	24,481,435

<u>Item</u>	<u>Related party</u>	<u>2015</u>	<u>2014</u>
Other receivables	GYEP	86,039,277	76,349,187
	Lincang Energy	-	50,000,000
	Shajiao C	1,509,650	517,252
	Yudean PI	942,476	885,244
	Yudean PM	308,048	289,360
	Chaokang Investment	-	220,434
	Menghua New Energy	380,895	-
	Hailingwan LNG	272,703	-
Total		<u>89,453,049</u>	<u>128,261,477</u>
Interest receivable	Yudean Finance	10,232,658	5,447,764
	Lincang Energy	-	23,333
Total		<u>10,232,658</u>	<u>5,471,097</u>
Dividend receivable	Shanxi Yudean Energy	<u>4,000,000</u>	<u>-</u>
Prepayment	Industry Fuel	<u>1,034,675,387</u>	<u>1,373,757,103</u>

As at 31 December 2014 and 2015, the Group does not provide bad debt impairment for accounts receivable, other receivables and prepayment of the related parties above.

Amount due to related parties

The Group

<u>Item</u>	<u>Related party</u>	<u>2015</u>	<u>2014</u>
Accounts payable	Industry Fuel	1,090,694,619	1,275,148,310
	Maoming Thermal	94,009,782	94,009,782
	GYEP	27,097,883	46,176,613
	Yudean Technology	-	163,700
	Zhuhai Grand Power	-	390,618
	Shaoguan Electric	-	3,544,826
	Total		1,211,802,284
Other payables	Maoming Thermal	4,200,000	12,000,000
	Shaoguan Electric	9,949,230	25,366,557
	GYEP	1,384,284	-
	Huangpu Electric	12,931,844	14,250,499
	Yudean Shipping	4,580,000	20,000
	Yudean PM	2,439,992	1,955,783
	Xinfengjiang Electric		
	Service	37,500	75,000
	Huangpu Yuehua		
	Human Resources	3,313,500	1,728,333
	Yudean Technology	142,500	21,000
	Shenzhen Tianxin	70,000	70,000
	Yuehua Power	36,156	226,667
	Yueyang Electric	-	18,000,000
Total		39,085,006	73,713,839
Interest payable	Yudean Finance	8,839,015	10,483,449
Bills payable	Industry Fuel	-	70,000,000
	Yudean Finance	250,000,000	100,000,000
Total		250,000,000	170,000,000

<u>Item</u>	<u>Related party</u>	<u>2015</u>	<u>2014</u>
Short-term loans	Yudean Finance	4,315,000,000	4,419,000,000
Non-current	Yudean Finance	133,781,362	76,500,000

liabilities due within
one year

Long-term loans	Yudean Finance	2,213,072,401	1,963,900,000
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The short-term loans and long-term loans borrowed from related parties are detailed in Note V.22, 31 and 34. Bills payable discounted by Yudean Finance are detailed in Note V.23. Except for the borrowings 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 2015 is the same as the one in 2014. As at 31 December 2015, the Group's asset-liability ratio is 57.98% (2014: 59.78%).

XII Commitments and Contingencies

1 Major commitments

(1) Capital commitments

<u>Item</u>	<u>2015</u>	<u>2014</u>
Buildings and equipments	<u>5,455,254,576</u>	<u>15,771,518,200</u>

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>2015</u>	<u>2014</u>
Within 1 year (inclusive)	10,885,897	10,420,298
After 1 year but within 2 years (inclusive)	4,557,653	3,209,388
After 2 years but within 3 years (inclusive)	1,909,133	2,552,278
After 3 years	<u>31,181,818</u>	<u>37,229,439</u>
Total	<u>48,534,501</u>	<u>53,411,403</u>

- (3) Investment commitments
- (a) The Eighth Session of the Board passed the resolution of “Establishment of Guangdong Yudean Property Self-Insurance Co., Ltd.” during its 9th meeting on 12 November 2015, to enhance the Company’s capability of managing quantitative risks and insurance. The board agreed to establish Guangdong Yudean Property Self-Insurance Co., Ltd. with Yudean, the controlling shareholders, in which the Company contributed RMB147,000,000 and accounted for 49% of the equity. As at 31 December 2015, the Company has not made capital contribution.
- (b) The board meeting held on 20 July 2015 passed (vote and sign) the resolution of “Proposal on the Establishment of Guangdong Yudean Electricity Sale Co., Ltd.”. To seize the opportunity of power system reform, adapt to the market development and create new profits, the board agreed the Company to establish a wholly-owned company - Guangdong Yudean Electricity Sale Co., Ltd. with RMB500,000,000 registered capital. The registered name is subject to the approval of industrial and commercial department. Subsequent to the initial injection of RMB200,000,000, the Company will inject the capital in batches based on the business development. As at 31 December 2015, the Company has made the initial injection.
- (c) The board meeting held on 20 July 2015 passed (vote and sign) the resolution of “Capital Increase in Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.”. To promote the subsequent development of natural gas thermal power project in Huadu, the board agreed the Company to increase capital of RMB19,500,000 to Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd. based on its 65% shareholding proportion. As at 31 December 2015, the Company has not made capital contribution.

- (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 2015, the Company injected RMB70,000,000 to South Wind Power.
- (b) 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 RMB5,520,000,000) in batches based on the construction progress. As at 31 December 2015, the Company invested RMB1,000,000,000 to Dabu Electric.
- (c) 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 RMB285,000,000 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 totalled at RMB2,229,570,000. As at 31 December 2015, the Company injected RMB1,685,000,000 to Bohe Coal.
- (d) 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 2015, the Company injected RMB12,470,000 to Shantou Wind Power.

- (e) 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 2015, the Company injected RMB445,010,000 to Jinhai Power.
- (f) 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 2015, the Company injected RMB75,730,000 to Zhanjiang Wind Power.
- (g) 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 RMB162,450,000 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 RMB106,718,700 and that of Zhanjiang Wind Power not more than RMB162,450,000. As at 31 December 2015, the Company has made RMB80,800,000 of capital injection while Zhanjiang Wind Power has already offered RMB20,000,000.
- (h) 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, i.e. 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 2015, the capital injection from the Company to Yuejiang Electric was RMB923,000,000.
- (i) 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 authorised institutions). As at 31 December 2015, the Company has injected RMB80,800,000 for this project.

- (j) 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 2015, the Company has made accumulated capital injection of RMB200,000,000.
- (k) The Eighth Session of the Board passed the resolution of “Equity Replacement between partial stock rights of Weixin Yuntou Yudean Zhaxi Energy Co., Ltd. (“Weixin Yuntou”) and 51% stock rights of Lincang Yuntou Yudean Hydroelectric Development Co., Ltd. (“Lincang Yuntou”)” 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 2015, this equity replacement has been fulfilled.

2 Contingencies

Contingent liability

As at 31 December 2015, the Company provided joint guarantee for bank borrowings amounted to RMB333,960,000 and finance leases amounted to RMB62,450,000 of Binlangjiang; bank borrowings amounted to RMB115,200,000 of Weixin Yuntou (Note X.5(5)).

XIII Post balance sheet date event

- 1、 According to a resolution of the Board of Directors (“BOD”) dated 28th Apr 2016, the BOD suggested that the Group appropriate statutory surplus reserve of RMB 295,088,584 , representing 10% of net profit, and discretionary surplus reserve of RMB 737,721,459 , representing 25% of net profit (2014: statutory surplus reserve of RMB 286,082,403 and discretionary surplus reserve of RMB 715,206,007); furthermore, the BOD suggested that the Group distribute cash dividends to shareholders at the rate of RMB 2.3 for every 10 shares, amounting to a total of RMB 1,207,565,317 (2014: 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	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from external customers	2,165,294,698	2,648,177,505	5,015,690,210	6,075,568,206	3,238,860,035	3,837,401,385	3,884,965,789	4,722,896,250	1,636,589,131	1,825,360,530
Inter-segment revenue	49,296	89,082	-	-	451,208	-	-	-	-	-
Investment gain in associates and joint ventures	480,914,756	582,033,705	-	-	-	-	-	-	-	-
Impairment losses	-	1,502,097	-	-	-	-	(2,327)	(38,368)	(657,498)	-
Depreciation and amortisation	(151,647,058)	(157,747,756)	(815,617,402)	(835,713,042)	(384,306,315)	(381,288,939)	(723,782,992)	(715,441,824)	(249,462,963)	(245,390,057)
Interest income	8,565,091	8,243,482	2,560,153	2,422,080	14,592,781	8,853,848	5,646,132	6,966,001	1,865,755	1,642,093
Interest expense	(292,447,317)	(367,430,385)	(351,033,273)	(429,572,688)	(262,880,303)	(260,303,854)	(250,825,293)	(336,581,102)	(106,092,989)	(119,390,829)
Total profit ("") for total loss)	852,623,399	740,690,762	1,294,178,690	1,381,069,552	1,074,450,184	1,209,121,550	864,040,464	984,786,861	191,337,898	114,171,885
Income tax expense	(52,265,028)	(26,895,571)	(324,296,837)	(345,663,582)	(258,646,860)	(301,249,872)	(217,461,406)	(249,386,824)	(44,142,829)	(29,450,610)
Net profit ("") for net loss)	800,358,371	713,795,191	969,881,853	1,035,405,970	815,803,324	907,871,678	646,579,058	735,400,037	147,195,069	84,721,275
Total assets	10,490,113,735	11,008,105,214	10,728,646,313	11,943,378,397	6,711,190,523	8,158,613,580	8,477,987,671	9,648,120,308	3,342,686,769	3,634,783,645
Total liabilities	5,699,558,166	6,774,673,479	6,529,991,547	7,782,740,111	4,691,240,835	6,036,069,766	4,845,374,177	6,000,225,258	2,144,610,783	2,506,975,719
Other items:										
- Operating income from principal activities	2,130,075,020	2,612,429,707	4,990,165,086	6,046,296,248	3,197,768,004	3,791,762,399	3,873,064,835	4,707,053,492	1,625,823,379	1,814,508,950
- Operating cost from principal activities	(1,599,104,824)	(2,014,433,226)	(3,244,422,145)	(4,121,501,320)	(1,846,384,565)	(2,261,794,891)	(2,647,427,616)	(3,257,072,308)	(1,285,348,515)	(1,518,645,353)
- Investments in associates and joint ventures	5,866,863,217	6,546,533,591	-	-	-	-	-	-	-	-
- The amounts of additions to non-current assets other than long-term equity investments	490,138,423	(187,033,776)	(759,830,990)	(923,043,664)	(360,592,927)	(347,025,141)	(698,161,517)	(523,088,015)	(184,813,729)	(142,512,765)

Item	Zhanjiang Electric		Zhongyue Energy		Others		Elimination		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Revenue from external customers	2,031,283,448	2,295,998,778	1,808,350,497	2,083,466,970	5,942,777,008	5,557,699,061	-	-	25,723,810,816	29,046,568,685
Inter-segment revenue	8,730,349	7,197,350	-	-	47,413,708	49,898,635	(56,644,561)	(57,185,067)	-	-
Investment gain in associates and joint ventures	-	-	-	-	4,795,887	2,678,391	-	-	485,710,643	584,712,096
Impairment losses	(11,662,618)	(19,322,745)	-	-	(10,584,997)	(142,276,446)	-	-	(22,907,440)	(160,135,462)
Depreciation and amortisation	(213,483,688)	(229,433,184)	(348,593,140)	(323,937,050)	(813,220,463)	(745,568,015)	(1,502,243)	(1,474,810)	(3,701,616,264)	(3,635,994,677)
Interest income	18,506,045	14,898,266	4,502,676	4,286,283	37,294,745	17,102,169	(20,885,023)	-	72,648,355	64,414,222
Interest expense	-	-	(194,063,102)	(209,812,370)	(247,989,192)	(221,976,012)	65,346,333	86,503,038	(1,639,985,136)	(1,858,564,202)
Total profit ("")for total loss)	603,293,718	523,300,726	157,868,762	90,006,963	969,890,855	565,498,885	(214,556,290)	(34,441,611)	5,793,127,680	5,574,205,573
Income tax expense	(145,963,488)	(130,380,662)	(40,960,084)	(25,370,344)	(139,462,347)	(138,089,152)	60,214,606	1,031,033	(1,162,984,273)	(1,245,455,584)
Net profit ("")for net loss)	457,330,230	392,920,064	116,908,678	64,636,619	830,428,509	427,409,733	(154,341,685)	(33,410,578)	4,630,143,407	4,328,749,989
Total assets	4,526,264,386	4,502,867,697	5,334,904,373	5,513,328,938	25,880,002,056	17,425,440,446	(3,571,861,683)	(2,749,812,373)	71,919,934,143	69,084,825,852
Total liabilities	385,859,971	460,828,964	3,748,955,330	3,984,317,069	16,879,389,591	10,395,413,474	(3,227,241,654)	(2,640,637,697)	41,697,738,746	41,300,606,143
Other items:										
- Operating income from principal activities	2,021,383,912	2,286,083,414	1,794,091,466	2,067,518,516	5,955,263,827	5,564,969,835	(60,213,884)	(56,541,885)	25,527,421,644	28,834,080,676
- Operating cost from principal activities	(1,368,827,911)	(1,689,440,233)	(1,403,392,993)	(1,708,787,884)	(4,675,654,013)	(4,368,369,062)	66,180,490	63,402,794	(18,004,382,092)	(20,876,641,483)
- Investments in associates and joint ventures	-	-	-	-	57,546,942	64,684,916	-	(6,508,861)	5,924,410,159	6,604,709,646
- The amounts of additions to non-current assets other than long-term equity investments	(137,748,565)	(84,959,984)	(304,991,662)	(167,812,957)	6,299,299,278	4,021,074,079	(768,169,097)	153,840,644	3,575,129,214	1,799,438,421

(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 2015, the revenue from GPGC and its subsidiaries was RMB25,368,815,761 (2014: RMB28,695,501,698), which took up 99% of the Group's operating income (2014: 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>2015</u>	<u>2014</u>
Third parties	<u>134,539,664</u>	<u>233,268,283</u>

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

As at 31 December 2015, 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 2014: nil).

(3) Accounts receivable by category

Category	Note	2015			2014						
		Book value		Provision for bad and doubtful debts	Carrying amount	Book value		Provision for bad and doubtful debts	Carrying amount		
		Amount	Percentage (%)	Amount		Percentage (%)	Amount	Percentage (%)			
Individually significant and assessed individually for impairment		134,539,664	100%	-	-	134,539,664	233,268,283	100%	-	-	233,268,283

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>2015</u>	<u>2014</u>
Entrusted loans	300,000,000	350,000,000
Advance	-	500,146
Petty cash	529,203	559,514
Others	17,953,845	9,793,582
	<u>318,483,048</u>	<u>360,853,242</u>
Sub-total	318,483,048	360,853,242
Less: Provision for bad debts	-	-
Total	<u>318,483,048</u>	<u>360,853,242</u>

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

<u>Ageing</u>	<u>2015</u>	<u>2014</u>
Within 1 year (inclusive)	316,937,428	359,068,791
After 1 year but within 2 years (inclusive)	-	488,831
After 2 years but within 3 years (inclusive)	276,183	117,436
After 3 years	1,269,437	1,178,184
	<u>318,483,048</u>	<u>360,853,242</u>
Total	<u>318,483,048</u>	<u>360,853,242</u>

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 2014: nil).

(3) Other receivables by category

Category	Note	2015			2014						
		Book value		Provision for bad and doubtful debts	Carrying amount	Book value		Provision for bad and doubtful debts	Carrying amount		
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Amount	Percentage (%)	Amount	Percentage (%)	
Individually significant and assessed individually for impairment		313,536,154	98.45%	-	-	313,536,154	356,573,505	98.81%	-	-	356,573,505
Individually insignificant but assessed individually for impairment		4,946,894	1.55%	-	-	4,946,894	4,279,737	1.19%	-	-	4,279,737
Total		<u>318,483,048</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>318,483,048</u>	<u>360,853,242</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>360,853,242</u>

Note: This type includes other receivables that are individually assessed but not impaired.

- (4) Addition, recovery or reversal, and write-off of provision for bad and doubtful debts during the year

	<u>2015</u>	<u>2014</u>
Balance at the beginning of the year	-	-
Additions during the year	-	-
Recovered or reversals during the year	-	1,502,097
Write-off during the year	-	(1,502,097)
	<hr/>	<hr/>
Balance at the end of the year	<u>-</u>	<u>-</u>

- (5) The Company's five largest closing balances of other receivables by debtor are as follows:

<u>Debtor</u>	<u>Nature of loan</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 at year-end</u>
Bohe Coal	Entrusted loan	300,000,000	Less than 1 year	94.92%	-
GYEP	Daily operation	13,536,154	Less than 1 year	4.28%	-
Shaojiao C	Daily operation	1,509,650	Less than 1 year	0.48%	-
Yudean PI	Daily operation	597,764	Over 5 years	0.19%	-
Guangdong Dongguan Fuel Branch, Sinopec Sales Co., Ltd	Long-term deposit	400,100	Less than 1 year	0.13%	-
Total		<u>316,043,668</u>		<u>100.00%</u>	<u>-</u>

3 Long-term equity investments

(1) Long-term equity investments are categorised as follows:

<u>Item</u>	<u>2015</u>			<u>2014</u>		
	<u>Book value</u>	<u>Provision for impairment</u>	<u>Carrying amount</u>	<u>Book value</u>	<u>Provision for impairment</u>	<u>Carrying amount</u>
Investment in subsidiaries	17,177,271,604	(455,584,267)	16,721,687,337	15,560,929,157	(455,584,267)	15,105,344,890
Investment in joint ventures	601,637,346	-	601,637,346	597,811,376	-	597,811,376
Investment in associates	5,265,225,871	-	5,265,225,871	5,948,722,215	-	5,948,722,215
Total	<u>23,044,134,821</u>	<u>(455,584,267)</u>	<u>22,588,550,554</u>	<u>22,107,462,748</u>	<u>(455,584,267)</u>	<u>21,651,878,481</u>

(2) Investment in subsidiaries:

<u>Name of investee</u>	<u>Opening balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Closing balance</u>	<u>Impairment provision</u>	<u>Impairment provision for the year</u>
Zhanjiang Electric	2,185,334,400	-	-	2,185,334,400	-	-
Yuejia Electric	701,279,338	-	(69,600,000)	631,679,338	-	(455,584,267)
Maoming Zhenneng	595,005,970	92,453,008	-	687,458,978	-	-
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	1,385,000,000	300,000,000	-	1,685,000,000	-	-
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	856,694,674	-	-	856,694,674	-	-
Huadu Natural Gas	78,000,000	-	-	78,000,000	-	-
Dapu Power	700,000,000	300,000,000	-	1,000,000,000	-	-
Province Wind Power	487,359,390	55,000,000	-	542,359,390	-	-
Leizhou Wind Power	-	80,800,000	-	80,800,000	-	-
Qujie Wind Power	-	200,000,000	-	200,000,000	-	-
Electricity Sale	-	230,000,000	-	230,000,000	-	-
Lincang Energy	-	427,689,439	-	427,689,439	-	-
Total	<u>15,560,929,157</u>	<u>1,685,942,447</u>	<u>(69,600,000)</u>	<u>17,177,271,604</u>	<u>-</u>	<u>(455,584,267)</u>

Relevant information of the Company's subsidiaries is set out in Note VII.1.

As disclosed in Note V.13 (1) (b), management had anticipated that the four generator units of Yuejia Electric to be shut down successively around 2016. 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 2015, the balance of impairment provision for long-term equity investments of Yuejia Electric was RMB455,584,267 (2014: RMB455,584,267).

(3) Investment in joint ventures and associates:

Name of investee	Balance at the beginning of the year	Movements during the year							Balance at the end of the year	
		Increase in investment	Decrease in investment	Investment income under equity method	Other comprehensive income	Other changes in equity	Cash dividend or profit distribution	Disposal during the year		Impairment provision
Joint venture										
Industry Fuel	597,811,376	-	-	78,598,223	-	-	(74,772,253)	-	-	601,637,346
Associates										
Shanxi Yudean Energy	869,294,193	-	-	48,312,457	-	-	(4,000,000)	-	-	913,606,650
Yudean Finance	648,047,185	-	-	79,717,646	-	-	(57,535,462)	-	-	670,229,369
Taishan Electric	2,208,688,289	-	-	305,747,348	-	-	(410,130,428)	-	-	2,104,305,209
Binglang River Electric	205,634,475	-	-	(11,177,975)	-	-	-	(194,456,500)	-	-
Yudean Shipping	945,671,363	-	-	7,837,967	70,449	2,681,295	(15,835,300)	-	-	940,425,774
Western Investment	256,008,451	-	-	8,612,092	190,748	-	-	-	-	264,811,291
Lincang Energy	184,436,952	-	-	-	-	-	-	(184,436,952)	-	-
Weixin Yuntou	617,225,872	-	-	(38,274,657)	-	-	-	(221,275,475)	-	357,675,740
Jiangkeng Hydropower	5,867,441	-	-	123,614	-	-	-	-	-	5,991,055
Yangshan Zhongxinkeng Electric	7,847,994	-	-	1,418,041	-	-	(1,085,252)	-	-	8,180,783
Sub-total	5,948,722,215	-	-	402,316,533	261,197	2,681,295	(488,586,442)	(600,168,927)	-	5,265,225,871
Total	6,546,533,591	-	-	480,914,756	261,197	2,681,295	(563,358,695)	(600,168,927)	-	5,866,863,217

4 Operating income and operating costs

(1) Operating income and operating costs

<u>Item</u>	<u>2015</u>		<u>2014</u>	
	<u>Operating income</u>	<u>Operating cost</u>	<u>Operating income</u>	<u>Operating cost</u>
Principal activities	2,130,075,020	(1,599,104,824)	2,612,429,707	(2,014,433,226)
Other activities	35,268,974	(19,571,944)	35,836,880	(24,710,042)
Total	<u>2,165,343,994</u>	<u>(1,618,676,768)</u>	<u>2,648,266,587</u>	<u>(2,039,143,268)</u>

Income and cost from principal activities (by product):

<u>Item</u>	<u>2015</u>	<u>2014</u>
Income from principal activities		
- Income from sales of electricity	2,129,825,061	2,610,231,680
- Income from sales of steam	249,959	2,198,027
Sub-total	<u>2,130,075,020</u>	<u>2,612,429,707</u>
Other business incomes	<u>35,268,974</u>	<u>35,836,880</u>
Total	<u>2,165,343,994</u>	<u>2,648,266,587</u>

(2) Operating income of main customer of the Company

The primary income of the Company came from the sales of electricity to GPGC, which contributed RMB2,129,825,061 or 98.36% (2014: RMB2,610,231,680 or 98.56%) to its total operating income.

5 Investment gain (“()”for loss)

<u>Item</u>	<u>2015</u>	<u>2014</u>
Gain from long-term equity investments under cost method	2,150,527,465	2,147,028,838
Gain from long-term equity investments under equity method	480,914,756	582,033,705
Investment gain from available-for-sale financial assets	46,909,270	26,698,950
Interest income from entrusted loans	37,105,403	36,261,622
Investment gain on disposal of long-term equity investments	169,166,123	10,394,920
Investment income recognised as a result of equity swap	21,977,012	-
Investment loss on disposal of available-for-sale financial assets	-	(808,317)
Others	600,000	942,588
Total	<u>2,907,200,029</u>	<u>2,802,552,306</u>

XVI Extraordinary gain and loss in 2015

<u>Item</u>	<u>Amount</u>
(1) Disposal of non-current assets	(238,178,694)
(2) Government grants recognised in profit or loss (excluding those having close relationships with the Group's operation and enjoyed in fixed amount or quantity according to uniform national standard)	(16,112,458)
(3) Exchange of non-monetary assets	(21,977,012)
(4) Reversal of provision for bad and doubtful debts assessed on an individual basis	(20,790)
(5) Other non-operating income and expenses besides items above	(29,997,321)
(6) Tax effect	17,651,335
(7) Effect on non-controlling interests after taxation	4,886,717
Total	<u>(283,748,223)</u>

Note: Extraordinary gain and loss items listed above are presented in the amount before taxation.

XVII 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 reporting period</u>	<u>Weighted average return on net assets (%)</u>	<u>Basic earning per share</u>	<u>Diluted earning per share</u>
Net profit attributable to ordinary shareholders of the Company	14.42%	0.62	0.62
Net profit attributable to ordinary shareholders of the Company (deducted extraordinary gain and loss)	13.15%	0.56	0.56

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	
	2015	2014	2015	2014
Under the CASs	3,237,733,312	3,003,977,134	23,754,596,981	21,310,054,601
Items and amounts adjusted against IFRSs				
a. difference on recognition of goodwill on business combination under common control	-	-	64,623,000	64,623,000
b. difference on recognition of land use value on business combination under common control	(630,000)	(630,000)	19,490,000	20,120,000
c. Impact on non-controlling interests	54,120	54,120	4,647,859	4,593,739
Under the IFRSs	<u>3,237,157,432</u>	<u>3,003,401,254</u>	<u>23,843,357,840</u>	<u>21,399,391,340</u>

- (1) 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.

- (2) 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.