Guangdong Electric Power Development Co., Ltd.

2019 Annual Report

April 2020

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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.Wang Jin, The Company leader, Mr. Liu Wei, Chief financial officer and the Mr.Meng Fei, 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.

Other directors attending the Meeting for annual report deliberation except for the followed:

The name of director who did not attend the meeting in person	Positions	Reason	The name of director who was authorized
Chen Ze	Director	Due to business	Wang Jin

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. Investors and stakeholders should all maintain sufficient awareness of risks for this and understand the differences between plans, forecasts and commitments.

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 t he shareholders at the rate of CNY 1.2 for every 10 shares (with tax inclusive)， with 0 bonus shares （including tax）， and not converting capital reserve into share capital.

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Terms to be defined	Refers to	Definition
Guangdong Energy Group	Refers to	Guangdong Energy Group Co., Ltd.
Guangqian Company	Refers to	Shenzhen Guangqian Electric Power Co., Ltd.
Bohe Company	Refers to	Guangdong Yudean Bohe Coal & Electricity 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.
Anxin Electric Inspection & Installation Company	Refers to	Guangdong Yudean Anxin Electric Inspection & Installation Co., Ltd
Tongdao Wind Power Company	Refers to	Tongdao Yuexin Wind Power Generation Co., Ltd.
Zhongyue Compamy	Refers to	Zhanjiang Zhongyue Energy Co., Ltd.
Yuejiang Company	Refers to	Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.
Yongan Natural Gas Company	Refers to	Guangdong Yudean Yongan Natural Gas Thermal Power Co., Ltd.
Leizhou Wind Power Company	Refers to	Guangdong Yudean Leizhou Wind Power Generation Co., Ltd.
Zhanjiang Company	Refers to	Zhanjiang Electric Power Co., Ltd.

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Zhanjiang Wind Power Company	Refers to	Guangdong Yudean Zhanjiang Wind Power Co., Ltd.
Huizhou Natural Gas Company	Refers to	Guangdong Huizhou Natural Gas Power Co., Ltd.
Zhenneng Company	Refers to	Maoming Zhenneng Thermal Power Co., Ltd.
Jinghai Company	Refers to	Guangdong Yudean Jinghai Power Co., Ltd.
Red Bay Company	Refers to	Guangdong Red Bay Power Co., Ltd.
Huadu Natural Gas Company	Refers to	Guangdong Huadu Natural GasT Thermal Power Co., Ltd.
Humen Power Company	Refers to	Guangdong Yudean Humen Power Co., Ltd.
Yuejia Company	Refers to	Guangdong Yuejia Electric Power Co., Ltd.
Pinghai Power Plant	Refers to	Guangdong Hluizhou Pinghai Power Co., Ltd.
Pingdian Integrated Energy Company	Refers to	Huizhou Pingdian Integrated Energy Co., Ltd.
Zhencheng Integrated Energy Company	Refers to	Guangdong Yudean Zhencheng Integrated Energy Co., Ltd.
Binhaiwan Energy Company	Refers to	Guangdong Yudean Binhaiwan Energy Co., Ltd.
Dianbai Wind Power Company	Refers to	Guangdong Yudean Dianbai Wind Power Co., Ltd.
Yangjiang Wind Power Company	Refers to	Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd.
Heping Wind Power Company	Refers to	Guangdong Yudean Heping Wind Power Co., Ltd.
Pingyuan Wind Power Company	Refers to	Guangdong Yudean Pingyuan Wind Power Co., Ltd.
Zhuhai Wind Power Company	Refers to	Guangdong Yudean Zhuhai Offshore Wind Power Co., Ltd.
Wuxuan Wind Power Company	Refers to	Guangxi Wuxuan Yudean New Energy Co., Ltd.
Xupu Wind Power Company	Refers to	Hunan Xupu Yuefeng New Energy Co., Ltd.
Shibeishan Wind Power	Refers to	Guangdong Yudean Shibeishan Wind Energy Development Co., Ltd.
Huilai Wind Power Company	Refers to	Huilai Wind Power Generation Co., Ltd.
Yudean Industry Fuel Company	Refers to	Guangdong Power Industry Fuel Co., Ltd.
Yudean Insurance Captive Company	Refers to	Guangdong Yudean Property Insurance Captive Co., Ltd.
Shanxi Energy Company	Refers to	Shanxi Yudean Energy Co., Ltd.

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Yudean Shipping Company	Refers to	Guangdong Yudean Shipping Co., Ltd.
Yudean Western Investment Company	Refers to	Guangdong Yudeann Holdings Western Investment Co., Ltd.
Guangdong Energy Finance Company	Refers to	Guangdong Energy Group Finance Co., Ltd. (formerly "Guangdong Yudean Finance Co., Ltd." renamed on March 10, 2020)
Guohua Taishan Company	Refers to	Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.
Weixin Energy Co., Ltd.	Refers to	Yunnan Yuntou Weixin Energy Co., Ltd.
Zhongxinkeng hydropower station	Refers to	Yangshan Zhongxinkeng Power Co., Ltd.
Jiangkeng hydropower station	Refers to	Yangshan Jiangkeng hydropower station
Southern Offshore wind power	Refers to	Southern Offshore wind power Union Development Co., Ltd.
Sunshine Insurance	Refers to	Sunshine Insurance Group Co., Ltd.
Shenzhen Capital	Refers to	Shenzhen Capital Group Co., Ltd.
GMG	Refers to	GMG International Tendering Co., Ltd.
Shenzhen Energy	Refers to	Shenzhen Energy Group Co., Ltd.
Shenergy Company	Refers to	Shenergy Company Limited

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II. Basic Information of the Company

1.Company information

Stock abbreviation	Yue Dian Li A, Yue Dian Li B	Stock code	000539,200539
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	广东电力发展股份有限公司		
Abbreviation of Registered Company Name in Chinese(If any)	粤电力		
English name (If any)	GUANGDONG ELECTRIC POWER DEVELOPMENT CO.,LTD		
English abbreviation (If any)	GED		
Legal Representative	Wang Jin		
Registered address	33-36/F, South Tower, Yudean Plaza, No.2 Tianhe Road East, Guangzhou,Guangdong Province		
Postal code of the Registered Address	510630		
Office Address	33-36/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	Qin Xiao
Contact address	35/F, South Tower, Yudean Plaza, No.2 Tianhe Road East, Guangzhou,Guangdong Province	36/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	qinxiao@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

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IV.Changes i n Registration

Organization Code	91440000617419493W
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	PWC Certified Public Accountants (special general partnership)
Office address	11/F,PricewaterhouseCoopers Center,2 Corporate Avenue 202 Hu Bin Road, Huangpu District,Shanghai
Names of the Certified Public Accountants as the signatories	Wang Bin, Li Yanhua

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

Indicate by tick mark whether there is any retrospectively restated datum in the table below.

□ Yes √ No

	2019	2018	Changed over last year（％）	2017
Operating income（RMB）	29,360,155,150	27,408,514,178	7.12%	26,643,792,057
Net profit attributable to the shareholders of the listed company（RMB）	1,146,767,033	474,461,997	141.70%	743,180,431
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company（RMB）	1,069,396,196	412,062,957	159.52%	718,454,119
Cash flow generated by business operation, net（RMB）	8,272,683,112	5,999,936,356	37.88%	3,676,034,503
Basic earning per share(RMB/Share)	0.22	0.09	144.44%	0.14
Diluted gains per share(RMB/Share)	0.22	0.09	144.44%	0.14
Net asset earning ratio（%）	4.77%	2.02%	2.75%	3.16%
	End of 2019	End of 2018	Changed over last year（％）	End of 2017
Gross assets（RMB）	75,472,027,123	73,329,662,306	2.92%	71,007,415,323
Net assets attributable to shareholders of the listed company（RMB）	26,178,241,077	24,227,302,288	8.05%	23,695,190,653

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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	1,146,767,033	474,461,997	26,178,241,077	24,227,302,288
Items and amount adjusted according to IAS				
The difference arising from recognition of goodwill after merger of enterprises under the same control	-25,984,223	0	38,638,777	64,623,000
Difference arising from recognition of land use value after enterprise merger	-630,000	-630,000	16,970,000	17,600,000
Influence on minority interests	54,120	54,120	4,864,339	4,810,219
According to IAS	1,120,206,930	473,886,117	26,238,714,193	24,314,335,507

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

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.

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VIII.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	5,589,715,802	7,284,465,448	8,646,351,018	7,839,622,882
Net profit attributable to the shareholders of the listed company	109,518,462	472,050,921	757,309,917	-192,112,267
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	109,805,200	478,783,717	719,277,830	-238,470,551
Net Cash flow generated by business operation	1,805,095,658	1,998,346,143	2,970,134,176	1,499,107,135

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 (2019)	Amount (2018)	Amount (2017)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	20,503,424	1,572,097	-4,720,404	It was mainly Yongan Thermoelectric that received 20.51 million yuan in compensation for land use right recovery.
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	33,284,069	43,530,965	41,344,595	Various government subsidies received by branch companies and subsidiaries.
Switch back of provision for depreciation of account receivable which was singly taken depreciation test.	48,647,647			The creditor's rights investment of 48.64 million yuan that has been accrued for impairment losses for Guangdong International Trust and Investment Company was recovered.
According to tax, accounting and other laws, regulations, the requirements of the current Gain/loss for a one-time adjustment of the impact of the current Gain/loss;	-4,449,214	-12,679,505		
Net amount of non-operating income and expense except the aforesaid items	5,674,806	62,976,212	6,502,013	
Other non-recurring Gains/loss items			-7,274,913	

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Less: .Amount of influence of income tax	26,385,663	25,191,469	10,104,459	
Less: Amount of influence of minority interests	-95,768	7,809,260	1,020,520	
Total	77,370,837	62,399,040	24,726,312	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Compaines 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 recorgnized as recurring gain /loss/items as defined by the information disclosure explanatory Announcement No.1- Non –recurring gain/loss in the report period.

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III. Outline of Company Business

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

The Company mainly engages in the investment, construction and operation management of power projects, and the production and sales of electric power. It belongs to the power, heat production and supply industry classified in the “Guidelines for the Industry Classification of Listed Companies” by the China Securities Regulatory Commission. Since its foundation, the Company has always adhered to the business tenet of “Capital from the people, using it for electricity, and benefiting the public” and adheres to the business policy of “Centering on the main business of electricity, with diversified development”, focusing on the main business of power and making the power structure go diversified. In addition to the development, construction and operation of large-scale coal-fired power plants, it also has clean energy projects such as LNG power generation, wind power generation and hydropower generation, which provides reliable and clean energy to users through the grid company. As of December 31,2019, the controllable installed capacity is 21.005 million kilowatts, where the controllable installed capacity of coal-burning power generation, LNG generation and renewable energy generation like wind power and hydropower is 16.716 million kilowatts , 3.72 million kilowatts and 569,000 kilowatts respectively. In addition, the company is entrusted with managing the installed capacity of 10.223 million kilowatts .

Income source is primarily contributed by power production and sales, and main business income is derived from Guangdong Province. The company electricity sales price is subject to the benchmark price verified by the price authority per relevant policies based on National Development and Reform Commission (NDRC) and the electricity transaction price through the market trade implementation per Guangdong Electricity Market Trade Basic Rules and supporting files. In the reporting period, the electricity sold is 71.175 billion kilowatt-hours ,an increase of 0.27% YOY; average price stated in the consolidated statements is 463.49 Yuan/ thousands kilowatt-hours(tax included ,the same below), YOY growth of 20.52 Yuan/ thousands kilowatt-hours; the total operating income was RMB 29,360.1552 million, an increase of RMB 1,951.641 million or an increase of 7.12% YOY.

The company's business is dominated by coal-fired power generation, and the fuel costs account for a large portion of operating costs, thus the fluctuations in coal prices have a significant impact on the company's operating performance. During the reporting period, affected by the increase in power generation and the continuous increase in coal prices, the company’s fuel costs were 17,604.8222 million yuan, which accounted for 71.91% of the main business costs; Affected by the fall in electricity and coal prices, a decrease of 333.6828 million yuan or a decrease of 1.86% over the same period of last year.

During the reporting period, the company's gross profit on power generation and net profit attributable to its parent increased significantly year on year due to the combined effects of increased power consumption on grid, the decline in coal prices, the narrowing of trading spreads in the electricity market, tax and fee reduction policy dividends, and effective cost control, the Company achieved a net profit of 1,146.767 million yuan attributable to the parent company for the whole year, a YOY increase of 141.70%.

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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. The largest listed company of power in Guangdong

he Company's main power generation assets are located in Guangdong Province, with a total asset size of more than 75 billion. It is the largest listed company of power in Guangdong Province. By the end of 2019, The company's controllable installed capacity and entrusted managed installed capacity totaled 31.228 million kilowatts , accounting for about 25% of the total installed capacity of Guangdong Province.

2. Strong background and resource advantages

As a provincial key energy enterprise, Guangdong Energy Group, the controlling shareholder of the company, has been actively supporting the development and expansion of the company by taking advantage of its resources, technology and asset scale. As the main force of Guangdong's energy resources, the company has always been subordinated to serving the overall situation of the reform and development of Guangdong Province and Guangdong Energy Group. It has deeply cultivated the main power industry, fully played the value discovery function and resource allocation function of the capital market, and assisted the reform and development of Guangdong Province's energy resources.

3. Comprehensive advantages of main business

The company's 13th Five-Year Plan has determined the overall strategy of taking power generation as its core business, optimizing the development of coal and electricity, steadily developing gas and electricity, vigorously developing clean energy sources such as wind power and hydropower, continuously optimizing the power supply structure, and insisting on high efficiency, cleanness and low carbon. The company has abundant project reserves and broad development prospects, with about 10,000,000 kilowatts of total installed capacity of thermal power generation, onshore wind power, offshore wind power and other power projects currently under construction and in the early stage, clear main business, reasonable structure, prominent industrial position and market share, and strong comprehensive strength and broad development prospects.

4. Competitive advantage in electricity market

The company's generator set has high parameters, large capacity, high operation efficiency, low coal consumption, stable operation, superior environmental protection performance and strong market competitive advantage. In 2019, the company completed a total of 46.302 billion kilowatt-hours of electricity in the market, and the scale of electricity sales continued to rank first in the province, with electricity sales prices superior to the province's average. The company gives full play to its three advantages of scale, brand and service. With its marketing

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service network all over the province and its technical accumulation and comprehensive resources in the power industry, the company provides auxiliary value-added services such as peak regulation, frequency modulation and backup for the power grid, and provides high-quality value-added services such as comprehensive energy saving and power consumption consultation for users, thus realizing the transformation from a power generation enterprise to an energy comprehensive service enterprise.

5. Advantage of financial resources

By the end of 2019, the company's total assets were 75.472 billion yuan, net assets were 34.19 billion yuan, net assets attributable to the parent were 26.178 billion yuan, and net profits attributable to the parent were 1.147 billion yuan; Net cash inflow from operating activities was 8.273 billion yuan, net cash outflow from investment activities was 4.786 billion yuan, and net cash outflow from financing activities was 3.977 billion yuan. The company has large assets, stable operating results, abundant cash flow and strong financial resources.

6. Regional development advantages

As the main energy source in Guangdong Province, the company shoulders the important task of helping Guangdong Province to build a clean, low-carbon, safe and efficient modern energy system. The company will actively integrate into the construction of Guangdong-Hong Kong-Macao Greater Bay Area, Shenzhen's advanced demonstration zone and the development of Guangdong's "one core, one belt and one area". It will steadily push forward the construction of key energy projects and the development of new energy resources in the province and actively seek to expand into regions with better resource conditions and higher power demand.

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IV. Management's Discussion and Analysis

I.General

In 2019, the electricity consumption of the whole society in Guangdong Province was 669.2 billion kilowatt-hours, with a year-on-year increase of 5.8%, and a growth rate dropped somewhat year on year. Influenced by such factors as the above planned increase in Western Power, the year-on-year increase in nuclear power installations, and the increase in electricity from renewable energy sources such as hydropower in the province, the online electricity consumption of Guangdong's unified thermal power units decreased by 2% year on year. In 2019, Guangdong received 202.1 billion kilowatt-hours of electricity from the West, with a year-on-year increase of 5.1% and extra delivery than the plan by 31.6 billion kilowatt-hours; In terms of installed capacity, a total of 5.824 million kilowatts of nuclear and thermal power units were newly put into operation outside the province's system, with the newly added capacity accounting for 4.60% of the total. Based on the above factors, the company's coal-fired power generation utilization hours in the province were 4,030 hours, and the coal-fired power consumption was 58.679 billion kilowatt-hours, with a year-on-year decrease of 5.71%, while the gas-fired power consumption was 11.378 billion kilowatt-hours, with a year-on-year increase of 48%, of which Huizhou LNG Phase II units contributed 4.466 billion kilowatt-hours.

In 2019, the scale of market-oriented transactions in Guangdong Province continued to expand, with a total of 214.94 billion kilowatt-hours of transactions and a market power of 195.86 billion kilowatt-hours, up 26% year on year. The primary market (annual bilateral negotiation, annual centralized competition and monthly centralized competition) had a total transaction volume of 195.03 billion kilowatt-hours, with a year-on-year of 24.1%, and an average transaction volume difference of -40.2% per kilowatt hour; In the secondary market (transfer of power generation contracts), the total amount of electricity sold was 19.91 billion kilowatt-hours, with an average transaction price of 0.3255 yuan/ kilowatt-hours. The total amount of electricity traded in the company's market was 46.302 billion kilowatt-hours, accounting for 65.05% of the company's online electricity consumption, with a year-on-year increase of 10.922 billion kilowatt-hours.

In 2019, the company's market-oriented trading scale expanded and the trading spread narrowed year on year. The average price of electricity sold in the consolidated statement was 463.49 yuan/thousands kilowatt-hours(inclusive of tax, the same below), with a year-on-year increase of 20.82 yuan/thousands kilowatt-hours year on year, or 4.70%; Meanwhile, the profits of the company's power generation business increased significantly year on year due to the combined effects of the fall in electricity and coal prices, the dividend from the implementation of the tax reduction and fee reduction policy and the effective control of various costs and expenses by the company. Under the situation that the electricity business of coal-fired units continues to be under pressure, the company continuously strengthens the awareness of financial control, makes full use of financial management methods, improves the level of capital management, ensures the company's capital demand and reduces the cost of capital use. During the reporting period, four phases of ultra-short financing were successfully issued, saving the financing cost by 26.8422 million yuan compared with the benchmark loan interest rate for the same period.

By the end of 2019, the company's consolidated statement had total assets of 75.472 billion yuan, with a year-on-year increase of 2.92%; The equity attributable to the shareholders of the parent company was 26.178 billion yuan, with a year-on-year increase of 8.05%. The company's consolidated operating income reached 29.36 billion yuan, with a year-on-year increase of 7.12%; Net profit attributable to shareholders of the parent company

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was 1.147 billion yuan, with a year-on-year increase of 141.70%; Earnings per share were 0.22 yuan (0.09 yuan in the same period last year). According to the consolidated statement, the company's liabilities totaled 41.282 billion yuan, with an asset-liability ratio of 54.70%.

In 2019, the company will continue to optimize and adjust the power supply structure to further increase the proportion of clean energy such as wind power and natural gas power generation. Unit #6 of Huizhou natural gas power generation project under construction is put into commercial operation, increasing the controllable installed capacity by 460,000 kilowatts. By the end of 2019, the company has a controllable installed capacity of 21.005 million kilowatts, with a year-on-year increase of 0.4%, of which clean energy account for 20.4% from 18% at the end of 2018.

In 2019, the company will resolutely implement the requirements of structural reform on the supply of the power industry, adhere to a clean, low-carbon, safe and efficient energy development strategy, firmly grasp the development opportunities of Guangdong-Hong Kong-Macao Greater Bay Area, the construction of Shenzhen's advanced demonstration zone and the provincial government's proposal to build a "one core, one belt and one area" and continuously optimize the power supply structure and asset structure. Huizhou Natural Gas Phase II Unit#6 was put into operation for power generation, Zhanjiang Wailuo offshore wind turbines were connected to the grid one after another, major breakthroughs were made in Bohe project construction and project approval, Dongguan Ningzhou gas and electricity project was accelerated, and the power supply structure was continuously optimized.

In 2019, the company implemented the Guidelines for the Governance of Listed Companies and the related requirement of the CSRC on improving the quality of listed companies, earnestly implemented prudent management, abode by laws and regulations, emphasize its core business, respected investors, continuously improved the level of corporate governance and enhanced the development quality of listed companies. The board of directors organized 3 on-site meetings and 6 communication meetings, and completed the examination and approval of 53 proposals by the board of directors. The topics covered include regular reports, internal control evaluation, comprehensive risk management, profit distribution plan, major investment and financing, major related transactions, and important personnel appointment and removal. All proposals were adopted and effectively implemented. The board of directors also convened five shareholders' meetings, and all 19 proposals submitted to the shareholders' meeting for deliberation were adopted and effectively implemented. The company successfully completed the preparation and disclosure of periodic reports and temporary announcements, and issued 102 announcements throughout the year. The information disclosure has been evaluated as "A" by Shenzhen Stock Exchange for six consecutive years.

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

	2019	2018	Increase /decrease

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	Amount	Proportion	Amount	Proportion	
Total operating revenue	29,360,155,150	100%	27,408,514,178	100%	7.12%
On Industry					
Electric power , Steam sales and labor income	29,018,275,346	98.84%	27,125,955,662	98.97%	6.98%
Other	341,879,804	1.16%	282,558,516	1.03%	20.99%
On products					
Sales Electric Power	28,811,365,634	98.13%	26,949,774,763	98.33%	6.91%
Labor income	69,773,643	0.24%	50,148,277	0.18%	39.13%
Steam income	137,136,069	0.47%	126,032,622	0.46%	8.81%
Comprehensive utilization of fly ash	270,692,961	0.92%	240,230,510	0.88%	12.68%
Sales material income	2,246,472	0.01%	1,324,637	0 %	69.59%
Lease revenue	25,092,388	0.08%	20,343,421	0.07%	23.34%
Other	43,847,983	0.15%	20,659,948	0.08%	112.24%
Area					
Guangdong	29,299,674,022	99.79%	27,333,587,477	99.73%	7.19%
Yunnan	60,481,128	0.21%	74,926,701	0.27%	-19.28%

(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 (%)
On Industry						
Electric power , Steam sales and labor income	29,018,275,346	24,468,499,397	15.68%	6.98%	0.96%	5.03%
On Products						
Sales Electric Power	28,811,365,634	24,303,147,059	15.65%	6.91%	0.85%	5.75%
Area						
Guangdong	29,299,674,022	24,420,530,698	16.65%	7.19%	0.96%	5.14%

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

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

√ Yes □ No

Classification	Items	Unit	2019	2018	Changes
Electric power, thermal production and supply	Sales volume	Billion kwh	71.175	70.984	0.27%
	Production	Billion kwh	75.283	75.123	0.21%

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, Its sales of 28.811 billion yuan taking up approximately 98.13% 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 classification

In RMB

Industry	Items	2019		2018		Increase/ Decrease
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Electric power, thermal production and supply	Fuel cost	17,604,822,208	71.91%	17,938,504,997	73.98%	-1.86%
Electric power, thermal production and supply	Depreciation expense	3,676,925,686	15.02%	3,336,322,747	13.76%	10.21%
Electric power, thermal production and supply	Labor cost	1,445,633,763	5.91%	1,386,084,497	5.72%	4.30%
Electric power, thermal production and supply	Other	1,753,322,216	7.16%	1,585,804,339	6.54%	10.56%

Note

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 71.91% of total cost.

Mainly affected by the fall of electricity and coal prices, the fuel cost decreased slightly year on year. Due to accelerated depreciation caused by the decommissioning of Sha A unit and the production of Huizhou Natural Gas Phase II, Qujie Wind Power and Leizhou Wind Power, the depreciation expenses increased by 10.21% year on year.

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

√Yes □No

New Subsidiary Establishment of the Year

Name	Business place	Registered address	Nature	Registered capital	Proportion (%)	Acquired
Guangdong Yudean Binhaiwan Energy Co., Ltd.	Dongguan , Guangdong	Humen Town, Dongguan City , Guangdong	Electric Power	30,000,000	100 %	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)	29,171,671,982
Proportion of sales to top 5 customers in the annual sales(%)	99.36%
Proportion of the sales volume to the top five customers in the total sales to the related parties in the year	0.86%

Information of the Company's top 5 customers

No	Name	Amount（RMB）	Proportion
1	GPGC	28,811,365,634	98.13%
2	Guangdong Energy Group Co., Ltd.	253,674,224	0.86%
3	Huizhou Huiling Chemical Co., Ltd.	47,037,233	0.16%
4	Huizhou Yuxin Chemical Co., Ltd.	35,436,408	0.12%
5	Dongguan Dejin Energy Technology Co., Ltd.	24,158,483	0.08%
Total	--	29,171,671,982	99.36%

Other explanation :

√Applicable □Not applicable

Guangdong Energy Group Co., Ltd is the controlling shareholder of the Company, which is a connected relationship with the Company.

Principal suppliers

Total purchase of top 5 Suppliers（RMB）	22,150,698,0001
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	90.05%
Proportion of purchase amount from the top 5 suppliers in the total purchase amount from the related parties in the year	62.69%

Information about the top 5 suppliers

No	Name	Amount（RMB）	Proportion
1	Guangdong Energy Group Co., Ltd.	15,419,926,669	62.69%

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2	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd.	5,054,052,559	20.55%
3	Guangdong Dapeng ING Co., Ltd	806,602,480	3.28%
4	GPEC	648,040,965	2.63%
5	Hunan Industrial Equipment Installation Co., Ltd.	222,075,328	0.90%
Total	--	22,150,698,001	90.05%

Other explanation :

√ Applicable □Not applicable

Guangdong Energy Group Co., Ltd is the controlling shareholder of the Company, which is a connected relationship with the Company.

3.Expenses

In RMB

	2019	2018	Increase/ Decrease(%)	Notes
Sale expenses	43,788,762	25,383,861	72.51%	Mainly due to the company's added full-time sales staff and increased business costs caused by the deepening of electricity market.
Administration expenses	874,640,868	688,349,938	27.06%	This is mainly due to the total cost of 151 million yuan for the production preparation of Bohe Power Plant and the increase in personnel.
Financial expenses	1,230,315,841	1,350,485,251	-8.90%	
R & Development expenses	9,703,602	5,043,776	92.39%	It is mainly due to the increase in R&D investment of subordinate units of the company.

4.R& D Expenses

√ Applicable □Not applicable

No	Project company name	Project name	Purpose	Project progress	Target and influence
1	Zhanjiang Zhongyue Energy Co., Ltd.	Plant AGC load optimization control system	The plant-level AGC system can enhance the autonomy, initiative and coordination of the power plant, monitor the safety, economic operation and restriction conditions of the power plant in real time, implement prevention and correction control, and realize maximum power output.	The project has not yet been completed and is under implementation.	After the optimal load distribution is implemented, the coal consumption can be reduced, with obvious advantages in energy conservation and environmental protection , and outstanding economic benefits.
2	Zhanjiang Zhongyue Energy Co., Ltd.	#2 boiler based on CO monitoring technology and application system	Through adjustment tests, the influences of air distribution mode, oxygen amount, coal mill operation mode, coal quality and other factors on the reductive atmosphere in the water wall area of the boiler are explored.	It has been completed and will be consolidated by the end of this year.	The balance point between boiler efficiency and NOX under different operating conditions is grasped.

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3	Zhanjiang Zhongyue Energy Co., Ltd.	Upgrade and transformation of disaster preparedness system	The capacity of the company's existing disaster recovery backup system is expanded.	It has been completed and will be consolidated by the end of this year.	The disaster recovery backup requirements are met in the next 5 years.
4	Zhanjiang Zhongyue Energy Co., Ltd.	Combustion optimization and adjustment test for #1 and #2 Boilers	After the burner is reformed, combustion optimization adjustment must be carried out to determine the primary and secondary air volume, reasonable excess air coefficient, air-coal ratio, pulverized coal fines, combustion inclination angle and swirl intensity.	Completed, accounted for in R&D costs.	After mastering the operation characteristics of each system, the whole system is tested under optimal conditions according to the suggested adjustment methods in each sub-adjustment process to find the optimal adjustment method.
5	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Research and application of key control technology for rapid load change of generator units in Jinghai Power Generation Company's FM market	Conventional PID control strategy cannot meet the demand of thermal power unit FM auxiliary service market, and the practical application effect of various advanced control methods is not obvious, while the effective advanced machine-boiler coordination control device has more advantages in FM auxiliary service effect than the energy storage device. The machine-boiler coordination control method closely matched with the energy storage device, fully utilized their respective advantages, with better effect, improved the response speed of the unit to load, and enabled the unit to have fast, stable and reliable load change capability.	Completed	The project researches and develops products with completely independent intellectual property rights, adopts plug-in advanced coordination control devices, develops coordination control algorithm software matched with energy storage devices, and primary frequency modulation algorithm software matched with energy storage devices. The market prospect is huge and the benefits of achievement transformation are remarkable.
6	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Research and application project of energy consumption and energy saving optimization for supercritical and above generators based on benchmarking management	The overall energy-saving operation of 600NW and 1000MW units is automatically optimized to realize automatic tracking, adjustment and optimization of the units under different load and fuel adjustment conditions, and to realize optimal operation of the units under the existing equipment conditions.	Completed 50%	The overall energy consumption of the unit is saved, and the coal consumption is preliminarily estimated to be more than 1.5g/kWh, thus realizing the energy-saving operation of the unit.
7	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Guangdong Engineering Technology Research Center Declared Service Projects in 2019	Applied for biotechnology engineering technology research center to improve the company's engineering technology research and development level.	Completed	Obtained the title of Guangdong Engineering Technology Research Center, greatly improving the company's scientific and technological R&D level and influence.
8	Guangzhou Huizhou Natural Gas Power Generation Co.,	Technical Research on Mitsubishi M701F3 Gas Turbine of Guangdong	The maintenance technology of Mitsubishi M701F3 gas turbine is studied.	Completed	Realized the localization of relevant technical overhaul and reduced overhaul cost.

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	Ltd.	Huizhou Natural Gas Power Generation Co., Ltd. (2018 continued to carry forward to 2019 project)			
9	Guangdong Red Bay Power Generation Co., Ltd.	Application and research of new on-grid detection technology based on inner wall oxide scale status in residual life assessment of high temperature tube screens of No.3 and No.4 boilers	According to the on-site inspection results and sampling experimental data, the inner wall oxide scale state evaluation, sampling tube material evaluation and creep residual life evaluation are respectively carried out on the transition section tubes made of ferritic steel in the inlet and outlet header of high temperature and high pressure superheater, high temperature and high pressure reheater and platen superheater in the ladle of No.3 and No.4 boilers.	The on-site inspection work has been completed in 2019, and the sampling tube laboratory test analysis will be conducted in 2020.	The overheating damage status of the three main tube platen superheaters in the ladle of No.3 and No.4 boilers is evaluated and the creep residual life is evaluated.
10	Guangdong Red Bay Power Generastion Co., Ltd.	Research and application on economy and operation optimization of blended burning of imported coal after ultra-low transformation	The economy of blending four boilers is deeply analyzed, the comprehensive cost of blending imported coal is studied, the profit space is calculated, and the coordinated optimization of the whole blending process is further realized to maximize the comprehensive benefits.	The 2019 project has been completed and accepted.	Realize the coordinated optimization of the whole process of blending and sintering, and realize the maximization of comprehensive benefits.
11	Guangdong Red Bay Power Generation Co., Ltd.	Application and research of multidimensional lubrication failure analysis method in fault diagnosis of important auxiliary equipment	The multidimensional lubrication failure analysis method implemented in this project is based on lubrication failure analysis and combined with analysis methods such as vibration analysis, foreign body analysis and failure feature analysis, etc., to conduct all-round analysis on important auxiliary equipment failures characterized by equipment lubrication failure, find out the causes of the failures, assist in professional analysis, treatment and resolution of the failures, and formulate maintenance and resolution schemes for similar failures.	50% of daily equipment lubrication testing, sampling and testing within the bid section have been completed	Through regular oil monitoring and lubrication failure analysis of important auxiliary equipment, the project can discover hidden dangers of equipment in advance, analyze and deal with them before equipment failure occurs, and avoid occurrence or expansion of defects. The implementation of the project aims to solve the faults of oil stations (lubricating oil stations and hydraulic oil stations), gear boxes and important bearings, optimize the maintenance strategies of these three types of equipment, and formulate maintenance plans for similar equipment, so as to reduce the occurrence of repeated defects of equipment and achieve the purpose of improving the reliability of equipment

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					and reducing maintenance costs.
12	Guangdong Red Bay Power Generation Co., Ltd.	R&D and application of SCR dynamic partition intelligent ammonia injection system for unit 3	Development and field application of SCR dynamic partition intelligent ammonia injection system.	In progress.	Under the condition that NOx emission stably reaches the standard, the total ammonia injection amount is reduced by 10%-15%, and the ammonia escape amount is controlled to be ≤2 ppm
13	Guangdong Red Bay Power Generation Co., Ltd.	Application and research of advanced control technology based on predictive control theory in coordinated control system of large thermal power generating units	Application of advanced control system in Unit 1 to improve performance index.	Completed	It solves the difficult problems of poor regulation performance of the control system of unit 3, poor operation stability of the unit, large fluctuation of main steam temperature under variable load conditions, large fluctuation of reheat steam temperature, main steam pressure deviation of 1MPa-1.8MPa, etc.
14	Guangdong Red Bay Power Generation Co., Ltd.	Adaptive control of coal mill outlet temperature for units 1 and 2 (600MW supercritical)	In this project, through optimizing the operation control of the pulverizing system, on the premise of ensuring the safe operation of the unit, the adaptive control system automatically sets the outlet temperature of the coal mill according to the different coal types to reduce the exhaust gas temperature of the boiler and improve the boiler efficiency.	Completed	According to different kinds of coal, the adaptive control system automatically sets the outlet temperature of the coal mill to reduce the exhaust temperature of the boiler and improve
15	Guangdong Red Bay Power Generation Co., Ltd.	Whole-process monitoring system application of site equipment based on the Industrial Internet of Things	Real-time monitoring data of 3 ship unloaders and 4 stackers and reclaimers are transmitted through wired and wireless systems, collected and connected to SIS system, and incorporated into early warning system management.	Completed	The invention solves the problem that many important auxiliary machine control systems such as ship unloader, stacker-reclaimer, and condensate pump are not provided with state monitoring and measuring points for early warning.
16	Shenzhen Guangqian Electric Power Co., Ltd.	Study on mechanism and control measures of foam generation at circulating water outlet	Professional research and analysis are carried out on the mechanism of on-site foam generation, and the most effective foam control measures are developed to ensure the environmental protection image and reduce the cost of defoaming agents.	Completed 100%	Formulate the most effective foam control measures
17	Shenzhen Guangqian Electric Power Co., Ltd.	Feasibility study on upgrading and reforming distributed control system (DCS)	The feasibility study on the upgrading and reconstruction of distributed control system (DCS) of Shenzhen Qianwan Gas Turbine Power Plant Phase I Project is carried out, including the scope and depth of upgrading and reconstruction, equipment selection, etc.	Completed 100%	Preparation of preliminary feasibility study and preliminary design for the project

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Situation of Research and Development Input by the Company

	2019	2018	Increase/Decrease(%)
Number of Research and Development persons (persons)	357	303	17.82%
Proportion of Research and Development persons	4.83%	4.41%	0.42%
Amount of Research and Development Investment (Yuan)	31,216,857	15,319,005	103.78%
Proportion of Research and Development Investment of Operation Revenue	0.11%	0.06%	0.05%
Amount of Research and Development Investment Capitalization (Yuan)	21,513,254	10,275,228	109.37%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	68.92%	67.08%	1.84%

The Reason of the Prominent Change in Total Amount of Research and Development Input Occupying the Business Income Year on Year

□ Applicable √ Not applicable

Explanation of the Reason for Substantial Changes in the Research and Development Input's Capitalization Rate and Its Reasonableness

□ Applicable √ Not applicable

5.Cash Flow

In RMB

Items	2019	2018	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	33,659,185,010	31,552,291,981	6.68%
Subtotal of cash outflow received from operation activities	25,386,501,898	25,552,355,625	-0.65%
Net cash flow arising from operating activities	8,272,683,112	5,999,936,356	37.88%
Subtotal of cash inflow received from investing activities	360,804,825	553,123,440	-34.77%
Subtotal of cash outflow for investment activities	5,146,772,301	3,863,003,329	33.23%
Net cash flow arising from investment activities	-4,785,967,476	-3,309,879,889	44.60%
Subtotal cash inflow received from financing activities	15,153,940,487	18,696,353,753	-18.95%
Subtotal cash outflow for financing activities	19,131,397,299	20,812,608,337	-8.08%
Net cash flow arising from financing activities	-3,977,456,812	-2,116,254,584	87.95%
Net increase in cash and cash equivalents	-490,740,923	573,802,402	-185.52%

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

√Applicable □ Not applicable

1. Net cash flow from operating activities increased by 37.88%, mainly due to the increase in operating cash inflow resulted from the increase in electricity charges and the decrease in fuel costs this year.

2. Cash inflow from investment activities decreased by 34.77%, mainly due to the higher year-on-year base of 162 million yuan in 2018 from the absorption and merger of Maoming Thermal Power Plant.

3. Cash outflow from investment activities increased by 33.23%, mainly due to more investment expenditure on infrastructure projects this year.

4. Net cash flow outflow from investment activities increased by 44.60%, mainly due to the decrease in cash inflow from investment activities and more investment expenditure on infrastructure projects in the reporting period.

5. Net cash flow outflow from fund-raising activities increased by 87.95%, mainly due to more corporate bonds and other long-term and short-term borrowings and less new borrowings this year.

6. Net increase in cash and cash equivalents decreased by 185.52% year on year, mainly due to the increase in cash outflow caused by the company's active debt repayment during the reporting 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 2019		End of 2018		Proportion increase/ decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	5,081,641,969	6.73%	5,574,382,892	7.60%	-0.87%	
Accounts receivable	3,197,690,464	4.24%	3,358,331,949	4.58%	-0.34%	
Inventories	1,817,059,269	2.41%	1,481,817,270	2.02%	0.39%	
Investment real estate	52,093,631	0.07%	10,810,722	0.01%	0.06%	
Long-term equity investment	6,455,784,562	8.55%	6,395,134,754	8.72%	-0.17%	
Fixed assets	38,555,718,718	51.09%	41,157,594,848	56.13%	-5.04%	
Construction in process	10,882,003,846	14.42%	7,740,754,343	10.56%	3.86%	
Short-term loans	5,904,132,791	7.82%	7,526,000,000	10.26%	-2.44%	
Long-term loans	16,587,103,380	21.98%	18,802,292,664	25.64%	-3.66%	

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2.Asset and Liabilities Measured by Fair Value

√ Applicable □Not applicable

In RMB

Items	Amount at year beginning	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Other changes	Amount at year end
Financial assets								
4.Other equity instrument Investment	0	1,498,402,802	2,202,745,317	0	78,162,240	0	1,565,806,331	3,142,371,373
Available-for-sale financial assets	1,139,806,331	0	0	0	0	0	-1,139,806,331	0
Total	1,139,806,331	1,498,402,802	2,202,745,317	0	78,162,240	0	426,000,000	3,142,371,373
Financial Liability	0							0

Content of other changes

According to the relevant provisions of the new financial instrument standard, the company reclassified financial assets and transferred available-for-sale financial assets to other equity instrument investment projects.

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

□ Yes √ No

3. Restricted asset rights as of the end of this Reporting Period

（1）Pledge of assets

As of December 31, 2019, the power charge rights of several power generation subsidiaries, were pledged to the bank to obtain long-term loans of 4,231,292,593 yuan, of which: the balance of long-term loans due within one year was 240,907,909 yuan (as of December 31, 2018: 2,765,356,586 yuan, were pledged to the bank to obtain long-term loans of 213,259,115 yuan). The borrowings are detailed as follows:

As at December 31, 2019, the long-term pledge borrowings of the following subsidiaries were based on their power fee charging rights and accounts receivable as pledges:

In RMB

Name	December 31,2019	December 31,2018
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	1,976,685,804	2,151,963,439
Guangdong Yudean Leizhou Power Generation Co., Ltd.	232,038,267	236,829,612
Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	1,155,920,000	162,820,000
Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.	121,425,000	138,945,000
Lincang Yudean Energy Co., Ltd.	676,000,000	-
Guangdong Yudean Xuwen Wind Power Generation Co., Ltd.	69,223,522	74,798,535

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Total	4,231,292,593	2,765,356,586

2.As at December 31, 2019, the long-term pledge borrowings of the following subsidiaries due within one year were based on their power fee charging rights and accounts receivable as pledges:

In RMB

Name	December 31,2019	December 31,2018
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	188,255,791	186,859,840
Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.	22,860,000	18,274,167
Lincang Yudean Energy Co., Ltd.	15,000,000	-
Guangdong Yudean Xuwen Wind Power Generation Co., Ltd.	6,806,543	6,527,993
Guangdong Yudean Leizhou Power Generation Co., Ltd.	7,985,575	1,597,115
Total	240,907,909	213,259,115

V.Investment situation

1. General

√ Applicable □ Not applicable

Investment Amount in 2019(RMB)	Investment Amount in 2018(RMB)	Change rate
2,084,276,740	1,179,713,500	76.68%

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

√ Applicable □ Not applicable

In RMB

Name of the Company Invested	Main Business	Investment Way	Investment Amount	Share Proportion %	Capital Source	Partner	Investment Horizon	Product Type	Progress up to Balance Sheet Date	Revenue projection	Gain or Less or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure (If any)	Disclosure Index
Guangdong Wind Generation Co., Ltd.	Wind Generation	Capital increase	339,000,000	100 %	Self Funds	No	Long-term	Electric power	During the reporting period, the preliminary work or project construction of the Haiwanshi Wind Farm, the Guangxi Wuxuan Wind Farm Phase I Project, and Zhuhai Jinwan Offshore Wind Farm Project are progressing normally.	--	-29,863,251	No	August 31,2018, January 26,2019 and November 29,2019	Announcement No.:2018-46, 2019-05 and 2019-58))Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Guangdong Yudean Bohe Coal & Electricity Co., Ltd.	Coal-fired power generation	Capital increase	938,000,000	67 %	Self Funds	Guangdong Energy Group Co., Ltd.: 33%	Long-term	Electric power	As of the end of the reporting period, the overall construction progress of the power plant project was about 95.69%, and that of the wharf project was about 78.65%.	--	-85,636,995	No	September 20,2018	Announcement No.:2018-49)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Guangdong Yudean Dapu Power Generation Co., Ltd.	Coal-fired power generation	Capital increase	40,000,000	100 %	Self Funds	No	Long-term	Electric power	Units #1 and #2 have been put into production in December 2015 and June 2016 respectively.		9,774,686	No	October 31,2012	Announcement No.:2012-45)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn

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Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	Wind Power Generation	Capital increase	140,000,000	100 %	Self Funds	No	Long-term	Electric power	During the reporting period, the construction of Zhanjiang Wailuo Offshore Wind Power Project Phase II and Zhanjiang Xinliao Offshore Wind Power Project was progressing normally.	--	55,360,992	No	October 31,2018, August 31,2019 and November 29,2019	Announcement No.:2018-54, 2019-40 and 2019-59))Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Shenzhen Capital Group Co., Ltd.	Investment	Capital increase	78,162,240	3.67%	Self Funds	State-owned assets Supervision and Administration Commission of Shenzhen Municipal people's Government （shareholding ratio：28.1952%）	Long-term	Venture Capital	In normal operation	--	18,483,929	No	September 20,2018	Announcement No.:2018-50)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Guangdong Energy Group Finance Co., Ltd.	financial service	Capital increase	250,000,000	25 %	Self Funds	Guangdong Energy Group Co., Ltd.（Shareholding ratio：60%）; Guangdong Shajia (C) Power generation Co., Ltd.（Shareholding ratio：15%）	Long-term	financial service	In normal operation	--	77,073,152	No	August 31,2019	Announcement No.:2019-39)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn

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Guangdong Huizhou Natural Gas Power generation Co., Ltd.	Natural Gas Generation	Capital increase	29,114,500	67 %	Self Funds	CNOOC(Shareholding ratio：33%）	Long-term	Electric power	During the reporting period, Unit #6 of Huizhou LNG Power Plant Phase II Extension Project was completed and put into operation.	--	214,522,143	No	April 28,2013	Announcement No.:2013-36)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Guangdong Yudean Binhaiwan Energy Co., Ltd.	Natural Gas Generation	Capital increase	270,000,000	100 %	Self Funds	No	Long-term	Electric power	During the reporting period, the construction of the replacement power supply project at the Ningzhou site in Dongguan was progressing normally.	--	-2,205,468	No	June 13,2019 and October 31,2019	Announcement No.:2019-27 and 2019-53)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Total	--	--	2,084,276,740	--	--	--	--	--	--	0	257,509,188	--	--	--

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

□ Applicable √ Not applicable

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

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Domestic and foreign stocks	000027	Shenzhen Energy	15,890,628	FVM	66,150,000	12,096,000	62,355,372	0	0	0	78,246,000	Other eqiuty instrument Investment	Self funds
Domestic and foreign stocks	600642	Shenergy	235,837,988	FVM	270,997,380	51,644,993	86,804,385	0	0	0	322,642,373	Other eqiuty instrument Investment	Self funds
Domestic and foreign stocks	831039	NEEQ	3,600,000	FVM	3,618,000	3,564,000	3,582,000	0	0	0	7,182,000	Other eqiuty instrument Investment	Self funds
Other securities investments held at the end of the period			0	--	0	0	0	0	0	0	0	--	--
Total			255,328,616	--	340,765,380	67,304,993	152,741,757	0	0	0	408,070,373	--	--
Disclosure date for the notice of approval by the Board (If any)			2019-10-31										
Disclosure date for the notice of approval by shareholders' Meeting (If any)													

（2）Investment in Derivatives

□ Applicable √ Not applicable

Nil

5.Application of the raised capital

□ Applicable √ Not applicable

Nil

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VI.Significant Asset and Right Offering

1.Situation of Significant Asset Sale

□ Applicable √ Not applicable

Nil

2.Situation of Substantial Stake Sale

□ Applicable √ Not applicable

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	8,430,103,272	3,818,398,477	4,796,679,483	555,282,884	415,726,514
Guangdong Huizhou Natural gas Power Generation Co., Ltd.	Subsidiary	Power generation and power station construction.	1,499,347,500	3,977,990,814	2,107,867,563	4,234,691,640	427,067,136	320,182,303
Shenzhen Guangqian Electric Power Co., Ltd.	Subsidiary	Power generation and power station construction.	1,030,292,500	1,745,776,487	1,546,811,919	1,600,387,887	291,364,287	219,090,916
Guangdong Huizhou Pinghai Power Generation Plant Co., Ltd.	Subsidiary	Power generation and power station construction.	1,370,000,000	5,164,751,985	1,936,411,231	3,029,136,753	526,619,479	210,705,126

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Guangdong Red Bay Power Generation Co., Ltd	Subsidiary	Power generation and power station construction.	2,749,750,000	6,127,224,932	3,569,826,532	3,841,846,212	576,512,325	434,731,209
Zhanjiang Electric Power Co., Ltd.	Subsidiary	Power generation and power station construction.	2,875,440,000	4,294,285,448	4,122,512,736	1,860,318,943	321,895,603	283,160,720
Shanxi Yudean Energy Co., Ltd.	Sharing Company	Coal Investment	1,000,000,000	4,512,343,997	4,116,846,803	7,251,090	609,916,284	610,019,213
Guangdong Guohua Taishan Power Generation Co., Ltd.	Sharing Company	Power generation and power station construction.	4,669,500,000	12,142,412,953	10,427,643,614	6,549,854,533	795,654,213	580,521,643
Guangdong Energy Group Finance Co., Ltd.	Sharing Company	financial service	3,000,000,000	20,442,893,535	3,914,229,597	713,981,963	390,423,697	308,292,609
Guangdong Yudean Shipping Co., Ltd.	Sharing Company	Freight	2,465,800,000	2,978,756,939	1,282,484,551	1,525,757,019	-1,407,330,569	-1,360,556,144

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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
Guangdong Yudean Binhaiwan Energy Co., Ltd.	Invested	During the reporting period, Dongguan Ningzhou Electricity & Gas project was in the preliminary stage and with construction not commenced yet.

Note:

1. During the reporting period, due to the decline in coal prices, the long-term cooperation and the narrowing of bid price difference, the profits of most coal-fired power plants increased significantly year on year. Some loss-making subsidiaries such as Zhanjiang Zhongyue, Zhenneng and Dapu turned losses into profits year on year, while Yuejiang Company also significantly reduced losses. Guangqian Company, Huizhou LNG and other companies with strong profitability for natural gas power generation projects have made a greater contribution to the company's net profit to its parent.

2. Due to the intense power market competition of Yunnan Province, Lincang Company, a wholly-owned subsidiary of the Company, suffered from operating losses during the reporting period.

3. The company's investment income in affiliated companies has decreased significantly overall. Where, Taishan Company's profit dropped significantly year on year due to the decrease in electricity consumption. Affected by the long-term downturn of shipping market, shipping companies have made more provision for impairment, resulting in a larger year-on-year increase in losses.

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

Currently, China's power generation industry continues to present a diversified competitive pattern. The company's main power assets are mainly in Guangdong Province, which is with many other power producers and is greatly affected by the power transmission from west to east. China's electricity production has always been driven by thermal power. Although the proportion of thermal power has decreased with the rapid development of nuclear power, hydropower, wind power, solar energy and other new and renewable energy sources in the past decade, thermal power is still the main power source in China. The problem of excess coal power production capacity and excessive increase in installed capacity across the country has been significantly curbed. However, due to China's energy structure of "rich coal, deficient oil, and lean gas", the current situation that China's basic energy supply is dominated by coal cannot be changed for a foreseeable period of time. Moreover, a break-through has been made for the ultra-clean emission power generation technology for large coal-fired power generation units currently, and there is still room for development of large-capacity and high-parameter coal-fired power generation units in the future. In addition, investment in large-scale natural gas power generation projects conforms to the national policy guidance. Although the gas price of natural gas is relatively high and the economy

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of investment in gas turbine projects is still not ideal currently, with the deepening of power system reform, the compensation mechanism for social effects of gas turbine is expected to achieve a breakthrough in the future and is expected to have a better development prospect in the future. With the deepening of power system reform, the transaction scale of power market has expanded, and the level of price difference is uncertain. Therefore, in this environment, the thermal power industry will mainly rely on developing large-capacity and high-parameter coal power and accelerating gas power to optimize its structure, upgrading its technical strength to reduce consumption and increase efficiency, marketing to obtain electric quantity and electricity prices, and reducing costs and increasing efficiency to reduce management costs.

(II) Corporate development strategy

During the 13th Five-Year Plan period, the company optimizes the development of coal and electricity, steadily develops gas and electricity, vigorously develops clean energy sources such as wind power and hydropower, continuously optimizes the power supply structure, and selects the pattern of high efficiency, cleanness and low carbon. For future development, the company will actively distribute clean energy sources such as wind power, gas power and hydropower, and optimize the power generation structure; In combination with relevant national policies, it will actively promote large and reduce small for upgrade and transformation for thermal power projects, to improve the quality of power supply; It will actively expand the electricity sales business, conform to the situation of power system reform, and explore new business fields and development space.

(III) Production and operation plans

In 2020, the company's consolidated statement has a budget target value of 72.867 billion kilowatt hours of on-grid electricity, which is basically the same as the actual amount of on-grid electricity completed in 2019; The budgetary target value of the main business revenue is RMB 28.42 billion, and decrease of 598 million yuan compared to the actual amount of main business operating revenue of RMB 29.018 billion; the budgetary value for the full-year planned investment is RMB 1.617 billion, a decrease of 467 million yuan over the actual completed investment of RMB 2.084 billion in 2019.
(Note: The above operating plan does not represent the company's profit forecast for 2020, whether it can be achieved depending on various factors such as changes in the electricity market and coal market conditions, thus there is considerable uncertainty, and investors should pay special attention to it.)

(VI) Possible risks

Currently,affected by the covid-19 epidemic, the growth of the world economy continues to slow down, and the sources of global turmoil and risk points have increased significantly. China is also in the process of transforming its development mode, optimizing its economic structure and transforming its growth momentum. The downward pressure on the economy is increasing. The reform of state-owned assets in state-owned enterprises is advancing in depth. The energy policy and market environment have changed profoundly. The production and operation forms and deepening reform tasks of the company will be even more arduous.

Firstly, external policies and the market situation are grim. According to the requirements of the state for optimizing the energy structure, the installed capacity of coal and electricity in the country is controlled within 1.1 billion KW, accounting for 55%, and there is limited room for development of coal and electricity. By the end of 2019, the company's coal and electricity installed capacity accounted for 80% of the total installed capacity, with a high proportion. On the other hand,affected by the covid-19 epidemic, the growth rate of electricity demand in the whole society is slowing down, and the competition among units in the province is intensifying. The increase in new nuclear power installations and renewable energy sources will further reduce the on-grid electricity

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consumption of power generation units under unified regulation. Plus the combined effects of the growth of "West to East Power Transmission", the acceleration and expansion of electricity market reform, carbon emissions and unit economy, the profits of coal and electricity are obviously reduced.

Secondly, the production safety situation is complicated. Some thermal power units of the company have been in operation for a long time and are subject to deep peak regulation. The aging problem of unit equipment is prominent and the reliability of equipment is seriously reduced; The frequent occurrence of unplanned outages of newly commissioned gas turbine units has not been effectively contained; During the infrastructure construction, there are problems of lax control in design review, equipment installation and acceptance, commissioning supervision and system handover; The management rigidity of major hazard sources such as ammonia station needs to be improved; The contractor's safety management still needs to be strengthened.

Thirdly, the reform of the power system continued to deepen. In 2020, the new electricity price policy is surging. China has made clear the timetable for independent operation of electricity trading institutions, requiring the basic establishment of a unified nationwide electricity trading organization system within the "14th Five-Year Plan" period. Guangdong Province plans to launch the first full-month settlement trial operation of the spot electricity market in the first half of 2020. The trial operation of "spread monthly transaction+absolute price weekly transaction+spot" settlement will be organized continuously throughout the month. Competition in the Guangdong electricity market will become increasingly fierce, and spot electricity trading will bring new challenges. Meanwhile, Guangdong's electricity market will expand to 260 billion KWH in 2020, with a year-on-year increase of 60 billion KWH, accounting for about 50% of the province's electricity generation, placing higher demands on electricity marketing.

(V) Countermeasures

2020 is the year when a well-off society is completed in an all-round way and the 13th Five-Year Plan is completed. At the same time, it is facing a greater impact from the COVID-19 epidemic. It is of vital importance to do all the work well. Firstly, adhere to the "two focuses" of epidemic prevention and production to ensure stable and orderly production and operation of the company. Since the outbreak of the epidemic, the company has actively promoted the implementation of the epidemic prevention and control measures in accordance with the arrangements made by the Party Central Committee and the higher authorities. The management team has adhered to its posts and conducted the front-line operations, and has coordinated the prevention and control of the epidemic and the resumption of work and production. At present, through arduous efforts from all over the country, the situation of epidemic prevention and control has initially shown a trend of continuous improvement and accelerated recovery of production and living order. The company shall strengthen epidemic prevention and control in a prudent manner so as not to reduce its vigilance against the epidemic and not to reduce the prevention and control requirements. It shall resolutely implement the relevant requirements for strengthening safe production during the epidemic prevention and control period, continue to implement strict safety and prevention measures for key parts, key areas, key operations and key personnel, further strengthen supply chain management, innovate power marketing and customer service methods, and ensure stable and orderly production and operation management.

Secondly, adhere to the new development concept and continuously push forward the optimization and adjustment of power supply structure. Pay special attention to the closed-loop management of the company's "13th Five-Year Plan" development tasks and scientifically compile the "14th Five-Year Plan" development plan. Actively integrate into the construction of Guangdong-Hong Kong-Macao Greater Bay Area, Shenzhen's advanced demonstration zone and the development of Guangdong's "one core, one belt and one area" and actively seek to expand into regions with better resource conditions and higher power demand. Accelerate the promotion of

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existing key projects to ensure the full production of Bohe Coal and Electricity Project and Zhanjiang Wailuo Offshore Wind Power Project; Solidly promote the construction of offshore wind power projects such as Zhuhai Jinwan, Yangjiang Sharpa, Zhanjiang Wailuo Phase II, Zhanjiang Xinyu and other natural gas cogeneration projects such as Dongguan Ningzhou Project and Huadu Project to ensure the completion of the annual project investment and construction plan according to schedule; Increase investment in clean energy development and project reserves, and accelerate the advance of Shenzhen Guangming Gas and Electricity, Huizhou Mobil Chemical Complex supporting thermal power projects, Zhaoqing Yongan Natural Gas Thermal Power Project and Yangjiang Qingzhou Offshore Wind Power Project. Resolutely perform the responsibility to prevent and control pollution, vigorously promote the "clean water project" and speed up the implementation of the transformation of zero emission of waste water from thermal power plants.

Thirdly, deepen the drive of reform and innovation to improve the development quality of listed companies. Implement the decision-making arrangements made by the Party Central Committee and the State Council to actively develop the mixed ownership economy and the relevant arrangements made by the provincial SASAC and Guangdong Energy Group to promote the reform of mixed ownership; Formulate and implement a plan to integrate the property rights of managed power generation assets and gradually resolve the problem of inconsistency between the property rights relationship and the management relationship. Steadily push forward the reform and innovation of the system and mechanism, improve the system and mechanism suitable for the high-quality development of listed companies, stimulate the endogenous power and vitality of enterprises, establish and improve the assessment methods for sub-enterprises, and study and build an assessment and distribution incentive mechanism that integrates incremental incentives, bottom line constraints and fault tolerance mechanisms.

Fourthly, continue to strengthen the ability to identify and control risks and strive to prevent and resolve major risks. According to the newly revised and implemented Securities Law, Guidelines for the Standardized Operation of Shenzhen Stock Exchange and other laws and regulations, optimize the system and management process, further improve the corporate governance structure, and comprehensively enhance the corporate governance system and governance capability. Establish and improve the prevention and control management system, and fully utilize the internal audit and subsidiary supervisory board's supervisory function. Continue to improve the large-scale supervision system, ensure full coverage of audit supervision, expand the daily supervision and inspection scope of subsidiary supervisory boards, and strengthen the admissibility and application of audit, supervision and inspection results in assessment and evaluation. Firmly establish compliance awareness, consolidate a risk control management system based on compliance management, with internal control as a means and comprehensive risk management as a guide, and effectively prevent listed companies from decision-making risks, operational risks and debt risks.

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

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

Reception time	Way of reception	Types of visitors	Basic index
February 20,2019	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 22 February 2019.

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June 20,2019	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 June 2019.
November 14,2019	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 19 November 2019.
November 22,2019	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 26 November 2019.
December 20,2019	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 December 2019.
Reception times			6
Reception agency amount			24
Reception personal number			33
Others			0
Whether to disclose, reveal or disclose non-public material information			No

√ Applicable □ Not applicable

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V. Important Events

ISpecification 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

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

Article 161

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.

During the reporting period, the Company strictly implemented the profit distribution policy in accordance with the relevant provisions of the Articles of Association. From 2017 to 2019, the company's cash dividends accounted for 56.52% , 66.39% and 54.94% of net profit attributable to the parent company in each year respectively. In the future, the company will continue to maintain the continuity, rationality and stability of cash dividends and actively repay its shareholders.

Special explanation on cash dividend policy	
Satisfy regulations of General Meeting or requirement of Article of Association	Yes
Well-defined and clearly dividend standards and proportion	Yes
Completed relevant decision-making process and mechanism	Yes
Independent directors perform duties completely and play a proper role	Yes
Minority shareholders have ample opportunities and their legitimate rights and interests are effectively protected	Yes

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Condition and procedures are compliance and transparent while the cash bonus policy adjusted or changed	During the reporting period, the company's cash dividend policy was not adjusted or changed.

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 2019 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 1.2 (tax inclusive per 10 shares; for B-share, the company will distribute cash dividends of RMB 1.20 (tax inclusive) per 10 shares.

The company's dividend distribution plan of the year 2018 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 0.60 (tax inclusive per 10 shares; for B-share, the company will distribute cash dividends of RMB 0.60 (tax inclusive) per 10 shares.

The company's dividend distribution plan of the year 2017 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 0.80 (tax inclusive per 10 shares; for B-share, the company will distribute cash dividends of RMB 0.80 (tax inclusive) per 10 shares.

Cash dividend in latest three years

In RMB

Year	Amount for cash bonus (tax included)	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	Amount for cash bonus (Other included)	Ratio of the total cash bonus (other ways included) in net profit Attributable to common stock shareholders of listed Company contained in consolidation statement
2019	630,034,078.32	1,146,767,033	54.94%	0	0 %	630,034,078.32	54.94%
2018	315,017,039.16	474,461,997	66.39%	0	0 %	315,017,039.16	66.39%
2017	420,022,718.88	743,180,431	56.52%	0	0 %	420,022,718.88	56.52%

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

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Bonus shares distributed at the rate of _(share)for every 10 shares	0
Dividend distributed at the rate of CNY___ for every 10 shares (with tax inclusive)	1.2
Number of shares converted for every 10 shares (shares)	0
Share capital base for the dividend distribution preplan (shares)	5,250,283,986
Total cash dividend distributed (with tax inclusive)	630,034,078.32
Amount of cash dividend distributed in other way(s) (such as shares repurchased)	0
Total amount of cash dividend (including other way(s)	525,028,398.60
Profit available for distribution (CNY)	2,515,113,228
Proportion of the cash dividend in the total profit available for distribution (%)	54.94%
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	
The company determined 770,265,843 yuan as the net profit distribution base for the current year according to the lower of the parent company's statement and the consolidated statement，plus the non-distributed profits of RMB1,744,847,385 in the prior year, thus the upper limit of the distributable profits is RMB2,515,113,228. According to the Articles of Association of the company, draw RMB77,026,584 for the statutory surplus reserve taking for 10% of net profits, draw RMB192,566,461 for the other surplus reserve taking 25% of the total net profits, then the upper limit of the distributable profits to the shareholders is RMB2,245,520,183. The company's 2019 annual profits distribution plan is: Based on that the number of the company's total share capital at the end of 2019 is 5,250,283,986 shares, planned that the company will distribute cash dividends of RMB1.2 (tax inclusive) to A-share shareholders and the company will distribute cash dividends of RMB 1.2 (tax inclusive) to B-share shareholders.	

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 parities.

Nil

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

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

√Applicable □ Not applicable

（1）Important accounting policy changes：

In 2017, the Ministry of Finance promulgated revised Accounting Standards for Business Enterprises No.22-Recognition and Measurement of Financial Instruments, Accounting Standards for Business Enterprises No.23-Transfer of Financial Assets and Accounting Standards for Business Enterprises No.37-Presentation of Financial Instruments (hereinafter collectively referred to as "New Financial Instrument Standards") and in 2019, it promulgated the Notice on Revising and Issuing the Format of General Financial Statements for Enterprises in 2019 (Caikuai [2019] No.6), which have been adopted by the Company to prepare the financial statements for 2019.

（2）Important accounting estimates changes：

According to the Group's management assessment the estimated useful life of relevant fixed assets would be significantly shortened according to the current shutdown requested by Guangdong Development and Reform Commission. On 25 January 2019, the Group held the Ninth Session of the Board during its 7th meeting, which approved the Proposal on Adjustment for the Depreciation Periods for Fixed Assets of Shajiao A. According to the proposal, Shajiao A started to change the estimated useful life of certain fixed assets since 1 January 2019. As a result, fixed assets depreciation increased by 174 million yuan, net profit attributable to the parent company decreased by about 174 million yuan and the owner's equity attributable to the parent company decreased by about 174 million yuan in 2019.

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

New Subsidiary Establishment of the Year

Name	Business place	Registered address	Nature	Registered capital	Proportion (%)	Acquired
Guangdong Yudean Binhaiwan Energy Co., Ltd.	Dongguan, Guangdong	Humen Town , Dongguan City, Guangdong	Electric Power	30,000,000	100 %	Invested

IX. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	PWC Certified Public Accountants (special general partnership)

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Remuneration for domestic accounting firm (RMB10,000)	332
Continuous life of auditing service for domestic accounting firm	4
Name of domestic CPA	Wang Bin, Li Yanhua
The Continuous Years of Audit Service of Certified Public Accountants of China Certified Public Accountants	Wang Bin(4 years),Li Yanhua(1 year)

Has the CPAs been changed in the current period

□ Yes √ No

Description of the CPAs, financial advisers or sponsors engaged for internal control auditing

□ Yes √No

In the report year, the Company engaged PWC Certified Public Accountants (special general partnership)as the certified public accountants and internal control audit body in 2019. The audit remuneration was RMB 3.32 million

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

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Basic situation of lawsuit(arbitration)	Lawsuit amount (RMB 10,000)	Whether form into estimated liabilities	Process of lawsuit(arbitration)	Trial results and influences of lawsuit(arbitration)	Situation of execution of judgment of lawsuit (arbitration)	Disclosure date	Disclosure index
On April 1, 2019, Guangdong Huizhou Pinghai Power Plant Co., Ltd., a holding subsidiary to the Company, received a set of legal documents including the “Notice of Responding to action”, “Subpoena” and “Civil Indictment” from Huizhou Intermediate People's Court of Guangdong Province, involving the case of contract dispute of China Energy Construction Group Guangdong Thermal Power Engineering Co., Ltd suing Pinghai Power Plant on Construction Project, with the case number of No. 363-(2018) Yue Civil Action. The lawsuit claims include: 1. The Pinghai Power Plant is ordered to pay the project amount of RMB 1,659,784.08 million (principal) and interest of RMB 724,789.79 million(temporarily calculated as for the period from May 1, 2011 to October 31, 2018, with the final interest calculated as of the date of actual payment shall be calculated in accordance with the benchmark interest rate of similar loans of the people's bank of China in the same period) to Guangdong Thermal Power; the above principal and interest amount to RMB 2,384,573.87 million; 2. The Pinghai Power Plant is ordered to bear all the litigation costs including the acceptance fee and the appraisal fee.	23,845.74	No	The two pre-trial preparation meetings for the case were held in the Intermediate People's Court of Huizhou City Guangdong Province respectively on May 14, 2019 and July 18, 2019, the court session time is yet to be determined.	The lawsuit has not yet been heard. There are uncertainties in the final judgment and execution, so it is temporarily impossible to judge the impact on the company's profits in 2019 and beyond.	No	April 4, 2019	Announcement No.2019-12)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn

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On July 8, 2019, Guangdong Huizhou Pinghai Power Plant Co., Ltd., the company's controlling subsidiary, received a set of legal documents such as Summon, Notice of Proof and Notice of Respondence to Action from the Intermediate People's Court of Huizhou City, Guangdong Province, which involved the case of China Energy Construction Group Guangdong Electric Power Engineering Bureau Co., Ltd. v. Pinghai Power Plant Construction Contract Dispute (case No. (2019) Y13MC No. 163). The lawsuit claims include: 1. Pinghai Power Plant pays Guangdong Electric Power Engineering Bureau 89.548053 million yuan (principal) and interest of 36.526452 million yuan, with the above principal and interest totaling 126.074505 million yuan; 2. Pinghai Power Plant bears the litigation expenses in this case.	12,607.45	No	The case was originally scheduled to be heard in Huizhou Intermediate People's Court on August 14, 2019, and was later rescheduled to January 17, 2020 for the first hearing of the first instance. The two parties exchanged evidence and cross-examined, and debated the controversial issues and the focus issues. According to the content of the trial, continue to collect relevant information and well ensure the next step of responding to the lawsuit.	During the trial of the case in the first instance, there are uncertain factors in the final judgment result and execution, so it is temporarily impossible to judge the impact on the company's profits in 2019 and beyond.	No	July 11,2019	Announcement No.2019-29)Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn

√ Applicable □ Not applicable

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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

Nil

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

Nil

5. Other significant related-party transactions

√ Applicable □ Not applicable

（1）2019 daily related transactions were carried out after examination and approval by 2019 first provisional 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.

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(2) The Proposal on the Financial Services such as Making the Application of the Total Loan Limit of RMB 22 Billion and Handling the Deposit Settlement to the Related Party- Guangdong Energy Group Finance Co., Ltd. (formerly "Guangdong Yudean Finance Co., Ltd.") by the Company and Some of its Subsidiaries was approved in the company's 2018 annual general shareholder meeting for implementation.

（3）In order to meet the business development needs of Guangdong Energy Group Finance Co., Ltd. (formerly "Guangdong Yudean Finance Co., Ltd."), the company, its related parties, Guangdong Energy Group and Guangdong Shajiao (Factory C) Power Generation Co., Ltd. jointly increased capital to the finance company, of which the company increased capital by 250 million Yuan to the finance company according to the 25% equity ratio. The above matters have been reviewed and approved by the sixth meeting of the sixth Board of Directors of the Company.

Website for temporary disclosure of the connected transaction

Announcement	Date of disclosure	Website for disclosure
Estimates announcement of the Daily Related Party Transactions of 2019	January 26,2019	http//www.cninfo.com.cn.
Announcement on the related party Transactions of Guangdong Electric Power Development Co., Ltd. with Guangdong Yudean Finance Co., Ltd.	April 12,2019	http//www.cninfo.com.cn.
Announcement on Related Party Transactions to Capital increase to Guangdong Yudean Finance Co., Ltd.	August 31,2019	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

Note

According to the instructions of Energy Group on undertaking to perform related matters, in order to avoid horizontal competition and fulfill the commitments of related horizontal competition, the Company and Energy Group have signed the Equity Trust Agreement, which entrusts the rights of shareholders of the Company within the trust scope of Energy Group to the Company except for the rights of ownership, income and disposition. The expected trust fee is 2.45 million/year. The complete report is available as Announcement No.2018-04 with China Securities Journal, Securities Time and at www.cninfo.com.cn dated January 13,2018.

Project that bring profit and losses to the company of more than 10% of the company's total profit in the reporting period.

√□Applicable √ Not applicable

No gains or losses to the Company from projects that reached over 10% in total profit of the Company in reporting period

(2) Contract

□ Applicable √ Not applicable

No any contract for the Company in the reporting period.

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(3) Lease

√ Applicable □Not applicable

Note :

As a lessee, The Company rented houses and billboards from Yudean Real Estate Company and Yudean Property Company,the rental fee incurred this year was RMB 11,422,326;

As a lessor, the Company leased the houses to Yudean Property Company, Yudean Shipping Company and Qujiang New Energy Company, the rental income for this year was confirmed to be RMB 833,445;

The parent company of the Company, as a leassor, leases the houses and parking spaces to units and individuals such as Guangdong Electric Power Communication and Information Company and Guangdong Electric Power Dispatching Center. The rental income for this year was confirmed to be RMB1,269,385.

Project that bring profit and losses to the company of more than 10% of the company's total profit in the reporting period.

□Applicable √ Not applicable

There were no leases with a 10% or greater impact on the Company’s gross profit in the Reporting Period.

2.Guarantees

√Applicable □ Not applicable

（1）Guarantees

In RMB10,000

Guarantee of the Company for the controlling subsidiaries (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual mount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	December 19,2007	4,350	November 30,2007	1,740	Guaranteeing of joint liabilities.	15 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	November 12,2008	7,250	November 14,2008	145	Guaranteeing of joint liabilities.	12years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27,2009	9,367	June 22,2009	4,727	Guaranteeing of joint liabilities.	18years	No	No

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Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27,2009	7,250	May 27,2009	1,450	Guaranteeing of joint liabilities.	15 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)			-1,769		
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)			8,062		
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)
Zhanjiang Wind Power Generation Co., Ltd.	April 29,2009	18,572	October 9,2010	6,922.35	Guaranteeing of joint liabilities.	18 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	November 16,2013	9,000	January 28,2014		Guaranteeing of joint liabilities.	7 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	November 16,2013	8,100	January 29,2014		Guaranteeing of joint liabilities.	7 years	No	No
Total of guarantee for subsidiaries approved in the period(B1)		0	Total of actual guarantee for subsidiaries in the period (B2)			-4,518		
Total of guarantee for subsidiaries approved at period-end(B3)		141,536	Total of actual guarantee for subsidiaries at period-end(B4)			6,922		
Guarantee of the subsidiaries for the controlling subsidiaries								
Name of the Company guaranteed	Relevant disclosure date/No. of the guaranteed amount	Amount of guarantee	Date of happening (Date o signing agreement)	Actual mount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
The Company's total guarantee(i.e. total of the first three main items)								

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Total guarantee quota approved in the reporting period（A1+B1+C1）	0	Total amount of guarantee actually incurred in the reporting period（A2+B2+C2）	-6,287
Total guarantee quota already approved at the end of the reporting period（A3+B3+C3）	332,371	Total balance of the actual guarantee at the end of the reporting period（A4+B4+C4）	14,984
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+B4+C4）%			0.57%
Including：			
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly（E）			8,062
Total guarantee Amount of the abovementioned guarantees（D+E+F）			8,062

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. Social responsibilities

1. Information of performance of social responsibilities

For details, please see the Social Responsibility Report of 2019 disclosed by the company on the same day.

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2.Overview of the annual targeted poverty alleviation

（1）Precise poverty plan

The Company will in depth implement the spirits of the Central work Conference on Poverty Alleviation and the Development and General Secretary Xi Jinping's series of important speeches on poverty alleviation and the development, We will actively implement the overall arrangements and arrangements of Guangdong province for targeted poverty alleviation and targeted poverty alleviation, by adhering the concept of innovation, coordination, green, open and shared development, the Company will strengthen the awareness of the overall situation and the sense of responsibility of “The Rich fist leads latter, and realize the common prosperity”, fully utilize the advantages, carry out the measures of precision poverty alleviation to the village-under-aid, effectively enhance the local “vitality-making” function, focus on boosting the village’s collective economic strength, developing the environment and society and people’s livelihood, thus to increase the income of poverty-alleviation objects, so as to ensure the accomplishment of various project goals and tasks.

1. Soundly do the work of the poverty alleviation by industry development. Formulate the characteristic industry development for the village-under-aid, implement the “one village, one product” industry promotion action, tap into the resources advantages, precisely select the dominant industry and the dominant products, support the construction of characteristic agricultural bases with high participation of poverty households, support the large agricultural households and professional cooperatives , small and micro enterprises and so forth agricultural operation bodies to speed up the development. Explore the “Internet + Precision Poverty Alleviation” model, strengthen the training of rural E-commerce merchants in poor villages, and encourage farmers to open online stores for self-development.

2. Explore the poverty alleviation by shares. Promote the income-increase mode of poor village collective economy, allow the financial special poverty alleviation funds and other agricultural-related funds to invest in facilities such as agriculture, farming, industrial parks, hydropower, rural tourism and so forth without changing their use purposes, and the resulting asset income can be converted to shares quantization to poor villages and poor households. Cooperate with the local to explore and promote the rights confirmation of land management with accordingly converting to shares, guide poverty-stricken households, especially those who are incapable of working, to voluntarily transfer the land management rights according to law, and use assets such as land, agricultural facilities, and poverty alleviation funds to price to convert into shares, gaining the operating income according to shares.

3. Cooperation in training and employment. Oriented towards enhancing the ability of the poor to get employment, assist to carry out the all kinds of policy training, promote the relevant vocational and technical colleges to recruit children from poor families, thus to enable them to achieve skills to get out of poverty.

4. Improve the infrastructure. Cooperate with the local to improve the traffic conditions and development environment in the village-under-aid; support and help key villages-under-aid of the safe drinking water projects; improve farmland water conservancy facilities; improve sewage facilities; improve the garbage collection and treatment and the cleaning system; improve village cultural and leisure activities, public toilets, landscaping and greening and other facilities; ensure that the relevant indicators meet the provincial standards.

5. Boost the education culture. In coordination with the local education and cultural departments, the Company will vigorously promote the poverty alleviation through education so that all children in the villages-under-aid can receive a good education, increase the education subsidies for poor families, ensure that children from poor households do not drop out of school due to poverty, pay attention to left-behind children, and build left-behind children's service centers.

6. Help to improve the environment. Cooperate with the local to raise funds by multi-channels to help

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impoverished households complete the renovation of dilapidated buildings and fully complete the task of assisting low-income people in housing reconstruction, assisting in the improvement of domestic garbage disposal, sewage treatment, public toilets and greening and beautification of villages. We will use the entire village as a platform to accelerate the improvement of production and living conditions of poor villages, and steadily promote the construction of beautiful livable villages to realize the new appearance of the old villages.

7. Consolidate the grassroots foundation. Cooperate with the local people to adhere to the Party building and poverty alleviation both at the same time, with the party building to help the poor and with the poverty alleviation to promote the party building. Organize and hold regular meetings of the "two committees" meetings of the villages to study the work of aiding the poor; the assigned cadres should assist the "two committees of the village" to do a good job in organizing the masses, serving the masses, uniting the masses, and enhancing the ability of the cadres of the "two committees" of the poor villages to lead the people out of poverty and run to health; It's necessary to constantly strengthen the development consciousness, market awareness, teaching ideas, teaching methods and teaching experience of cadres at the grass-root level, mobilizing the grass-root level cadres, strengthen the grass-root organizations, muster up the drive to fight against poverty, and build up "The never-leaving Task Force on Poverty Alleviation", thus to lay the foundation for the sustainable and healthy development of poor villages.

8. Lead multiple parties to participate in. Guide industries, enterprises, social organizations and individuals to participate in poverty alleviation, and encourage companies to actively undertake social responsibilities, fully stimulate the market's vitality, and help villages to invest in industries, develop training skills, absorb employment, and help the poor with donated money through various forms such as resource development and joint construction of villages and enterprises.

9. Strengthen the publicity for poverty alleviation. Adhere to the guidance of public opinion, comprehensively publicize and accurately interpret the decision-making and deployment of "Precision poverty alleviation and Precision poverty reduction", strengthen the ideological education and guidance, and strengthen the cadres and the masses' centripetal force and cohesion in poverty alleviation work and the development work. Guide the villagers to change the obsolete customs and habits, stimulate the impoverished people to work hard and develop good enthusiasm, and create a positive atmosphere for self-reliance, hard-working and getting rid of poverty and becoming better off.

（2）Precise poverty alleviation

During the reporting period, the company actively implemented the overall deployment and arrangement of Guangdong province's work on "targeted poverty relief and targeted poverty alleviation", actively invest human, material and financial resources in poverty relief work, and its six subsidiaries, namely Yuejiang company, Red bay company, Zhenneng company, Zhanjiang company, Dabu company and Zhanjiang wind power company, actively carried out targeted poverty relief assistance work.

I. Counterpart assistance of Yuejiang Company on Mi Xiashui village, Quan'an Town, Nan Xiong City

2019 is the key year for winning the first 100-year goal of building a well-off society in an all-round way and winning the battle against poverty. According to the arrangement of relevant documents of the provinces and cities, Yuejiang Power Generation Company selected a cadre to serve as the party building instructor in the villages in the second phase of provincial poverty-stricken villages to assist Shaoguan Municipal Government Office in carrying out targeted poverty relief and targeted poverty alleviation work in Mixiashui Village:

1. Strengthen Party building. Centering on the deployment requirements of the central government, provinces, cities and counties on the Party's construction to promote poverty alleviation, and in combination with the actual situation in Nanxiong City and Quan'an Town, efforts are focused on "grasping points, expanding

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areas, improving quality and strengthening capabilities" to give full play to the exemplary and leading role of Party members. On June 27, a meeting of members of the general party branch of Mixiashui Village was held to organize party lectures-Interpretation of the Regulations on Education Management of Party Members and Interpretation of the Regulations on the Work of Party Branch.

2. Well ensure the people's livelihood. Fully implement the "Three Guarantees" policy and complete the reporting of information on the dilapidated house reconstruction project for poor household Ye Chengxiang; Fully implement poverty relief education guarantee for poor households in accordance with the policy requirements; Promote full coverage of medical insurance, fully implement the medical insurance policy, and subsidize 41 poor households to purchase urban and rural medical insurance; Send warm condolences to poor households, and send warm condolences to all poor households in January before the Spring Festival.

3. Accurate identification: in early June, the work team stationed in the village, together with town cadres and village cadres, conduct on-door visit to acquire the poverty information of Yao Shihui and Ye Chengming, and reported the information to Nanxiong Poverty Relief Office after comprehensive analysis and verification. Yao Shihui and Ye Chengming are to be included in the poor households.

4. In 2019, it will continue to build 4 boutique villages, including Liaowu Village, Yaowu Village, Liuwu Village and Shigang Village. In the first half of the year, it has basically completed the "three clean-ups and three dismantlements" of relevant sections, actively won the support of superior policies, and made solid progress in the construction of new rural demonstration villages.

5. According to the requirements of the Implementation Plan of "Award Instead of Compensation" for Targeted Poverty Relief and Targeted Poverty Alleviation in Nanxiong City in 2019, the" Award instead of Compensation" will be implemented for pig raising and peanut planting by poor households in the first half of the year.

6. Work hard to promote poverty relief through high-quality rice and passion fruit industries. Urge Mixiahui Village Zhongzhi Cooperative to sign a high-quality rice purchase agreement with Nanxiong Jinyou Company, to unify the external sales through the cooperative, open up the high-quality rice sales market, and improve the market bargaining power; Relying on Mixiashui Village Passion Fruit Planting Demonstration Base, actively guide and help 10 poor households in Mixiashui Village to participate in passion fruit planting, regularly provide technical guidance to growers, and operate it through the "enterprise+cooperative+poor households" business model, carry out planting and management according to unified standards, and adopt reserve price for purchase to ensure the income of poor households.

7. Invest 1.2 million yuan (including 350,000 yuan from Yuejiang Power Generation in 2017) in Sunshine Rose Grape Modern Agricultural Industrial Park to increase the collective income of the village.

8. Well ensure the withdrawal of relatively poor households and villages. By the end of 2019, 94 people from 39 poor households in Mixiashui Village have lifted out of poverty and completed the task of helping the poor villages in Mixiashui Village out of poverty.

II. Counterpart assistance of Red Bay Company on Yuexi Village,Hetian Town, Luhe County

Under the correct leadership of all levels of government and the careful guidance of the company's party committee, the company has successfully completed the designated assistance to Yuexi Village in 2019. The poor village in Yuexi Village and 289 people from all 70 poor households have all passed the acceptance check by Shanwei City's inspection team, realizing two 100% dequeues, as follows:

(I) Work progress

1. Strengthen party building guidance to help poverty alleviation

Under the leadership and guidance of local party committees, the village-based team strengthens the construction of village party organizations, gives full play to the leading core role of party organizations in grass-roots work,

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leads the members of the "two committees" of the village, and focuses on party construction, poverty alleviation, development, stability and building village rules and regulations. Firstly, lead the team well. Strictly implement the "three meetings and one lesson" system, adhere to the democratic life meeting, organizational life meeting and talk system, strict implement the village-level rules of procedure of "four discussion and two opennesses", and gradually standardize the village party branch organization life; Comrade Zhang Chunsheng, first secretary of the village and leader of the task force, took the lead in conducting party lessons, organized the members of the sub-branch to visit the old party members and the needy, organized the party members to adhere to the principle of "showing their identity, making promises and making actions", went to the Red Education Base and the Anti-corruption and Legal Education Base to receive education, and launched the "My Motherland and I" singing campaign to fully demonstrate the spirit of the party members of the village branch on loving the country and the family, is full of vigor and vitality for unity and Invigoration. Secondly, build up the system. The village-based team has given top priority to the party building work, strengthened the leadership of the party building, continuously improved the management system, revised and compiled village rules and regulations such as the village collective asset management method, the village financial revenue and expenditure management system and the five good family selection method according to the actual conditions, and actively constructed a village governance system integrating village autonomy, rule of law, and rule of virtue. Thirdly, complete practical work well. Carry out the theme education activities of "Remain true to our original aspiration and keep our mission firmly in mind" solidly, pay attention to the achievement of theme education and ensure accomplishment for the people; This year, the village-based team helped solve the difficult problems such as the blocking of the village telegraph poles, the accumulation of water on the village roads, and the piles of garbage in the pit and pond of Xinwujia village. In addition, the "two committees" of the village have jointly built the first centralized charging station for electric vehicles at the village level in Luhe county. The charging station can charge 30 electric vehicles at the same time, and the income is owned by the village collective, which can not only increase the collective income of the village, but also effectively solve the hidden trouble of electric vehicle charging and fire safety that has long troubled the villagers. This project has won high praise from the county party committee and county government of Luhe county. The column of "Direct Strike on the Spot" of Luhe county television station also made a special report on it.

2. Implement targeted aid and consolidate poverty alleviation

On the basis of respecting the wishes of poor households, the village-based team assists households in accordance with the "one law for each household" requirement, and adopts a variety of means such as ideological change guidance, technical "hematopoietic" support, and implementation of policies and measures to implement accurate policies and to ensure stable poverty alleviation for relatively poor households. According to the local government's plan of "one policy for each village" and in coordination with the implementation of the overall promotion of poverty-stricken villages, poverty eradication has achieved remarkable results. Firstly, implement the policy of "three guarantees" and poverty alleviation for poor households without labor ability. Implement the rural medical insurance for 289 people from the 70 village poor households and the education subsidy funds for 59 students from village poor households; Implement the guarantee policies for the village's 14 households with five guarantees and 12 households with subsistence allowances, and achieve policy poverty alleviation coverage; Implement the policy of minimum living allowances for 40 people from 25 poor households households with weak labor capacity in the village (non-whole-household minimum living allowances) to realize partial coverage; Meanwhile, efforts shall be made to improve the teaching environment of village primary schools, build new plastic playgrounds and equip multimedia classrooms to ensure that poor students can successfully complete their studies. Second, promote poor households with labor ability to shake off poverty and become rich independently. The village-based team continued to implement the bonus and subsidy system to achieve the goal of "one method

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for each family, and projects for every family" to get rid of poverty and become rich. 54 poor families with labor ability in the village have each carried out more than 2 poverty alleviation projects. This year, the Company won a total of 309,500 yuan in bonus and subsidy funds; At present, the average annual disposable income of poor families with labor ability in the village is above 13,000 yuan, and the average annual disposable income of rural households in the village is 14,200 yuan. The village-based team completed the withdrawal declaration for poor families and poor villages in Yuexi Village according to the procedures, which passed the inspection and acceptance of Luhe County smoothly on December 5, and was also inspected and accepted by the inspection team of Shanwei City on December 12. Thirdly, establish a long-term mechanism to eradicate poverty. In order to consolidate the effectiveness of poverty alleviation, cultivate economic entities that drive the village collective poverty alleviation, stimulate the transformation of the aid work from "blood transfusion" to "hematopoiesis", focus on the implementation of income projects in poverty alleviation industries, so as to form a long-term income mechanism, a contract was signed for the rental project of the poverty alleviation industrial complex building this year. The rental for the first year is 216,600 yuan, and the subsequent rental increases year by year. In addition to the 30kW solar power generation project, the investment in the county industrial park project and the ecological plantation project, the collective income of Yuexi Village has now reached 350,000 yuan/year; In addition, Yuexi village poverty alleviation industry comprehensive roof PV power generation project has been connected to the grid at the end of the year, which is expected to add another 50,000 yuan/year to the village collective income.

(II) Main methods and highlights

1. The information for poor households is detailed and accurate. The village-based team will go to households every month to fully grasp the production and living conditions of poor households, and compare the information collected during the visit with the original data in Guangdong Targeted Poverty Alleviation System to revise and improve the data in real time to ensure "accuracy". Up to now, the Guangdong Precision Poverty Alleviation Information System has completed more than 2,000 information revisions, including the increase and decrease of poor household members, labor force adjustment, personal information revision, aid docking, poverty alleviation measures and monthly reports.

2. The village collective economy grows significantly. The village-based team scientifically formulated the assistance plan, continuously strengthened Yuexi village's collective economy, and improved the village's own "blood-forming" ability. At present, Yuexi Village's collective income has achieved a zero breakthrough, reaching 350,000 yuan/year, of which 35,000 yuan/year is from the roof photovoltaic power generation project of Yuexi Village Primary School; 50,000 yuan/year is from the annual income of Xiantang Plantation Project; 70,000 yuan/year is from the investment income in Xinhe Industrial Park; And 200,000 yuan/year is from the rental income of poverty-relief industrial buildings, which increases year by year. The roof PV power generation project of Yuexi Village Poverty Alleviation Industrial Building is expected 50,000 yuan/year.

3. The aid work is featured by both strength and warmth. From 2016 to 2019, the Company has invested 11 million yuan in Yuexi Village and raised 450,000 yuan in industry and society. At the same time of strengthening the assistance, we also pay attention to the warmth of the assistance work and insist on visiting poor households every month to help solve practical difficulties. The village-based team arranges special funds for condolences to poor families during traditional festivals such as Dragon Boat Festival, Mid-Autumn Festival, Spring Festival, etc., organizes condolences to old party members and poor party members before July 1 each year, and conducts awards, teaching and assistance activities in Yuexi Primary School during Teachers' Day each year; A villagers' congress was held in November 2019 to select the "Five Good Families", "Beautiful Courtyard", "Model of Poverty Alleviation" and "Model of Self-improvement" awards in Yuexi Village, and to issue awards.

4. Explore new ways and means to build a rural governance system that combines autonomy, rule of law and rule of virtue. Under the active exploration, supervision and guidance of the village-based team, Yuexi Village has

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revised and compiled the *Village Rules and Regulations* according to the actual situation. Through the "Four Discussions and Two Openings" procedure, it has formulated such rules and regulations as the Fund Management Measures to Help Yuexi Village in Hetian Town for "Targeted Poverty Assistance and Poverty Alleviation", Management Measures for Yuexi Village Collective Assets, Yuexi Village Financial Revenue and Expenditure Management System, Management Measures for Yuexi Village Self-built Housing and Decoration and Selection Measures for Five Good Families in Yuexi Village. Through continuous improvement of the management system, a rural governance system combining village autonomy, rule of law and rule of virtue is established.

III. Counterpart assistance of Zhenneng Company on Xinpo Village, Shalang Town, Dianbai District, Maoming City

According to the deployment and requirements of Maoming municipal party committee and municipal government for targeted poverty alleviation in the new period, the Maoming municipal people's congress standing committee office, Maoming Zheneng Thermal Power Co., Ltd. and Guangdong Development Bank Maoming Branch are linked to assist Xinbei Village, Shalang Town, Dianbai District, and sent a poverty alleviation team to the village. With the joint efforts of the three helping units, the village-based team and the town and village cadres have made concerted efforts to promote the development of accurate poverty alleviation through the establishment and improvement of the leading agencies for assistance, the formulation of a sound assistance work plan, accurate identification of villages and households, and the customization of various assistance measures. As a result, the targeted poverty alleviation work in Xinbei Village has cotntinuously made new progress and achieved new results.

(I) The leaders attach great importance to, carefully guide, and work together to tackle targeted poverty alleviation

Since 2019, leaders at all levels have attached great importance to the accurate assistance work in Xinbei Village. Deng Yongming, deputy director of the Standing Committee of the Municipal People's Congress, has visited the village three times for investigation and guidance, and Lin Zhenguang, deputy director in charge, has led the team many times to the village for investigation and guidance so as to promote the targeted poverty alleviation work. The main leaders of the three aid units held several joint meetings to discuss and solve major problems and decide on major issues. They also organized the responsible persons to visit the linked households to follow up and promote the aid projects during the Spring Festival, Mid-Autumn Festival and other holidays. At the same time, the progress of poverty alleviation work, existing problems and the next work plan are regularly reported on a monthly basis.

(II) Steady progress, precise implementation, with focus on the implementation of income and poverty alleviation measures

Over the past four years, Xinbei Village has implemented a combination of "short-term, medium-term and long-term" income-increasing projects, namely, a short-term household vegetable basket project, a medium-term agricultural industrial park project and a long-term photovoltaic power generation project.

Firstly, implement the family vegetable basket project. The main purpose is to help units set up a subsidy fund to provide seedlings and means of production and to assist them in selling agricultural products. In 2017, support units supported more than 60,000 yuan, helped 6 households to build standard chicken houses, and distributed 1,760 Xinyi Huaixiang chicken seedlings and feed to 16 poor households; In 2018, the support unit supported 30,000 yuan, providing 1,000 chicken seedlings to 12 poor households, conducted technical training, signed a guaranteed recovery agreement, and assisted poor households in selling product chickens; In 2019, the aid unit supported another 35,000 yuan, providing 1,000 chicken seedlings to 15 poor households, and increasing the income of poor households by 130,000 yuan in total over the past three years. In addition, poor households have raised cattle, pigs, vegetables and rice according to their own conditions, thus increasing their income through

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active production development.

Secondly, build an agricultural industrial park. With the adoption of the "cooperative+poor households" model, led by open source cooperative, the 50 mu agricultural planting base with special financial funds for poor households and support funds from supporting units, and the 50 mu red hearts guava are expected to be picked and sold in February 2020, with an annual output of about 100,000 kg, increasing the income of poor households members by about 200 yuan/year/person.

Thirdly, build photovoltaic power stations for poverty alleviation. The model of "company+cooperative+poor households" is adopted. The photovoltaic company and open source cooperative cooperate to invest the financial co-ordination funds of poor households into shares. A 200KW photovoltaic power station for poverty alleviation will be built in Xinbei Village. Both parties invest 1 million yuan each and the cooperation period is 20 years. The project was connected to the grid for normal power generation by July 20, 2018. In 2018 and 2019, poor households with labor force received dividends of 600 yuan/year/person. It is estimated that they will receive dividends of 600 yuan/year/person in 2020. From 2021, the village committee will handle the issues according to the targeted poverty alleviation policy at that time.

In addition, in 2018, poor households' overall financial funds totaled 509.63 million yuan to invest in the construction of distributed PV power generation project by Dianbai Water Investment Group, with a cooperation period of 20 years. The fixed annual dividend model is adopted, with 7% of the total investment (35.6741 million yuan) to be distributed to the village committee. In 2019, poor households with labor ability received dividends of 100 yuan/year/person. It is estimated that the dividend will be distributed to 300 yuan/year/person in 2020. From 2021 onwards, the village committee will handle the issue according to the targeted poverty alleviation policy at that time.

(III) Led by party building, with foundation strengthened, strive to play the role of a fighting fortress

With the construction of the village branch as the core, the first secretary stationed in the village and the poverty alleviation team leader took the lead in earnestly studying the spirit of the 19th National Congress of the Communist Party of China, the 19th Second, Third and Fourth Middle Schools, carrying out the theme education activities of "Remain true to our original aspiration and keep our mission firmly in mind", fully mobilizing the enthusiasm of Party members, and actively supporting the daily work of the "two committees" in the village, the targeted poverty alleviation work and the new rural construction work. Pay close attention to the team style construction, organize the village two committees team to learn to oppose the "four conducts" requirement and the central eight regulations, and build a "people-oriented, pragmatic and honest" village "two-committee" team. Strengthen the education of purpose, temper the party spirit of the cadres of the "two committees" in the village, and make the cadres of the "two committees" in the village have higher prestige among the masses, which is conducive to the smooth implementation of various tasks.

IV. Counterpart assistance of Zhanjiang Company on Waiyuan Village, Nanxing Town, Leizhou City

In 2019, under the unified arrangement and leadership of the company and the poverty relief offices of Zhanjiang and Leizhou, the company earnestly implemented the relevant regulations of the provinces, cities, counties and towns. The poverty relief staff worked hard and actively organized human, material and financial resources to invest in the poverty relief work. The results are as follows:

1. Offer condolences to poor families with 14,770 yuan invested by the company in the Spring Festival Company in 2019.

2. In 2019, the company invested 25000 yuan to build Chenpai small sports square.

3. Help poor households to buy chemical fertilizers (81,448,000 national financial funds) for agricultural

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production, improve crop yields and increase economic income.

4. Organize to participate in the "three clean-ups, three demolitions, three remediations" activities of Nanxing town organization.

5. Complete the reporting of newly added poor households and terminate the reporting of poor households.

6. Organize party members to learn Xi Jinping's important speech.

7. Welcome the inspection of Zhanjiang discipline inspection team of SASAC.

8. Assist Zhanjiang Meteorological Bureau's "July 1" condolences to Party members.

9. Organize poor households with labor ability to invest in Guangdong Yujie Agro-ecological Development Co., Ltd (national financial fund 400,000).

10. Complete investment in photovoltaic power generation projects for poor households (national financial fund 1.408 million).

11. Assist the village committee in renovating the doors and windows of the village committee office building.

12. Organize poor households with labor ability to invest in Leizhou Agricultural Development Co., Ltd (state financial fund 300,000).

V. Counterpart assistance of Dapu Company on Xiamu Village, Fenglang Town, Dapu County, Meizhou City

In 2019, Dapu Power Generation Company continued to send party building instructors and Jianghai Sub-district Office of Haizhu District of Guangzhou City to assist Xiamu Village, Fenglang Town, Dapu County, Meizhou City, and carried out the following aid work:

1. Solid grass-roots party building: invest 29,500 yuan to build the activity room for new party members of the village committee and purchase a number of office desks and chairs, and well ensure party building publicity columns and system publicity;

2. Carry out activities to celebrate the 98th anniversary of the founding of the Party, offer condolences to 4 old party members in difficulty, and organize party members to visit and study in Ruijin, Jiangxi, a red education base.

3. Invest 5,400 yuan for the Spring Festival condolences of 18 old party members;

4. As of December 31, 2019, through dynamic management, 142 people from 70 poor households in the village have been lifted out of poverty.

VI. Counterpart assistance of Zhanjiang Wind Power Co., Ltd. on Houhai Village, Xinliao Town, Xuwen County

In 2019, Zhanjiang Wind Power Company continued to carry out targeted poverty alleviation work in Houhai Village of Xinliao Town and Shuitou Village of An Town in Xuwen County (serving as party building instructor in the village). Under the strong leadership of the Party committee at the higher level, the strong cooperation of the cadres of the "two committees" in the village and the efforts of the stationed team, various poverty relief projects have been actively implemented for poor households, and the utilization rate of special funds for poverty relief in provinces and cities has reached 100%. In addition, the self-raised funds of aid units are used to help poor households and village collectives to solve practical difficulties, and aid projects such as asset aid, industrial aid (to help develop aquaculture), employment aid and holiday condolences are actively implemented. Through innovative measures such as establishing files for each household, dynamic control and one policy for each household, the targetness and comprehensiveness of poverty alleviation work are effectively improved. By December 2019, 363 poor households in Houhai Village had been lifted out of poverty, all of them had achieved the "eight haves" and reached the poverty alleviation standard. The poverty alleviation rate of poor households in Houhai Village reached 100%.

(3)Targeted Poverty Alleviation Result

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Index	Measurement unit	Quantity / Status
I. General situation	——	——
Thereinto： 1.Capital	In RMB 10,000	380.52
2. Cash supplies	In RMB 10,000	0.47
3. Ecological protection to poverty alleviation	person	1205
II.Breakdown Input	——	——
1. Poverty alleviation by industrial development	——	——
Among them: 1.1 Project type of poverty alleviation by industrial development	——	Agricultural and forestry industry poverty alleviation a; assets income poverty alleviation
1.2 Number of poverty alleviation projects in industrial development	a	5
1.3 Investment amount of industrial development poverty alleviation project	In RMB 10,000	246.23
1.4 The number of poverty population who had been helped to create a file	person	339
2. Poverty alleviation by transfer employment	——	——
Among them: 2.1 Investment amount of vocational skill training	In RMB 10,000	0.26
2.2 Number of people of vocational skill training	person	30
2.3 Quantity of employment of poverty population who had been helped create a file	person	48
3. Poverty alleviation by relocation	——	——
4. Educational poverty alleviation	——	——
Among them: 4.1 Investment amount of subsidizing poverty students	In RMB 10,000	47.71
4.2 Number of subsidized poverty students	person	167
5. Health poverty alleviation	——	——
6. Ecological protection poverty alleviation	——	——
7. Guarantee of all the details	——	——
8. Social poverty alleviation	——	——
9. Other projects	——	——
Among them: 9.1 Number of project	a	2
9.2 Investment amount	In RMB 10,000	16.84
9.3 Number of poverty population who had been helped to create a file	person	818
III. Awards (Content and level)	——	——

（4）Subsequent targeted poverty alleviation program

The Company will continue to implement the relevant provincial, municipal and county regulations on targeted poverty alleviation, adjust measures to local conditions, and explore an accurate path for targeted poverty alleviation. Firstly, it will continue to strengthen the Party's style of work, promote the "two committees" in the villages to strengthen ideological construction. Secondly, it will improve its ability by learning, continue to learn the spirit of Comrade Xi Jinping's series of important speeches, the spirit of targeted poverty alleviation documents, the relevant business knowledge of poverty alleviation, the ways and means of dealing with the masses, and further improve its ability to solve problems for the masses. Thirdly, prioritize the tasks and promote

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their implementation. All poverty alleviation working groups will continue to focus on the core of targeted poverty alleviation, seize the core work of poverty alleviation and carry out and implement relevant work in an all-round and coordinated manner. For poverty alleviation projects and village collective projects that are included in the establishment of cards for archives, the support of relevant departments is actively sought in accordance with the established objectives and tasks, to assist the villages and poor households in implementing poverty alleviation projects, and ensure the full completion of poverty alleviation objectives and tasks in a pragmatic manner.

3. Information on environmental protection

Listed company and its subsidiary belongs to the key pollution enterprise listed by Department of Environmental Protection

Yes

Company or subsidiary name	Main pollutant and specific pollutant name	Emission way	Emission port number	Emission port distribution condition	Emission concentration	Implemented pollutant emission standards	Total emission	Verified total emission	Excessive emission condition
Shajiao A power plant	Smoke	Concentrated emission through chimney	2	Within the factory	1.68	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	42.20	Not approved	No
Shajiao A power plant	SO_2	Concentrated emission through chimney	2	Within the factory	17.05		428.04	Not approved	No
Shajiao A power plant	NO_X	Concentrated emission through chimney	2	Within the factory	25.28		634.81	Not approved	No
Guangdong Dapu Power Generation Co., Ltd.	NO_X	Concentrated emission through chimney	2	Within the factory	1.72	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	34.967	593	No
Guangdong Dapu Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	10.15		206.353	1447	No
Guangdong Dapu Power Generation Co., Ltd.	SO_2	Concentrated emission through chimney	2	Within the factory	27.85		566.277	1502	No

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Zhanjiang Zhongyue Enerty Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1.41	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	29.20	480	No
Zhanjiang Zhongyue Enerty Co., Ltd.	SO_2	Concentrated emission through chimney	2	Within the factory	14.37		297.04	1200	No
Zhanjiang Zhongyue Enerty Co., Ltd.	NO_X	Concentrated emission through chimney	2	Within the factory	26.36		544.70	1587	No
Guangdong Shaoguan Yujiang Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	330MW unit：9.28；600MW unit：1.11	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	76.7	717.78	No
Guangdong Shaoguan Yujiang Power Generation Co., Ltd.	SO_2	Concentrated emission through chimney	2	Within the factory	330MW unit：98.53；600MW unit：14.46		858.31	2303.55	No
Guangdong Shaoguan Yujiang Power Generation Co., Ltd.	NO_X	Concentrated emission through chimney	2	Within the factory	330MW unit：116.11；600MW unit：32.46		1263.06	2809.07	No
Zhanjiang Electric Power Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	2	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	47.547	47.55	No
Zhanjiang Electric Power Co., Ltd.	SO_2	Concentrated emission through chimney	2	Within the factory	9		256.47	256.47	No
Zhanjiang Electric Power Co., Ltd.	NO_X	Concentrated emission through chimney	2	Within the factory	27		757.11	757.11	No
Guangdong Yudean Jinghai Power General Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	2.30	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-20	120.32	1770	No

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Guangdong Yudean Jinghai Power General Co., Ltd.	SO_2	Concentrated emission through chimney	2	Within the factory	19.87	11) special emission limit	1040.69	6502	No
Guangdong Yudean Jinghai Power General Co., Ltd.	NO_X	Concentrated emission through chimney	2	Within the factory	35.33		1850.54	4687	No
Guangdong Red Bay Power General Co., ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	3.34	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	135.5	Not approved	No
Guangdong Red Bay Power General Co., ltd.	SO_2	Concentrated emission through chimney	2	Within the factory	8.98		384.1	Not approved	No
Guangdong Red Bay Power General Co., ltd.	NO_X	Concentrated emission through chimney	2	Within the factory	32.83		1368.66	Not approved	No
Maoming Zhenneng thermal power Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1.92	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	32.13	168.12	No
Maoming Zhenneng thermal power Co., Ltd.	SO_2	Concentrated emission through chimney	2	Within the factory	12.43		155.78	385.51	No
Maoming Zhenneng thermal power Co., Ltd.	NO_X	Concentrated emission through chimney	2	Within the factory	30.44		528.69	689.58	No
Pinghai Power plant	Smoke	Concentrated emission through chimney	2	Within the factory	1.78	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	55.18	700	No
Pinghai Power plant	SO_2	Concentrated emission through chimney	2	Within the factory	22.60		685.08	1750	No

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Pinghai Power plant	NO_X	Concentrated emission through chimney	2	Within the factory	43.52		1118.05	3500	No
Guangdong Guohua Yudean Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	6	Within the factory	1.8	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	151	No	No
Guangdong Guohua Yudean Power Generation Co., Ltd.	SO_2	Concentrated emission through chimney	6	Within the factory	14.6		1230	No	No
Guangdong Guohua Yudean Power Generation Co., Ltd.	NO_X	Concentrated emission through chimney	6	Within the factory	30		2524	No	No
Qianwan LNG Power Plant	NO_X	Concentrated emission through chimney	3	Within the factory	31.65	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	491	1312.5	No
Huizhou LNG Power Plant	NO_X	Concentrated emission through chimney	5 个	Within the factory	34.35	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011) special emission limit	1008	2033	No

Prevention and control of pollution facilities construction and operation

Within the report period, the company responds positively to requirements of the newest environmental protection policies, strengthens the operation adjustment of the desulfurization and denitrification system and equipment maintenance management, intensifies the transformation of the energy-saving technologies and dust-cleaning equipment, improves the equipment operation efficiency, decrease the smoke and dust discharging concentration and guarantee compliance of each pollutant emission with the national and local environmental protection requirements. In accordance with the national environmental protection plan, each power plant of the company implements positively requirements of Coal-fired Power Energy Saving and Emission Reduction Upgrading and Transform Action Plan (2014-2020) and National Energy Administration Comprehensive Division Notice about Decomposition and Implementation of Coal-fired Power Energy Saving and Emission Reduction Upgrading and Transform Target Tasks, etc. and promotes the ultra-low emission transformation project. At present, the company's subordinate coal-fired units have all completed ultra-low emission transformation work, and the

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emission concentration of export flue gas pollutants has been greatly reduced on the basis of the original environmental emission standards, reflecting the company's determination to fulfill its social responsibilities and the responsibility to protect the environment mission.

Conditions of environmental impact assessment and other environmental protection administrative licensing of construction projects

The company's construction projects that have been approved by government agencies have all undergone environmental impact assessments and have obtained other necessary environmental protection administrative licenses.

Emergency plan for emergency environmental incidents

Combining with the Environmental Protection Law of the People's Republic of China and the Opinions of the Ministry of Environmental Protection on Strengthening Environmental Emergency Management Work and other laws and regulations on the monitoring of environmental risks, the company's subordinate power generation enterprises have formulated the Emergency Plan for Emergency Environmental Incidents according to their actual conditions, which has standardized and improved the handling of emergent environmental events from the aspects of environmental accident risk analysis, emergency command organization and responsibilities, disposal procedures, and disposal measures, improved the ability to respond to unexpected environmental events, and ensured that after an outbreak of an environmental incident, the company can organize emergency rescue work in a timely, orderly and efficient manner to prevent pollution of the surrounding environment, minimize the damage and social harm caused by the incident, maintain social stability, and protect public health and property safety.

Environmental self-monitoring program

During the reporting period, the company's subordinate power generation companies organized annual environmental self-monitoring programs in accordance with the national Administrative Measures on Automatic Monitoring of Pollution Sources (No. 28 order of State Environmental Protection Administration) and other laws and regulations, and conducted self-monitoring of the environment in accordance with the monitoring program, and announced its own monitoring results in Guangdong Province's key pollution source regulatory information platform and the national pollution source monitoring information and sharing platform. Both the announced rate and completion rate had reached 100%.

Other environmental information that should be disclosed

No such cases in the reporting period.

Other environmental protection related information

No such cases in the reporting period.

XIX. Other material events

□Applicable √ Not applicable

No such cases in the reporting period.

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XX. Material events of subsidiaries

√Applicable □ Not applicable

1.The company's holding subsidiary, Guangdong Yudean Pinghai Power Plant Co., Ltd, received the "Administrative Punishment Decision" issued by the Guangdong Provincial Ocean & Fisheries Bureau on November 14, 2016 (No. 019-2016 Yuehai Executive Punishment), and the punishment decision "ordered Pinghai to return the illegally occupied sea areas and restore the sea areas to their original state, and sentenced 10 times fines to the use fees of sea areas that shall be imposed within the period of that illegally occupied 16.3947 hectares, amounted to RMB 172,144,350.00" for that Pinghai Power Plant carried out the site leveling and bank protection work of Pinghai power plant without approval and did the reclamation of 16.3947 hectares and its behavior violated the provisions of Article 3 of the Law of the People's Republic of China on the Administration of the Use of Sea areas. Based on the audited net profit of RMB 3.238 billion attributable to the shareholders of the parent company in 2015, the amount involved in the above-mentioned administrative penalty affects the net profit attributable to shareholders of the parent company of about 77.4 million-which accounts for 2.39% of the net profit of the most recently audited period.

Pinghai Power Plant disagreed with the punishment measures of the "Administrative Punishment Decision" and applied for administrative reconsideration to the People's Government of Guangdong Province on January 16, 2017 in accordance with Article 6 of the "Administrative Reconsideration Law of the People's Republic of China". On June 16, 2017, the People's Government of Guangdong Province issued a decision on the administrative reconsideration, which stated "According to the provisions of Item 1 of Paragraph 1 of Article 28 of the Administrative Reconsideration Law of the People's Republic of China, the Administrative Punishment Decision (No. 019-2016 Yuehai Executive Punishment) made by the respondent's Provincial Department of Ocean and Fisheries is maintained." Pinghai Power Plant disagreed with the aforementioned administrative reconsideration decision and filed an administrative litigation to the Guangzhou Maritime Court on July 18, 2017. On December 28, 2017, the Guangzhou Maritime Court issued an administrative decision, stated "In accordance with the provisions of Article 69 of the Administrative Procedure Law of the People's Republic of China, the decision is as follows: the claim of the plaintiff Guangdong Huizhou Pinghai Power Plant Co., Ltd was rejected". Pinghai Power Plant disagreed with the verdict, and lodged an appeal to the Guangdong Provincial Higher People's Court against the verdict.

On August 23, 2019, the higher people's court of Guangdong province issued the *Administrative Judgment* (Case No.: (2018) YXZ No. 409). The provincial high court held that the original court's judgement on that the Administrative Penalty Decision No. 019 [2016] issued by the provincial ocean and fishery department and the Administrative Reconsideration Decision No. 48 [2017] issued by the provincial government were both legal, and the lawsuit request of Pinghai Power Plant Co., Ltd. was rejected were made based on sufficient grounds and without any impropriety. The court upheld the judgment. According to Article 89, Paragraph 1 (a), of the administrative procedure law of the People's Republic of China, the judgment is as follows: the appeal is rejected and the original judgment is upheld. The acceptance fee for the second trial case, 100 yuan, shall be borne by the appellant, Guangdong Huizhou Pinghai Power Plant Co., Ltd. The case is final. "

On February 20, 2020, Pinghai Power Plant applied to the Supreme People's Court for a retrial of the case, which was accepted by the Supreme People's Court.

The Company has included the above penalty amount into the non-recurring profit and loss in 2016 according to the Decision on Administrative Penalty (YHZCF [2016] No.019), which affected the reduction of net profit attributable to shareholders of the parent company by about 77.4 million yuan in 2016. Pinghai Power Plant has paid the fine according to the judgment. According to the Agreement on Issuance of Shares and Purchase of

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Assets signed by Guangdong Energy Group and the Company in 2012, Guangdong Energy Group will compensate the Company according to the results of the above events and the actual losses caused by these events.

2. Guangdong Yudean Pinghai Power General Plant Co., Ltd., a controlling subsidiary of the Company, received the Decision on Administrative Punishment (YHDCF [2019] No.042-1) issued by Huidong County Oceanic and Fishery Bureau on November 13, 2018. The act of illegally occupying 1.2813 hectares of sea area by Pinghai Power Plant to construct a sand barrier violated the provisions of the second paragraph of Article 3 of the Law of the People's Republic of China on the Use of Sea Areas and the decision was that "It is ordered to return the illegally occupied sea area, restore the sea area to its original state, and imposed an administrative penalty of RMB 11,531,700".

Pinghai Power Plant refuses to accept the punishment measures in the *Decision on Administrative Penalty* and filed an application for administrative reconsideration with Huidong County People's Government. On April 23, 2019, Huidong County People's Government made the *Decision on Administrative Reconsideration* to maintain the administrative penalty decision made by Huidong County Oceanic and Fishery Bureau. On April 24, 2019, Pinghai Power Plant filed an administrative lawsuit with Guangzhou Maritime Court. The Guangzhou Maritime Court held a hearing on June 12, 2019 and has made no judgment so far.

According to the Company's audited net profit attributable to the shareholders of the parent company of 743 million yuan in 2017, the amount of the above administrative penalty affects the net profit attributable to the shareholders of the parent company of about 5,189,300 yuan, accounting for about 0.7% of the latest audited net profit. Pinghai Power Plant refused to accept the punishment measures in the Decision on Administrative Punishment and filed an application for administrative reconsideration.

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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	1,897,968,946	36.15%						1,897,968,946	36.15%
2. State-owned legal person shares	1,893,342,621	36.06%						1,893,342,621	36.06%
3.Other domestic shares	4,626,325	0.09%						4,626,325	0.09%
Of which：Domestic legal person shares	4,620,666	0.09%						4,620,666	0.09%
Domestic natural person shares	5,659	0 %						5,659	0 %
II. Shares with unconditional subscription	3,352,315,040	63.85%						3,352,315,040	63.85%
1.Common shares in RMB	2,553,907,040	48.64%						2,553,907,040	48.64%
2.Foreign shares in domestic market	798,408,000	15.21%						798,408,000	15.21%
III. Total of capital shares	5,250,283,986	100 %						5,250,283,986	100 %

Reasons for share changed

□Applicable √Not applicable

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

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common shareholders of Company in latest year and period

□Applicable √Not applicable

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

□Applicable √Not applicable

Progress on any share repurchase:

□ Applicable √ Not applicable

Progress on reducing the repurchased shares by means of centralized bidding:

□ 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

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

□ Applicable √Not applicable

2. Change of shares with limited sales condition

□ Applicable √Not applicable

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

3.About the existing employees' shares

□Applicable √Not applicable

III.Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

In Shares

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Total number of common shareholders at the end of the reporting period	94,372	Total shareholders at the end of the month from the date of disclosing	94,679	The total number of preferred share holders voting rights (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 Energy Group Co., Ltd.	State-owned legal person	67.39%	3,538,005,285		1,893,342,621	1,644,662,664		
China Securities Finance Co., Ltd.	State-owned legal person	2.84%	148,862,420			148,862,420		
Shenzhen Guangfa Electric Power Investment Co., Ltd.	State-owned legal person	2.22%	116,693,602			116,693,602		
Guangdong Electric Power Development Corporation	State-owned legal person	1.80%	94,367,341			94,367,341		
Li Zhuo	Domestic Natural person	0.60%	31,623,523	81,200		31,623,523		
Zheng Jianxiang	Domestic Natural person	0.44%	23,234,898	667,200		23,234,898		
Harbin Hali Industry Co., Ltd.	Domestic Non-State owned legal person	0.40%	21,226,814	284,169		21,226,814		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Overseas Legal person	0.29%	15,316,066			15,316,066		
Harbin Daoli District Charity Foundation	Domestic Non-State owned legal person	0.26%	13,658,506	-64,387		13,658,506		
VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas Legal person	0.25%	13,088,628			13,088,628		

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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 Energy 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 Energy Group Co., Ltd.	1,644,662,664	RMB Common shares	1,644,662,664
China Securities Finance Co., Ltd.	148,862,420	RMB Common shares	148,862,420
Shenzhen Guangfa Electric Power Investment Co., Ltd.	116,693,602	RMB Common shares	116,693,602
Guangdong Electric Power Development Corporation	94,367,341	RMB Common shares	94,367,341
Li Zhuo	31,623,523	RMB Common shares	31,623,523
Zheng Jianxiang	23,234,898	Foreign shares placed in domestic exchange	23,234,898
Harbin Hali Industry Co., Ltd.	21,226,814	RMB Common shares	21,226,814
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	15,316,066	Foreign shares placed in domestic exchange	15,316,066
Harbin Daoli District Charity Foundation	13,658,506	RMB Common shares	13,658,506
VANGUARD EMERGING MARKETS STOCK INDEX FUND	13,088,628	Foreign shares placed in domestic exchange	13,088,628
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 Energy 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)	The Fifth largest shareholder Li Zhuo holds116,200 A shares of the Company through A shares ordinary stock account, and holds31,507,323A shares of the Company through stock account with credit transaction and guarantee, holds 31,623,523 shares of the Company's stock totally. The seventh largest shareholder Harbin Hali Industry Co., Ltd. holds284,169 A shares of the Company through A shares ordinary stock account, and holds20,942,645 A shares of the Company through stock account with credit transaction and guarantee, holds 21,226,814 shares of the Company's stock totally. The Ninth largest shareholder Harbin Daoli District Charity Foundation holds7,900 A shares of the Company through A shares ordinary stock account, and holds 13,650,606A shares of the Company through stock account with credit transaction and guarantee, holds 13,658,506 shares of the Company's stock totally.		

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

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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 Energy Group Co., Ltd.	Li Zhuoxian	August 3,2001	91440000730486022G	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.
The equity of the controlling shareholder in other domestic and foreign listed companies held or partly held by it in the report period	Unknown			

Change of the actual controller in the reporting period

□Applicable √Not applicable

No such cases in the Reporting Period.

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	Li Cheng	June 26,2004	114400007583361658	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.

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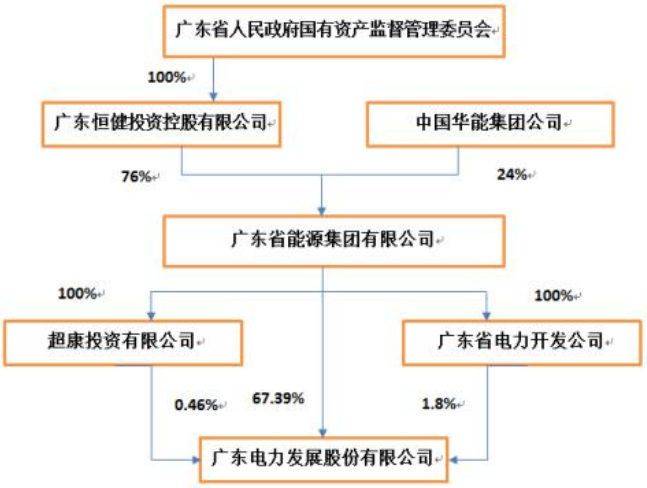
Equity of other domestic/foreign listed company with share controlling and share participation by controlling shareholder in reporting period	Unknown

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% share held

□Applicable √Not applicable

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

□Applicable √Not applicable

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VII. Situation of the Preferred Shares

□ Applicable √Not applicable

The Company had no preferred shares in the reporting period.

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VIII Information about convertible corporate bonds

□ Applicable √Not applicable

During the reporting period, the company did not have convertible corporate bonds.

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IX. 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)
Wang Jin	Board chairman	In office	Male	56	June 11,2018	September 18,2020					
Wang Jin	Director	In office	Male	56	September 18,2017	September 18,2020					
Rao Subo	Director	In office	Male	55	September 18,2017	September 18,2020					
Wen Lianhe	Director	In office	Male	51	September 18,2017	September 18,2020	2,830				2,830
Chen Ze	Director	In office	Male	49	September 18,2017	September 18,2020					
Li Fangji	Director	In office	Male	51	June 28,2018	September 18,2020					
Zheng Yunpeng	Director	In office	Male	50	June 28,2018	September 18,2020					
Zheng Yunpeng	General Manager	In office	Male	50	June 11,2018	September 18,2020					
Yan Ming	Director	In office	Male	48	February 21,2019	September 18,2020					
Li Baobing	Director	In office	Male	45	November 19,2019	September 18,2020					
Liang Peilu	Employee director	In office	Male	55	August 2, 2019	September 18,2020					
Mao Qinghan	Director	In office	Male	45	August 2, 2019	September 18,2020					
Sha Qilin	Independent director	In office	Male	59	May 20, 2014	September 18,2020					
Shen Hongtao	Independent director	In office	Female	52	May 20,2016	September 18,2020					
Wang Xi	Independent director	In office	Male	49	May 20,2016	September 18,2020					
Ma Xiaoqian	Independent director	In office	Male	55	Septemer 18,2017	September 18,2020					

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Yin Zhongyu	Independent director	In office	Male	50	September 18,2017	September 18,2020					
Zhang Dewei	Chairman of the Supervisory Committee	In office	Male	58	August 14,2012	September 18,2020					
Shi Yan	Supervisor	In office	Female	42	November 19,2019	September 18,2020					
Zhu Weiping	Independent Supervisor	In office	Male	62	May 20,2014	September 18,2020					
Jiang Jinsuo	Independent Supervisor	In office	Male	51	May 20, 2014	September 18,2020					
Lin Weifeng	Employee supervisor	In office	Male	51	May 15,2002	September 18,2020	4,716				4,716
Li Qing	Employee supervisor	In office	Male	42	May 20,2014	September 18,2020					
Tang Yongguang	Deputy GM	In office	Male	57	November 28,2019	September 18,2020					
Liu Hui	Deputy GM	In office	Female	54	July 28,2010	September 18,2020					
Liu Wei	Deputy GM, Finance manager	In office	Male	40	September 18,2017	September 18,2020					
Liu Wei	Board secretary	In office	Male	40	October 24,2006	September 18,2020					
Wen Shufei	Director	Dimission	Female	55	September 18,2017	September 25,2019					
Zhou Xian	Director	Dimission	Male	46	September 18,2017	February 21,2019					
Chen Changlai	Director	Dimission	Male	56	September 18,2017	August 2,2019					
Zhang Xueqiu	Director	Dimission	Male	53	September 18,2017	August 2, 2019					
Li Baobing	Supervisor	Dimission	Male	45	June 28,2018	September 25,2019					
Yang Xuanxing	Deputy GM	Dimission	Male	54	January 16,2014	October 30,2019					
Total	--	--	--	--	--	--	7,546	0	0	0	7,546

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

√ Applicable □Not applicable

Name	Positions	Types	Date	Reason

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Zhou Xian	Director	Dimission	February 21,2019	Job change
Chen Changlai	Employee supervisor	Dimission	August 2,2019	Job change
Zhang Xueqiu	Director	Dimission	August 2,2019	Job change
Wen Shufei	Director	Dimission	September 25,2019	Job change
Li Baobing	Supervisor	Dimission	September 25,2019	Job change
Yang Xuanxing	Deputy GM	Dimission	October 30,2019	Pass away

III.Posts holding

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

Mr. Wang Jin, born in May 1963. He holds a Bachelor of Engineering from Nanjing Institute of Technology and a Master of Business Administration from Jinan University. He is now a senior engineer,and currently serves as chairman of Guangdong Electric Power Development Co., Ltd., He once served as director of boiler maintenance workshop in Shaoguan Power Plant, director of Engineering Technology Department of Zhuhai Power Plant's Planning and Construction Department, deputy director of Zhuhai Power Plant, executive deputy general manager of Guangzhu Power Generation Co., Ltd. and general manager of Zhuhai Power Plant Co., Ltd., general manager and secretary of the Party Committee of Guangdong Zhuhai Jinwan Power Generation Co., Ltd., general manager of Guangzhu Power Generation Co., Ltd., the deputy chief engineer and the manager of the Department of Management and the secretary of the Party Branch of Guangdong Energy Group Co., Ltd., and concurrently served as director of Guangdong Electric Power Development Co., Ltd.

Mr. Rao Subo, born in May 1964, is bachelor of Engineering of Chongqing University and graduate of the Central Party School and is a Senior Engineer (Professor Level). He is currently a member of the disciplinary committee, deputy chief engineer and minister of safety supervision and production technology department of Guangdong Energy Group Co., Ltd., and head of preparation team of Yudean electric power and information technology center. He once served as deputy chief engineer of Shaoguan Power Plant, deputy director of the Department of Biotechnology of Guangdong Electric Power Group Corporation, director of Department of Biotechnology and Safety Supervision of Guangdong Yudean Assets Management Co., Ltd., director of Department of Biotechnology and Safety Supervision, deputy chief engineer of Guangdong Energy Group Co., Ltd., and director of the Shajiao A Power Plant and party committee secretary, Deputy chief engineer, Secretary of the Safety Supervision and Produce technology Dept, Secretary of the Party Branch and Head of the Information Technology Centre Preparatory team of Guangdong Energy Group.

Mr. Wen Lianhe, born in October 1968 and graduated from Harbin Institute of Technology. He is now senior engineer (professor level) and currently deputy chief engineer and director of Strategic Development Department of Guangdong Energy Group Co., Ltd. He once served as deputy minister of Biotechnology and Safety Supervision Department of Guangdong Energy Group Co., Ltd., general manager and party committee secretary of Guangdong Red Bay Power Generation Co., Ltd., Deputy chief engineer, Minister of strategic Development and Secretary of Party Branch of Energy Group.

Mr. Chen Ze, born in January 1969. He holds a bachelor degree from Chongqing University and a doctoral degree in management from Huazhong University of Science and Technology. He is senior economist, corporate counsel (practicing qualifications), and currently serves as the general counsel, secretary of the board of directors, and director of legal affairs and capital operation department of Guangdong Energy Group Co., Ltd. He once served as

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deputy director of the general department and director of capital operation and legal affairs department of Guangdong Energy Group Co., Ltd., general manager and party branch secretary of Guangdong Yudean Shipping Co., Ltd.

Mr. Li Fangji, born in November 1967, is a senior engineer. He holds a bachelor degree from Beijing Institute of Water Resources and Electric Power Economics and Management and a master degree in engineering from Tianjin University. He currently serves as Deputy Chief Engineer of Guangdong Energy Group Co., Ltd. and concurrently serves as Minister of Strategy Development Department and Secretary of Party Branch of Energy Group Corporation. He had served as Engineer of Shenzhen Energy Corporation, Assistant to General Manager and Deputy General Manager of Shenzhen Qianwan Electric Power Development Co., Ltd., Assistant to General Manager, Chairman of the Labor Union, Deputy General Manager, General Manager, and Secretary of the Party Committee of Shenzhen Guangqian Electric Power Co., Ltd., Secretary of Party Committee and General Manager of Guangdong Yudean Jinghai Power Generation Co., Ltd.

Mr. Zheng Yunpeng, born in October 1968, Bachelor of South China University of Technology and MBA of Jinan University, is a senior engineer. Currently, he is the general manager of Guangdong Electric Power Development Co., Ltd. He had served as Deputy Minister of Strategy Development Department of Guangdong Yudean Asset Management Co., Ltd., Deputy Minister of Strategy Development Department of Guangdong Energy Group Co., Ltd., Minister of Strategy Development Department of Guangdong Energy Group Co., Ltd., Secretary of the Party Branch and General Manager of Branch Company of Guangdong Yudean Environmental Protection Engineering Management Company, Factory Director and Secretary of the Party Committee of Huangpu Power Plant, General Manager of Yuehua Power Generation Company, General Manager and Secretary of the Party Branch of Guangdong Yudean Natural Gas Co., Ltd.

Mr. Yan Ming, born in October 1971, with a bachelor degree of Northeastern Electric Power University, and is a senior engineer. Currently, he is the Minister of the Colligation and Management Department of Guangdong Energy Group Co., Ltd. He used to be deputy minister of the operation department, deputy minister of the fuel department (presided over the overall work), minister of the production and operation department, and deputy general manager of Guangdong Honghaiwan Power Generation Co., Ltd. He had served as Deputy Minister of the operation and management department of Guangdong Energy Group Co., Ltd and General Manager and Secretary of the Party Branch of Guangdong Yudean Power Sales Co., Ltd.

Mr. Li Baobing, born in September 1974, graduated from Xi'an Jiaotong University with a master degree, is a senior economist. Currently he is the Minister of Finance Department and Secretary of the Party Branch of Guangdong Energy Group Co., Ltd.,He served as Assistant to General Manager of Budget and Finance Department and Director of Asset Management Department of Guangzhou Lingnan International Enterprise Group Co., Ltd., Manager of Investment Department and Deputy General Manager of Guangdong Yudean Finance Co., Ltd., and had concurrently served as General Manager of Shenzhen Tianxin Insurance Brokers Co., Ltd.and Vice Minister of Finance Department of Guangdong Energy Group Co., Ltd.

Mr. Liang Peilu, born in October 1964. graduated from correspondence course, bachelor of engineering. Senior engineer. He is currently the party secretary and director of Shajiao A Power Plant of Guangdong Electric Power Development Co., Ltd. and the general manager and party branch secretary of Guangdong Yudean Binhaiwan Energy Co., Ltd. Former positions include turbine maintenance director of Shajiao General Power Plant A, director of health and safety of Shajiao A Power Plant, and deputy director of Shajiao A Power Plant.

Mr. Mao Qinghan, born in October 1974, Bachelor of Hunan University and Master of Engineering from South China University of Technology. Engineer. He is currently the Executive Director of Guangzhou Development Group Co., Ltd.He once served as the secretary and director of the party branch of Xicun Thermal Power Plant in

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Guangzhou power plant, the deputy general manager of Guangzhou Power Plant, the secretary of the party branch of Guangzhou Power Plant Co., Ltd., the secretary and general manager of the party branch of Guangzhou Wanglong Thermal Power Co., Ltd., the safety director and general manager of the Health and Safety Management Department of Guangzhou Development Group Co., Ltd., and the secretary and general manager of the Party Committee of Guangzhou Development Power Group Co., Ltd.

Mr. Sha Qilin, born in October 1960. Master of Wuhan Institute of Technology. Associate Professor, practicing lawyer. He is currently a lawyer of Guangdong Nanguo Desai Law Firm, member of the Professional Committee of Financial and Securities of Guangzhou Lawyers Association, and concurrently an independent director of Guangdong Electric Power Development Co., Ltd. He was an associate professor of Wuhan Institute of Technology (now Wuhan University of Technology), head of investment and development department of China Huandao Group Company, deputy chief engineer of group and chief manager of overseas listed leading group.

Ms. Shen Hongtao, born in August 1967, PhD of management of Xiamen University, professor, doctoral supervisor. Currently, she is a professor in accounting department of Jinan University, and concurrently serves as member of Accounting Society of China, Standing member of Accounting Association of Guangdong Province, editorial board member of China Journal of Accounting Studies, editorial board member of Accounting Study, independent director of Guangsheng Nonferrous Metals Co., Ltd., Guangzhou Grandbuy Co., Ltd., Guangzhou Yuexiu Financial Holding Group Co., Ltd., Rongjie Co., Ltd. and Guangdong Electric Power Development Co., Ltd.She had served as deputy section head of Guangdong Provincial People's Government, consultant of PwC International and vice president of International College of Jinan University.

Mr. Wang Xi, born in April 1970, PhD of economics of Sun Yat-sen University, professor, doctoral supervisor, Specially-appointed Professor of Pearl-river Scholar. Currently, he serves as professor of Lingnan College of Yat-sen University and Director of China Institute of Transformative and open Economy of Yat-sen University, concurrently serves as editorial board member of The World Economy of Chinese Academy of Social Sciences, Deputy Secretary-General and Standing member of China Institute of International Finance, Standing member of China Society of World Economics, Economist of the monetary policy committee of the people's bank of China and the national bureau of statistics , and independent director of Guangdong Electric Power Development Co.,Ltd. , Guangzhou Yuexiu Financial Holdings Group Co., Ltd. and Zhuhai Rural Commercial Bank, External director of Guangzhou Bus Group and Vice President of Lingnan College of Yat-sen University.

Mr. Ma Xiaoqian, born in March 1964, is Ph.D.of engineering thermophysics from South China University of Technology. He is a professor and currently serving as the director of the Key Laboratory of the Electric Power School of South China University of Technology and concurrently serving as the deputy director of teaching guiding committee of energy and power professional of high education of the Ministry of Education, the chairman of the Guangzhou Energy Institute, the outside director of Guangzhou Environmental Protection Investment Group Co., Ltd., and the independent director of Guangzhou Development Group Co., Ltd. He used to be the dean and vice president of Electric Power College of the South China University of Technology.

Mr. Yin Zhongyu, born in February 1969. He is Master of rural finance from Northwest Agricultural University. He is currently Assistant President of Lian Chu Securities. He previously served as a director of the Guotai Junan M&A business, an executive director of Shanghai Longrui Investment Consultants Company and the general manager of the Great Wall Securities M&A Department.

Mr.Zhang Dewei, born in January 1961. Guangzhou Normal University Bachelor of Science, Jinan University

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Master of Business Administration. Senior economist. He is currently the Minister of Audit and Supervisory Committee of Guangdong Energy Group Co., Ltd. He served as Director of the General Manager's Office of Guangdong Electric Power Development Co., Ltd., Secretary of Board Affairs Department and Secretary of the Board of Directors, Deputy Director of the Board of Guangdong Yudean Asset Management Co., Ltd., Deputy Director of the Board of Directors of Guangdong Energy Group Co., Deputy Minister of Legal Affairs, Deputy Minister of Capital Operations . The head of the work department of the audit and supervisory board and the secretary of the Party branch.

Ms. Shi Yan, born in December 1977, Master graduate from Sun Yat-sen University, Senior accountant. Currently, she is the manager of the comprehensive branch of the Finance Department of Guangdong Energy Group Co., Ltd. Previously, she was the special manager, director and general manager of the Cost Accounting Division of the Finance Department of Guangdong Energy Group Co., Ltd.

Mr. Zhu Weiping, born in May 1957. Doctor of Economics, Jinan University. He is currently a vice president of the China Industrial Economics Society, executive vice president of the Guangdong Economic Association, Guangsheng Youse Independent Director, Independent Supervisor of Guangdong Electric Power Development Co., Ltd..

Mr. Jiang Jin Suo, born in March 1968. Doctor of Management, Jinan University. Professor, Certified Public Accountant. He is currently the Deputy Director of Accounting Department of Guangdong Finance Institute, Member of Guangzhou Institute of Certified Public Accountants, Independent Supervisor of Guangdong Electric Power Development Co., Ltd.

Mr. Lin Weifeng, born in February 1968. Bachelor of Management, Jiangxi University of Science and Technology. auditor. The current Guangdong Electric Power Development Co., Ltd. employee supervisor, Shajiao A power plant finance minister. Former Shajiao power plant audit director, Shajiao A power plant deputy chief economist.

Mr. Li Qing, born in May 1977. Bachelor of Economics, Shanghai University of Finance and Economics. senior accountant. The current Guangdong Electric Power Development Co., Ltd. employee supervisor, director of the audit room. Former Yunfu Power Plant Finance Department Accounting, Guangdong Yuelong Power Co., Ltd. Finance Minister Assistant.

Mr. Tang Yongguang, born in December 1962. Bachelor of Engineering, Chongqing University. Senior engineer. He is currently the Deputy General Manager of Guangdong Electric Power Development Co., Ltd. He used to be a boiler technician in Huangpu power plant, a senior engineer in the biotechnology department of Guangdong power industry bureau, a manager of the safety supervision division of the biotechnology safety supervision department of Guangdong Energy Group Co., Ltd., a member of the party committee and deputy manager of Shaoguan power plant, a member of the party committee and deputy manager of Shajiao C power plant, a deputy director of the biotechnology safety supervision department of Guangdong Energy Group Co., Ltd., and a deputy director of the safety supervision and Production Technology department of Guangdong Energy Group Co., Ltd.

Ms. Liu Hui , born in October 1965. Bachelor of Engineering, Jiangxi South Metallurgical School. Senior engineer. He is currently the deputy general manager of Guangdong Electric Power Development Co., Ltd. Former Guangdong Thermal Power Engineering Corporation Deputy Chief Economist, Minister of Budget, Guangdong Electric Power Development Co., Ltd. project management manager.

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Mr. Liu Wei, born in April 1979, is Bachelor of finance from Zhongnan University of Economics and Law. He is an economist and currently serves as the Company's deputy general manager, chief financial officer, secretary of the board of directors, and concurrently as manager of the board affairs department. He used to be responsible for the financial department of Guangdong Electric Power Development Co., Ltd., and be responsible and as the host of the Board Affairs Department, and the representatives of the company's securities affairs.

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
Rao Subo	Guangdong Energy Group Co., Ltd.	Vice chief engineer	October 2005		Yes
Rao Subo	Guangdong Energy Group Co., Ltd.	Director of security	July 2018		Yes
Wen Lianhe	Guangdong Energy Group Co., Ltd.	Vice chief engineer	November 11,2010		Yes
Wen Lianhe	Guangdong Energy Group Co., Ltd.	Minister of Management and Secretary of the party branch	April 2018		Yes
Chen Ze	Guangdong Energy Group Co., Ltd.	General Counsel, Secretary of the Board of Directors, Minister of legal Affairs and Capital Operations	June 2016		Yes
Li Fangji	Guangdong Energy Group Co., Ltd.	Vice Chief Engineer, Minister of Strategic Dept and Secretary of Party Branch	April 2018		Yes
Yan Ming	Guangdong Energy Group Co., Ltd.	Minister of the General Department and secretary of Party Branch	November 2018		Yes
Li Baobing	Guangdong Energy Group Co., Ltd.	Minister of Finance and secretary of Party Branch	September 2019		Yes
Zhang Dewei	Guangdong Energy Group Co., Ltd.	Director of the Audit Dept and Secretary of the Party Branch	June 2012		Yes
Zhang Dewei	Guangdong Energy Group Co., Ltd.	Secretary of the discipline Inspection Commission	September 2017		Yes
Zhang Dewei	Guangdong Energy Group Co., Ltd.	Chief auditor	July 2018		Yes
Shi Yan	Guangdong Energy Group Co., Ltd.	Manager of Finance Integrated division	January 2011		Yes
Mao Qinghan	Guangzhou Development Group Co., Ltd.	Executive Director	December 2017		Yes

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Notes to post-holding in shareholder's unit	Where there are more than one post, the starting time of appointment shall be the starting time of the main post.

Offices taken in other organizations

√Applicable □Not applicable

Name	Other unit	Title	Start date of office term	End date of office term	Drawing remuneration and allowance from of other unit(Y/N)
Wang Jin	Maoming Zhenneng Thermoelectric Co., Ltd.	Board chairman	March 2019		No
Wang Jin	Guangdong Yuehua Power Generation Co.,Ltd.	Board chairman	April 2019		No
Wang Jin	Guangdong Red Bay Power Generation Co., Ltd.	Board chairman	September		No
Wang Jin	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Director	June 2018		No
Wang Jin	Guangdong Huizhou Natural Gas Power Generation Co., Ltd.	Board chairman	June 2018		No
Wang Jin	Guizhou Yueqian Electric Power Co., Ltd.	Board chairman	May 2019		No
Rao Subo	Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	Board chairman	October 2018		No
Rao Subo	Yudean Yunhe Power Generation Co., Ltd.	Board chairman	June 2018		No
Rao Subo	North Union Electric Power Co., Ltd.	Director	May 2018		No
Rao Subo	Yudean Investment Co., Ltd.	Board chairman	February 2014		No
Rao Subo	Tianshengqiao First Class Hydropower Development Co., Ltd.	Board chairman	June 2017		No
Wen Lianhe	Guangzhou Electric Power Trading Center Co., Ltd.	Director	January 2020		No
Wen Lianhe	Guangzhou Electric Power Trading Center Co., Ltd.	Director	April 2019		No
Wen Shufei	Guangdong Zhuhai Jinwan Power Generation Co., Ltd.	Board chairman	July 2018		No
Wen lianhe	Zhuhai Special Economic Zone GuangzhuPower Generation Co., Ltd.	Board chairman	June 2018		No
Wen Lianhe	Guangdong Zhuhai Power Generation Co., Ltd.	Board chairman	July 2018		No
Wen Lianhe	Yudean Investment Co., Ltd.	Director	September 2018		No
Chen Ze	Guangdong Yudean Shipping Co., Ltd.	Board chairman	August 2016		No
Chen Ze	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Board chairman	March 2017		No

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Chen Ze	Guangdong Yudean Faneng Investment Co., Ltd.	Executive director	April 2017		No
Chen Ze	Tianshengqiao First Class Hydropower Development Co., Ltd.	Director	October 2016		No
Chen Ze	Guangdong Yangjiang Port Co., Ltd.	Board chairman	November 2019		No
Li Fangji	Guangdong Yudean Xinhui Power Generation Co., Ltd.	Board chairman	June 2018		No
Li Fangji	Guangdong Yudean Zhongshan Thermal Power Co., Ltd.	Board chairman	June 2018		No
Li Fangji	Guangdong Yudean Huaqing Coal Gas Union cycle Power Generation Co., Ltd.	Board chairman	June 2018		No
Li Fangji	Yangjiang Nuclear Power Co., Ltd.	Director	June 2018		No
Li Fangji	Taishan Nuclear Power Industry Investment Co., Ltd. (Taishan Nuclear Power Joint Venture Co., Ltd.)	Director	June 2018		No
Li Fangji	Guangdong Yudean Holdings Western Investment Co., Ltd.	Board chairman	July 2018		No
Zheng Yunpeng	Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.	Board chairman	September 2018		No
Zheng Yunpeng	Guangdong Yudean Bohe Coal Power Co.,Ltd.	Board chairman	July 2018		No
Zheng Yunpeng	Shenzhen Guangqian Power Co., Ltd.	Executive director	July 2018		No
Zheng Yunpeng	Guangdong Yudean Binhaiwan Energy Co., Ltd.	Executive director	May 2019		No
Zheng Yunpeng	Guangdong Yudean Dayawan Integrated Energy Co., Ltd （Tentatively）	Board chairman	January 2020		No
Yan Ming	Guangdong Yudean Property Investment Co., Ltd.	Executive director	December 2018		No
Li Baobing	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Chairman of the Supervisory Committee	June 2018		No
Li Baobing	Guangdong Power Development Co., Ltd.	Chairman of the Supervisory Committee	July 2018		No
Li Baobing	CSPG Energy Co., Ltd.	Supervisor	June 2018		No
Li Baobing	Energy Group .Guizhou Co., Ltd.	Director	May 2019		No
Li Baobing	Guangdong Yudean Finance Lease Co., Ltd.	Board chairman	September 2019		No
Liang Peilu	Guangdong Yudean Humen Power Generation Co., Ltd.	Board chairman, General Manager	April 2019		No
Liang Peilu	Guangdong Yudean Binhaiwan Energy Co., ltd.	General Manager	May 2019		No
Mao Qinghan	Guangzhou Development Electric Power Enterprise Co., Ltd.	Executive director	April 2018		No
Mao Qinghan	Guangzhou Guangneng Investment Co., Ltd.	Executive director	April 2018		No

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Sha Qilin	Guangdong Nanguo Desai Law firm	A lawyer,Partner	March 2007		Yes
Shen Hongtao	Accounting dept , Jinan University	Professor	April 2012		Yes
Shen Hongtao	Guangsheng Nonferrous Metal Co., Ltd.	Independent Director	April 2015		Yes
Shen Hongtao	Guangzhou Yuexiu Finance Holding Group Co., Ltd.	Independent Director	November 2017		Yes
Shen Hongtao	Guangzhou Grandbuy Co., Ltd.	Independent Director	September 2016		Yes
Shen Hongtao	Rongjie Co., Ltd.	Independent Director	October 2017		Yes
Wang Xi	Lingnan College, Sun Yat-sen University	Professor	July 2006		Yes
Wang Xi	Palm Graden Co., Ltd.	Independent Director	May 2014		Yes
Wang Xi	Guangzhou Securities Co., Ltd.	Independent Director	December 2012		Yes
Wang Xi	Zhuhai Rural Commercial Bank Co., Ltd.	Independent Director	July 2014		Yes
Yin Zhongyu	Lian Chu Securities	Assistant President	September 2019		Yes
Ma Xiaoqian	Provincial Key Laboratory, School of Electric Power, South China University of Technology	Director	July 2014		Yes
Ma Xiaoqian	Guangzhou Environmental protection Investment Group Co., Ltd.	External director	September 2016		Yes
Ma Xiaoqian	Guangzhou Development Group Co., Ltd.	Independent Director	June 2016		Yes
Zhang Dewei	Guangdong Red Bay Power Generation Co.,Ltd.	Director	April 2017		No
Zhang Dewei	Yangjiang Nuclear Power Co., ltd.	Chairman of the Supervisory Committee	December 2017		No
Zhang Dewei	Taishan Nuclear Power Industry Investment Co., Ltd.（Taishan Nuclear Power Joint Venture Co., Ltd.）	Supervisor	June 2016		No
Shi Yan	Guangdong Yudean Holdings Western Investment Co., Ltd.	Supervisor	October 2018		No
Shi Yan	Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.	Supervisor	March 2018		No
Shi Yan	Zhanjiang Electric Power Co., Ltd.	Convenor of the Board of Supervisors	December 2019		No
Zhu Weiping	Institute of industrial Economics, Jinan University	Professor, President	January 2000		Yes
Zhu Weiping	Guangsheng Nonferrous Metal Co., ltd.	Independent director	November 2016		Yes
Jiang Jinsuo	Guangdong finance Institute	Professor, Head of Dept	January 2013		Yes

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Li Qing	Guangdong Yudean Bohe Coal Power Co.,Ltd.	Chairman of the Supervisory Committee	December 2018		No
Li Qing	Lincang Yudean Energy Co., Ltd.	Supervisor	January 2015		No
Li Qing	South Offshore wind power Union Development Co., Ltd	Supervisor	November 2015		No
Li Qing	Guangdong Yudean Yongan Natural Gas thermal Power Co., Ltd.	Chairman of the Supervisory Committee	March 2019		No
Li Qing	Yunnan Nengtou Weixin Energy Co., Ltd.	Convenor of the Board of Supervisors	March 2019		No
Tang Yongguang	Guangdong Electric Industry Fuel Co., Ltd.	Director	March 2020		No
Tang Yongguang	Zhanjiang Electric Power Co., Ltd.	Director	December 2019		No
Tang Yongguang	Zhanjiang Zhongyue Energy Co., Ltd.	Board chairman	December 2019		No
Tang Yongguang	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Director	April 2017		No
Tang Yongguang	Guangdong Red Way Power Generation Co., Ltd.	Vice Board chairman	December 2019		No
Tang Yongguang	Guangdong Huizhou Pinghai Power Generation Co., Ltd.	Vice Board chairman	December 2019		No
Tang Yongguang	Guangdong Yudean Holdings Western Investment Co., Ltd.	Director	October 2018		No
Tang Yongguang	Guangdong Shaoguan Yuejiang Power Generation Co., ltd.	Vice Board chairman	October 2018		No
Tang Yongguang	Guangdong Yudean Xinhui Power Generation Co., Ltd.	Director	December 2014		No
Tang Yongguang	Guangdong Yudean Zhongshan Thermal Power Plant Co., Ltd.	Director	December 2017		No
Tang Yongguang	Guangdong Yudean Huaqing Coal Gas Union cycle Power Generation Co., Ltd.	Director	October 2011		No
Liu Hui	Guangdong Yudean Shipping Co., Ltd.	Director	June 2017		No
Liu Hui	Guangdong Yudean Humen Power Generation Co., Ltd.	Director	October 2017		No
Liu Hui	Guangdong Yudean Holdings Western Investment Co., Ltd.	Vice Board chairman	October 2018		No
Liu Hui	Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.	Director	March 2018		No
Liu Hui	Yunnan Yuntou Weixin Energy Co., Ltd.	Vice Board chairman	March 2019		No
Liu Hui	Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.	Supervisor	December 2018		No
Liu Hui	Yunnan Yuntou Weixin Coal Co., Ltd.	Vice Board chairman	March 2019		No

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Liu Hui	Shenzhen Guangming Factory Site Alternative Power Project Company	Executive director	January 2020		No
Liu Hui	Shanxi Yudean Energy Co., Ltd.	Vice Board chairman	December 2018		No
Liu Hui	Guangdong Yudean Yongan Natural Gas Thermal Power Co., Ltd.	Board chairman	March 2019		No
Liu Wei	Guangdong Wind Power Generation Co., Ltd.	Director	December 2017		No
Liu Wei	Guangdong Energy Group Finance Co., Ltd.	Director	March 2019		No
Liu Wei	Guangdong Huizhou Natural Gas Power Generation Co., Ltd.	Director	March 2018		No
Liu Wei	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Director	June 2017		No
Liu Wei	Guangdong Red Bay Power Generation Co., Ltd.	Director	December 2017		No
Liu Wei	Guangdong Yudean Electric Power Sales Co., Ltd.	Director	December 2017		No
Liu Wei	Guangdong Yudean property Insurance Co., Ltd.	Director	April 2017		No
Liu Wei	Guangdong Yudean Shipping Co., Ltd.	Convener of the Board of Supervisors	May 2007		No
Liu Wei	Shenzhen Capital Group Co., Ltd.	Supervisor	October 2019		No
Liu Wei	Guangdong Yuejia Electric Power Co., Ltd.	Vice Board chairman	January 2019		No

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 b efore tax was total RMB 5.9127 million .

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

In RMB10,000

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Name	Positions	Sex	Age	Office status	Total remuneration received from the shareholder	Remuneration actually receives at the end of the reporting period
Wang Jin	Board chairman	Male	56	In office	70.17	No
Rao Subo	Director	Male	55	In office		Yes
Wen Lianhe	Director	Male	51	In office		Yes
Chen Ze	Director	Male	50	In office		Yes
Li Fangji	Director	Male	52	In office		Yes
Zheng Yunpeng	Director, General Manager	Male	51	In office	71.17	No
Yan Ming	Director	Male	48	In office		Yes
Li Bobing	Director	Male	45	In office		Yes
Liang Peilu	Director	Male	55	In office	98.09	No
Mao Qinghan	Director	Male	45	In office		Yes
Sha Qilin	Independent director	Male	59	In office	6.39	No
Shen Hongtao	Independent director	Female	52	In office	5.85	No
Wang Xi	Independent director	Male	49	In office	6.39	No
Ma Xiaoqian	Independent director	Male	55	In office	6.39	No
Yin Zhongyu	Independent director	Male	50	In office	3.71	No
Zhang Dewei	Chairman of the Supervisory Committee	Male	58	In office		Yes
Shi Yan	Supervisor	Female	42	In office		Yes
Zhu Weiping	Independent Supervisor	Male	62	In office	3.21	No
Jiang Jinsuo	Independent Supervisor	Male	51	In office	4.63	No
Lin Weifeng	Employee supervisor	Male	51	In office	28.07	No
Li Qing	Employee supervisor	Male	42	In office	35.26	No
Tang Yongguang	Deputy GM	Male	54	In office	4.97	No
Liu Hui	Deputy General manager	Female	54	In office	70.61	No

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Liu Wei	Deputy General manager, Finance Manager, Board secretary	Male	40	In office	69.37	No
Wen Shufei	Director	Female	55	Dimission		Yes
Zhou Xian	Director	Male	46	Dimission		Yes
Chen Changlai	Director	Male	56	Dimission	43.08	No
Zhang Xueqiu	Director	Male	53	Dimission		Yes
Li Bobing	Supervisor	Male	45	Dimission		Yes
Yang Xuanxing	Deputy GM	Male	54	Dimission	63.91	No
Total	--	--	--	--	591.27	--

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）	1,092
Number of in-service staff of the main subsidiaries（person）	5,596
Total number of the in-service staff（person）	6,688
Total number of staff receiving remuneration in the current period（person）	6,709
The number of the parent company and the main subsidiary's retired staffs who need to bear the cost（person）	3,623
Professional	
Classified according by Professions	Number of persons（person）
Production	4,394
Sales	103
Technical	995
Financial	167
Administrative	1,029
Total	6,688
Education	
Classified according by education background	Number of persons（person）
Doctor	0
Master	201
Universities	3,221
Colleges	1,860
Technical secondary school	251
High school and Below	1,155
Total	6,688

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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

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X. 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, separat ion 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 Energy Group Co., Ltd.	Local SASAC	Energy Group was established when Guangdong Provincial Government took the lead in the implementation of the “plant and network separation” power system reform in China, and was separated and	On January 3, 2018, the company disclosed Announcement on Controlling Shareholders' Commitment to Perform Related Matters (public notice No.: 2018-01); on January 13, 2018, the company disclosed	Our company will actively fulfill the trusteeship and responsibilities according to the “Equity Custody Agreement” and participate in the management and decision-making and inspection and supervision of the custody target. The company will cooperate with

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			formed from Guangdong Provincial Power Group Corporation. It is the largest and most powerful power generation enterprise in Guangdong Province. Yudean Power is the only listed company under the Energy Group and is engaged in power production business. At present, Energy Group still has some remaining power generation assets that have not been included in Yudean Power temporarily. Considering the situation of these power generation assets, it is temporarily not in line with the listing conditions, and it is difficult to solve these problems in the short term. Therefore, there is a certain degree of horizontal competition.	Announcement of Related Transactions on the "Equity Custody Agreement" signed with Guangdong Energy Group Co., Ltd. (public notice No.: 2018-04). In order to avoid competition in the same industry and to fulfill the relevant horizontal competition commitments, Energy Group has signed the Entrusted Management Agreement with the company, and all the shareholders' rights other than the ownership, income, and disposal rights of the company that temporarily fails to meet the listing conditions in the company's custody area of the Energy Group are escrowed to our company.	Energy Group to push forward the defect rectification of the underlying assets, study the rectification and solution to the defects and obstacles in the relevant assets that do not meet the listing conditions, promote relevant rectification work from the aspects of improving project approval or approval procedures, clarifying land and property ownership, enhancing asset profitability, and implementing legal compliance. For custody assets that meet the listing conditions in the future, Energy Group will, in accordance with the unified deployment of the Guangdong Provincial Party Committee and the provincial government and the overall requirements for the reform of state-owned enterprises, actively create conditions for the injection into listed companies in accordance with the status of the assets under custody, combined with enterprise restructuring, structural adjustment arrangements, electricity market and capital market conditions.

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
The first provisional shareholders' General meeting in 2019	Provisional shareholders' General Meeting	72.69%	February 21,2019	February 22,2019	Name of Announcement :Announcement of Resolution of the first Provisional shareholders' general meeting in 2019，Announcement No.:2019-10, Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
2018 Shareholders' general meeting	Annual General Meeting	72.80%	May 21,2019	May 22,2019	Name of Announcement :Announcement of Resolution of 2018 shareholders' general meeting ，Announcement No.:2019-25. Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn

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The Second provisional shareholders' General meeting in 2019	Provisional shareholders' General Meeting	72.63%	August 2,2019	August 3,2019	Name of Announcement :Announcement of Resolution of the Second Provisional shareholders' general meeting in 2019，Announcement No.:2019-35, Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Third provisional shareholders' General meeting in 2019	Provisional shareholders' General Meeting	72.55%	September 19,2019	September 20,2019	Name of Announcement :Announcement of Resolution of the Third Provisional shareholders' general meeting in 2019，Announcement No.:2019-47, Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Fourth provisional shareholders' General meeting in 2019	Provisional shareholders' General Meeting	72.71%	November 19,2019	November 20,2019	Name of Announcement :Announcement of Resolution of the Fourth Provisional shareholders' general meeting in 2019，Announcement No.:2019-57, 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 at 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)	Times for attending the AGM
Sha Qilin	9	3	6	0	0	No	5
Shen Hongtao	9	3	6	0	0	No	4
Wang Xi	9	3	6	0	0	No	5
Ma Xiaoqian	9	2	6	1	0	No	5
Yin Zhongyu	9	2	6	1	0	No	2

Notes to failure to personally attend Board Meetings Successively Twice

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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.
Nil

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

The Ninth 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 2019, the duty fulfillment conditions of each special committee of the company's board of directors are as follows:

1. According to relevant regulations of China Securities Regulatory Commission and Shenzhen Stock Exchange, the Audit Committee of the Board of Directors of the Company conscientiously has performed its duties and participated in the annual audit, internal control supervision, risk management, semi-annual report review and major accounting treatment review of the Company. During the reporting period, the Audit Committee of the ninth Board of Directors held a total of 2 meetings to review and form review opinions on the Company's 2018 Annual Report, 2018 Internal Control Evaluation Report, 2018 Comprehensive Risk Management Report, 2019 Audit Institution Hiring, Provision for Impairment of Assets, 2019 Semi-Annual Report, and other proposals, which played an important role in the effective decision-making of the Board of Directors.

2. The Board of Directors' Remuneration and Appraisal Committee reviewed the remuneration of the directors, supervisors and senior management personnel disclosed in this report, and considered that the determination of the remuneration standard and the granting of annual remuneration can be combined with the performance of the respective positions, which is consistent with the company's remuneration management regulations; the remuneration of directors, supervisors and senior management personnel disclosed in the annual report is true.

3. The budget committee of the Ninth board held its second meeting on March 20, 2019 , reviewed and adopted the "Proposal on Illustration of Budget Implementation in 2018 and Budget Preparation in 2019".

4.The Nomination Committee of the Board of Directors held a total of 4 meetings. It reviewed the Proposal on Recommending Yan Ming as a Company Director Candidate, the Proposal on Recommending Mao Qinghan as a Company Director Candidate, the Proposal on Recommending Li Baobing as a Company Director Candidate, and the Proposal on Recommending Tang Yongguang as a Company Deputy General Manager Candidate by means of correspondence voting, and carefully examined the qualifications of relevant candidates.

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.

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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 18,2020	
Disclosure index of appraisal report on internal control	Juchao Website:（http://www.cninfo.com.cn）, Selfevaluation report of internal control in 2019	
Proportion of total unit assets covered by appraisal in the total assets of the consolidated financial statements of the company	99 %	
Proportion of total unit incomes covered by appraisal in the total business incomes of the consolidated financial statements of the company	100 %	
Standards of Defects Evaluation		
Category	Financial Report	Non-financial Report
Qualitative criteria	Qualitative criteria of evaluation towards 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.	Qualitative criteria of evaluation towards 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.

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Quantitative standard	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 the total assets.	①the significant deficiency means that the direct property loss is between 50 million yuan .(2) the significant deficiency means hat the direct property loss is between 30 million yuan (including 30 million yuan) ; the serious deficiency means that the direct property loss is between 30 million.
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. has maintained effective internal control over financial reporting in all material respects as of 31 December 2019 as per the Basic Rules for Enterprise Internal Control and relevant regulations.	
Disclosure date of audit report of internal control (full-text)	Disclosure
Index of audit report of internal control (full-text)	April 18,2020
Internal audit report's opinion	Juchao Website: （http://www.cninfo.com.cn）2019 Audit report of internal control
Type of audit report on internal control	Unqualified auditor's report

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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

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XI. Corporate Bond

Whether the company has corporate bonds that have been publicly issued and listed on the stock exchange, and not yet due or due but not folly cashed on the approval date of annual report

Yes

1.Basic information of corporate bonds

Bond name	Bond short name	Bond code	Issue day	Due day	Bond balance (RMB 10,000)	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	4,030.65	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						
Investor Proper Arrangement	Not applicable						
During the reporting period, interest payment situation of the company bonds	On March 18, 2019, the company paid the bond interest for the current year to all the current bondholders who have registered in China Securities Depository and Clearing Co., Ltd. Shenzhen Branch by the closing of Shenzhen Stock Exchange on the afternoon of March 15, 2019.						

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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 term of the current bonds is 7 years, attaching the option that the issuer will redeem at the end of the fifth year, the option that the issuer raises the coupon rate and the option that the investors will put back. During the reporting period, the conditions for the implementation of the relevant provisions did not apply. 1. On January 29, 2018, the Company disclosed the Announcement of Guangdong Electric Power Development Co., Ltd. on Waiving the Exercise of the "12 Yudean Bond" Issuer's Redemption Option (Announcement No.: 2018-06), and decided to waive the exercise of the "12 Yudean Bond" issuer's redemption option, i.e., the "12 Yudean Bond" will continue to exist in the duration. 2. On January 29, 2018, January 30, 2018 and January 31, 2018, the company respectively issued the First Prompt Announcement of Guangdong Electric Power Development Co., Ltd. on the Measures for the Implementation of "12 Yudean Bonds" with No Increase in Face Interest Rate and Bond Holders Selling Back and Measures for Bond Holders to Sell Back (Announcement No.: 2018-07), the Second Prompt Notice of Guangdong Electric Power Development Co., Ltd. on the Implementation Measures for No Increase in the Face Rate of "12 Yudean Bonds" and for Bond Holders to Sell Back (Announcement No.: 2018-08) and the Third Prompt Notice of Guangdong Electric Power Development Co., Ltd. on the Implementation Measures for No Increase in the Face Rate of "12 Yudean Bonds" and for Bond Holders to Sell Back (Announcement No.: 2018-10), and has chosen not to increase the face rate, i.e. the face rate will remain unchanged at 4.95% for 2 years after the duration of the current bonds. 3. On March 17, 2018, the Company disclosed the Announcement of Guangdong Electric Power Development Co., Ltd. on the Sale Results of Corporate Bonds "12 Yudean Bonds" (Announcement No.: 2018-14). According to the bond resale declaration data provided by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd., the number of "12 Yudean Bonds" resold was 11,596,935, the amount of resale was 1,217,087,933.25 yuan (including interest), and the remaining number for custody was 403,065. On March 16, 2018, the company paid the principal and interest of some bonds sold back by the "12 Yudean Bonds" in full to the bank account designated by Shenzhen Branch of China Securities Depository and Clearing Co., Ltd. and transferred to the investor's capital account on March 19, 2018.

II. 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	Song YPilan, Kou Zhibo	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.		
During the report period, the bond trustee, credit rating agency employed by the company that have changed, reasons for the change, performing procedures, relevant influence on investors,etc(If applicable).	Not applicable						

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III. The usage of corporate bonds to raise money

The usage and performance of raised funds from Corporate bonds	According to the relevant contents in the Prospectus of the Issuance of 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.
At the end of balance (RMB 10,000)	0
Special fund raising account operation	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.
Whether the usage of the raised money corresponding to the purposes of promise, use plans, and other agreement	Yes

IV.Corporate bond rating information

On May 14, 2019, CCXR traced and analyzed the credit status of the company and the company's bonds of "12-Yudean 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-Corpoprate Bonds of Guangdong Electric Power Development Co., Ltd(2019).

V.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). On March 16, 2018, the company paid the principal and interest of some of the bonds of this "12 Yuedian Debt" back to the designated bank account of China Securities Depository and Clearing Co., Ltd. Shenzhen Branch in full amount, and paid to the investor's fund account on March 16, 2018.The quantity of remaining bonds is 403,065 sheets, and the maturity date is March 18, 2020. The principal and the final interest will be paid at the expire date. 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 ensuing the repayment of the bonds.

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VI.During the reporting period the bondholder meeting

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

VII.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 2018) on May 9, 2019, and the report was disclosed on the cninfo website on May 10, 2019 by the company.

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

In RMB10,000

Items	2019	2018	At the same time rate of change
Earnings before interest, tax, depreciation and amortization	755,964.55	599,620.49	26.07%
Current ratio	57.45%	62.89%	-5.44%
Debt ratio	54.70%	57.02%	-2.32%
Quick ratio	43.44%	47.35%	-3.91%
EBITDA/Total debts	18.30%	14.34%	3.96%
Interest coverage ratio	2.76	1.86	48.39%
Cash interest coverage ratio	6.91	5.31	30.13%
EBITDA interest coverage ratio	5.24	4.13	26.88%
Loans repayment rate	100 %	100 %	0 %
Interest payment rate	100 %	100 %	0 %

The material reasons for the changed ratio of the accounting data or financial indicators exceeds 30% over the last year

√ Applicable □Not applicable

1. Interest protection multiple: This year's increase in income, decrease in cost, decrease in the scale of interest-bearing liabilities and decrease in financing costs have led to a large year-on-year increase.

2. Cash interest protection multiple: This year's increase in electricity tariffs, decrease in fuel costs, decrease in interest-bearing liabilities and decrease in financing costs have led to a larger year-on-year increase.

IX. Information about fulfillment of the stipulations or commitments specified in the Prospectus of the issuance of the bonds during the reporting period

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1.On August 24, 2018, the company issued 600,000,000 yuan of phase II ultra short-term financing bonds, with a term of 180 days. During the reporting period, the payment of the principal and interest was 610,652,055 yuan;
2.On December 27, 2018, the company issued 500,000,000 yuan of phase IV ultra short-term financing bonds, with a term of 152 days. During the reporting period, the payment of the principal and interest was 506,413,151 yuan;
3.On February 18, 2019, the company issued 600,000,000 yuan of phase I ultra short-term financing bonds, with a term of 180 days. During the reporting period, the payment of the principal and interest was 608,225,753 yuan;
4.On May 24, 2019, the company issued 900,000,000 yuan of phase II ultra short-term financing bonds, with a term of 180 days. During the reporting period, the payment of the principal and interest was 608,085,246 yuan;
5.On August 14, 2019, the company issued 600,000,000 yuan of phase III ultra short-term financing bonds, with a term of 180 days. During the reporting period, the payment of the principal and interest was 0 yuan;
6.On November 15, 2019, the company issued 1,000,000,000 yuan of phase IV ultra short-term financing bonds, with a term of 180 days. During the reporting period, the payment of the principal and interest was 0 yuan;
7. On March 18, 2013, the Company publicly issued 12 Yudean bonds to the public with a nominal amount of RMB 1,200,000,000 and a term of 5+2 years. It is a kind of real-name book-entry corporate bonds. The interest paid back during the reporting period was RMB 1,995,171.75.

8. On August 27, 2018, the Company issued the first issue of 2018 medium-term notes in the inter-bank market, with a face value of RMB 800,000,000 and a term of 3 years. The interest to be repaid during the reporting period is: 33,520,000 yuan.
9. The controlling subsidiary of the Company, Guangdong Huizhou Pinghai Power Plant Co., Ltd., publicly issued “16 Pinghai 01” to the public on September 26, 2016. It was a real-name book-entry corporate bond (“16 Pinghai 01”) with a nominal amount of RMB 700,000,000 and a term of 5 years. The interest paid back during the reporting period was RMB 24,718,273.71.

X.Information about the bank credit obtaining and use, as well as repayment of the bank loans during the reporting period

In the report period, the company signed an unconditional available bank amount limit of about RMB 48.044 billion, of which the used amount limit was RMB 16.141 billion, thus the remaining available bank amount limit was about RMB 31.903 billion. In this year, the company repaid bank loans of about RMB 13.968 billion, and the balance of bank loans was RMB 22.491 billion.

XI. Information about fulfillment of the stipulations or commitments specified in the Prospectus of the issuance of the bonds during the reporting period

The company had committed to pay the principal and interests to the bondholders according to the stipulations of the prospectus of “12 Yudean Bonds” issuance. During the reporting period, the company strictly fulfilled the above commitments. On March 18, 2019, and paid the bond interest to all the current bondholders who have registered in China Securities Depository and Clearing Co., Ltd. Shenzhen Branch by the closing of Shenzhen Stock Exchange on the afternoon of March 15, 2019.

XI.Major events occurring in the period of report

Nil

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XII.Whether there is a guarantor corporate bonds

□ Yes √No

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XII.. Financial Report

I. Audit report

Type of audit opinion	Unqualified audit opinion
Date for signing the auditor's report	April 17 ,2020
Type of audit opinion	PWC Certified Public Accountants (special general partnership)
Date for signing the auditor's report	PWC ZTSZD No.(2020) 10033
Type of audit opinion	Wang Bin, Li Yanhua

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GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

FINANCIAL STATEMENTS AND AUDITOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

[English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.]

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Guangdong Electric Power Development Co., Ltd.

Financial Statements and Auditor's Report
For the Year Ended 31 December 2019
[English translation for reference only]

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[English Translation for Reference Only]

Auditor's Report

To the shareholders of Guangdong Electric Power Development Co., Ltd.,

Opinion

What we have audited

We have audited the accompanying financial statements of Guangdong Electric Power Development Co., Ltd. (hereinafter "Guangdong Electric Power"), which comprise:

- the consolidated and company balance sheets as at 31 December 2019;
- the consolidated and company income statements for the year then ended;
- the consolidated and company cash flow statements for the year then ended;
- the consolidated and company statements of changes in owners' equity for the year then ended; and
- notes to the financial statements.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company's financial position of Guangdong Electric Power as at 31 December 2019, and their financial performance and cash flows for the year then ended in accordance with the requirements of the Accounting Standards for Business Enterprises ("CASs").

Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing ("CSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of Guangdong Electric Power in accordance with the Code of Ethics for Professional Accountants of the Chinese Institute of Certified Public Accountants ("CICPA Code"), and we have fulfilled our other ethical responsibilities in accordance with the CICPA Code.

Key Audit Matter
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment of power related fixed assets and long-term equity investments
- Recognition of loss for investment in an associate due to provision for impairment of long-term assets
- Recognition of deferred tax assets related to deductible losses

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Key Audit Matters (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
(1) Impairment of power related fixed assets and long-term equity investments Refer to Note 2(27)(b)(i), Note 4(11)(b)(iii) and Note 4(13)(a)(iii) to the financial statements (Note 7). Certain subsidiaries and an associate, Weixin Yuntou Yudean Zhaxi Energy Co., Ltd. (hereinafter referred to as "Weixin Yuntou") of Guangdong Electric Power have been experiencing continuous operating losses in recent years. Taking into account possible future risks, such as the instability of electricity demand, the unstable price of coal used in power generation, the macro-economy and other risk factors, management continuously observed the impairment of the aforesaid subsidiaries' asset groups of generator units (mainly including fixed assets) and the long-term equity investments of the aforesaid associate. As at 31 December 2019, management conducted impairment tests for the aforesaid subsidiaries and associate, and made a provision for impairment at the excess of the carrying amount of asset groups of generator units and long-term equity investments over their recoverable amount. The recoverable amount of the asset groups was the higher of the fair value of the asset groups and the long-term equity investments, less disposal costs, and the present value of the estimated future cash flows. The calculations of the fair value less disposal costs and the present value of the estimated future cash flows involve management's significant judgements, including the discount rate, the estimated on-grid electricity price and its growth rate, the estimated electricity sales and its growth rate, the estimated price of coal used in power generation, the estimated asset disposal price and the estimated disposal costs.	Our audit procedures for the impairment of power related fixed assets and long-term equity investments mainly include: • We understood and evaluated the internal control relevant to test the impairment of fixed assets and long-term equity investments and tested the operating effectiveness of key control; • We involved internal valuers to review and analyse the appropriateness of the method applied by management for the impairment test; • Based on our understanding of the businesses of the subsidiaries and associate as well as the industry in which they operate, we compared with and analysed the assumptions adopted by management, including the discount rate, the estimated on-grid price and its growth rate, the estimated electricity sales and its growth rate, the estimated price of coal used in power generation, the estimated asset disposal price and the estimated disposal costs; we evaluated the reasonableness of the assumptions on fair value less disposal costs and the present value of the estimated future cash flows: - For the discount rate, we involved internal valuers to evaluate the appropriateness in combination with industry situation; - For the estimated on-grid electricity price and its growth rate, we compared historical growth rates and industry data, and considered market trend; - For the estimated electricity sales, its growth rate, and the estimated price of coal used in power generation, we have compared historical data, approved budgets and business plans, and checked the corresponding supporting documents;

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Key Audit Matters (Cont'd)

Key Audit Matters (Cont'd)	How our audit addressed the Key Audit Matter (Cont'd)
(i) Impairment of power related fixed assets and long-term equity investments (Cont'd) As the carrying amounts of fixed assets and long-term equity investments with indication of impairment are significant to the consolidated financial statements of Guangdong Electric Power, and the impairment test of asset groups of generator units and long-term equity investments involves management's significant estimates and judgements, impairment of power related fixed assets and long-term equity investments is identified as a key audit matter.	Our audit procedures for the impairment of power related fixed assets and long-term equity investments mainly include (Cont'd): • We checked the input data and formulas used in the calculation of the present value of estimated future cash flows, and evaluated the mathematic accuracy; • We conducted sensitivity analysis on the discount rate and other key assumptions applied by management, and evaluated how the changes in key assumptions (individually or in aggregate) will give rise to different results to further evaluate if there's any indication of management bias in selecting parameters of key assumptions. Based on the results of the aforesaid work, we found that management's judgements and estimates on the impairment of fixed assets and long-term equity investments are supported by appropriate evidence.
(ii) Recognition of loss for investment in an associate due to provision for impairment of long-term assets Refer to Note 2(27)(b)(i), Note 4(11)(b)(iii) to the financial statements. In 2019, Guangdong Yudean Shipping Co., Ltd. (hereinafter referred to as "Yudean Shipping"), associate of Guangdong Electric Power, has delivered a weeker performance than expected due to the sluggish international shipping market, decreasing shipping prices, and rising operating costs. Yudean Shipping resulted in a loss of RMB 1,360,556,144 with the provision for asset impairment. Therefore, Guangdong Electric Power recognised the loss for investment in Yudean Shipping, amounting to RMB 476,194,650 under equity method. As at 31 December 2019, the carrying amount of the long-term equity investment held by Guangdong Electric Power in Yudean Shipping amounted to RMB 448,869,593.	Our audit procedures for the recognition of loss for investment in an associate due to provision for impairment of long-term assets mainly include: • We interviewed the management of Yudean Shipping to understand the current year's operating results and the reasons for the loss related to impairment provision; • We obtained the report of Yudean Shipping on the evaluation of impairment of its main asset groups, and involved an internal valuer to review and analyse the reasonableness of its testing method;

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Key Audit Matters (Cont'd)

Key Audit Matters (Cont'd)	**How our audit addressed the Key Audit Matter (Cont'd)**
(ii) Recognition of loss for investment in an associate due to provision for impairment of long-term assets (Cont'd) Given the recognition of loss for investment in Yudean Shipping under equity method in 2019 and the importance of the carrying amount of this long-term equity investment to the consolidated financial statements of Guangdong Electric Power, the recognition of loss for investment in an associate due to provision for impairment of long-term assets is identified as a key audit matter.	Our audit procedures for the recognition of loss for investment in an associate due to provision for impairment of long-term assets mainly include (Cont'd): • Based on our understanding of the businesses of Yudean Shipping and the industry in which it operates, we compared with and analysed the assumptions adopted by management, including the discount rate, the estimated shipping price and its growth rate, the estimated shipping capacity and its growth rate, and the estimated operating costs; we evaluated the reasonableness of the assumptions adopted by management in the calculations of the fair value, less disposal costs, and the present value of the estimated future cash flows: - For the discount rate, we involved internal valuers to evaluate its appropriateness in combination with industry situation; - For future shipping price and its growth rate, we compared it to historical growth rates and took the current market trend into consideration; - For the estimated shipping capacity and its growth rate, the estimated operating costs, etc., we compared them to the historical data, the approved budget and its business plan and checked the corresponding supporting documents; • We recalculated the investment loss in Yudean Shipping as recognised by management under equity method, and evaluated the accuracy of the calculation results; • We checked management's presentation and disclosure of long-term equity investments and investment losses in the financial statements; Based on the results of the above work, we found that the management's judgement on the recognition of loss for investment in an associate due to provision for impairment of long-term assets is supported by appropriate evidence.

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Key Audit Matters (Cont'd)

Key Audit Matters (Cont'd)	**How our audit addressed the Key Audit Matter (Cont'd)**
(iii) Recognition of deferred tax assets related to deductible losses Refer to Note 2(27)(b)(v) and Note 4(18) to the financial statements. As at 31 December 2019, Guangdong Electric Power recognised the corresponding deferred tax assets for the deductible losses incurred by individual subsidiaries at a total of RMB 171,727,895. According to the financial forecast of the aforesaid subsidiaries in future periods, management recognises deferred tax assets to the extent that the aforesaid subsidiaries are likely to obtain future taxable income to offset the deductible losses. The financial forecast of the aforesaid subsidiaries in future periods involves significant management judgements, including estimated electricity sales, estimated on-grid electricity price, estimated price of coal used in power generation and other operating expenses. As the deferred tax assets related to deductible losses are significant to the consolidated financial statements of Guangdong Electric Power, and the financial forecast for future periods involves management's significant estimates and judgements, the recognition of the deferred tax assets related to tax losses is identified as a key audit matter.	Our audit procedures for the recognition of deferred tax assets related to deductible losses mainly include: • We obtained management's calculation sheet for the financial forecast in future periods, checked the input data and formulas used in the calculation, and evaluated the mathematic accuracy; • We obtained supporting documents such as the income tax settlement report, tax returns and accounting records of the aforesaid subsidiaries, and reviewed for the existence of deductible losses and the accuracy of the amount and period; • Based on our understanding of the businesses of the aforesaid subsidiaries and the industry in which they operate, we evaluated the key assumptions used by management to calculate the expected taxable income for future periods, including the reasonableness of assumptions on estimated electricity sales, estimated on-grid electricity price, estimated fuel price, and other operating expenses; • We compared the taxable income estimated by management last year with the actual taxable income for the current year to access the historical accuracy of management's forecast; • We reviewed whether the deferred tax assets were recognised to the extent that the taxable income was likely to be obtained in the future to offset deductible losses and deductible temporary differences. Based on the results of the above work, we found that management's estimates regarding the recognition of deferred tax assets related to deductible losses were supported by appropriate evidence.

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Other Information

Management of Guangdong Electric Power is responsible for the other information. The other information comprises all of the information included in 2019 annual report of Guangdong Electric Power other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management of Guangdong Electric Power is responsible for the preparation and fair presentation of these financial statements in accordance with the CASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing these financial statements, management is responsible for assessing Guangdong Electric Power's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Guangdong Electric Power or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing Guangdong Electric Power's financial reporting process.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with CSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Guangdong Electric Power's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Guangdong Electric Power to cease to continue as a going concern.

- Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Guangdong Electric Power to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

PricewaterhouseCoopers Zhong Tian LLP

Signing CPA

_____

Wang Bin
(Engagement Partner)

Shanghai, the People's Republic of China
17 April 2020

Signing CPA

_____

Li Yanhua

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CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

ASSETS	Note	31 December 2019	31 December 2018 (Restated)
Current assets			
Cash at bank and on hand	4(1)	5,081,641,969	5,574,382,892
Accounts receivable	4(2)	3,197,690,464	3,358,331,949
Advances to suppliers	4(3)	605,314,333	906,261,046
Other receivables	4(4)	272,801,588	222,976,826
Inventories	4(5)	1,817,059,269	1,481,817,270
Current portion of non-current assets	4(6)	28,865,131	-
Other current assets	4(7)	305,595,567	617,853,476
Total current assets		11,308,968,321	12,161,623,459
Non-current assets			
Available-for-sale financial assets	4(8)	-	1,565,806,331
Long-term receivables	4(10)	65,856,346	89,762,071
Long-term equity investments	4(11)	6,455,784,562	6,395,134,754
Investments in other equity instruments	4(9)	3,142,371,373	-
Investment properties	4(12)	52,093,631	10,810,722
Fixed assets	4(13)	38,555,718,718	41,157,594,848
Construction in progress	4(14)	10,882,003,846	7,740,754,343
Intangible assets	4(15)	1,787,738,640	1,863,588,771
Goodwill	4(16)	2,449,886	2,449,886
Long-term prepaid expenses	4(17)	19,473,586	22,089,179
Deferred tax assets	4(18)	445,709,226	448,431,684
Other non-current assets	4(19)	2,753,858,988	1,871,616,258
Total non-current assets		64,163,058,802	61,168,038,847
TOTAL ASSETS		75,472,027,123	73,329,662,306

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CONSOLIDATED BALANCE SHEET (CONT'D)
AS AT 31 DECEMBER 2019
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

LIABILITIES AND OWNERS' EQUITY	Note	31 December 2019	31 December 2018 (Restated)
Current liabilities			
Short-term borrowings	4(21)	5,904,132,791	7,526,000,000
Notes payable	4(22)	1,364,236,650	941,161,107
Accounts payable	4(23)	2,465,154,162	2,196,600,415
Advances from customers		432,714	343,894
Employee benefits payable	4(24)	242,510,538	235,741,179
Taxes payable	4(25)	571,377,151	397,001,706
Other payables	4(26)	4,042,117,097	4,152,518,495
Current portion of non-current liabilities	4(27)	3,182,980,482	2,779,347,654
Other current liabilities	4(28)	1,912,282,192	1,107,904,110
Total current liabilities		19,685,223,777	19,336,618,560
Non-current liabilities			
Long-term borrowings	4(29)	16,587,103,380	18,802,292,664
Debentures payable	4(30)	1,496,631,799	838,326,742
Long-term payables	4(31)	2,485,346,245	2,311,513,249
Deferred income	4(32)	139,256,513	133,043,646
Long-term employee benefits payable	4(33)	134,988,860	122,913,388
Deferred tax liabilities	4(18)	537,385,614	100,726,841
Other non-current liabilities	4(34)	216,405,569	166,405,569
Total non-current liabilities		21,597,117,980	22,475,222,099
Total liabilities		41,282,341,757	41,811,840,659
Owners' equity			
Share capital	4(35)	5,250,283,986	5,250,283,986
Capital surplus	4(36)	5,096,918,174	5,102,846,886
Other comprehensive income	4(37)	1,676,143,044	550,010,133
Surplus reserve	4(38)	8,245,767,593	7,834,155,143
Undistributed profits	4(39)	5,909,128,280	5,490,006,140
Total equity attributable to shareholders of the Company		26,178,241,077	24,227,302,288
Minority interests		8,011,444,289	7,290,519,359
Total owners' equity		34,189,685,366	31,517,821,647
TOTAL LIABILITIES AND OWNERS' EQUITY		75,472,027,123	73,329,662,306

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

ASSETS	Note	31 December 2019	31 December 2018 (Restated)
Current assets			
Cash at bank and on hand		224,504,289	385,577,463
Accounts receivable	15(1)	209,249,102	264,537,475
Advances to suppliers		43,002,000	44,826,500
Other receivables	15(2)	108,149,278	375,296,228
Inventories		151,518,056	187,058,140
Other current assets		1,228,009	199,679
Total current assets		737,650,734	1,257,495,485
Non-current assets			
Available-for-sale financial assets		-	1,565,806,331
Long-term receivables		340,000,000	306,460,000
Long-term equity investments	15(3)	26,514,106,513	24,699,820,321
Investments in other equity instruments		3,142,371,373	-
Investment properties		7,025,443	7,661,041
Fixed assets		706,435,221	978,022,437
Construction in progress		14,945,019	9,394,075
Intangible assets		85,839,959	86,681,362
Other non-current assets		356,004,000	356,004,000
Total non-current assets		31,166,727,528	28,009,849,567
TOTAL ASSETS		31,904,378,262	29,267,345,052

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COMPANY BALANCE SHEET (CONT'D)
AS AT 31 DECEMBER 2019
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

LIABILITIES AND OWNERS' EQUITY	Note	31 December 2019	31 December 2018 (Restated)
Current liabilities			
Short-term borrowings		1,401,641,708	1,500,000,000
Accounts payable		156,122,676	223,827,319
Employee benefits payable		63,480,425	53,346,100
Taxes payable		44,298,675	48,590,195
Other payables		71,126,853	98,528,954
Current portion of non-current liabilities		1,554,314,700	-
Other current liabilities		1,912,282,192	1,107,904,110
Total current liabilities		5,203,267,229	3,032,196,678
Non-current liabilities			
Long-term borrowings		-	1,500,000,000
Debentures payable		798,857,333	838,326,742
Long-term payables		3,466,237	4,340,898
Deferred income		39,984,807	48,362,943
Long-term employee benefits payable		36,570,958	32,170,769
Deferred tax liabilities		535,193,684	99,461,621
Total non-current liabilities		1,414,073,019	2,522,662,973
Total liabilities		6,617,340,248	5,554,859,651
Owners' equity			
Share capital		5,250,283,986	5,250,283,986
Capital surplus		5,599,980,903	5,605,794,601
Other comprehensive income		1,676,143,044	550,010,133
Surplus reserve		8,245,767,593	7,834,155,143
Undistributed profits		4,514,862,488	4,472,241,538
Total owners' equity		25,287,038,014	23,712,485,401
TOTAL LIABILITIES AND OWNERS' EQUITY		31,904,378,262	29,267,345,052

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2019	2018
Revenue	4(40)	29,360,155,150	27,408,514,178
Less: Cost of sales	4(40)	(24,480,703,872)	(24,246,716,580)
Taxes and surcharges	4(41)	(249,721,761)	(237,969,926)
Selling and distribution expenses	4(42)	(43,788,762)	(25,383,861)
General and administrative expenses	4(43)	(874,640,868)	(688,349,938)
Research and development expenses	4(44)	(9,703,602)	(5,043,776)
Financial expenses	4(45)	(1,230,315,841)	(1,350,485,251)
Including: Interest expenses		1,230,637,704	1,310,505,491
Interest income		66,836,652	63,471,806
Add: Other income	4(46)	42,071,653	52,750,847
Investment income	4(47)	125,541,240	537,702,970
Including: Share of profit of associates and joint ventures		64,909,255	488,203,462
Reversal of credit impairment losses	4(48)	46,348,884	——
Less: Asset impairment losses	4(49)	(161,731,338)	(251,689,797)
Add: Gains on disposal of assets	4(50)	20,503,424	1,572,097
Operating profit		2,544,014,307	1,194,900,963
Add: Non-operating income	4(51)	33,236,719	89,456,237
Less: Non-operating expenses	4(52)	(32,011,127)	(39,159,530)
Total profit		2,545,239,899	1,245,197,670
Less: Income tax expenses	4(53)	(738,065,009)	(335,100,233)
Net profit		1,807,174,890	910,097,437
Classified by continuity of operations			
Net profit from continuing operations		1,807,174,890	910,097,437
Net profit from discontinued operations		-	-
Classified by ownership of the equity			
Attributable to equity owners of the Company		1,146,767,033	474,461,997
Minority interests		660,407,857	435,635,440
Other comprehensive income, net of tax			
Attributable to equity owners of the Company	4(37)	1,126,132,911	413,008,610
Other comprehensive income that will not be reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		1,123,802,101	-
Other comprehensive income that cannot be subsequently transferred to profit or loss under the equity method		2,110,342	-
Other comprehensive income items which can be reclassified subsequently to profit or loss			
Gains or losses arising from changes in fair value of available-for-sale financial assets		-	413,008,610
Other comprehensive income that can be subsequently transferred to profit or loss under the equity method		220,468	-
Total comprehensive income		2,933,307,801	1,323,106,047
Attributable to shareholders of the Company		2,272,899,944	887,470,607
Attributable to minority interests		660,407,857	435,635,440
Earnings per share			
Basic earnings per share (RMB Yuan)	4(54)	0.22	0.09
Diluted earnings per share (RMB Yuan)	4(54)	0.22	0.09

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

COMPANY INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2019	2018
Revenue	15(4)	2,209,770,578	2,287,899,600
Less: Cost of sales	15(4)	(2,092,814,820)	(2,133,932,886)
Taxes and surcharges		(18,252,419)	(17,209,260)
Selling and distribution expenses		(2,072,707)	(1,589,819)
General and administrative expenses		(124,632,105)	(117,909,783)
Research and development expenses		(961,443)	(2,624,097)
Financial expenses		(206,287,649)	(205,073,468)
Including: Interest expenses		207,829,042	206,465,168
Interest income		5,256,138	6,208,285
Add: Other income		13,186,290	6,712,095
Investment income	15(5)	1,074,476,943	1,517,144,869
Including: Share of profit of associates and joint ventures		58,731,138	484,016,449
Reversal of credit impairment losses	15(6)	48,617,737	-
Less: Asset impairment losses	15(7)	(71,317,168)	(154,226,974)
Add: Gains on disposal of assets		-	442,300
Operating profit		829,713,237	1,179,632,577
Add: Non-operating income		4,222,347	4,624,375
Less: Non-operating expenses		(2,538,378)	(2,837,734)
Total profit		831,397,206	1,181,419,218
Less: Income tax expenses		(61,131,363)	(5,383,646)
Net profit		770,265,843	1,176,035,572
Classified by continuity of operations			
Net profit from continuing operations		770,265,843	1,176,035,572
Net profit from discontinued operations		-	-
Other comprehensive income, net of tax		1,126,132,911	413,008,610
Other comprehensive income that will not be reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		1,123,802,101	-
Other comprehensive income that cannot be subsequently transferred to profit or loss under equity method		2,110,342	-
Other comprehensive income items which will be reclassified subsequently to profit or loss			
Gains or losses arising from changes in fair value of available-for-sale financial assets		-	413,008,610
Other comprehensive income that can be subsequently transferred to profit or loss under the equity method		220,468	-
Total comprehensive income		1,896,398,754	1,589,044,182

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2019	2018
Cash flows from operating activities			
Cash received from sales of goods or rendering of services		33,450,306,969	31,403,772,367
Refund of taxes and surcharges		13,549,274	10,386,840
Cash received relating to other operating activities	4(56)(a)	195,328,767	138,132,774
Sub-total of cash inflows		33,659,185,010	31,552,291,981
Cash paid for goods and services		(20,616,807,058)	(21,570,119,475)
Cash paid to and on behalf of employees		(1,880,454,324)	(1,758,740,745)
Payments of taxes and surcharges		(2,097,461,395)	(1,640,280,936)
Cash paid relating to other operating activities	4(56)(b)	(791,779,121)	(583,214,469)
Sub-total of cash outflows		(25,386,501,898)	(25,552,355,625)
Net cash flows from operating activities	4(57)(a)	8,272,683,112	5,999,936,356
Cash flows from investing activities			
Cash received from disposal of investments		48,647,647	-
Cash received from returns on investments		239,149,433	335,215,628
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		73,007,745	56,236,928
Cash received relating to other investing activities	4(56)(c)	-	161,670,884
Sub-total of cash inflows		360,804,825	553,123,440
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(4,818,610,061)	(3,699,868,129)
Cash paid to acquire investments		(328,162,240)	(163,135,200)
Sub-total of cash outflows		(5,146,772,301)	(3,863,003,329)
Net cash flows used in investing activities		(4,785,967,476)	(3,309,879,889)

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CONSOLIDATED CASH FLOW STATEMENT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	Note	2019	2018
Cash flows from financing activities			
Cash received from capital contributions		526,340,000	1,305,125,363
Including: Cash received from capital contributions by minority interests of subsidiaries		526,340,000	1,155,125,363
Cash received from borrowings		14,527,600,487	16,491,228,390
Cash received relating to other financing activities	4(56)(d)	100,000,000	900,000,000
Sub-total of cash inflows		15,153,940,487	18,696,353,753
Cash repayments of borrowings		(16,563,416,551)	(17,858,853,666)
Cash payments for interest expenses and distribution of dividends or profits		(2,273,764,488)	(2,390,857,657)
Including: Cash payments for interest expenses and distribution of dividends or profits by minority interests of subsidiaries		(415,937,941)	(486,302,545)
Cash payments relating to other financing activities	4(56)(e)	(294,216,260)	(562,897,014)
Sub-total of cash outflows		(19,131,397,299)	(20,812,608,337)
Net cash flows used in financing activities		(3,977,456,812)	(2,116,254,584)
Effect of foreign exchange rate changes on cash and cash equivalents		253	519
Net (decrease)/increase in cash and cash equivalents	4(57)(a)	(490,740,923)	573,802,402
Add: Cash and cash equivalents at the beginning of the year		5,570,382,892	4,996,580,490
Cash and cash equivalents at the end of the year	4(57)(b)	5,079,641,969	5,570,382,892

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

Item	2019	2018
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	2,565,249,720	2,585,719,149
Cash received relating to other operating activities	13,481,620	20,154,657
Sub-total of cash inflows	2,578,731,340	2,605,873,806
Cash paid for goods and services	(1,804,883,929)	(2,032,356,406)
Cash paid to and on behalf of employees	(321,850,372)	(349,508,525)
Payments of taxes and surcharges	(105,174,506)	(82,796,385)
Cash paid relating to other operating activities	(48,028,306)	(61,092,274)
Sub-total of cash outflows	(2,279,937,113)	(2,525,753,590)
Net cash flows from operating activities	298,794,227	80,120,216
Cash flows from investing activities		
Cash received from disposal of investments	383,647,647	187,920,000
Cash received from returns on investments	1,188,744,289	1,313,192,983
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	3,081,801	1,016,545
Sub-total of cash inflows	1,575,473,737	1,502,129,528
Cash paid to acquire investments	(2,184,276,740)	(1,419,713,500)
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(31,307,163)	(92,602,608)
Sub-total of cash outflows	(2,215,583,903)	(1,512,316,108)
Net cash flows used in investing activities	(640,110,166)	(10,186,580)
Cash flows from financing activities		
Cash received from borrowings	4,500,000,000	6,729,200,000
Sub-total of cash inflows	4,500,000,000	6,729,200,000
Cash repayments of borrowings	(3,800,000,000)	(6,189,693,500)
Cash payments for interest expenses and distribution of dividends or profits	(518,785,791)	(653,587,730)
Cash payments relating to other financing activities	(971,697)	-
Sub-total of cash outflows	(4,319,757,488)	(6,843,281,230)
Net cash flows from/(used in) financing activities	180,242,512	(114,081,230)
Effect of foreign exchange rate changes on cash and cash equivalents	253	519
Net decrease in cash and cash equivalents	(161,073,174)	(44,147,075)
Add: Cash and cash equivalents at the beginning of the year	385,577,463	429,724,538
Cash and cash equivalents at the end of the year	224,504,289	385,577,463

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

		Attributable to equity owners of the Company						
	Note	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	Total owners' equity
Balance at 1 January 2019		5,250,283,986	5,102,846,886	550,010,133	7,834,155,143	5,490,006,140	7,290,519,359	31,517,821,647
Movements for the year ended 31 December 2019								
Total comprehensive income								
Net profit		-	-	-	-	1,146,767,033	660,407,857	1,807,174,890
Other comprehensive income	4(37)	-	-	1,126,132,911	-	-	-	1,126,132,911
Capital invested and reduced by shareholders								
Other		-	-	-	-	-	476,340,000	476,340,000
Profit distribution								
Appropriation to surplus reserve	4(38)	-	-	-	411,612,450	(411,612,450)	-	-
Distribution to equity owners	4(39)(a)	-	-	-	-	(315,017,039)	(415,937,941)	(730,954,980)
Share of interests in associates in proportion to the shareholding	4(36), 4(39)(b)		(5,813,698)	-	-	(1,015,404)	-	(6,829,102)
Transactions with minority shareholders	4(36)	-	(115,014)	-	-	-	115,014	-
Balance at 31 December 2019		5,250,283,986	5,096,918,174	1,676,143,044	8,245,767,593	5,909,128,280	8,011,444,289	34,189,685,366

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CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

		Attributable to equity owners of the Company						
	Note	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	Total owners' equity
Balance at 1 January 2018		5,250,283,986	5,004,250,685	137,001,523	7,590,363,724	5,713,290,735	6,007,669,360	29,702,860,013
Movements for the year ended 31 December 2018								
Total comprehensive income								
Net profit		-	-	-	-	474,461,997	435,635,440	910,097,437
Other comprehensive income	4(37)	-	-	413,008,610	-	-	-	413,008,610
Capital invested and reduced by shareholders								
Other		-	-	-	-	-	1,448,059,396	1,448,059,396
Profit distribution								
Appropriation to surplus reserve	4(38)	-	-	-	243,791,419	(243,791,419)	-	-
Distribution to equity owners	4(39)(a)	-	-	-	-	(420,022,719)	(486,302,545)	(906,325,264)
Transactions with minority shareholders	4(36)	-	98,596,201	-	-	-	(98,596,201)	-
Others		-	-	-	-	(33,932,454)	(15,946,091)	(49,878,545)
Balance at 31 December 2018		5,250,283,986	5,102,846,886	550,010,133	7,834,155,143	5,490,006,140	7,290,519,359	31,517,821,647

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
Balance at 1 January 2019		5,250,283,986	5,605,794,601	550,010,133	7,834,155,143	4,472,241,538	23,712,485,401
Movements for the year ended 31 December 2019							
Total comprehensive income							
Net profit		-	-	-	-	770,265,843	770,265,843
Other comprehensive income	4(37)	-	-	1,126,132,911	-	-	1,126,132,911
Profit distribution							
Appropriation to surplus reserve	4(38)	-	-	-	411,612,450	(411,612,450)	-
Distribution to equity owners	4(39)(a)	-	-	-	-	(315,017,039)	(315,017,039)
Share of interests in associates in proportion to the shareholding	4(36), 4(39)(b)	-	(5,813,698)	-	-	(1,015,404)	(6,829,102)
Balance at 31 December 2019		5,250,283,986	5,599,980,903	1,676,143,044	8,245,767,593	4,514,862,488	25,287,038,014

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COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2019

(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

	Note	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Total owners' equity
Balance at 1 January 2018		5,250,283,986	5,605,794,601	137,001,523	7,590,363,724	3,960,056,960	22,543,500,794
Movements for the year ended 31 December 2018							
Total comprehensive income							
Net profit		-	-	-	-	1,176,035,572	1,176,035,572
Other comprehensive income		-	-	413,008,610	-	-	413,008,610
Profit distribution							
Appropriation to surplus reserve	4(38)	-	-	-	243,791,419	(243,791,419)	-
Distribution to equity owners	4(39)(a)	-	-	-	-	(420,022,719)	(420,022,719)
Others		-	-	-	-	(36,856)	(36,856)
Balance at 31 December 2018		5,250,283,986	5,605,794,601	550,010,133	7,834,155,143	4,472,241,538	23,712,485,401

The accompanying notes form an integral part of these financial statements.

Legal representative	Principal in charge of accounting	Head of accounting department
Wang Jin	Liu Wei	Meng Fei

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1 General information

Guangdong Electric Power Development Co., Ltd. ("the Company") is a limited liability company jointly established by Guangdong Electric Power Holding Company, China Construction Bank, Guangdong Province Trust Investment Company, Guangdong Power Development Co., Ltd., Guangdong International Trust and China Guangfa Bank (currently named as Guangdong Guangkong Group Co., Ltd.). The address of the Company's registered office and head office is F33~F36 South Tower Building of Yudean Square on 2nd Tianhe East Road, Guangzhou, Guangdong Province, the People's Republic of China ("the PRC"). The Company's parent company is Guangdong Energy Group Co., Ltd. ("GEGC", previously Guangdong Province Yudean Group Co., Ltd.) and its ultimate controlling shareholder is the State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province.

The Company's RMB ordinary shares ("A-share") and domestic listed foreign shares ("B-share") issued were listed for transactions in Shenzhen Stock Exchange respectively on 26 November 1993 and 28 June 1995. As at 31 December 2019, the total share capital of the Company was RMB 5,250,283,986 with par value of RMB 1 per share.

The Company and its subsidiaries (collectively referred to as "the Group") are principally engaged in the businesses of developing and operating electric power plants in Guangdong Province, the PRC. For the information of the Company's major subsidiaries included in the consolidation scope in the current year, please refer to Note 6(1).

The financial statement have been authorised for issue by the Board of Directors of the Company on 17 April 2020.

2 Summary of significant accounting policies and accounting estimates

The Group determines specific accounting policies and accounting estimates based on the characteristics of production and operation, which are mainly reflected in the measurement of expected credit losses of receivables (Note 2(9)), costing of inventory (Note 2(10)), fixed asset depreciation and intangible asset amortisation (Notes 2(13), 2(16)), impairment of long-term assets (Note 2(18)), timing of revenue recognition (Note 2(22)), deferred tax assets and deferred tax liabilities (Note 2(24)), etc.

Details of the Group's critical judgements used in determining significant accounting policies are set forth in Note 2(27).

(1) Basis of preparation

The financial statements are prepared in accordance with the *Accounting Standards for Business Enterprises - Basic Standard*, and the specific accounting standards and other relevant regulations issued by the Ministry of Finance on 15 February 2006 and in subsequent periods (hereafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CASs") and the disclosure requirements in the *Preparation Convention of Information Disclosure by Companies Offering Securities to the Public No.15 - General Rules on Financial Reporting* issued by the China Securities Regulatory Commission.

As at 31 December 2019, the Group's net current liabilities amounted to RMB 8,376 million. Capital commitments contracted for by the Group amounted to RMB [13,735 million], among which the capital expenditure due within one year amounted to RMB [4,544 million]. Therefore, the Group is to some extent exposed to liquidity risk.

The reason for net current liabilities is that a portion of the Group's capital expenditure is backed by short-term borrowings and funds in hand. Management of the Company plans to take the following measures to ensure that the Group can continuously obtain sufficient working capital to liquidate debts due within 12 months starting from 31 December 2019, therefore, the financial statements are prepared on a going concern basis.

(a) The Group continuously generates profit after its generator sets have successively been put into production in recent years. Management expects stable cash inflows from operating activities in the future; and

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2 Summary of significant accounting policies and accounting estimates (Con'd)

(1) Basis of preparation (Con'd)

(b) The Group maintains good relations of long-term cooperation with financial institutions (including the Company's associate Guangdong Energy Group Finance Co., Ltd. ("Energy Group Finance Company"), formerly known as Guangdong Yudean Finance Co., Ltd.) in order to obtain sufficient financing credit lines. As at 31 December 2019, the Group's available credit line from financial institutions amounted to approximately RMB 31,903 million, with RMB 9,616 million from Energy Group Finance Company, RMB 18,287 million from other commercial banks and financial institutions, and RMB 4,000 million from issuance of corporate bonds approved by the China Securities Regulatory Commission. Among the Group's available credit line from financial institutions, approximately RMB 8,512 million is due before 31 December 2020. Management has communicated with the financial institutions and hence expected the credit line due before 31 December 2020 to renew the term for another 12 months.

(2) Statement of compliance with the Accounting Standards for Business Enterprises

The financial statements of the Group and the Company for the year ended 31 December 2019 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and company financial position of the Group and the Company as at 31 December 2019 and their financial performance, cash flows and other information for the year then ended.

(3) Accounting year

The Company's accounting year starts on 1 January and ends on 31 December.

(4) Recording currency

The recording currency is Renminbi (RMB).

(5) Business combinations

(a) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the absorbing party in a business combination are measured at the carrying amount. The difference between the carrying amount of the net assets obtained from the combination and the carrying amount of the consideration paid for the combination is treated as an adjustment to capital surplus (share premium). If the capital surplus (share premium) is not sufficient to absorb the difference, the remaining balance is adjusted against retained earnings. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

(b) Business combinations involving enterprises not under common control

The cost of combination and identifiable net assets obtained by the acquirer in a business combination are measured at fair value at the acquisition date. Where the cost of combination exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill; where the cost of combination is lower than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

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2 Summary of significant accounting policies and accounting estimates (Con'd)

(6) Preparation of consolidated financial statements

The consolidated financial statements comprise the financial statements of the Company and all of its subsidiaries.

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date on which such control ceases. For a subsidiary that is acquired in a business combination involving enterprises under common control, it is included in the consolidated financial statements from the date when it, together with the Company, comes under common control of the ultimate controlling party. The portion of the net profits realised before the combination date is presented separately in the consolidated income statement.

In preparing the consolidated financial statements, where the accounting policies and the accounting periods of the Company and subsidiaries are inconsistent, the financial statements of the subsidiaries are adjusted in accordance with the accounting policies and the accounting period of the Company. For subsidiaries acquired from business combinations involving enterprises not under common control, the individual financial statements of the subsidiaries are adjusted based on the fair value of the identifiable net assets at the acquisition date.

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' shareholders' equity and the portion of subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to the Company are recognised as minority interests, net profit attributed to minority interests and total comprehensive incomes attributed to non-controlling interests and presented separately in the consolidated financial statements under shareholders' equity, net profits and total comprehensive income respectively. Unrealised profits and losses resulting from the sale of assets by the Company to its subsidiaries are fully eliminated against net profit attributable to owners of the parent. Unrealised profits and losses resulting from the sale of assets by a subsidiary to the Company are eliminated and allocated between net profit attributable to owners of the parent and minority interest income in accordance with the allocation proportion of the parent in the subsidiary. Unrealised profits and losses resulting from the sale of assets by one subsidiary to another are eliminated and allocated between net profit attributable to owners of the parent and minority interest income in accordance with the allocation proportion of the parent in the selling subsidiary.

If the accounting treatment of a transaction is inconsistent in the financial statements at the Group level and at the Company or its subsidiary level, adjustment will be made from the perspective of the Group.

(7) Cash and cash equivalents

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

(8) Foreign currency translation

Foreign currency transactions are translated into RMB using the exchange rates prevailing at the dates of the transactions.

At the balance sheet date, monetary items denominated in foreign currencies are translated into RMB using the spot exchange rates on the balance sheet date. Exchange differences arising from these translations are recognised in profit or loss for the current period, except for those attributable to foreign currency borrowings that have been taken out specifically for acquisition or construction of qualifying assets, which are capitalised as part of the cost of those assets. Non-monetary items denominated in foreign currencies that are measured at historical costs are translated at the balance sheet date using the spot exchange rates at the date of the transactions. The effect of exchange rate

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changes on cash is presented separately in the cash flow statement.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(9) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset or a financial liability is recognised when the Group becomes a party to the contractual provisions of the instrument.

(a) Financial assets

(i) Classification and measurement

Based on the business model for financial asset management and the contractual cash flow characteristics of financial assets, the Group classifies the financial assets as: a) financial assets measured at amortised cost; b) financial assets at fair value through other comprehensive income; c) financial assets at fair value through profit or loss.

The financial assets are measured at fair value at initial recognition. Related transaction costs that are attributable to the acquisition of the financial assets are included in the initially recognised amounts, except for the financial assets at fair value through profit or loss, the related transaction costs of which are recognised directly in profit or loss for the current period. Accounts receivable or notes receivable arising from sales of products or rendering of services (excluding or without regard to significant financing components) are initially recognised at the consideration that is entitled to be charged by the Group as expected.

Debt instruments

The debt instruments held by the Group refer to the instruments that meet the definition of financial liabilities from the perspective of the issuer, and are measured in the following ways:

Measured at amortised cost:

The Group's business model for financial asset management aims to receive contractual cash flows. The contractual cash flow characteristics of such financial assets are consistent with basic loan arrangement, which means the cash flow generated at certain date is only the payment for the principal and the corresponding interest based on unpaid principal. The interest income of such financial assets is recognised using the effective interest method. Such financial assets are mainly including cash at bank and on hand, accounts receivable, other receivables, long-term receivables, etc. Long-term receivables that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current assets.

Equity instruments

Investments in equity instruments, over which the Group has no control, joint control or significant influence, are measured at fair value through profit or loss under financial assets held for trading.

In addition, the Group classifies certain investments in equity instruments not held for trading as financial assets measured at fair value through other comprehensive income which are presented as investments in other equity instruments. The relevant dividend income of such financial assets is included in the current profit or loss. The relevant dividend income of such financial assets is included in the current profit or loss.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(9) Financial instrument (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment

The Group recognises the loss provision based on expected credit losses ("ECL") for financial assets measured at amortised cost.

Giving consideration to reasonable and supportable information on past events, current conditions and forecasts of future economic conditions, as well as the default risk weight, the Group recognises the ECL as the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to collect.

As at each balance sheet date, the ECL of financial instruments at different stages is measured respectively. 12-month ECL provision is recognised for financial instruments in Stage 1 that have not had a significant increase in credit risk since initial recognition; lifetime ECL provision is recognised for financial instruments in Stage 2 that have had a significant increase in credit risk yet without credit impairment since initial recognition; and lifetime ECL provision is recognised for financial instruments in Stage 3 that have had credit impairment since initial recognition.

For the financial instruments with lower credit risk on the balance sheet date, the Group assumes there is no significant increase in credit risk since initial recognition and recognises the 12-month ECL provision.

For the financial instruments in Stage 1, Stage 2 and with lower credit risk, the Group calculates the interest income by applying the effective interest rate to the gross carrying amount (before deduction of the impairment provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (after deduction of the impairment provision from the gross carrying amount).

For accounts receivable from operating activities such as sales of goods and rendering of service, regardless of whether there is a significant financing component, the Group measures the loss provision using lifetime ECL.

In case the ECL of an individually assessed financial asset cannot be evaluated with reasonable cost, the Group divides the receivables into certain groupings based on credit risk characteristics, and calculates the ECL for the groupings. Basis for determining groupings and provisions is as follows:

Accounts receivable grouping 1	Receivables from sales of electricity
Accounts receivable grouping 2	Receivables from related parties
Accounts receivable grouping 3	Other accounts receivable
Other receivables grouping 1	Project expenses paid on behalf, reserves receivable and other receivables

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(9) Financial instrument (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment (Cont'd)

The Group prepares the cross-reference between overdue days of accounts receivable and lifetime ECL rate, and calculates the ECL on the basis of historical credit losses experience, the current conditions and forecasts of future economic conditions for the accounts receivable that are classified as groupings. The Group, on the basis of the exposure at default and the 12-month/lifetime ECL rate, calculates the ECL of other receivables that are classified into groupings with consideration to historical credit losses experience, the current conditions and forecasts of future economic conditions.

The Group recognises the loss provision made or reversed into profit or loss for the current period. For debt instruments held at fair value through other comprehensive income, the Group adjusts other comprehensive income while the impairment loss or gain is recognised in profit or loss for the current period.

(iii) Derecognition

A financial asset is derecognised when any of the below criteria is met: (1) the contractual rights to receive the cash flows from the financial asset expire; (2) the financial asset has been transferred and the Group transfers substantially all the risks and rewards of ownership of the financial asset to the transferee; (3) the financial asset has been transferred and the Group has not retained control of the financial asset, although the Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset.

On derecognition of the other equity instrument investments, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in other comprehensive income is recognised in retained earnings; on derecognition of other financial assets, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that had been recognised directly in other comprehensive income, is recognised in profit or loss.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities at amortised cost and financial liabilities at fair value through profit or loss at initial recognition.

Financial liabilities of the Group mainly comprise financial liabilities at amortised cost, including notes and accounts payables, other payables, borrowings, debentures payable, etc. Such financial liabilities are initially recognised at fair value, net of transaction costs incurred, and subsequently measured using the effective interest method. Financial liabilities that are due within one year (inclusive) are classified as current liabilities; those with maturities over one year but are due within one year (inclusive) as from the balance sheet date are classified as current portion of non-current liabilities. Others are classified as non-current liabilities.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(9) Financial instrument (Cont'd)

(b) Financial liabilities (Cont'd)

A financial liability is derecognised or partly derecognised when the current obligation is discharged or partly discharged. The difference between the carrying amount of the derecognised part of the financial liability and the consideration paid is recognised in profit or loss for the current period.

(c) Determination of fair value of financial instruments

The fair value of a financial instrument that is traded in an active market is determined at the quoted price in the active market. The fair value of a financial instrument that is not traded in an active market is determined by using a valuation technique. During valuation, the Group adopts the valuation technique that is applicable in the current circumstances and contains sufficient available data and other information supports, choosing inputs with features of assets or liabilities that are consistent with those market participants consider in related transactions of assets or liabilities, and giving priority to relevant observable inputs. When relevant observable inputs are not available or feasible, unobservable inputs are adopted.

(10) Inventories

(a) Classification

Inventories mainly comprise fuel and spare parts, and are measured at the lower of cost and net realisable value.

(b) Costing of inventories

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

(c) Basis for determining net realisable values of inventories and method for making provision for decline in the value of inventories

Provision for decline in the value of inventories is determined at the excess amount of the carrying amounts of the inventories over their net realisable value. Net realisable value is determined based on the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale and related taxes.

(d) The Group adopts the perpetual inventory system.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(11) Long-term equity investments

Long-term equity investments comprise the Company's long-term equity investments in its subsidiaries, and the Group's long-term equity investments in its joint ventures and associates.

A subsidiary is an investee over which the Company is able to exercise control. A joint venture is a joint arrangement which is structured through a separate vehicle over which the Group has joint control together with other parties and only has rights to the net assets of the arrangement based on legal forms, contractual terms and other facts and circumstances. An associate is the investee over which the Group has significant influence by participating in the financial and operating policy decisions.

Investments in subsidiaries are presented in the Company's financial statements under equity method, and are adjusted using the equity method when preparing the consolidated financial statements; investments in associates and joint ventures are accounted for using the equity method.

(a) Determination of investment cost

For long-term equity investments acquired through a business combination: for long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost is the absorbing party's share of the carrying amount of owners' equity of the party being absorbed at the combination date; for long-term equity investment acquired through a business combination involving enterprises not under common control, the investment cost is the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investment acquired by payment in cash, the initial investment cost is the purchase price actually paid; for long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(b) Subsequent measurement and recognition of profit or loss

Long-term equity investments accounted for using the cost method are measured at the initial investment cost. Cash dividend or profit distribution declared by an investee is recognised as investment income in profit or loss for the current period.

For long-term equity investments that are accounted for using the equity method, where the initial investment cost exceeds the Company's share of the fair value of the investee's identifiable net assets at the time of acquisition, the investment is initially measured at cost. Where the initial investment cost is less than the Company's share of the fair value of the investee's identifiable net assets at the time of acquisition, the difference is included in profit or loss for the current period and the cost of the long-term equity investment is adjusted upwards accordingly.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(11) Long-term equity investments(Cont'd)

Under the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group discontinues recognising its share of the net losses of an investee after the carrying amounts of the long-term equity investment together with any long-term interests that in substance form part of the investor's net investment in the investee are reduced to zero. However, if the Group has obligations for additional losses and the criteria with respect to recognition of provisions are satisfied, the Group continues recognising the estimated losses that it needs to bear. The Group's share of the changes in investee's owner's equity other than those arising from the net profit or loss, other comprehensive income and profit distribution is recognised in capital surplus with a corresponding adjustment to the carrying amounts of the long-term equity investment. The carrying amount of the investment is reduced by the Group's share of the profit distribution or cash dividends declared by the investees. The unrealised profits or losses arising from the transactions between the Group and its investees are eliminated in proportion to the Group's equity interest in the investees, based on which the investment gain or losses are recognised. For the loss on the intra-group transaction amongst the Group and its investees attributable to asset impairment losses, any unrealised loss is not eliminated.

(c) Basis for determining existence of control, jointly control or significant influence over investees

Control is the power to govern an investee, so as to obtain variable returns from its involvement with the investee, and has the ability to use its power over the investee to affect the amount of the investor's returns.

Joint control is the contractually agreed sharing of control over an arrangement, and the decision of activities relating to such arrangement requires the unanimous consent of the Group and other parties sharing control.

Significant influence is the power to participate in making the decisions on financial and operating policies of the investee, but is not control or joint control over making those policies.

(d) Impairment of long-term equity investments

The carrying amounts of long-term equity investments in subsidiaries, joint ventures and associates are reduced to the recoverable amounts when the recoverable amounts are below their carrying amounts (Note 2(18)).

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(12) Investment properties

Investment properties, including land use rights that have already been leased out and buildings that are held for the purpose of leasing, are measured initially at cost. Subsequent expenditures incurred in relation to an investment property are included in the cost of the investment property when it is probable that the associated economic benefits will flow to the Group and their costs can be reliably measured; otherwise, the expenditures are recognised in profit or loss for the period in which they are incurred.

The Group adopts the cost model for subsequent measurement of investment properties. Buildings and land use rights are depreciated or amortised to their estimated net residual values over their estimated useful lives. The estimated useful lives, the estimated net residual values that are expressed as a percentage of cost and the annual depreciation (amortisation) rates of investment properties are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation (amortisation) rates
Buildings	22 to 40 years	0% to 5%	2.38% to 4.55%

When an investment property is transferred to owner-occupied property, it is reclassified to fixed asset with the carrying amount determined at the carrying amount of the investment property at the date of the transfer.

The estimated useful life and the estimated net residual value of an investment property and the depreciation (amortisation) method applied to the property are reviewed, and adjusted as appropriate at each year-end.

An investment property is derecognised on disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal. The net amount of proceeds from sales, transfer, retirement or damage of an investment property after its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

(13) Fixed assets

(a) Recognition and initial measurement of fixed assets

Fixed assets comprise buildings, power generation equipment, motor vehicles, and other equipment.

Fixed assets are recognised when it is probable that the related economic benefits will flow to the Group and the costs can be reliably measured. Fixed assets purchased or constructed are initially measured at cost at the time of acquisition. The fixed assets contributed by the State shareholders at the reorganisation of the Company into a corporation are recognised based on the evaluated amounts as approved by the state-owned assets administration department.

Subsequent expenditures incurred for a fixed asset are included in the cost of the fixed asset when it is probable that the associated economic benefits will flow to the Group and the related cost can be reliably measured. The carrying amount of the replaced part is derecognised. All the other subsequent expenditures are recognised in profit or loss for the period in which they are incurred.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(13) Fixed assets (Cont'd)

(b) Depreciation methods of fixed assets

Fixed assets are depreciated using the straight-line method to allocate the cost of the assets to their estimated residual values over their estimated useful lives. For the fixed assets that have been provided for impairment loss, the related depreciation charge is prospectively determined based upon the adjusted carrying amounts over their remaining useful lives.

The estimated useful lives and the estimated net residual values expressed as a percentage of cost and the annual depreciation rates of fixed assets are as follows:

	Estimated useful lives	Estimated net residual values	Annual depreciation rates
Buildings	10 to 50 years	5%	1.90% to 9.50%
Power generation equipment	5 to 25 years	0% to 5%	3.80% to 20.00%
Motor vehicles	5 to 15 years	0% to 5%	6.33% to 20.00%
Other equipment	5 to 22 years	0% to 5%	4.32% to 20.00%

The estimated useful life and the estimated net residual value of a fixed asset and the depreciation method applied to the asset are reviewed, and adjusted as appropriate at each year-end.

(c) The carrying amount of a fixed asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(18)).

(d) Basis for identification of fixed assets held under finance leases and related measurement

A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an asset. The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge (Note 2(25)(b)).

Fixed assets held under a finance lease is depreciated on a basis consistent with the depreciation policy adopted for fixed assets that are self-owned. When a leased asset can be reasonably determined that its ownership will be transferred at the end of the lease term, it 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.

(e) Disposal of fixed assets

A fixed asset is derecognised on disposal or when no future economic benefit is expected from its use or disposal. The amount of proceeds from disposals on sale, transfer, retirement or damage of a fixed asset net of its carrying amount and related taxes and expenses is recognised in profit or loss for the current period.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(14) Construction in progress

Construction in progress is measured at actual cost. Actual cost comprises construction costs, installation costs, borrowing costs that are eligible for capitalisation and other costs necessary to bring the fixed assets ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation begins from the following month. The carrying amount of construction in progress is reduced to the recoverable amount when the recoverable amount is below its carrying amount (Note 2(18)).

(15) Borrowing costs

The borrowing costs that are directly attributable to acquisition and construction of an asset that needs a substantially long period of time for its intended use commence to be capitalised and recorded as part of the cost of the asset when expenditures for the asset and borrowing costs have been incurred, and the activities relating to the acquisition and construction that are necessary to prepare the asset for its intended use have commenced. The capitalisation of borrowing costs ceases when the asset under acquisition or construction becomes ready for its intended use and the borrowing costs incurred thereafter are recognised in profit or loss for the current period. Capitalisation of borrowing costs is suspended during periods in which the acquisition or construction of a fixed asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For the specific borrowings obtained for the acquisition or construction of an asset qualifying for capitalisation, the amount of borrowing costs eligible for capitalisation is determined by deducting any interest income earned from depositing the unused specific borrowings in the banks or any investment income arising on the temporary investment of those borrowings during the capitalisation period.

For general borrowings utilised for the acquisition and construction of an asset qualifying for capitalisation, the capitalised amount of the general borrowings is determined by the weighted average of the excess of accumulated capital expenditure over capital expenditure of the special borrowings multiplied by the weighted average effective interest rate of the utilised general borrowings. The effective interest rate is the interest rate at which the future cash flows of the borrowings over the estimated life or a shorter applicable period are discounted into the initial recognised amount of the borrowings.

(16) Intangible assets

Intangible assets include land use rights, sea use rights and software, and are measured at cost. The intangible assets contributed by the state-owned shareholders upon the reorganisation of the Group into a corporation are recognised based on the evaluated amounts as approved by the state-owned assets administration department.

(a) Land use rights and sea use rights

Land use rights are amortised on the straight-line basis over their approved use period of 20 to 70 years. If the acquisition costs of the land use rights and the buildings located thereon cannot be reasonably allocated between the land use rights and the buildings, all of the acquisition costs are recognised as fixed assets.

Sea use rights are amortised on the straight-line basis over their approved use period of 50 years.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(16) Intangible assets (Cont'd)

(b) Other intangible assets

Fixed assets other than land use rights and sea use rights are amortised on a straight-line-basis over the expected useful lives of 2 to 25 years.

(c) Periodical review of useful life and amortisation method

For an intangible asset with a finite useful life, review of its useful life and amortisation method is performed at each year-end, with adjustment made as appropriate.

(d) Research and development

The expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase based on its nature and whether there is material uncertainty that the research and development activities can form an intangible asset at the end of the project.

Expenditure on the research phase is recognised in profit or loss in the period in which it is incurred. Expenditure on the development phase is capitalised only if all of the following conditions are satisfied:

- management intends to complete the intangible asset, and use or sell it;
- it can be demonstrated how the intangible asset will generate economic benefits: products with the application of intangible assets or the intangible assets themselves can prove to have market value, intangible assets for internal use application can prove to be of usefulness;
- there are adequate technical, financial and other resources to complete the development and the ability to use or sell the intangible asset;
- it is technically feasible to complete the intangible asset so that it will be available for use or sale; and
- the expenditure attributable to the intangible asset during its development phase can be reliably measured.

Other development expenditures that do not meet the conditions above are recognised in profit or loss in the period in which they are incurred. Development costs previously recognised as expenses are not recognised as an asset in a subsequent period. Capitalised expenditure on the development phase is presented as development costs in the balance sheet and transferred to intangible assets at the date that the asset is ready for its intended use.

(e) Impairment of intangible assets

The carrying amount of intangible assets is reduced to the recoverable amount when the recoverable amount is below the carrying amount (Note 2(18)).

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(17) Long-term prepaid expenses

Long-term prepaid expenses include the expenditure for improvements to fixed assets held under operating leases, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent years. Long-term prepaid expenses are amortised on the straight-line basis over the expected beneficial period and are presented at actual expenditure net of accumulated amortisation.

(18) Impairment of long-term assets

Fixed assets, construction in progress, intangible assets with finite useful lives, investment properties that are measured at cost and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of an asset is less than its carrying amount, a provision for impairment and an impairment loss are recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

Goodwill that is separately presented in the financial statements is tested at least annually for impairment, irrespective of whether there is any indication that it may be impaired. In conducting the test, the carrying amount of goodwill is allocated to the related asset groups or groups of asset groups which are expected to benefit from the synergies of the business combination. If the result of the test indicates that the recoverable amount of an asset group or a group of asset groups, including the allocated goodwill, is lower than its carrying amount, the corresponding impairment loss is recognised. The impairment loss is first deducted from the carrying amount of goodwill that is allocated to the asset group or group of asset groups, and then deducted from the carrying amounts of other assets within the asset group or group of asset groups in proportion to the carrying amounts of assets other than goodwill.

Once the above asset impairment loss is recognised, it will not be reversed for the value recovered in the subsequent periods.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(19) Employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for termination of employment relationship, which include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits.

(a) Short-term employee benefits

Short-term employee benefits include wages or salaries, bonus, allowances and subsidies, staff welfare, premiums or contributions on medical insurance, work injury insurance and maternity insurance, housing funds, union running costs and employee education costs, short-term paid absences, etc. The short-term employee benefits actually occurred are recognised as a liability in the accounting period in which the service is rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets. Non-monetary benefits are measured at fair value.

(b) Post-employment benefits

The Group classifies post-employment benefit plans into defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into a separate fund and will have no obligation to pay further contributions; and defined benefit plans are post-employment benefit plans other than defined contribution plans. During the reporting period, the Group's post-employment benefits mainly include basic pensions, unemployment insurance and supplementary pensions, and all of them belong to the defined contribution plans.

Basic pensions

The Group's employees participate in the basic pension plan set up and administered by local authorities of Ministry of Human Resource and Social Security. Monthly payments of premiums on the basic pensions are calculated according to the bases and percentage prescribed by the relevant local authorities. When employees retire, the local labour and social security authorities are obliged to pay the basic pensions to them.

Supplementary pensions

The Group purchases supplementary pensions for employees, and pays insurance premium according to the policies of GEGC.

The amounts based on the above calculations are recognised as liabilities in the accounting period in which the service has been rendered by the employees, with a corresponding charge to the profit or loss for the current period or the cost of relevant assets.

(c) Termination benefits

The Group provides compensation for terminating the employment relationship with employees before the end of the employment contracts or as an offer to encourage employees to accept voluntary redundancy before the end of the employment contracts. The Group recognises a liability arising from compensation for termination of the employment relationship with employees, with a corresponding charge to profit or loss for the current period at the earlier of the following

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dates: 1) when the Group cannot unilaterally withdraw an employment termination plan or a curtailment proposal; 2) when the Group recognises costs or expenses for a restructuring that involves the payment of termination benefits.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(19) Employee benefits (Cont'd)

(c) Termination benefits (Cont'd)

Early retirement benefits

The Group offers early retirement benefits to those employees who accept early retirement arrangements. The early retirement benefits refer to the salaries and social security contributions to be paid to and for the employees who accept voluntary retirement before the normal retirement date prescribed by the State, as approved by the management. The Group pays early retirement benefits to those early retired employees from the early retirement date until the normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognised as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognised in profit or loss in the period in which they occur.

The termination benefits expected to be settled within one year since the balance sheet date are classified as current liabilities.

(20) Dividend distribution

Cash dividends are recognised as liabilities in the period in which the dividends are approved by the shareholders' meeting.

(21) Provisions

Provisions for product warranties, onerous contracts, etc. are recognised when the Group has a present obligation, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the obligation can be measured reliably.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Factors surrounding a contingency, such as the risks, uncertainties and the time value of money, are taken into account as a whole in reaching the best estimate of a provision. Where the effect of the time value of money is material, the best estimate is determined by discounting the related future cash outflows. The increase in the discounted amount of the provision arising from passage of time is recognised as interest expense.

The carrying amount of provisions is reviewed at each balance sheet date and adjusted to reflect the current best estimate.

The Group recognises the loss provision of financial guarantee contracts which provision is based on ECL.

The provisions expected to be settled within one year since the balance sheet date are classified as current liabilities.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(22) Revenue recognition

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is shown net of discounts, rebates and returns.

Revenue is recognised when it's probable that the economic benefits associated with the transaction will flow to the Group, the related revenue can be reliably measured, and the specific criteria of revenue recognition have been met for each type of the Group's activities as described below:

(a) Revenue from sales of electricity and heat energy

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

(b) 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 utilisation confirms receipt.

(c) Rendering of services

The amount of revenue is determined in accordance with the fair value of the consideration received or receivable for rendering of services.

The Group provides electric power transactions service and maintenance service to external parties.

For the electric power transactions service provided by the Group to external parties, upon the receiving of the service, revenue is recognised based on the difference between the purchase price and the selling price of electricity.

The Group provides maintenance service to external parties. The related revenue is recognised using the percentage of completion method, with the stage of completion being determined based on proportion of costs incurred to date to the estimated total costs.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(23) Government grants

Government grants refer to the monetary or non-monetary assets obtained by the Group from the government, including tax return, financial subsidy, etc.

Government grants are recognised when the grants can be received and the Group can comply with all attached conditions. If a government grant is a monetary asset, it will be measured at the amount received or receivable. If a government grant is a non-monetary asset, it will be measured at its fair value. If it is unable to obtain its fair value reliably, it will be measured at its nominal amount.

Government grants related to assets refer to government grants which are obtained by the Group for the purposes of purchase, construction or acquisition of the long-term assets. Government grants related to income refer to the government grants other than those related to assets.

Government grants related to assets are recorded as deferred income and recognised in profit or loss on a systemic basis over the useful lives of the assets.

Government grants related to daily operationthat compensate future costs, expenses or losses are recorded as deferred income and recognised in profit or loss in reporting the related costs, expenses or losses; government grants related to income that compensate incurred costs, expenses or losses are recognised in profit or loss directly in the current period. Other government grants related to income that compensate future costs, expenses or losses are recorded as deferred income and deduct against the related costs, expenses or losses; government grants related to income that compensate incurred costs, expenses or losses deduct against

The Group applies the presentation method consistently to the similar government grants in the financial statements.

Government grants that are related to ordinary activities are included in operating profit, otherwise, they are recorded in non-operating income or expenses.

For the policy loans with favourable interest rates, the Group records the loans at the actual amounts and calculates the interests by loan principals and the favourable interest rates.

(24) Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities are calculated and recognised based on the differences arising between the tax bases of assets and liabilities and their carrying amounts (temporary differences). Deferred tax asset is recognised for the deductible losses that can be carried forward to subsequent years for deduction of the taxable profit in accordance with the tax laws. No deferred tax liability is recognised for a temporary difference arising from the initial recognition of goodwill. No deferred tax asset or deferred tax liability is recognised for the temporary differences resulting from the initial recognition of assets or liabilities due to a transaction other than a business combination, which affects neither accounting profit nor taxable profit (or deductible losses). At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Deferred tax assets are only recognised for deductible temporary differences, deductible losses and tax credits to the extent that it is probable that taxable profit will be available in the future against which the deductible temporary differences, deductible losses and tax credits can be utilised.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(24) Deferred tax assets and deferred tax liabilities (Cont'd)

Deferred tax liabilities are recognised for temporary differences arising from investments in subsidiaries, associates and joint ventures, except where the Group is able to control the timing of reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. When it is probable that the temporary differences arising from investments in subsidiaries, associates and joint ventures will be reversed in the foreseeable future and that the taxable profit will be available in the future against which the temporary differences can be utilised, the corresponding deferred tax assets are recognised.

Deferred tax assets and liabilities are offset when:

- the deferred tax assets and liabilities are related to the same tax payer within the Group and the same taxation authority; and,
- that tax payer within the Group has a legally enforceable right to offset current tax assets against current tax liabilities.

(25) Leases

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is a finance lease. An operating lease is a lease other than a finance lease.

(a) Operating leases

Lease payments under an operating lease are recognised on a straight-line basis over the period of the lease, and are either capitalised as part of the cost of related assets, or charged as an expense for the current period.

Rental income from an operating lease is recognised on a straight-line basis over the period of the lease.

(b) Finance leases

The leased asset is recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The difference between the recorded amount of the leased asset and the minimum lease payments is accounted for as unrecognised finance charge and is amortised using the effective interest method over the period of the lease. A long-term payable is recorded at the amount equal to the minimum lease payments less the unrecognised finance charge.

(26) Segment information

The Group identifies operating segments based on the internal organisation structure, management requirements and internal reporting system, and discloses segment information of reportable segments which are determined on the basis of operating segments.

An operating segment is a component of the Group that satisfies all of the following conditions: (1) the component is able to earn revenues and incur expenses from its ordinary activities; (2) whose operating results are regularly reviewed by the Group's management to make decisions about resources to be allocated to the segment and to assess its performance, and (3) for which the information on financial position, operating results and cash flows is available to the Group. If two or more operating segments have similar economic characteristics and satisfy certain conditions, they are aggregated into one single operating segment.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(27) Critical accounting estimates and judgements

The Group continually evaluates the critical accounting estimates and key judgements applied based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Key judgement in critical accounting policy

Critical accounting estimates and key assumptions listed beblow contain significant risks to major changes on the carrying amount of assests and liabilities in the following accouting year:

(i) Classfication of financial assets

The Group determines the classification of financial assets based on the significant judgement of analysis of business model and cash flow characteristics.

The Group determines the business model of managing financial assets based on the level of financial assets' group. The consideration factors include the means of assessing and reporting to the key management the performance of the financial assets, the risks that hinders the performance assets and the managing style, and the means of payment to its own management personnel.

The major judgment in determining whether the contractual cash flow characteristics of the financial assets is in consistency of the borrowing arrangement includes: whether there is a change in the amount of principal or the timing of the duration when repayment in advance and etc. occurs; whether the mere considerations of interest are time value of the money, credit risk, other basic risks of debt and consideration for cost and profit. For example, the judgment on the amount of repayment in advance should be whether or not the amount only reflects the unpaid principle, the interest that is calculated based on the unpaid principle and the reasonable compensation for terminating the contract in advance.

(ii) Assessment of significant increase in credit risk

The assessment of the Group on whether the increase of credit risk is significant includes changes in one or more than one indicators: the conditions of the debtor's business, the internal and external credit rating, the significant change in the actual or expected operation result, the value of collateral asset or the significant decrease in the credit rating of the guarantor.

The assessment of the Group on whether a credit loss occurs includes the debtors are in financial difficulties, in the restructure of debts or possibly subject to bankruptcy.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(27) Critical accounting estimates and judgements(Cont'd)

(b) Critical accounting estimates and key assumptions

(i) Estimates on impairment of long-term assets

As described in Note 2(18), fixed assets, construction in progress, intangible assets with finite useful lives, investment properties that are measured at cost and long-term equity investments in subsidiaries, joint ventures and associates are tested for impairment if there are indications that the assets may be impaired at the balance sheet date.

When assessing whether the above assets are impaired, management mainly evaluates and analyses: (i) whether events affecting asset impairment occurred; (ii) whether the present value of expected cash flows arising from the continuing use or disposal of the asset is lower than its carrying amount; and (iii) whether the significant assumptions used in the calculation of the present value of the estimated cash flows are appropriate.

Relevant assumptions adopted by the Group to determine impairment, e.g. changes in assumptions on discount rate and growth rate used to calculate the present value of future cash flows, may have material impact on the present value used in the impairment test, and cause impairment in the above-mentioned long-term assets of the Group.

(ii) Measurement of expected credit losses

The Group calculates expected credit losses through default risk exposure and expected credit loss rate, and determines the expected credit loss rate based on default probability and default loss rate. In determining the expected credit loss rate, the Group uses data such as internal historical credit loss experience, etc., and adjusts historical data based on current conditions and forward-looking information. When considering forward-looking information, the indicators used by the Group include the risk of economic downturn, the external market environment, the technological environment and changes in customer conditions. The Group regularly monitors and reviews assumptions related to the calculation of expected credit losses. In 2019, there was no significant change in the above estimation techniques and key assumptions.

(iii) Useful lives and residual values of fixed assets

The useful lives and residual values of fixed assets are determined by management after taking into account their durability and past maintenance records based on the industry practice. The useful lives and residual values of the assets are reviewed at each year-end with appropriate adjustments made accordingly.

On 25 January 2019, the Group revised the estimated useful life of relevant fixed assets of Shajiao A Power Plant(Note 2(29)).

Any changes in the useful lives and residual values of fixed assets may have significant impact on the Group's net profit.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(27) Critical accounting estimates and judgements (Cont'd)

(b) Critical accounting estimates and key assumptions (Cont'd)

(iv) Income taxes

The Group is subject to enterprise income taxes in numerous jurisdictions. There are some transactions and events for which the ultimate tax determination is uncertain during the ordinary course of business. Significant judgement is required from the Group in determining the provision for income taxes in each of these jurisdictions. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(v) Deferred tax assets

Whether to recognise the deferred tax assets arising from deductible losses and deductible temporary differences largely depends on the judgement of management on whether sufficient future taxable income that can be used to deduct deductible losses and deductible temporary differences can be obtained in the future periods. A lot of judgements and estimates are required to calculate the future taxable income, and tax planning strategies and the influence of overall economic environment shall be considered at the same time. Different judgements and estimates will impact on the recognition and amount of deferred tax assets.

When it is estimated that sufficient future taxable income, against which deductible losses and temporary differences can be utilised, can be obtained in the future periods, deferred tax assets are recognised to the extent that it is probable that taxable income will be available in the future against which deductible losses and temporary differences can be utilised, using tax rates applicable in the period when the asset would be recovered. In determining the amount of deferred tax assets, the Group exercises judgements about the estimated timing and amount of future taxable income, and about 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 profits will affect the amount of deferred tax assets.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(28) Significant changes in accounting policies

In 2017, the Ministry of Finance issued the revised *CAS 22 - Recognition and Measurement of Financial Instruments*, *CAS 23 - Transfer of Financial Assets* and *CAS 37 - Presentation of Financial Instruments* (hereinafter collectively referred to as "new financial instruments standards"), and the *Circular on Revising and Issuing the Formats of Corporate Financial Statements for the Year of 2019* (Cai Kuai [2019] No. 6) in 2019. The Group's financial statements for the year ended 2019 are prepared in accordance with the above standards and circular. Impacts of the revisions on the financial statements of the Group and the Company are as follows:

(a) Revisions on the formats of corporate financial statements

(i) Impacts on the consolidated balance sheet are as follows:

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected	
		31 December 2018	1 January 2018
The Group split notes and accounts receivables into accounts receivable and notes receivable.	Accounts receivable	3,358,331,949	2,826,237,259
	Notes and accounts receivables	(3,358,331,949)	(2,826,237,259)
The Group split notes and accounts payables into accounts payable and notes payable.	Accounts payable	2,196,600,415	2,219,027,261
	Notes payable	941,161,107	297,611,800
	Notes and accounts payables	(3,137,761,522)	(2,516,639,061)

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(28) Significant changes in accounting policies (Cont'd)

(a) Revisions on the formats of corporate financial statements

(ii) Impacts on the Company's balance sheet are as follows:

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected	
		31 December 2018	1 January 2018
The Company split notes and accounts receivables into accounts receivable and notes receivable.	Accounts receivable	264,537,475	195,462,150
	Notes and accounts receivables	(264,537,475)	(195,462,150)
The Company split notes and accounts payables into accounts payable and notes payable.	Accounts payable	223,827,319	221,325,935
	Notes and accounts payables	(223,827,319)	(221,325,935)

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(28) Significant changes in accounting policies (Cont'd)

(b) Financial instruments

In accordance with relevant provisions of the new financial instruments standards, the Group and the Company recognised the cumulative effect of initially applying the standards as an adjustment to the opening balance of retained earnings in 2019 and other relevant line items in the financial statements. The comparatives were not restated. As at 31 December 2018 and 1 January 2019, the Group and the Company had no financial assets designated as at fair value through profit or loss.

(i) As at 1 January 2019, the financial assets presented in the Group's consolidated financial statements were classified and measured in accordance with the old/new financial instruments standards as follows:

Old financial instruments standards			New financial instruments standards		
Line item	Measurement	Carrying amount	Line item	Measurement	Carrying amount
Cash at bank and on hand	Amortised cost	5,574,382,892	Cash at bank and on hand	Amortised cost	5,574,382,892
Accounts receivable	Amortised cost	3,358,331,949	Accounts receivable	Amortised cost	3,358,331,949
Other receivables	Amortised cost	222,976,826	Other receivables	Amortised cost	222,976,826
Available-for-sale financial assets	Fair value through other comprehensive income (equity instruments)	1,139,806,331	Investments in other equity instruments	Fair value through other comprehensive income	1,565,806,331
	Cost (equity instruments)	426,000,000			
Long-term receivables	Amortised cost	89,762,071	Long-term receivables	Amortised cost	89,762,071

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(28) Significant changes in accounting policies (Cont'd)

(b) Financial instruments (Cont'd)

(i) As at 1 January 2019, the financial assets presented in the Company's financial statements were classified and measured in accordance with the old/new financial instruments standards as follows:

Old financial instruments standards			New financial instruments standards		
Line item	Measurement	Carrying amount	Line item	Measurement	Carrying amount
Cash at bank and on hand	Amortised cost	385,577,463	Cash at bank and on hand	Amortised cost	385,577,463
Accounts receivable	Amortised cost	264,537,475	Accounts receivable	Amortised cost	264,537,475
Other receivables	Amortised cost	375,296,228	Other receivables	Amortised cost	375,296,228
Available-for-sale financial assets	Fair value through other comprehensive income (equity instruments)	1,139,806,331	Investments in other equity instruments	Fair value through other comprehensive income	1,565,806,331
	Cost (equity instruments)	426,000,000			
Long-term receivables	Amortised cost	306,460,000	Long-term receivables	Amortised cost	306,460,000

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(28) Significant changes in accounting policies (Cont'd)

(b) Financial instruments (Cont'd)

(ii) As at 1 January 2019, the carrying amount of financial assets is reconciled from the old financial instruments standards to the new financial instruments standards based on the new measurement:

Measurement under the new financial instruments standards	Note
Financial assets at amortised cost	Table 1
Financial assets at fair value through other comprehensive income	Table 2

Table 1: Financial assets at amortised cost under the new financial instruments standards

	Note	Carrying amount	
		Consolidated	Company
Receivables (Note 1)			
31 December 2018		3,671,070,846	946,293,703
Remeasurement: Total expected credit losses		-	-
1 January 2019		3,671,070,846	946,293,703

Table 2: Financial assets at fair value through other comprehensive income under the new financial instruments standards

	Note	Carrying amount	
		Consolidated	Company
Investments in other equity instruments			
31 December 2018		-	-
Add: Transfer from available-for-sale financial assets (under the old financial instruments standards)	i)	1,565,806,331	1,565,806,331
1 January 2019		1,565,806,331	1,565,806,331

	Note	Carrying amount	
		Consolidated	Company
Available-for-sale financial assets			
31 December 2018		1,565,806,331	1,565,806,331
Less: Transfer to financial assets at fair value through other comprehensive income (under the new financial instruments standards)	i)	(1,565,806,331)	(1,565,806,331)
1 January 2019		-	-
Total financial assets at fair value through other comprehensive income (under the new financial instruments standards)		1,565,806,331	1,565,806,331

Note 1: As at 31 December 2018 and 1 January 2019, the balance of receivables included accounts receivable, other receivables and long-term receivables.

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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(28) Significant changes in accounting policies (Cont'd)

(b) Financial instruments (Cont'd)

(ii) As at 1 January 2019, the carrying amount of financial assets is reconciled from the old financial instruments standards to the new financial instruments standards based on the new measurement (Cont'd):

i) As at 31 December 2018, the carrying amount of unlisted equity investments measured at cost held by the Group and the Company was RMB 426,000,000, and there was no accumulated impairment provision. The carrying amount of listed equity investments measured at fair value held by the Group and the Company was RMB 1,139,806,331. As at 1 January 2019, the Group and the Company, out of strategic investment concern, elected to designate investments in equity instruments as financial assets at fair value through other comprehensive income which were presented as investments in other equity instruments. The restatement had no impacts on the Group's opening balance of other comprehensive income and retained earnings.

(iii) As at 1 January 2019, the Group's and the Company's provision for impairment of receivables, other receivables and long-term receivables measured at amortised cost was adjusted to ECL loss provision in accordance with the new financial instruments standards without significant impacts from remeasurement.

As at 1 January 2019, the Group's and the Company's provision for available-for-sale financial assets measured at amortised cost was adjusted to financial assets at fair value through other comprehensive income under the new financial instruments standards with no impacts on the Group's and the Company's opening balance of other comprehensive income and retained earnings.

(29) Significant changes in accounting estimates

According to the Group's management assessment the estimated useful life of relevant fixed assets would be significantly shortened according to the current shutdown requested by Guangdong Development and Reform Commission. On 25 January 2019, the Group held the Ninth Session of the Board during its 7th meeting, which approved *the Proposal on Adjustment for the Depreciation Periods for Fixed Assets of Shajiao A*. According to the proposal, Shajiao A started to change the estimated useful life of certain fixed assets since 1 January 2019.

The changes in estimated useful life of fixed assets are as follows:

	Estimated useful life before the changes	Estimated useful life after the changes
Buildings	5 to 40 years	5 years
Power generation equipment	2 to 18 years	1 to 5 years
Other equipment	2 to 15 years	1 to 5 years

Besides the changes in accounting estimates mentioned above, the judgement and assumption made by the Group is in consistence with that of financial statement of for the year ended 31 December 2018.

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3 Taxation

(1) The main categories and rates of taxes applicable to the Group are set out below:

Category	Tax base	Tax rate/Levying rate
Value-added tax ("VAT") (a)	Taxable value-added amount (Tax payable is calculated using the taxable sales amount multiplied by the applicable tax rate less deductible VAT input of the current period)	6%, 9%, 10%, 13% and 16%
	Revenue from hydropower sales	3%
City maintenance and construction tax	Amount of VAT paid	5% to 7%
Educational surcharge	Amount of VAT paid	3%
Local educational surcharge	Amount of VAT paid	2%
Enterprise income tax (b)	Taxable income	15%, 20% and 25%
House property tax	Property's rental income or the residual value from original value less the deducting proportion	12% and 1.2%
Environmental protection tax (c)	Calculated and paid based on the pollution equivalent values or the discharge of taxable pollutants multiplied by the applicable tax amounts	Calculated and paid based on the applicable tax amounts of different pollutants

(a) Pursuant to the *Announcement on Relevant Policies for Deepening Value-added Tax Reform* ([2019] No. 39) issued by the Ministry of Finance, the State Administration of Taxation and the General Administration of Customs and relevant regulations, the applicable tax rates of revenue arising from sales of electricity, sales of by-products and maintenance and repair services and revenue arising from sales of heat energy of the Group, are 13% and 9% respectively from 1 April 2019, while the VAT rates were 16% and 10% respectively before then. The Group's revenue from entrusted loans between companies and training service is subject to VAT at the rate of 6%.

Pursuant to *Notice on the Policy of Streamlining and Combination of Value-added Tax Levy Rates* jointly issued by the Ministry of Finance and the State Administration of Taxation, revenue from sales of electricity generated from small hydropower units at the county level or below is subject to VAT at the rate of 3%. Three small hydropower plants of Lincang Yudean Energy Co., Ltd. ("Lincang Energy"), a subsidiary of the Company, are subject to VAT at the rate of 3%.

(b) Except for the subsidiaries including Guangdong Yudean Dianbai Wind Power Co., Ltd. ("Dianbai Wind Power"), Guangdong Yudean Qujie Wind Power Co., Ltd. ("Qujie Wind Power"), Guangdong Yudean Leizhou Wind Power Co., Ltd. ("Leizhou Wind Power"), Zhanjiang Electric Co., Ltd. ("Zhanjiang Electric") and Zhanjiang Yuheng Power Maintenance Installation Co., Ltd. ("Yuheng Electric") (Note 3(2)), the applicable tax rate for the Company and its subsidiaries is 25%.

(c) According to the *Environmental Protection Tax Law of the People's Republic of China*, the Group has applied the environmental protection tax since 1 January 2018. The taxation objects include air pollutants, water pollutants, solid waste and noise. Taxation is based on the amount of pollutants' emissions.

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3 Taxation (Cont'd)

(2) Tax preference

(a) Pursuant to the approval documents (Cai Shui [2008] No. 46 and Guo Shui Fa [2009] No. 80), Dianbai Wind Power, Qujie Wind Power and Leizhou Wind Power are exempted from enterprise income tax in the first three years counting from the year when revenue from production and operations is recorded for the first time, and can enjoy half rate reduction in the following three years. As the local taxation bureau considered that Dianbai Wind Power and Qujie Wind Power posted profits for the first time in 2016 and Leizhou Wind Power posted profits for the first time in 2017, the applicable enterprise income tax rates for Dianbai Wind Power, Qujie Wind Power and Leizhou Wind Power were 12.5%, 12.5% and 0% in 2019 (2018: 0%, 0% and 0%) respectively.

In addition, 50% of VAT levied on the sales of electricity generated by Guangdong Yudean Shibeishan Wind Power Co., Ltd. ("Shibeishan Wind Power"), Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd. ("Zhanjiang Wind Power"), Guangdong Yudean Xuwen Wind Power Electricity Co., Ltd. ("Xuwen Wind Power"), Dianbai Wind Power, Qujie Wind Power, Leizhou Wind Power and Huilai Wind Power Co., Ltd. ("Huilai Wind Power") will be refunded immediately in accordance with the *Notice Concerning Value-added Tax Policies on Wind Power Generation* (Cai Shui [2015] No. 74).

(b) In 2008, Zhanjiang Electric, a subsidiary of the Company, was granted a *High-tech Enterprise Certificate* (Certificate No.: GR201744007248) by the Department of Science & Technology of Guangdong Province, Department of Finance of Guangdong Province, the State Taxation Bureau of Guangdong Province and the Local Taxation Bureau of Guangdong Province on 11 December 2017. The certificate is valid for three years. Under Article 28 of the *Enterprise Income Tax Law of the People's Republic of China* and the circular ([2017] No. 24) issued by the State Administration of Taxation, the tax preference can be requested as of the year of the issue of the high-tech enterprise certificate, and the income tax rate applicable to Zhanjiang Electric for 2019 was 15% (2018: 15%).

(c) In accordance with regulations of the *Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises* (Cai Shui [2019] No. 13), for a small enterprise with low profits, for the part of the annual taxable income not exceeding RMB 1 million, the amount of taxable income is reduced to 25% of income and is subject to the enterprise income at the tax rate of 20%; for the part between RMB 1 million and RMB 3 million, the amount of taxable income is reduced to 50% of income and is subject to the enterprise income at the tax rate of 20%. The above small enterprises with low profits refer to enterprises that are engaged in non-restricted and prohibited industries of the country, which meet three conditions of annual taxable income not exceeding RMB 3 million, the number of employees not exceeding 300, and the amount of total assets not exceeding RMB 50 million. Yuheng Electric met the conditions for small low-profit enterprises in 2019, and its amount of taxable income was reduced to 25% of income and was subject to the enterprise income tax at the tax rate of 20%. Therefore, the applicable enterprise income tax rate for Yuheng Electric was 20% (2018: 20%).

(d) Pursuant to *Notice on Issues Concerning the Implementation of the Preferential Catalogue of Enterprise Income Tax for Integrated Utilisation of Resources* (Cai Shui [2008] No. 47), since 1 January 2008, enterprises use the resources listed in the *Preferential Catalogue of Enterprise Income Tax for Integrated Utilisation of Resources (2008 Edition)* as the main raw materials to produce products in the above catalogue that meet national or industry related standards, and the income from above products is reduced to 90% of the total income of the enterprises for the year. The Group's subsidiaries Zhanjiang Electric and Guangdong Huizhou Pinghai Power Plant Co., Ltd. ("Pinghai Power Plant") use coal ash to produce commercial coal ash, which meets the above-mentioned preferential tax conditions for integrated utilisation of resources. Therefore, in 2019, revenue from sales of coal ash from Zhanjiang Electric and Pinghai Power Plant was reduced to 90% of the total income for the year.

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4 Notes to the consolidated financial statements

(1) Cash at bank and on hand

	31 December 2019	31 December 2018
Cash on hand	25,114	31,413
Cash at bank	611,602,016	592,232,767
Deposits with Energy Group Finance Company (b)	4,468,014,839	4,978,118,712
Other cash balances (c)	2,000,000	4,000,000
	5,081,641,969	5,574,382,892

(a) As at 31 December 2019, the Group had no offshore deposit (31 December 2018: Nil).

(b) Deposits with Energy Group Finance Company refer to the deposits placed in Energy Group Finance Company (Note 8(6)). Energy Group Finance Company is a financial institution established with the approval of the People's Bank of China. Both the Company and Energy Group Finance Company are controlled by GEGC.

(c) As at 31 December 2019, other cash balances amounted to RMB 2,000,000 (31 December 2018: RMB 4,000,000) and represented deposits of Huizhou Pingdian Comprehensive Energy Co., Ltd. ("Pingdian Comprehensive"), a subsidiary of the Group, for the purpose of applying for performance guarantees for admission to sales of electricity at Guangdong Power Exchange Centre.

(2) Accounts receivable

	31 December 2019	31 December 2018
Accounts receivable	3,197,845,885	3,358,489,658
Less: Provision for bad debts	(155,421)	(157,709)
	3,197,690,464	3,358,331,949

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2019	31 December 2018
Within 1 year	3,181,230,519	3,358,257,370
1 to 2 years	16,615,366	144,000
2 to 3 years	-	88,288
	3,197,845,885	3,358,489,658

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4 Notes to the consolidated financial statements (Cont'd)

(2) Accounts receivable (Cont'd)

(b) As at 31 December 2019, the five largest amounts of accounts receivable aggregated by debtors were analysed as follows:

	Balance	Amount of provision for bad debts	Percentage in total balance of accounts receivable
Total amount of five largest accounts receivable	3,118,521,413	-	97.52%

(c) Provision for bad debts

For accounts receivable, irrespective of whether a significant financing component exists, the Group measures the loss provision according to the lifetime expected credit losses.

From 31 December 2019, the Group's recognition standards and accrual methods for provision for bad debts of accounts receivable are detailed in Note 2(9).

As at 31 December 2019, accounts receivable for which the related provision for bad debts was provided on the grouping basis were analysed as follows:

Grouping 1:

As at 31 December 2019, the amount of receivables from sales of electricity of the Group was RMB 3,172,505,993, which was mainly from China Southern Power Grid Co., Ltd. and its subsidiaries (collectively referred to as "China Southern Power Grid"). Taking into consideration its good credit, the Group believes that there is no significant credit risk in the receivables from sales proceeds of electricity, and the possibility of significant losses due to China Southern Power Grid's default is extremely low. The Group's expected credit loss rate for sales proceeds of electricity is 0%.

Grouping 2:

As at 31 December 2019, the amount of receivables from related parties of the Group was RMB 9,797,752, and the historical loss rate was extremely low. Therefore, The Group believes that there is no significant credit risk in the receivables from related parties, and the possibility of significant losses due to their default is extremely low. The Group's expected credit loss rate for receivables from related parties is 0%.

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4 Notes to the consolidated financial statements (Cont'd)

(2) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

As at 31 December 2019, accounts receivable for which the related provision for bad debts was provided on the grouping basis were analysed as follows (Cont'd):

Grouping 3:

	31 December 2019		
	Ending balance	Provision for bad debts	
	Amount	Lifetime expected credit loss rate	Amount
Within 1 year	15,542,140	1.00%	(155,421)

(d) In 2019, the amount of provision for bad debts of accounts receivable was RMB 155,421, and the amount of reversed provision for bad debts of accounts receivable in the current year was RMB 157,709, with corresponding ending balance of RMB 13,210,607. There was no provision for bad debts of accounts receivable written off.

(e) As at 31 December 2019, the right to collect electric charges of several electric subsidiaries, were pledged to banks to obtain long-term borrowings of RMB 4,231,292,593, including RMB 240,907,909 due within one year (31 December 2018: RMB 2,765,356,586, including RMB 213,259,115 due within one year) (Note 4(27)(a) and (29)(a)).

(3) Advances to suppliers

	31 December 2019	31 December 2018
Advances to suppliers	605,429,334	906,566,047
Less: Provision for bad debts	(115,001)	(305,001)
	605,314,333	906,261,046

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4 Notes to the consolidated financial statements (Cont'd)

(3) Advances to suppliers (Cont'd)

(a) The ageing of advances to suppliers is analysed below:

	31 December 2019		31 December 2018	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	604,059,281	99.77%	898,864,235	99.16%
1 to 2 years	886,809	0.15%	6,388,849	0.70%
2 to 3 years	115,026	0.02%	756,896	0.08%
Over 3 years	368,218	0.06%	556,067	0.06%
	605,429,334	100.00%	906,566,047	100.00%

As at 31 December 2019, advances to suppliers with ageing over one year amounted to RMB 1,370,503 (31 December 2018: RMB 7,701,812), mainly including prepayments for spare parts and materials.

(b) Provision for bad debts in the current year

	2019	2018
Opening balance	(305,001)	-
Increase in the current year	-	(305,001)
Reversal in the current year	190,000	-
Ending balance	(115,001)	(305,001)

(c) As at 31 December 2019, the five largest advances to suppliers aggregated by debtors were analysed as follows:

	Amount	% of total advances to suppliers
Total of the five largest advances to suppliers	561,925,680	92.81%

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4 Notes to the consolidated financial statements (Cont'd)

(4) Other receivables

	31 December 2019	31 December 2018
Receivables from sales of by-products	76,167,059	61,562,471
Supplementary medical insurance fund receivable	68,705,226	74,967,255
Land withdrawal receivable (a)	46,536,090	-
Land deposits receivable	23,446,000	23,446,000
Interest receivable	20,866,069	18,856,569
Project expenses paid on behalf	8,101,462	5,423,464
Reserves receivable	5,004,220	8,207,879
Government grants receivable	447,197	5,208,887
Others	35,274,171	34,749,156
	284,547,494	232,421,681
Less: Provision for bad debts	(11,745,906)	(9,444,855)
	272,801,588	222,976,826

(a) In 2019, due to the adjustment of Zhaoqing New Area's land plan, the Zhaoqing New Area Land Reserve Center recovered the land plot held by the Company's subsidiary Guangdong Yudean Yongan Natural Gas Thermal Power Co., Ltd. ("Yongan Natural Gas") at a consideration of RMB 93,072,180. As at 31 December 2019, Yongan Natural Gas received RMB 46,536,090, and the remaining amount of RMB 46,536,090 had not yet been recovered. When Yongan Natural Gas disposed the land, the difference of RMB 29,476,253 between the consideration of the land of RMB 93,072,180 and the carrying amount of the intangible assets of RMB 63,595,927 was included in the gains on disposal of intangible assets (Note 4(50)).

(b) The ageing of other receivables is analysed as follows:

	31 December 2019	31 December 2018
Within 1 year	191,812,809	188,702,751
1 to 2 years	58,978,320	33,895,584
2 to 3 years	24,490,685	2,033,130
Over 3 years	9,265,680	7,790,216
	284,547,494	232,421,681

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4 Notes to the consolidated financial statements (Cont'd)

(4) Other receivables (Cont'd)

(c) Provision for losses and changes in ending balance statements

	Stage 1					Stage 3		
	12-month expected credit loss rate (grouping)		12-month expected credit loss rate (individual)		Sub-total	Lifetime expected credit losses (credit impaired)		Total
	Ending balance	Provision for bad debts	Ending balance	Provision for bad debts	Provision for bad debts	Ending balance	Provision for bad debts	Provision for bad debts
31 December 2018	42,334,934	(2,437,143)	183,079,035	-	(2,437,143)	7,007,712	(7,007,712)	(9,444,855)
Changes in accounting policies	-	-	-	-	-	-	-	-
1 January 2019	42,334,934	(2,437,143)	183,079,035	-	(2,437,143)	7,007,712	(7,007,712)	(9,444,855)
Increase in the current year	34,018,630	(2,328,374)	53,082,239	-	(2,328,374)	-	-	(2,328,374)
Reversal in the current year	(34,975,056)	1,457,324	-	-	1,457,324	-	-	1,457,324
Transfer to Stage 3	(1,430,001)	-	-	-	-	1,430,001	(1,430,001)	(1,430,001)
31 December 2019	39,948,507	(3,308,193)	236,161,274	-	(3,308,193)	8,437,713	(8,437,713)	(11,745,906)

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4 Notes to the consolidated financial statements (Cont'd)

(4) Other receivables (Cont'd)

(c) Provision for losses and changes in ending balance statements (Cont'd):

As at 31 December 2019, the Group did not have any other receivables at Stage 2. Other receivables at Stage 1 and Stage 3 were analysed below:

(i) As at 31 December 2019, other receivables at Stage 1 with provision for bad debts on individual basis were analysed as follows:

	Ending balance	12-month expected credit loss rate	Provision for bad debts	Reason
Receivables from related parties	97,026,761	0.00%	-	The counterparty is a related party, with a historical loss rate of 0%, and the risk of expected credit losses is extremely low.
Supplementary medical insurance fund receivable	68,705,226	0.00%	-	The counterparty is Taikang Pension Company Limited Guangdong Branch ("Taikang Pension"), which mainly provides custody services for the Group's supplementary medical insurance fund. The historical loss rate is 0%, and the risk of expected credit losses is extremely low.
Land withdrawal receivable	46,536,090	0.00%	-	The counterparty is a government unit and the risk of expected credit losses is extremely low.
Land deposits receivable	23,446,000	0.00%	-	The counterparty is a government unit and the risk of expected credit losses is extremely low.
Government grants receivable	447,197	0.00%	-	The counterparty is a government unit and the risk of expected credit losses is extremely low.
	236,161,274		-	

(ii) As at 31 December 2019, other receivables at Stage 1 with provision for bad debts on grouping basis were analysed as follows:

	31 December 2019		
	Ending balance	Provision for losses	
	Amount	Amount	% of provision
Grouping 1			
Within 1 year	32,588,629	(331,096)	1.00%
1 to 2 years	4,057,224	(405,722)	10.00%
2 to 3 years	1,044,685	(313,406)	30.00%
Over 3 years	2,257,969	(2,257,969)	100.00%
	39,948,507	(3,308,193)	8.28%

(iii) As at 31 December 2019, provision for bad debts of other receivables at Stage 3 was analysed below:

	Ending balance	Lifetime expected credit loss rate	Provision for bad debts	Reason
Project expenses paid on behalf	2,356,339	100.00%	(2,356,339)	Due to financial difficulties of the counterparties, it is not expected to be recovered.
Reserves receivable	34,676	100.00%	(34,676)	Due to the employee's departure, it is not expected to be recovered.
Others	6,046,698	100.00%	(6,046,698)	Due to financial difficulties of the counterparties, it is not expected to be recovered.
	8,437,713		(8,437,713)	

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4 Notes to the consolidated financial statements (Cont'd)

(4) Other receivables (Cont'd)

(d) In 2019, the amount of provision for bad debts was RMB 3,758,375, and the amount of reversed provision for bad debts in the current year was RMB 1,457,324, with corresponding ending balance of RMB 34,975,056. There was no provision for bad debts written off.

(e) As at 31 December 2019, the five largest other receivables aggregated by debtors were analysed as follows:

	Nature	Balance	Ageing	% of total balance of other receivables	Provision for bad debts
Guangdong Yudean Environmental Protection Co., Ltd. ("Yudean Environmental")	Receivables from sales of by-products	69,568,758	Within 1 year	24.45%	-
Taikang Pension	Supplementary medical insurance fund receivable	68,705,226	Within 2 years	24.15%	-
Zhaoqing New Area Land Reserve Center	Land withdrawal receivable	46,536,090	Within 1 year	16.35%	-
Maoming Port Bohe New Port Construction Headquarters Office	Land deposits receivable	23,446,000	2 to 3 years	8.24%	-
China Energy Engineering Group Guangdong Power Engineering Co., Ltd.	Project expenses paid on behalf	3,270,049	Within 2 years	1.15%	(63,133)
		211,526,123		74.34%	(63,133)

(f) As at 31 December 2019, the Group's government grants recognised at amounts receivable were analysed as follows:

	Government grants	Balance	Ageing	Estimated time, amount and basis of collection
Xuwen Taxation Bureau	Immediate refund of VAT	244,947	Within 1 year	Expected to be fully recovered by June 2020
Zhanjiang Taxation Bureau	Immediate refund of VAT	146,714	Within 1 year	Expected to be fully recovered by June 2020
Huilai Taxation Bureau	Immediate refund of VAT	55,536	Within 1 year	Expected to be fully recovered by June 2020
		447,197		

(5) Inventories

(a) Inventories are summarised by categories as follows:

	31 December 2019			31 December 2018		
	Ending balance	Provision for decline in the value of inventories	Carrying amount	Ending balance	Provision for decline in the value of inventories	Carrying amount
Fuel	1,090,379,874	(219,427)	1,090,160,447	780,978,630	(1,429,525)	779,549,105
Spare parts	718,858,215	(14,790,029)	704,068,186	697,094,406	(18,128,209)	678,966,197
Others	22,830,636	-	22,830,636	23,301,968	-	23,301,968
	1,832,068,725	(15,009,456)	1,817,059,269	1,501,375,004	(19,557,734)	1,481,817,270

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4 Notes to the consolidated financial statements (Cont'd)

(5) Inventories (Cont'd)

(b) Provision for decline in the value of inventories is analysed as follows:

	31 December 2018	Increase in the current year	Written off in the current year	31 December 2019
Spare parts	(18,128,209)	(310,725)	3,648,905	(14,790,029)
Fuel	(1,429,525)	(219,427)	1,429,525	(219,427)
	(19,557,734)	(530,152)	5,078,430	(15,009,456)

As at 31 December 2019, the Group made provision for decline in the value of spare parts because some spare parts were rendered useless and impaired as a result of technology upgrade, and it made provision for decline in the value of fuel because the heavy oil could not be used as fuel as before and was impaired due to upgrading of Zhanjiang Electric's units, a subsidiary of the Company.

(c) Provision for decline in the value of inventories is as follows:

	Specific basis for determining net realisable value	Reason for write-off of provision for decline in the value of inventories
Spare parts and fuel	Market price	Disposed spare parts and fuel

(6) Current portion of non-current assets

	31 December 2019	31 December 2018
Current portion of finance lease deposits	28,865,131	-

As at 31 December 2019, current portion of non-current assets mainly represented the present value of RMB 30,000,000 of deposits paid for fixed assets held under sales and leaseback arrangement (31 December 2018: Nil).

(7) Other current assets

	31 December 2019	31 December 2018
VAT to be deducted	296,729,796	613,635,937
Prepaid income tax	7,893,174	4,181,711
Others	972,597	35,828
	305,595,567	617,853,476

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4 Notes to the consolidated financial statements (Cont'd)

(8) Available-for-sale financial assets

	31 December 2019	31 December 2018
Measured at fair value		
- Available-for-sale equity instruments	-	1,139,806,331
Measured at cost		
- Available-for-sale equity instruments	-	426,000,000
	-	1,565,806,331
Less: Provision for impairment	-	-
	-	1,565,806,331

(a) Available-for-sale financial assets summarised by relevant information:

Available-for-sale financial assets measured at fair value:

	31 December 2019	31 December 2018
Available-for-sale equity instruments		
- Fair value	-	1,139,806,331
- Cost	-	435,463,816
- Accumulated amount included in other comprehensive income	-	704,342,515
- Accumulated provision for impairment	-	-

Available-for-sale financial assets measured at cost:

	31 December 2019	31 December 2018
Available-for-sale equity instruments		
- Cost	-	426,000,000

(9) Investments in other equity instruments

	31 December 2019	31 December 2018	Cash dividends in the current year
Investments in other equity instruments	3,142,371,373	-	58,580,379

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4 Notes to the consolidated financial statements (Cont'd)

(9) Investments in other equity instruments (Cont'd)

Including:

	31 December 2018	Transfer from available-for-sale financial assets (under the old financial instruments standards)	Movements in the current year	31 December 2019	Shareholding (%) in the investee	Cash dividends in the current year
Investments in other equity instruments - cost						
- Shenzhen Energy Corporation ("Shenzhen Energy") (a)	-	15,890,628	-	15,890,628	0.32%	630,000
- Shanghai Shenergy Co., Ltd. ("Shanghai Shenergy") (b)	-	235,837,988	-	235,837,988	1.92%	11,106,450
- GMG International Tendering Co., Ltd. ("GMG Tendering") (c)	-	3,600,000	-	3,600,000	1.29%	360,000
- Shenzhen Capital Group Co., Ltd. ("SCG") (d)	-	180,135,200	78,162,240	258,297,440	3.67%	18,483,929
- Sunshine Insurance Group Corporation ("Sunshine Insurance") (e)	-	356,000,000	-	356,000,000	3.38%	28,000,000
- South Sea Wind Electricity Development Co., Ltd. ("South Sea Wind Electricity") (f)	-	70,000,000	-	70,000,000	10.00%	-
	-	861,463,816	78,162,240	939,626,056		58,580,379
Investments in other equity instruments - accumulated changes in fair value						
- Shenzhen Energy (a)	-	50,259,372	12,096,000	62,355,372		
- Shanghai Shenergy (b)	-	35,159,392	51,644,993	86,804,385		
- GMG Tendering (c)	-	18,000	3,564,000	3,582,000		
- SCG (d)	-	618,905,751	18,796,809	637,702,560		
- Sunshine Insurance (e)	-	-	1,412,000,000	1,412,000,000		
- South Sea Wind Electricity (f)	-	-	301,000	301,000		
	-	704,342,515	1,498,402,802	2,202,745,317		
Total	-	1,565,806,331	1,576,565,042	3,142,371,373		

The Group holds the voting rights of the above investees. However, the voting rights held by the Group is only related to the administrative management of those investees, and the Group does not participate in or influence the financial and operating decisions of the above investees in any ways. Therefore, the Group has no significant influence on the above investees, and accordingly they are accounted for as investments in other equity instruments.

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4 Notes to the consolidated financial statements (Cont'd)

(9) Investments in other equity instruments (Cont'd)

(a) As at 31 December 2019, the Company held 12,600,000 tradable A shares in Shenzhen Energy with fair value of RMB 78,246,000, and the investment cost was RMB 15,890,628. The investment was stated at fair value with reference to the market price. During the year, gains at fair value amounted to RMB 12,096,000 (2018: losses of RMB 10,206,000), and other comprehensive income was adjusted upwards accordingly.

(b) As at 31 December 2019, the Company held 55,532,250 tradable A shares in Shanghai Shenergy with fair value of RMB 322,642,373, and the investment cost was RMB 235,837,988. The investment was stated at fair value with reference to the market price. During the year, gains at fair value amounted to RMB 51,644,993 (2018: losses of RMB 54,421,605), and other comprehensive income was adjusted upwards accordingly.

(c) As at 31 December 2019, the Company held 1,800,000 shares of GMG International Tendering Co., Ltd. traded at the National Equities Exchange and Quotations system with fair value of RMB 7,182,000, and the investment cost was RMB 3,600,000. The investment was stated at fair value with reference to the market price. During the year, gains at fair value amounted to RMB 3,564,000 (2018: losses of RMB 3,600,000), and other comprehensive income was adjusted upwards accordingly.

(d) Pursuant to the *Proposal on Involvement in Capital and Share Increase of Shenzhen Capital Group Co., Ltd.* approved by the Board of Directors in September 2018, the Company was permitted to make a capital injection of RMB 213,034,000 to Shenzhen Capital Group Co., Ltd. ("SCG") at its original proportion of shareholding. A capital injection of RMB 65,135,200 was made in 2018, and a capital injection of RMB 78,162,240 was made in 2019. The remaining capital injection of RMB 69,736,560 would be made in 2020. As at 31 December 2019, the fair value of the equity that the Company held in SCG amounted to RMB 896,000,000, and the investment cost was RMB 258,297,440. During the year, gains at fair value amounted to RMB 18,796,809 (2018: gains of RMB 618,905,751), and other comprehensive income was adjusted upwards accordingly.

(e) As at 31 December 2019, the fair value of the equity that the Company held in Sunshine Insurance amounted to RMB 1,768,000,000, and the investment cost was RMB 356,000,000. During the year, gains at fair value amounted to RMB 1,412,000,000 (2018: Nil), and other comprehensive income was adjusted upwards accordingly.

(f) As at 31 December 2019, the fair value of the equity that the Company held in South Sea Wind Electricity amounted to RMB 70,301,000, and the investment cost was RMB 70,000,000. During the year, gains at fair value amounted to RMB 301,000 (2018: Nil), and other comprehensive income was adjusted upwards accordingly.

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4 Notes to the consolidated financial statements (Cont'd)

(10) Long-term receivables

	31 December 2019	31 December 2018
Sales and leaseback deposits	94,721,477	89,762,071
Less: Current portion of sales and leaseback deposits (Note 4(6))	(28,865,131)	-
	65,856,346	89,762,071

In 2019, the discount rate of the long-term receivables ranged from 5.97% to 6.68% (2018: 5.40% to 7.30%).

As at 31 December 2019, the long-term receivables mainly represented the present value of RMB 70,000,000 of deposits paid for fixed assets held under sales and leaseback arrangement (31 December 2018: RMB 100,000,000).

(11) Long-term equity investments

	31 December 2019	31 December 2018
Joint ventures (a)	615,218,300	602,584,896
Associates (b)	5,936,894,116	5,817,560,544
	6,552,112,416	6,420,145,440
Less: Provision for impairment of long-term equity investments	(96,327,854)	(25,010,686)
	6,455,784,562	6,395,134,754

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4 Notes to the consolidated financial statements (Cont'd)

(11) Long-term equity investments (Cont'd)

(a) Joint ventures

	31 December 2018	Share of net profit/(loss) under equity method	Cash dividends declared	31 December 2019	Provision for impairment at the end of the year
Guangdong Electric Power Industry Fuel Co., Ltd. ("Industry Fuel")	602,584,896	80,686,526	(68,053,122)	615,218,300	-

The equity-related information of the joint ventures is set out in Note 6(2).

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4 Notes to the consolidated financial statements (Cont'd)

(11) Long-term equity investments (Cont'd)

(b) Associates

	31 December 2018	Movements for the current year: Increase in investment	Share of net profit/(loss) under equity method	Share of other comprehensive income (Note 4(37))	Share of other changes in equity (iv)	Cash dividends or profits declared	Provision for impairment	31 December 2019	Provision for impairment at the end of the year
Guangdong Guohua Yudean Taishan Electric Co., Ltd. ("Taishan Electric")	1,969,208,996	-	116,141,826	5,117	-	-	-	2,085,355,939	-
Shanxi Yudean Energy Co., Ltd. ("Shanxi Yudean Energy")	1,440,189,806	-	244,013,740	-	-	(40,000,000)	-	1,644,203,546	-
Energy Group Finance Company (i)	728,955,751	250,000,000	77,073,152	-	(39,794)	(64,106,710)	-	991,882,399	-
Yudean Shipping (ii)	935,111,350	-	(476,194,650)	215,351	(10,262,458)	-	-	448,869,593	-
Guangdong Yudean Property Self-Insurance Co., Ltd. ("Yudean Property Self-Insurance")	258,026,177	-	4,147,759	-	3,907	(773,832)	-	261,404,011	-
Guangdong Yudean Western Investment Co., Ltd. ("Western Investment")	135,652,349	-	1,211,348	2,110,342	3,469,243	-	-	142,443,282	-
Huaneng Shantou Wind Power Co., Ltd. ("Huaneng Shantou Wind Power")	54,265,187	-	6,178,117	-	-	(3,700,001)	-	56,743,303	-
Yangshan Zhongxinkeng Electric Co., Ltd. ("Yangshan Zhongxinkeng")	7,808,826	-	1,235,845	-	-	(1,001,005)	-	8,043,666	-
Yangshan Jiangkeng Hydropower Co., Ltd. ("Yangshan Jiangkeng")	5,694,710	-	512,330	-	-	(809,317)	-	5,397,723	-
Weixin Yuntou (iii)	257,636,706	-	9,903,262	-	-	-	(71,317,168)	196,222,800	(96,327,854)
	5,792,549,858	250,000,000	(15,777,271)	2,330,810	(6,829,102)	(110,390,865)	l(71,317,168)	5,840,566,262	(96,327,854)

The equity-related information of the associates is set out in Note 6(2).

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4 Notes to the consolidated financial statements (Cont'd)

(11) Long-term equity investments (Cont'd)

(b) Associates (Cont'd):

(i) In December 2019, the Company made an additional investment of RMB 250,000,000 to Energy Group Finance Company, keeping an investment proportion of 25% in total investment (31 December 2018: 25%).

(ii) In 2019, Yudean Shipping, an associate of the Company, was affected by the global economic downturn and fierce competition in the shipping industry, resulting in a decline in shipping prices; in addition, due to the reduction of output from the Organisation of the Petroleum Exporting Countries, tight geopolitical relations and implementation of new environmental protection policies, the operating costs had shown a volatile upward trend, which had reduced the profits of Yudean Shipping and there were indications of impairment as the economic performance of the relevant long-term assets was weaker than expected in 2019. As at 31 December 2019, Yudean Shipping conducted an impairment test on its relevant long-term assets and the Company reviewed the impairment assessment report and assessed that there was no further impairment risk in long-term equity investments in Yudean Shipping. Based on the above assessment results, Yudean Shipping recognised the impairment of long-term assets; in 2019, Yudean Shipping resulted in a net loss of RMB 1,360,556,144, the Company recognised the investment loss of Yudean Shipping of RMB 476,194,650 under the equity method. As at 31 December 2019, the carrying amount of the Company's long-term equity investments in Yudean Shipping was RMB 448,869,593.

(iii) In 2019, the Company's associate, Weixin Yuntou, was affected by the fierce competition of rich and cheap hydropower in Yunnan Province. Weixin Yuntou only received a small amount of thermal power generation quotas, and there was continuous operating loss after deducting gains on disposal of non-recurring assets in 2019. As at 31 December 2019, the Company conducted an impairment test on the long-term equity investments in Weixin Yuntou. As the carrying amount of the long-term equity investments was lower than the recoverable amount, the provision for impairment of long-term equity investments was RMB 71,317,168. As at 31 December 2019, the carrying amount of the Company's long-term equity investments in Weixin Yuntou was RMB 196,222,800, and the accumulated provision for impairment of long-term equity investments was RMB 96,327,854.

(iv) In 2019, other changes in equity from long-term equity investments in associates mainly included changes in capital surplus of RMB 5,813,698 (Note 4(36)(b)) and changes in undistributed profits of RMB 1,015,404 (Note 4(39)(b)).

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4 Notes to the consolidated financial statements (Cont'd)

(12) Investment properties

	Buildings
Cost	
- Opening balance	23,350,683
- Transfer from fixed assets in the current year(Note (13)(a))	45,225,231
- Ending balance	68,575,914
Accumulated depreciation	
- Opening balance	(12,539,961)
- Transfer from fixed assets in the current year(Note (13)(a))	(1,857,161)
- Increase in the current year (a)	(2,085,161)
- Ending balance	(16,482,283)
Carrying amount	
- Ending balance	52,093,631
- Opening balance	10,810,722

(a) In 2019, depreciation charged to investment properties was RMB 2,085,161 (2018: RMB 701,435) among which depreciation expenses charged to cost of sales, and general and administrative expenses were RMB 1,449,563 and RMB 635,598 (2018: RMB 65,837 and RMB 635,598) respectively.

(13) Fixed assets

	31 December 2019	31 December 2018
Fixed assets (a)	38,530,031,244	41,146,148,282
Disposal of fixed assets (b)	25,687,474	11,446,566
	38,555,718,718	41,157,594,848

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4 Notes to the consolidated financial statements (Cont'd)

(13) Fixed assets (Cont'd)

(a) Fixed assets

	Buildings	Power generation equipment	Motor vehicles	Other equipment	Total
Cost					
31 December 2018	18,598,681,407	58,157,094,942	601,983,027	1,313,127,190	78,670,886,566
Increase in the current year					
Purchase	3,083,076	10,615,041	13,393,907	27,759,185	54,851,209
Transfer from construction in progress (ii)	90,033,203	1,075,024,184	-	25,636,438	1,190,693,825
Decrease in the current year					
Disposal and scrap	(38,068,065)	(317,038,599)	(19,889,632)	(10,145,098)	(385,141,394)
Transfer to investment properties in the current year (ii)	(45,225,231)	-	-	-	(45,225,231)
31 December 2019	18,608,504,390	58,925,695,568	595,487,302	1,356,377,715	79,486,064,975
Accumulated depreciation					
31 December 2018	(6,520,345,627)	(28,700,016,782)	(445,707,863)	(881,635,550)	(36,547,705,822)
Increase in the current year					
Provision (i)	(442,142,211)	(3,199,308,912)	(15,692,678)	(58,742,539)	(3,715,886,340)
Decrease in the current year					
Disposal and scrap	18,902,496	142,266,424	18,793,045	9,616,199	189,578,164
Transfer to investment properties in the current year (ii)	1,857,161	-	-	-	1,857,161
31 December 2019	(6,941,728,181)	(31,757,059,270)	(442,607,496)	(930,761,890)	(40,072,156,837)
Provision for impairment					
31 December 2018	(137,793,202)	(833,579,211)	(1,656,135)	(4,003,914)	(977,032,462)
Increase in the current year					
Provision (iii)	(9,097,784)	(45,035,393)	-	-	(54,133,177)
Decrease in the current year					
Disposal and scrap	-	147,288,745	-	-	147,288,745
31 December 2019	(146,890,986)	(731,325,859)	(1,656,135)	(4,003,914)	(883,876,894)
Carrying amount					
31 December 2019	11,519,885,223	26,437,310,439	151,223,671	421,611,911	38,530,031,244
31 December 2018	11,940,542,578	28,623,498,949	154,619,029	427,487,726	41,146,148,282

As at 31 December 2018 and 31 December 2019, no power generation equipment or buildings were pledged as collateral for long-term borrowings.

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4 Notes to the consolidated financial statements (Cont'd)

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(i) Depreciation of fixed assets charged into cost of sales, general and administrative expenses, construction in progress and selling and distribution expenses are set out as follows:

	2019	2018
Cost of sales	3,658,711,930	3,317,059,002
General and administrative expenses	50,165,964	45,160,260
Construction in progress	6,574,021	5,625,856
Selling and distribution expenses	434,425	168,621
	3,715,886,340	3,368,013,739

(ii) The cost of fixed assets transferred from construction in progress in the current year amounted to RMB 1,190,693,825 (2018: RMB 3,621,286,114) (Note 4(14)(a)(i)).

The cost transferred from fixed assets to investment properties amounted to RMB 45,225,231 with accumulated depreciation of RMB 1,857,161 (2018: Nil) (Note 4(12)).

(iii) Impairment of fixed assets

In 2019, movements of provision for impairment of fixed assets were as follows:

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Guangdong Yuejia Electric Co., Ltd. ("Yuejia Electric") (Note 1)	480,449,596	-	-	480,449,596
Guangdong Electric Power Development Co., Ltd. Shajiao A Power Plant ("Shajiao A Power Plant") (Note 3, 6)	76,354,667	-	-	76,354,667
Xuwen Wind Power (Note 2)	126,877,473	-	(126,877,473)	-
Zhanjiang Zhongyue Energy Co., Ltd. ("Zhongyue Energy") (Note 3)	12,662,964	-	-	12,662,964
Guangdong Red Bay Power Generation Co., Ltd. ("Red Bay Power") (Note 3)	48,597,529	-	-	48,597,529
Zhanjiang Electric (Note 3, 5)	25,901,275	13,250,756	(20,329,156)	18,822,875
Guangdong Yudean Jinghai Power Co., Ltd. ("Jinghai Power") (Note 3, 5)	13,455,717	21,496,541	-	34,952,258
Guangdong Shaoguan Yuejiang Electric Power Co., Ltd. ("Yuejiang Power") (Note 3, 5)	54,091,864	19,385,880	(82,116)	73,395,628
Maoming Zhenneng Thermal Power Co., Ltd. ("Maoming Zhenneng") (Note 3)	29,751,684	-	-	29,751,684
Guangdong Huizhou Natural Gas Power Co., Ltd. ("Huizhou Natural Gas") (Note 4)	23,895,462	-	-	23,895,462
Lincang Energy (Note 7)	82,261,857	-	-	82,261,857
Guangdong Province Wind Power Generation Co., Ltd. ("Guangdong Wind Power")	2,732,374	-	-	2,732,374
	977,032,462	54,133,177	(147,288,745)	883,876,894

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4 Notes to the consolidated financial statements (Cont'd)

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(iii) Impairment of fixed assets (Cont'd)

Note 1 Impairment of the asset groups related to generator units of Yuejia Electric

The four generator units of Yuejia Electric were shut down in August 2016. As at 31 December 2019, the disposal of such fixed assets was not completed. As at 31 December 2018 and 31 December 2019, the balance of provision for impairment at the excess of the carrying amount of asset groups and the fair value of the asset groups less disposal cost of Yuejia Electric was RMB 480,449,596.

Note 2 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). As the units were completely destroyed, management recorded provision of RMB 126,877,473 for impairment of these units against their full carrying amounts. In 2019, management disposed the above fixed assets with corresponding provision for impairment at the excess of the fixed assets' carrying amount and the fair value of the fixed assets less disposal costof fixed assets of RMB 126,877,473 transferred out.

Note 3 Impairment of ultra-low emissions, energy-saving, and catalyst of denitrification projects

According to *Ultra-low Emissions and Energy-saving Transformation Work Program in Full Operation* (Huan Fa [2015] No. 164) jointly issued by Ministry of Environmental Protection, National Development and Reform Commission and Bureau of Energy, fully implementation of ultra-low emissions and energy-saving transformation are required to reduce coal consumption and pollutant discharge. For this purpose, the Group made specific plans to propel the implementation of ultra-low emissions and energy-saving program, so that the reconstruction project of its coal-fired units could be accomplished on schedule and run steadily. Based on the specific circumstance of implementation of the Group's coal-fired units on the program, certain part of equipment units are required to be dismantled or scrapped in advance.

As at 31 December 2017, the balance of provision for impairment at the excess of the carrying amount of asset groups and the fair value of the asset groups less disposal cost of ultra-low emissions, energy-saving, and catalyst of denitrification projects was RMB 279,277,897. In 2019, the provision for impairment of the fixed assets amounting to RMB 7,078,400 was reversed due to dismantlement and disposal of related assets (2018: RMB 60,708,691).

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4 Notes to the consolidated financial statements (Cont'd)

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(iv) Impairment of fixed assets (Cont'd)

Note 4 Pursuant to the *Circular on Shutdown of Heating Boilers upon Operation of Huizhou LNG Project Phase II* issued by Huizhou municipal government and the *Reply to the Environmental Assessment on Cogeneration Expansion Project of Huizhou LNG Power Plant* (Yue Huan Shen [2012] No. 291) issued by the Department of Environmental Protection of Guangdong Province, it is required to shut down the dual-fuel heating boilers before the environmental acceptance check of the project completion in prevention of pollution and ecological damages. As such heating boilers were shut down in 2018, management made provision for impairment at the excess of the carrying amount of asset groups and the fair value of the asset groups less disposal cost of these assets amounting to RMB 23,895,462. As at 31 December 2019, the above fixed assets were not disposed.

Note 5 In 2019, the Group evaluated the assets of the subsidiaries that had no sustainable value in use. Provision for impairment at the excess of the carrying amount of asset groups and the fair value of the asset groups less disposal cost of the following assets totaled RMB 54,133,177, which mainly included provision for impairment of induced draft fans of RMB 10,354,839 accrued by Zhanjiang Electric, provision for impairment of the steel structure grid of No. 1 round coal yard of RMB 9,097,784 and provision for impairment of air preheater heat storage components of RMB 12,398,757 accrued by Jinghai Power, and provision for impairment of induced fan accrued by Yuejiang Power of RMB 10,961,796. As at 31 December 2019, the above fixed assets had not yet been disposed.

Note 6 Impairment of the asset groups related to generator units of Shajiao A Power Plant

Pursuant to *the Circular on Shutdown of 1# Generator Unit of Shajiao A Power Plant and 2# Generator Unit of Shajiao B Power Plant* ([2018] No. 5354) and *the Request on Retirement of Shajiao Power Plant and Construction of Alternative Power Source* ([2018] No. 361) issued by Guangdong Development and Reform Commission, 1# generator unit of Shajiao A Power Plant was shut down in November 2018, 2# and 3# generator units were shut down in December 2019 and 4# and 5# generator units are expected to be shut down by the end of 2023. In 2018, the Group carried out tests for impairment of the asset groups related to generator units of Shajiao A Power Plant and made a provision for impairment at the excess of the carrying amount of asset groups and the fair value of the asset groups less disposal cost of power generation equipment of 1# generator unit, amounting to RMB 40,395,369. In 2019, the Group carried out tests for impairment of the asset groups related to generator units of Shajiao A Power Plant and considered that there was no need to further make provision for impairment. As at 31 December 2019, the fixed assets related to above generator units that were shut down had not yet been disposed.

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4 Notes to the consolidated financial statements (Cont'd)

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(iv) Impairment of fixed assets (Cont'd)

Note 7 Impairment of related asset groups of certain subsidiaries that have suffered continuous operating loss in recent years

In 2019 and previous years, certain subsidiaries of the Group were affected by sharp fluctuations in the price of coal used in power generation, the marketization of the electricity industry and other factors, there was continuous operating loss and indications of impairment, and the accumulated provision for impairment at the excess of the carrying amount and the present value of the estimated future cash flows of fixed assets in previous years was RMB 82,261,857. Taking into consideration risks that may exist in the future, such as the instability of electricity demand and the price of coal used in power generation, macro-economy and other factors, the Group continuously monitored the impairment of the above-mentioned subsidiaries' power generation asset groups (mainly including fixed assets) in 2019.

The Group conducted impairment tests on the relevant asset groups of the above-mentioned subsidiaries in 2019. As the carrying amount of the relevant asset groups was higher than the recoverable amounts tested, there was no further impairment risk for the year. The above recoverable amount was determined based on the present value of the estimated future cash flows of the asset groups, and the value evaluation model adopted the discount rates of 9.00% to 11.18%.

(v) Fixed assets held under finance leases

	Cost	Accumulated depreciation	Carrying amount
31 December 2019			
Power generation equipment	2,962,401,108	(1,468,140,485)	1,494,260,623
31 December 2018			
Power generation equipment	2,962,401,108	(1,303,446,281)	1,658,954,827

Details of the future lease payments of fixed assets held under finance leases are disclosed in Note 4(31).

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4 Notes to the consolidated financial statements (Cont'd)

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(vi) Fixed assets with pending certificates of ownership

	Carrying amount	Reasons for not obtaining certificates of ownership
Buildings	162,049,729	Awaiting government approval

As at 31 December 2019, 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 normal operation of the Group would occur.

(b) Disposal of fixed assets

	31 December 2019	31 December 2018
Scraped parts of power generation equipment	24,842,897	11,136,365
Other equipment	844,577	310,201
	25,687,474	11,446,566

(14) Construction in progress

	31 December 2019	31 December 2018
Construction in progress (a)	10,881,106,316	7,739,308,786
Construction materials (b)	897,530	1,445,557
	10,882,003,846	7,740,754,343

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4 Notes to the consolidated financial statements (Cont'd)

(14) Construction in progress (Cont'd)

(a) Construction in progress

	31 December 2019			31 December 2018		
	Ending balance	Provision for impairment	Carrying amount	Ending balance	Provision for impairment	Carrying amount
Bohe Coal integration project	6,608,072,801	-	6,608,072,801	5,412,887,911	-	5,412,887,911
Qujie Wailuo offshore wind power project (Phase I)	2,306,302,480	-	2,306,302,480	514,683,670	-	514,683,670
Zhuhai Jinwan Electric offshore wind power project	398,849,306	-	398,849,306	43,915,032	-	43,915,032
Yangjiang Shapa offshore wind power project	390,159,975	-	390,159,975	232,363,528	-	232,363,528
Huadu thermal and power cogeneration project	136,704,136	-	136,704,136	89,786,127	-	89,786,127
Qujie Wailuo offshore wind power project (Phase II)	57,038,810	-	57,038,810	29,033,181	-	29,033,181
Lincang Dayakou Hydropower Station	41,383,032	-	41,383,032	37,296,440	-	37,296,440
Shajiao Ningzhou gas power project	5,821,536	-	5,821,536	-	-	-
Xuwen Shiban Ling wind power project	3,871,208	-	3,871,208	3,741,000	-	3,741,000
Huizhou Natural Gas thermal and power cogeneration expansion project	-	-	-	554,922,342	-	554,922,342
Jinghai 1-4# generators ultra-low emission reduction alteration project	-	-	-	2,580,251	-	2,580,251
Other technology improvement projects	576,180,865	-	576,180,865	437,488,696	-	437,488,696
Other infrastructure construction projects	558,029,098	(201,306,931)	356,722,167	546,706,301	(166,095,693)	380,610,608
	11,082,413,247	(201,306,931)	10,881,106,316	7,905,404,479	(166,095,693)	7,739,308,786

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4 Notes to the consolidated financial statements (Cont'd)

(14) Construction in progress (Cont'd)

(a) Construction in progress (Cont'd)

(i) Movements of major construction in progress

Project name	Budget	31 December 2018	Increase in the current year	Transfer to fixed assets (Note 4(13)(a)(ii))	Impairment	Other decreases	31 December 2019	Proportion of investment to the budget (%)	Project progress	Accumulated capitalised borrowing costs	Including: Capitalised borrowing costs for the year	Capitalisation rate	Source of fund
Bohe Coal integration project	11,037,075,900	5,412,887,911	1,289,691,652	-	-	(94,506,762)	6,608,072,801	63.46%	88.45%	362,809,479	125,970,313	5.05%	Borrowings and own funds
Qujie Wailuo offshore wind power project (Phase I)	3,739,450,000	514,683,670	1,838,988,533	-	-	(47,369,723)	2,306,302,480	68.60%	99.84%	44,239,897	41,637,241	4.68%	Borrowings and own funds
Zhuhai Jinwan Electric offshore wind power project	5,659,710,000	43,915,032	354,934,274	-	-	-	398,849,306	7.39%	7.39%	5,823,780	5,823,780	3.91%	Borrowings and own funds
Yangjiang Shapa offshore wind power project	5,999,710,000	232,363,528	157,796,447	-	-	-	390,159,975	7.00%	7.00%	1,480,591	1,480,591	4.41%	Borrowings and own funds
Huadu thermal and power cogeneration project	3,536,710,000	89,786,127	46,918,009	-	-	-	136,704,136	4.01%	4.01%	1,128,963	1,128,963	3.92%	Borrowings and own funds
Qujie Wailuo offshore wind power project (Phase II)	3,789,120,000	29,033,181	28,005,629	-	-	-	57,038,810	1.72%	6.06%	86,889	86,889	3.91%	Borrowings and own funds
Lincang Dayakou Hydropower Station	1,209,578,400	37,296,440	4,086,592	-	-	-	41,383,032	93.88%	98.00%	142,886,856	-	-	Borrowings and own funds
Xuwen Shiban Ling wind power project	460,639,300	3,741,000	23,510,366	(22,317,232)	-	(1,062,926)	3,871,208	75.96%	88.00%	13,812,869	1,188,811	4.41%	Borrowings and own funds
Huizhou Natural Gas thermal and power cogeneration expansion project	3,326,370,000	554,922,342	123,845,879	(668,577,854)	-	(10,190,367)	-	80.64%	100.00%	64,496,444	946,438	4.41%	Borrowings and own funds
Jinghai 1-4# generators ultra-low emission reduction alteration project	528,142,600	2,580,251	24,709,145	(27,289,396)	-	-	-	100.00%	100.00%	-	-	-	Own funds
Shajiao Ningzhou gas power project	5,927,600,000	-	5,821,536	-	-	-	5,821,536	0.10%	0.10%	-	-	-	Own funds
Other technology improvement projects	Not applicable	437,488,696	622,212,119	(471,524,684)	-	(11,995,266)	576,180,865	Not applicable	Not applicable	2,045,104	1,512,345	4.53%	Borrowings and own funds
Other infrastructure construction projects	Not applicable	380,610,608	22,110,587	(984,659)	(35,211,238)	(9,803,131)	356,722,167	Not applicable	Not applicable	44,576	44,576	4.42%	Borrowings and own funds
		7,739,308,786	4,542,630,768	(1,190,693,825)	(35,211,238)	(174,928,175)	10,881,106,316			638,855,448	179,819,947		

Other decreases of construction in progress for the year mainly include revenue from trial operation of RMB 59,698,435, the transfer of the production preparation cost to administrative expense-production preparation cost of RMB 71,933,430, transfer to intangible assets of RMB 10,919,847 (Note 4(15)) and upfront expenses

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of terminated projects transferred out of RMB 9,803,131, etc.

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4 Notes to the consolidated financial statements (Cont'd)

(14) Construction in progress (Cont'd)

(a) Construction in progress (Cont'd)

(ii) Provision for impairment of construction in progress

Item	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019	Reason for provision
Humen Electric 2*1000MW project (Note 1)	(137,373,040)	-	-	(137,373,040)	Stoppage of construction
Shajiao A4# coal yard sea-fill yard capacity increase project	(5,802,000)	-	-	(5,802,000)	Impairment of upfront expenses for construction in progress
Impairment of upfront expenses for Guangdong Wind Power project	(15,022,987)	(35,143,224)	-	(50,166,211)	Impairment of upfront expenses for construction in progress
Impairment of upfront expenses for Lincang Hydropower project	(3,354,129)	-	-	(3,354,129)	Impairment of upfront expenses for construction in progress
Impairment of upfront expenses for Guangqian Electric Project Phase II	(4,543,537)	(68,014)	-	(4,611,551)	Impairment of upfront expenses for construction in progress
	(166,095,693)	(35,211,238)	-	(201,306,931)	

Note 1 Preparation work including preliminary feasibility studies, design and three supplies and one levelling have proceeded for the project. However, influenced by national policies upon the industry, the project has stagnated for years and signs of entire assets impairment have occurred. After impairment test, management has recorded provision for impairment of the project against its full carrying amount in 2017.

(iii) As at 31 December 2019, some projects under construction were waiting for 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 projects were put into production. Therefore, the risk of impairment of such projects was low.

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4 Notes to the consolidated financial statements (Cont'd)

(14) Construction in progress (Cont'd)

(a) Construction in progress (Cont'd)

(iv) In 2018, Guangdong Yudean Bohe Coal Power Co., Ltd. ("Bohe Coal") sold its construction in progress of power plants to Guangdong Yudean Finance Leasing Co., Ltd. ("Yudean Finance Leasing") at RMB 1,000,000,000 in total through finance leases arising from sales and leaseback, with the sales proceeds of RMB 900,000,000 and RMB 100,000,000 respectively received in 2018 and 2019. As at 31 December 2019, the ending balance of construction in progress arising from finance leases was RMB 1,000,000,000 (31 December 2018: RMB 900,000,000).

In 2018, the Group acquired Wailuo offshore wind power project of Qujie Wind Power under finance leases. As at 31 December 2019, the ending balance of construction in progress arising from finance leases was RMB 496,524,360 (31 December 2018: RMB 217,415,616).

In 2019, the Group acquired Yangjiang Shapa offshore wind power project of Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd. ("Yangjiang Wind Power") under finance leases. As at 31 December 2019, the ending balance of construction in progress arising from finance leases was RMB 98,973,445 (31 December 2018: Nil).

In 2019, the Group acquired Zhuhai Jinwan Electric offshore wind power project of Guangdong Yudean Zhuhai Offshore Wind Power Co., Ltd. ("Zhuhai Wind Power") under finance leases. As at 31 December 2019, the ending balance of construction in progress arising from finance leases was RMB 100,962,931 (31 December 2018: Nil).

(b) Construction materials

	31 December 2019	31 December 2018
Materials for specific use	962,696	1,445,557
Equipment for specific use	664,437	-
	1,627,133	1,445,557
Less: Provision for impairment of construction materials		
- Materials for specific use	(729,603)	-
	897,530	1,445,557

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4 Notes to the consolidated financial statements (Cont'd)

(15) Intangible assets

	Associated projects for electricity transmission and transformation and microwave engineering	Land use rights	Sea use rights	Transportation project	Franchise right	Software	Non-patent technology and others	Total
Cost								
31 December 2018	442,517,684	2,111,186,109	129,906,544	22,468,672	13,720,736	116,800,217	3,029,420	2,839,629,382
Increase in the current year								
Purchase	-	25,430,496	-	-	-	9,344,163	1,530,920	36,305,579
Transfer from construction in progress (Note 4(14)(a)(i))	-	-	-	-	1,074,616	6,910,178	2,935,053	10,919,847
Disposal	-	(68,138,080)	-	-	-	(540,902)	(138,450)	(68,817,432)
31 December 2019	442,517,684	2,068,478,525	129,906,544	22,468,672	14,795,352	132,513,656	7,356,943	2,818,037,376
Accumulated amortisation								
31 December 2018	(409,328,310)	(336,059,121)	(23,103,892)	(21,447,068)	(10,192,847)	(84,731,838)	(464,184)	(885,327,260)
Increase in the current year								
Provision	-	(45,587,872)	(2,605,433)	-	(398,559)	(10,204,414)	(459,347)	(59,255,625)
Disposal	-	4,542,153	-	-	-	455,347	-	4,997,500
31 December 2019	(409,328,310)	(377,104,840)	(25,709,325)	(21,447,068)	(10,591,406)	(94,480,905)	(923,531)	(939,585,385)
Provision for impairment								
31 December 2018	(33,189,374)	(56,502,373)	-	(1,021,604)	-	-	-	(90,713,351)
Increase in the current year								
Provision	-	-	-	-	-	-	-	-
31 December 2019	(33,189,374)	(56,502,373)	-	(1,021,604)	-	-	-	(90,713,351)
Carrying amount								
31 December 2019	-	1,634,871,312	104,197,219	-	4,203,946	38,032,751	6,433,412	1,787,738,640
31 December 2018	-	1,718,624,615	106,802,652	-	3,527,889	32,068,379	2,565,236	1,863,588,771

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4 Notes to the consolidated financial statements (Cont'd)

(15) Intangible assets (Cont'd)

(a) In 2019, the amortised amount of intangible assets was RMB 59,255,625, with general and administrative expenses of RMB 52,313,721 and construction in progress of RMB 6,941,904 respectively (In 2018, the amortised amount of intangible assets was RMB 54,559,956, with general and administrative expenses of RMB 53,189,360 and construction in progress of RMB 1,370,596 respectively).

(b) As at 31 December 2019 and 31 December 2018, provisions for impairment of the use rights of associated projects for electricity transmission and transformation and microwave engineering and transportation engineering of Yuejia Electric were made at amount of RMB 34,210,978, and the provision for impairment of the land use rights of Lincang Energy amounted to RMB 56,502,373.

(c) As at 31 December 2019, the Group had obtained land use right certificates for all of its lands, except for lands with carrying amount of RMB 33,348,275 (31 December 2018: RMB 34,063,121) that were under approval procedures for land use. 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 would incur.

(16) Goodwill

	31 December 2019	31 December 2018
Goodwill -		
Guangdong Wind Power (a)	2,449,886	2,449,886
Lincang Energy (b)	25,036,894	25,036,894
	27,486,780	27,486,780
Less: Provision for impairment -		
Lincang Energy (b)	(25,036,894)	(25,036,894)
	2,449,886	2,449,886

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

(b) On 5 January 2015, the Group exchanged for 51.00% of the equity in Lincang Energy held by third parties with 14.34% of equity in Weixin Yuntou. The excess of the combination cost over the fair value of the Group's share of Lincang Energy's identifiable assets and liabilities amounted to RMB 25,036,894 and was recognised as goodwill related to Lincang Energy. In the test of goodwill impairment in 2018, the Group compared the carrying amount of related asset groups (including goodwill) of Lincang Energy with its recoverable amount, and recorded a provision of RMB 25,036,894 for impairment of the goodwill.

(17) Long-term prepaid expenses

	31 December 2018	Increase in the current year	Amortisation charged in the current year	31 December 2019
Long-term lease charges	17,315,628	-	(2,028,166)	15,287,462
Improvements to fixed assets held under operating leases	4,773,551	1,622,144	(2,279,906)	4,115,789
Others	-	235,528	(165,193)	70,335
	22,089,179	1,857,672	(4,473,265)	19,473,586

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4 Notes to the consolidated financial statements (Cont'd)

(18) Deferred tax assets and deferred tax liabilities

(a) Deferred tax assets before offsetting

	31 December 2019		31 December 2018	
	Deductible temporary differences and deductible losses	Deferred tax assets	Deductible temporary differences and deductible losses	Deferred tax assets
Deductible losses	686,911,585	171,727,895	1,023,611,123	254,800,254
Provision for asset impairments	408,154,790	101,889,644	592,790,665	138,530,294
Net income from test run included in construction in progress	209,580,236	49,967,756	169,034,589	39,513,222
Unrealised profits from intra-group transactions	166,852,624	41,713,156	184,890,744	46,222,686
Amortisation of pre-operating costs	165,954,215	41,488,554	-	-
Employee benefits payable	103,644,393	25,911,098	98,124,525	22,227,221
Government grants	86,420,159	21,605,041	78,570,400	19,642,600
Depreciation of fixed assets	75,431,480	18,857,870	77,115,313	19,278,829
Amortisation of intangible assets	4,490,857	1,122,714	3,313,344	828,336
	1,907,440,339	474,283,728	2,227,450,703	541,043,442
Including:				
Expected to be recovered within one year (inclusive)		44,262,666		60,853,542
Expected to be recovered after one year		430,021,062		480,189,900
		474,283,728		541,043,442

(b) Deferred tax liabilities before offsetting

	31 December 2019		31 December 2018	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of other equity instruments included in other comprehensive income	(2,202,745,317)	(550,686,330)	-	-
Changes in fair value of available-for-sale financial assets included in other comprehensive income	-	-	(704,342,515)	(176,085,629)
Net expenses in test run included in construction in progress	(38,741,129)	(9,685,282)	(52,176,856)	(13,044,215)
Amortisation of land use rights	(16,451,826)	(4,112,957)	(16,835,020)	(4,208,755)
Interest receivable	(3,341,332)	(835,333)	-	-
Depreciation of fixed assets	(2,560,854)	(640,214)	-	-
	(2,263,840,458)	(565,960,116)	(773,354,391)	(193,338,599)
Including:				
Expected to be recovered within one year (inclusive)		(1,863,587)		(1,077,794)
Expected to be recovered after one year		(564,096,529)		(192,260,805)
		(565,960,116)		(193,338,599)

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4 Notes to the consolidated financial statements (Cont'd)

(18) Deferred tax assets and deferred tax liabilities (Cont'd)

(c) Deductible temporary differences and deductible losses that are not recognised as deferred tax assets are analysed as follows:

	31 December 2019	31 December 2018
Deductible temporary differences	1,435,936,580	1,101,102,084
Deductible losses	1,467,976,248	1,124,573,498
	2,903,912,828	2,225,675,582

(d) Deductible losses that are not recognised as deferred tax assets will expire in following years:

	31 December 2019	31 December 2018
2019	-	3,341,528
2020	172,104	172,104
2021	141,098,222	141,098,222
2022	603,896,902	412,387,834
2023	567,573,810	567,573,810
2024	155,235,210	-
	1,467,976,248	1,124,573,498

Management believed that as at the maturity date for the above deductible losses, the relevant subject of tax payment does not have sufficient taxable income to deduct the above deductible losses, therefore no related deferred tax asset was recognised.

(e) The net balances of deferred tax assets and liabilities after offsetting are as follows:

	31 December 2019		31 December 2018	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(28,574,502)	445,709,226	(92,611,758)	448,431,684
Deferred tax liabilities	28,574,502	(537,385,614)	92,611,758	(100,726,841)

(19) Other non-current assets

	31 December 2019	31 December 2018
Prepaid equipment payments	971,323,399	482,385,711
Input VAT to be deducted	881,814,121	581,667,123
Prepayment for projects	488,163,133	462,720,385
Unrealised losses on sales and leaseback (a)	346,314,528	340,505,389
Prepayment for land use rights	64,424,212	3,732,680
Others	1,819,595	604,970
	2,753,858,988	1,871,616,258

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4 Notes to the consolidated financial statements (Cont'd)

(19) Other non-current assets (Cont'd)

(a) Unrealised losses on sales and leaseback are the difference between the selling price of the power generation equipment and its carrying amount, and its remaining balance after depreciation was based on the depreciation progress of the leaseback power generation equipment. In 2019, the unrealised losses on sales and leaseback, which were amortised in depreciation expenses in cost of sales from main operations, amounted to RMB 16,764,193 (2018: RMB: 19,197,908).

(20) Provision for asset impairments

	31 December 2018	Changes in accounting policies	1 January 2019	Increase in the current year	Reversal in the current year	Write-off in the current year	31 December 2019
Provision for bad debts of accounts receivable	(157,709)	-	(157,709)	(155,421)	157,709	-	(155,421)
Including: Provision for bad debts on grouping basis	(157,709)	-	(157,709)	(155,421)	157,709	-	(155,421)
Provision for bad debts of other receivables	(9,444,855)	-	(9,444,855)	(3,758,375)	1,457,324	-	(11,745,906)
Sub-total	(9,602,564)	-	(9,602,564)	(3,913,796)	1,615,033	-	(11,901,327)
Provision for impairment of advances to suppliers	(305,001)	-	(305,001)	-	190,000	-	(115,001)
Provision for decline in the value of inventories	(19,557,734)	-	(19,557,734)	(530,152)	-	5,078,430	(15,009,456)
Provision for impairment of long-term equity investments	(25,010,686)	-	(25,010,686)	(71,317,168)	-	-	(96,327,854)
Provision for impairment of long-term equity investments	(977,032,462)	-	(977,032,462)	(54,133,177)	-	147,288,745	(883,876,894)
Provision for impairment of construction materials	-	-	-	(729,603)	-	-	(729,603)
Provision for impairment of construction in progress	(166,095,693)	-	(166,095,693)	(35,211,238)	-	-	(201,306,931)
Provision for impairment of intangible assets	(90,713,351)	-	(90,713,351)	-	-	-	(90,713,351)
Provision for impairment of goodwill	(25,036,894)	-	(25,036,894)	-	-	-	(25,036,894)
Sub-total	(1,303,751,821)	-	(1,303,751,821)	(161,921,338)	190,000	152,367,175	(1,313,115,984)
	(1,313,354,385)	-	(1,313,354,385)	(165,835,134)	1,805,033	152,367,175	(1,325,017,311)

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4 Notes to the consolidated financial statements (Cont'd)

(21) Short-term borrowings

	31 December 2019	31 December 2018
Principal		
Credit loan	5,894,026,790	7,526,000,000
Interest		
Credit loan	10,106,001	-
	5,904,132,791	7,526,000,000

(a) As at 31 December 2019, the annual interest rates of the short-term borrowings ranged from 3.84% to 4.35% (31 December 2018: from 3.92% to 4.70%).

(b) As at 31 December 2019, the principal of short-term credit loan provided by related party Energy Group Finance Company amounted to RMB 4,115,000,000 (31 December 2018: RMB 5,042,000,000) (Note 8(6)). Interest payable of short-term borrowings to Energy Group Finance Company amounted to RMB 4,893,053 (31 December 2018: RMB 6,796,062).

(22) Notes payable

	31 December 2019	31 December 2018
Bank acceptance notes	794,236,650	555,000,000
Trade acceptance notes	570,000,000	386,161,107
	1,364,236,650	941,161,107

The Group used acceptance notes to pay for fire coal procured from the Industry Fuel. According to the three-party agreement signed among the Group, Energy Group Finance Company and Industry Fuel, discounting expenses will be borne by the Group when Industry Fuel discounts the notes they receive.

As at 31 December 2019, the balance of trade acceptance notes issued by the Group and discounted by Industry Fuel with Energy Group Finance Company amounted to RMB 570,000,000 (31 December 2018: RMB 386,161,107) with discount rate of 2.70% to 3.72% (31 December 2018: 3.92%). The acceptance notes were due from three to eleven months (31 December 2018: due from three to twelve months) (Note 8(6)).

As at 31 December 2019, the balance of bank acceptance notes issued by Energy Group Finance Company and discounted by Industry Fuel with Energy Group Finance Company amounted to RMB 300,000,000 (31 December 2018: RMB 267,000,000) with discount rate of 2.70% to 3.60% (31 December 2018: 3.92% to 4.29%). The acceptance notes were due from four to twelve months (31 December 2018: due from three to twelve months) (Note 8(6)).

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4 Notes to the consolidated financial statements (Cont'd)

(22) Notes payable (Cont'd)

In 2019, the discounting interest charged by Energy Group Finance Company and borne by the Group which was included in the discounting interest expenses in the year amounted to RMB 28,961,757 (2018: RMB 13,243,370) (Note 8(5)(h)).

The Group presented the procurement of fire coal with the acceptance note in the cash flows from operating activities and the discounting interest borne by the Group in the cash flows from financing activities.

(23) Accounts payable

	31 December 2019	31 December 2018
Fuel payable	2,042,046,703	1,671,130,460
Materials and spare parts payable	372,739,371	473,108,337
Others	50,368,088	52,361,618
	2,465,154,162	2,196,600,415

As at 31 December 2019, accounts payable with ageing over one year amounted RMB 37,429,105 (31 December 2018: RMB 175,747,169), mainly unsettled fuel payable and materials payable.

(24) Employee benefits payable

	31 December 2019	31 December 2018
Short-term employee benefits payable (a)	210,052,524	179,432,031
Defined contribution plans payable (b)	3,386,520	29,372,990
Termination benefits payable (c)	29,071,494	26,936,158
	242,510,538	235,741,179

(a) Short-term employee benefits payable

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2019
Wages and salaries, bonus, allowances and subsidies	-	1,211,930,585	(1,211,930,585)	-
Staff welfare	1,859,343	114,542,723	(113,312,318)	3,089,748
Social security contributions	85,197,432	119,905,777	(96,365,978)	108,737,231
Including: Medical insurance	85,197,432	112,686,811	(89,147,012)	108,737,231
Work injury insurance	-	1,278,245	(1,278,245)	-
Maternity insurance	-	5,940,721	(5,940,721)	-
Housing funds	-	130,099,055	(130,099,055)	-
Labour union funds and employee education funds	87,233,778	48,735,445	(43,678,950)	92,290,273
Other short-term employee benefits	5,141,478	80,205,754	(79,411,960)	5,935,272
	179,432,031	1,705,419,339	(1,674,798,846)	210,052,524

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4 Notes to the consolidated financial statements (Cont'd)

(24) Employee benefits payable (Cont'd)

(b) Defined contribution plans

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Basic pensions	-	147,214,973	(147,214,973)	-
Unemployment insurance	-	4,446,135	(4,446,135)	-
Annuity	29,372,990	93,853,466	(119,839,936)	3,386,520
	29,372,990	245,514,574	(271,501,044)	3,386,520

(c) Termination benefits payable refer to early retirement benefits payable due by the Group within one year (Note 4(33)(a)).

(25) Taxes payable

	31 December 2019	31 December 2018
Unpaid VAT	330,790,264	242,647,263
Enterprise income tax payable	186,789,728	115,757,551
Individual income tax payable	14,877,406	12,437,608
City maintenance and construction tax payable	13,996,062	4,418,167
Educational surcharge and local educational surcharge payable	12,344,489	3,469,767
Water resource fee payable	8,392,765	6,706,870
Pollution discharge fee payable and environmental protection tax payable	2,764,462	3,389,557
Property tax payable	18,564	3,347,609
Land use tax payable	-	2,122,128
Others	1,403,411	2,705,186
	571,377,151	397,001,706

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4 Notes to the consolidated financial statements (Cont'd)

(26) Other payables

	31 December 2019	31 December 2018
Construction and equipment expenses payable	3,754,518,279	3,622,672,965
Project warranty payable	109,048,438	118,821,787
Interest payable	-	59,316,077
-Interest payable for long-term borrowings with interest paid in instalments and principal repaid on maturity	-	29,830,979
-Interest payable for debentures	-	17,070,842
-Interest payable for short-term borrowings	-	10,103,964
-Other interest payable	-	2,310,292
State Oceanic and Fisheries Administration penalty payable (b)	11,531,700	183,676,050
Dividends payable to non-tradable owners of the Company (c)	9,771,322	9,703,930
Others	157,247,358	158,327,686
	4,042,117,097	4,152,518,495

(a) As at 31 December 2019, other payables of RMB 1,860,509,505 (31 December 2018: RMB 2,002,311,622) aged over one year mainly represented (i) construction and equipment expenses payable and project warranty payable not being settled because the comprehensive acceptance and settlement of relevant projects were yet to be completed or projects were still within their warranty periods; and (ii) State Oceanic Administration penalty payable not being paid because judicial proceedings related to the penalty had not been completed.

(b) State Oceanic Administration penalty payable refers to the penalties amounting to RMB 172,144,350 and RMB 11,531,700 respectively imposed by the Administration of Ocean and Fisheries of Guangdong Province and the Administration of Ocean and Fisheries of Huidong County with penalty notice in 2016 and 2018 against Pinghai Power Plant ("Pinghai Power") due to its unapproved execution of engineering and bank revetment project from August 2007 to June 2016. The penalties had been recorded as non-operating expenses in 2016 and 2018 respectively. Pinghai Power had appealed for the aforesaid matter, and as at 23 August 2019, Guangdong High People's Court overruled such appeal and upheld the original judgement as the final judgement. As at 16 December 2019, Pinghai Power has paid up penalty of RMB 172,144,350 to the Administration of Ocean and Fisheries of Guangdong Province, with outstanding penalty of RMB 11,531,700 payable to the Administration of Ocean and Fisheries of Huidong County. As at 20 February 2020, Pinghai Power filed for a retrial to Supreme People's Court and it has not yet been heard as at the issuance date of the report. According to the *Agreement on Share Issuance and Asset Procurement* entered into by GEGC and the Company in 2012, GEGC makes commitments that, if the target company's activities before the closing date cause itself potential significant litigation, arbitration, administrative punishment and/or other events that go against relevant laws and regulations and fail to present in the target asset prices as well as in the net asset value of the target company determined in the special audit on the closing date, any damage caused by such activities to the Company would be compensated by GEGC timely and sufficiently in cash based on the equity of target company transferred to the Company in the transaction within 30 days after GEGC legally determines the actual losses caused by such activities. As at the issuance date of the report, with consultation and communication between the Company and GEGC still underway, no specific compensation solution was reached and thus no income related to such compensation matters was recognised in the financial statements for the year ended 31 December 2019.

(c) The above dividend payable refers to dividend payable for non-tradable shares reform that is in the process of completing necessary formalities. The payment will be arranged after the formalities are completed.

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4 Notes to the consolidated financial statements (Cont'd)

(27) Current portion of non-current liabilities

	31 December 2019	31 December 2018
Principal		
Long-term borrowings due within one year (a) (Note 4(29))	2,758,340,013	1,745,797,372
Long-term payables due within one year (b) (Note 4(31))	333,082,890	334,882,726
Debentures payable due within one year (c) (Note 4(30))	40,299,969	698,667,556
Sub-total	3,131,722,872	2,779,347,654
Interest		
Long-term borrowings due within one year	29,822,181	-
Long-term payables due within one year	354,166	-
Debentures payable due within one year	21,081,263	-
Sub-total	51,257,610	-
	3,182,980,482	2,779,347,654

(a) Long-term borrowings due within one year

	31 December 2019	31 December 2018
Principal		
Pledged loan (i)	240,907,909	213,259,115
Guaranteed loan (ii)	1,511,827,500	55,827,500
Credit loan	1,005,604,604	1,476,710,757
Sub-total	2,758,340,013	1,745,797,372
Interest		
Pledged loan	6,096,475	-
Guaranteed loan	3,740,900	-
Credit loan	19,984,806	-
Sub-total	29,822,181	-
	2,788,162,194	1,745,797,372

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4 Notes to the consolidated financial statements (Cont'd)

(27) Current portion of non-current liabilities (Cont'd)

(a) Long-term borrowings due within one year (Cont'd)

(i) As at 31 December 2019, the charge right for electricity and accounts receivable were treated as pledge for long-term pledged loan due within one year for the following subsidiaries:

	31 December 2019	31 December 2018
Yuejiang Power	188,255,791	186,859,840
Zhanjiang Wind Power	22,860,000	18,274,167
Lincang Energy	15,000,000	-
Leizhou Wind Power	7,985,575	1,597,115
Xuwen Wind Power	6,806,543	6,527,993
	240,907,909	213,259,115

(ii) As at 31 December 2019, Zhanjiang Wind Power provided maximum amount guarantee for Xuwen Wind Power's long-term borrowings of RMB 11,827,500 (31 December 2018: RMB 11,827,500) due within one year. GEGC provided guarantees for the Company's current portion of long-term borrowings of RMB 1,500,000,000 borrowed from Pacific Investment Management (31 December 2018: Nil).

(iii) As at 31 December 2019, the annual interest rate of long-term borrowings due within one year ranged from 1.30% to 5.00% (31 December 2018: from 1.30% to 4.94%). The borrowings will be due within 12 months.

(b) Long-term payables due within one year

As at 31 December 2019, long-term payables due within one year were the net financing lease payable of RMB 333,082,890 (namely, the remaining net amount of the total amount of RMB 373,512,869 after deducting the unrecognised finance charge of RMB 40,429,979). As at 31 December 2018, long-term payables due within one year were the net financing lease payable of RMB 334,882,726 (namely, the remaining net amount of the total amount of RMB 356,362,496 after deducting the unrecognised finance charge of RMB 21,479,770).

As at 31 December 2019, details of long-term payables due within one year have been disclosed in Note 4(31).

(c) See details of debentures payable due within one year in Note 4(30).

(28) Other current liabilities

	31 December 2019	31 December 2018
Short-term debentures payable	1,912,282,192	1,107,904,110

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4 Notes to the consolidated financial statements (Cont'd)

(28) Other current liabilities (Cont'd)

Related information of short-term debentures payable is as follows:

	Face value	Issuance date	Maturity period	Issuance amount	31 December 2018	Issued in the current year	Interest at face value	Amortisation of discounts or premium	Repayments for the year	31 December 2019
Second batch of short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2018	600,000,000	24/08/2018	180 days	600,000,000	607,740,000	-	2,912,055	-	(610,652,055)	-
Fourth batch of short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2018	500,000,000	27/12/2018	152 days	500,000,000	500,164,110	-	6,249,041	-	(506,413,151)	-
First batch of short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2019	600,000,000	18/02/2019	180 days	600,000,000	-	600,000,000	8,225,753	-	(608,225,753)	-
Second batch of short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2019	600,000,000	24/05/2019	180 days	600,000,000	-	600,000,000	8,085,246	-	(608,085,246)	-
Third batch of short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2019	900,000,000	14/08/2019	180 days	900,000,000	-	900,000,000	8,987,671	-	-	908,987,671
Fourth batch of short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2019	1,000,000,000	15/11/2019	180 days	1,000,000,000	-	1,000,000,000	3,294,521	-	-	1,003,294,521
	4,200,000,000			4,200,000,000	1,107,904,110	3,100,000,000	37,754,287	-	(2,333,376,205)	1,912,282,192

In 2019, the interest rate of short-term financing notes issued by the Company was from 2.30% to 3.60% (2018: 2.55% to 4.25%).

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4 Notes to the consolidated financial statements (Cont'd)

(29) Long-term borrowings

	31 December 2019	31 December 2018
Principal		
Pledged loan (a)	4,231,292,593	2,765,356,586
Guaranteed loan (b)	1,557,285,000	1,606,112,500
Credit loan	13,556,865,800	16,176,620,950
Sub-total	19,345,443,393	20,548,090,036
Interest		
Pledged loan	6,096,475	-
Guaranteed loan	3,740,900	-
Credit loan	19,984,806	-
Sub-total	29,822,181	-
	19,375,265,574	20,548,090,036
Less: Long-term borrowings due within one year (Note 4(27)(a))		
Principal		
Pledged loan	(240,907,909)	(213,259,115)
Guaranteed loan	(1,511,827,500)	(55,827,500)
Credit loan	(1,005,604,604)	(1,476,710,757)
Sub-total	(2,758,340,013)	(1,745,797,372)
Interest		
Pledged loan	(6,096,475)	-
Guaranteed loan	(3,740,900)	-
Credit loan	(19,984,806)	-
Sub-total	(29,822,181)	-
	(2,788,162,194)	(1,745,797,372)
Total	16,587,103,380	18,802,292,664

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4 Notes to the consolidated financial statements (Cont'd)

(29) Long-term borrowings (Cont'd)

(a) Pledged loan

As at 31 December 2019, the charge right for electricity and accounts receivable were treated as pledge for long-term pledged loan for the following subsidiaries:

		31 December 2019	31 December 2018
Yuejiang Power	(i)	1,976,685,804	2,151,963,439
Qujie Wind Power	(ii)	1,155,920,000	162,820,000
Lincang Energy	(iii)	676,000,000	-
Leizhou Wind Power	(iv)	232,038,267	236,829,612
Zhanjiang Wind Power	(v)	121,425,000	138,945,000
Xuwen Wind Power	(vi)	69,223,522	74,798,535
		4,231,292,593	2,765,356,586

(i) As at 31 December 2019, the Company's subsidiary Yuejiang Power borrowed RMB 1,976,685,804 from bank consortium and the Industrial and Commercial Bank of China, secured by Yuejiang Power's right to charge electricity. The maturity date is on 21 June 2020 and the annual interest rate is 4.53% (2018: 4.53%). The borrowings include long-term borrowings due within one year amounting to RMB 188,255,791 (2018: RMB 2,151,963,439, including long-term borrowings due within one year amounting to RMB 186,859,840).

(ii) As at 31 December 2019, for the construction of Zhanjiang Wailuo offshore wind power project, the Company's subsidiary Qujie Wind Power borrowed RMB 1,155,920,000 from bank consortium and the Bank of China during operation, which was secured by Qujie Wind Power's right to charge electricity. The maturity date is 27 December 2036 and the annual interest rate is 4.41% to 4.90% (31 December 2018: RMB 162,820,000 with the interest rate of 4.80%).

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4 Notes to the consolidated financial statements (Cont'd)

(29) Long-term borrowings (Cont'd)

(a) Pledged loan (Cont'd)

(iii) In 2015, the subsidiary Lincang Energy obtained loans from bank consortium initiated by Commercial Bank of China. According to the loan contract, the loan, specifically for the construction of Dayakou Hydropower Station, was secured by the station's right to charge electricity during operation, with the maturity date of 9 June 2031. As at 31 December 2019, the balance of the loan was RMB 676,000,000, including a long-term borrowings due within one year amounting to RMB 15,000,000, with the interest rate of 4.41%.

(iv) The Company's subsidiary Leizhou Wind Power obtained loans from the Industrial and Commercial Bank of China. According to the loan contract, the category of the loan was changed from credit loan to pledged loan after Leizhou Wind Power was put into operation in December 2017, and the loan should be secured by Leizhou Wind Power's right to charge electricity. As at 31 December 2019, the balance of pledged loan was RMB 232,038,267, with the maturity date of 29 April 2030 and the interest rate ranged from 4.41% to 4.90%, including a long-term borrowings due within one year amounting to RMB 7,985,575 (31 December 2018: RMB 236,829,612, including a long-term borrowings due within one year amounting to RMB 1,597,115, with the interest rate ranged from 4.41% to 4.90%).

(v) As at 31 December 2019, the Company's subsidiary Zhanjiang Wind Power borrowed RMB 121,425,000 from the Industrial and Commercial Bank of China, secured by Zhanjiang Wind Power's right to charge electricity. The maturity date is 7 May 2024 and the annual interest rate is 4.41% (2018: 4.41%). The borrowings include long-term borrowings due within one year amounting to RMB 22,860,000 (2018: RMB 138,945,000, including long-term borrowings due within one year amounting to RMB 18,274,167).

(vi) Based on the *Loan Transfer Agreement of Yudean 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 USD 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 Xuwen Wind Power's right for revenue of electricity charge. As at 31 December 2019, the balance of the loan above was totalled at USD 9,922,812 (equivalent to RMB 69,223,522) (2018: USD 10,898,493 (equivalent to RMB 74,798,535)), among which balance of the long-term borrowings due within one year amounted to USD 975,681 (equivalent to RMB 6,806,543) (2018: USD 951,159 (equivalent to RMB 6,527,993)). The maturity date of the loan is 3 March 2030 with the annual interest rate from 3.13% % to 3.76% (2018: 2.05% to 3.46%). Meanwhile, the loans are guaranteed by the Company.

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4 Notes to the consolidated financial statements (Cont'd)

(29) Long-term borrowings (Cont'd)

(b) Guaranteed loan

As at 31 December 2019, the balance of the Company's subsidiary Xuwen Wind Power's long-term borrowings from Energy Group Finance Company was RMB 22,400,000, including long-term borrowings due within one year of RMB 7,400,000, which was secured by the guarantee provided by Zhanjiang Wind Power (2018: RMB 29,800,000, including long-term borrowings due within one year amounted to RMB 7,400,000). The annual interest rate of the loan is 4.66% (2018: 4.66%), and the maturity date is 21 August 2022.

As at 31 December 2019, the balance of the Company's subsidiary Xuwen Wind Power's long-term borrowings from Yudean Finance was RMB 23,900,000, including long term borrowings due within one year of RMB 1,400,000, which was secured by the guarantee provided by Zhanjiang Wind Power (2018: RMB 18,300,000, including long-term borrowings due within one year amounted to RMB 1,400,000). The annual interest rate of the loan is 4.41% (2018: 4.41%), and the maturity date is 28 November 2031.

As at 31 December 2019, the balance of the Company's subsidiary Xuwen Wind Power's long-term borrowings from the Bank of Communications Co., Ltd. was RMB 10,985,000, including long-term borrowings due within one year of RMB 3,027,500, which was secured by the guarantee provided by Zhanjiang Wind Power (2018: RMB 14,012,500, including long-term borrowings due within one year amounted to RMB 3,027,500). The annual interest rate of the loan is 4.90% (2018: 4.90%), and the maturity date is 5 December 2022.

As at 31 December 2019, GEGC provided guarantee for the Company's long-term borrowings of RMB 1,500,000,000, including long-term borrowings due within one year amounting to RMB 1,500,000,000 (2018: RMB 1,500,000,000) from Pacific Investment Management. The interest rate of the loan is 5.00% (2018: 5.00%), and the maturity date is 13 August 2020.

(c) As at 31 December 2019, the annual interest rate of long-term borrowings ranged from 1.30% to 4.94% (31 December 2018: from 1.30% to 5.00%).

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4 Notes to the consolidated financial statements (Cont'd)

(30) Bonds payable

	31 December 2018	Reversal from current portion of non-current liabilities	Other movements	Amortisation of discounts or premium	Transferred to current portion of non-current liabilities	31 December 2019
16 Pinghai Bond 01 (a)	-	698,667,556	(1,650,943)	757,853	-	697,774,466
12 Yudean Bond (b)	40,269,409	-	-	30,560	(40,299,969)	-
First batch of middle-term notes issued by Guangdong Electric Power Development Co., Ltd., 2018 (c)	798,057,333	-	-	800,000	-	798,857,333
	838,326,742	698,667,556	(1,650,943)	1,588,413	(40,299,969)	1,496,631,799

(a) As approved by CSRC Circular SFC License [2016] No. 1864, the Company's subsidiary Pinghai Power issued 5-year book-entry corporate debentures in real-name system with face value of RMB 700,000,000 ("16 Pinghai Bond 01") to the public on 26 September 2016. The Company altogether raised RMB 697,375,000 after deducting an issue expense of RMB 2,625,000. The loan is subject to an annual interest rate of 3.10% starting from 26 September 2016 and should be payable annually on simple interest. According to the prospectus for 16 Pinghai Bond, the bondholder is entitled to sell its "16 Pinghai Bond 01" back to Pinghai Power in whole or in part based on the face value on the interest payment date in the third interest-bearing year of the bond and adjust the coupon rate. As at the third interest-bearing date, Pinghai Power had repaid zero, and the rest would be repaid on the maturity date, 25 September 2021. Therefore, the Company transferred the balance of current portion of non-current liabilities to the debentures payable. The loan is subject to an annual interest rate of 3.10% starting from 26 September 2016 and should be payable annually on simple interest. The loan is subject to an annual interest rate of 4.15% (originally 3.10%) starting from 26 September 2016 and should be payable annually on simple interest. Due to the adjustment in the coupon rate, Pinghai Power paid a one-off underwriter's fee of RMB 1,750,000 (tax-exclusive amount of RMB 1,650,943), and the amortisation of interest amounted to RMB 757,853 for the current year. As at 31 December 2019, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 4.23% (31 December 2018: 3.18%).

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4 Notes to the consolidated financial statements (Cont'd)

(30) Debentures payable (Cont'd)

(b) As approved by CSRC Circular SFC License [2012] No. 1421, the Company issued 7-year book-entry corporate debentures in real-name system with face value of RMB 1,200,000,000 ("12 Yudean Bond") to the public on 18 March 2013. The Company altogether raised RMB 1,193,330,000 after deducting an issue expense of RMB 6,670,000. The loan is subject to an annual interest rate of 4.95% starting from 18 March 2013 and should be payable annually on simple interest. According to the prospectus for 12 Yudean Bond, the bondholder is entitled to sell its "12 Yudean Bond" back to the Company in whole or in part based on the face value on the interest payment date in the fifth interest-bearing year of the bond. As at the fifth interest-bearing date, the Company had repaid RMB 1,159,693,500, and the rest would be repaid on the maturity date, 17 March 2020. As at 31 December 2019, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 5.04%.

(c) The Company's application for registration of middle-term notes has been accepted by the National Association of Financial Market Institutional Investors at its 28th meeting in 2018. The registered amount of RMB 5,000,000,000 would be valid for 2 years starting from 26 April 2018. On 27 August 2018, the Company issued 3-year middle-term notes with face value of RMB 800,000,000 in the interbank market. The Company altogether raised RMB 797,744,000 after deducting an issue expenses of RMB 2,256,000, which should be paid in three years. As at 31 December 2019, the issue expenses of RMB 1,504,000 were paid. The loan is subject to an annual interest rate of 4.19% starting from 27 August 2018 and should be payable annually on simple interest. As at 31 December 2019, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 4.29%.

(31) Long-term payables

	31 December 2019	31 December 2018
Long-term payables (a)	2,414,256,713	2,221,230,656
Payables for specific projects (b)	71,089,532	90,282,593
	2,485,346,245	2,311,513,249

(a) Long-term payables

	31 December 2019	31 December 2018
Finance lease payable (i)	2,657,339,603	2,466,113,382
Payables for share repurchase (ii)	90,000,000	90,000,000
Less: Long-term payables due within one year	(333,082,890)	(334,882,726)
	2,414,256,713	2,221,230,656

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4 Notes to the consolidated financial statements (Cont'd)

(31) Long-term payables (Cont'd)

(a) Long-term payables (Cont'd)

(i) The Group's minimum finance lease payments are as follows:

Minimum finance lease payments	31 December 2019	31 December 2018
Within 1 year (inclusive)	427,932,313	356,362,496
1 to 2 years (inclusive)	239,714,412	334,799,400
2 to 3 years (inclusive)	557,701,919	164,163,053
Over 3 years	1,971,377,855	1,642,040,633
Sub-total	3,196,726,499	2,497,365,582
Less: Unrecognised finance charge	(539,386,896)	(31,252,200)
	2,657,339,603	2,466,113,382

The above finance lease payable due within one year less unrecognised finance charge is listed in Note 4(27).

(ii) In 2016, Guangdong Yuecai Investment Management Co., Ltd ("Yuecai Investment") injected capital of RMB 10,000,000 to the Company's subsidiary Leizhou Wind Power and capital of RMB 50,000,000 to the Company's subsidiary Dianbai Wind Power, and obtained 30% equity of the Company's subsidiary Xuwen Wind Power with a consideration of RMB 30,000,000. According to the agreement, the Group shall repurchase the shares held by Yuecai Investment after the five-year equity participation, and the price of repurchase shall equals to Yuecai Investment's actual amount of contribution of RMB 90,000,000. The Group should pay equity premium to Yuecai Investment at fixed proportion annually.

(b) Payables for specific projects

	Opening balance	Increase in the current year	Decrease in the current year	Ending balance
Supporting funds for expansion (i)	24,960,000	-	-	24,960,000
Special fund for supply of water, power and heat and property management (ii)	65,322,593	-	(34,321,441)	31,001,152
Liquidation balance of enterprises with diversified businesses (iii)	-	15,128,380	-	15,128,380
	90,282,593	15,128,380	(34,321,441)	71,089,532

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4 Notes to the consolidated financial statements (Cont'd)

(31) Long-term payables (Cont'd)

(b) Payables for specific projects (Cont'd)

(i) The payables for specific projects represent the fund granted for benefits improvement and capacity expansion by governments at provincial and central level to Lincang Energy, subsidiary of the Company. According to the document issued by Yunnan Water Conservancy & Hydropower Investment Co., Ltd. (Yun Shui Tou Fa [2015] No. 16), such payables for specific project were subject to an interest rate of 4% from 1 January 2015. The corresponding interest was recorded in the financial expenses by the Company.

(ii) Such payables for specific projects represent the fund for supply of water, electricity and heat and property management granted by the Department of Finance of Guangdong Province and GEGC and received from Shaoguan Electric Power Plant based on agreement, including RMB 32,205,311 from the Department of Finance of Guangdong Province and Yudean, RMB 38,647,834 from GEGC and payables of RMB 4,168,733 from Shaoguan Electric Power Plant. According to the document issued by Department of Finance of Guangdong Province (Yue Cai Gong [2017] No. 22), the special fund is used for the renovation and reconstruction of the supply of water, electricity and heat and property management in employees' family area charged by provincial enterprises. As at 31 December 2019, such renovation project was partly completed and financial fund was specially audited. According to *Administrative Measures for the Segregation and Transfer of "Supply of Water, Electricity and Heat and Property Management" in the Employees Family Area of Provincial State-owned Enterprises to Provincial Financial Subsidy Fund* (Yue Cai Gong [2017] No. 222) and Administrative Measures for Subsidy Fund of GEGC, "supply of water, electricity and heat and property management" expenses within the subsidy scope shall be covered by financial subsidy fund, subsidy fund of GEGC and self-raised fund at the proportion of 50%, 30% and 20% respectively, and expenses not within the subsidy scope shall be borne by the Company.

(iii) In 2019, the non-related electric power enterprises with diversified businesses transferred liquidation balance of RMB 15,128,380 to Yuejiang Power, subsidiary of the Company, which was specifically invested in its employees' relocation, training and pension funds.

(32) Deferred income

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019	Source
Government grants (a)	133,043,646	32,137,044	(25,924,177)	139,256,513	Asset-related government grants received

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4 Notes to the consolidated financial statements (Cont'd)

(32) Deferred income (Cont'd)

(a) Government grants

Government grants	31 December 2018	Increase in the current year	Decrease to other income	31 December 2019	Asset related/ Income related
Compensation for relocation and renovation of Shajiao A Zhenkou pump house	27,806,791	-	(5,561,358)	22,245,433	Asset related
Special funds for #1-#3 generators' desulfurisation project	-	18,456,465	(742,131)	17,714,334	Asset related
Energy saving grants	16,750,528	-	(1,479,871)	15,270,657	Asset related
Tax refund for PRC-made equipment	14,925,350	-	(2,296,208)	12,629,142	Asset related
Comprehensive technology upgrading for the energy saving of 1&2# generator units turbine by Zhongyue Energy	9,230,769	-	(769,231)	8,461,538	Asset related
Development and competitiveness funds from SASAC	8,000,000	-	(666,667)	7,333,333	Asset related
Second incentives for comprehensive and typical demonstration projects under financial policies of energy saving	7,650,000	-	(450,000)	7,200,000	Asset related
Incentives for energy efficiency of power plant by Dongguan	8,238,437	-	(1,647,687)	6,590,750	Asset related
Post rewarding subsidies for ultra-low emissions of 1&2# generators	6,912,340	-	(633,191)	6,279,149	Asset related
Incentives for energy efficiency of power plant by Zhongyue Energy	-	4,714,025	(277,296)	4,436,729	Asset related
Post rewarding subsidies for ultra-low emissions of designated account of special fund in Maonan District of Maoming in 2018	4,066,154	-	(338,846)	3,727,308	Asset related
Incentives for energy efficiency of power plant by Zhanjiang	-	3,368,400	(306,218)	3,062,182	Asset related
Dianbai Reshui wind power plant project	3,000,000	-	-	3,000,000	Asset related
Expansion on flow reconstruction project	3,625,048	-	(725,010)	2,900,038	Asset related
Shajiao A - 2016 central finance energy saving funds	3,528,123	-	(705,624)	2,822,499	Asset related
Government subsidies from the financial treasury payment centre of Qujiang District, Shaoguan	2,927,354	-	(276,146)	2,651,208	Asset related
Special prize funds of recycle economy and energy saving by Shenzhen	2,460,655	-	(242,500)	2,218,155	Asset related
Energy saving funds	-	2,731,306	(546,261)	2,185,045	Asset related
Others	13,922,097	2,866,848	(8,259,932)	8,529,013	Asset related
	133,043,646	32,137,044	(25,924,177)	139,256,513	

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4 Notes to the consolidated financial statements (Cont'd)

(33) Long-term employee benefits payable

	31 December 2019	31 December 2018
Termination benefits (a)	131,071,031	114,331,088
Other long-term employee benefits payable (b)	42,309,058	46,943,615
Less: Payable within one year	(38,391,229)	(38,361,315)
	134,988,860	122,913,388

The early retirement benefits payable within one year are included in the employee benefits payable (Note 4(24)).

Some employees of the Group have taken early retirement. As at the balance sheet date, the main actuarial assumptions used in estimating the obligation arising from the early retirement benefits are as follows:

	31 December 2019	31 December 2018
Discount rates	4.27%	4.27%

Early retirement benefits recognised in profit or loss for the current period:

	2019	2018
General and administrative expenses	59,459,281	36,539,748

(a) According to the Group's regulations for early retirement of employees, the employees whose early retirement requests are approved by the Group could have 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 2019, 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 early retirement and estimated the present value of future termination benefits by treasury bond interest rate of 4.27% (2018: 4.27%) of the same period. As at 31 December 2019, the Group accrued a termination benefits of RMB 131,071,031 (31 December 2018: RMB 114,331,088) and recognised it in long-term employee benefits payable. The actual termination benefits due within one year totalling RMB 29,071,494 (31 December 2018: RMB 26,936,158) are recognised in employee benefits payable.

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4 Notes to the consolidated financial statements (Cont'd)

(33) Long-term employee benefits payable (Cont'd)

(b) According to relevant regulations on social medical insurance in places where the subsidiaries of the Company and the Group locate, if individual employees participating basic medical insurance for urban residents are under their statutory ages of retirement, but their estimated contribution years fail to meet the local standards, the Group needs to make continuous contribution for the employees till the standards are met even after their retirement. The expected present values of cash flows that shall be paid for medical insurance after the retirement of employees till prescribed terms are recognised as long-term employee benefits payable and recorded in profit or loss for the period or cost of relevant assets. As at 31 December 2019, the balance of the Group's other long-term employee benefits payable was mainly the additional payment of medical insurance made for retired employees. The Group calculated the expected expenses for each year from the end of current year to regulated contribution years based on certain proportion of the retired employee's salary of the year, and estimated the present value of cash expenses made by retired employees for medical insurance in the future, with a treasury bond interest rate of 4.27% (2018: 4.27%) as discount rate. As at 31 December 2019, the Group accrued other long-term employee benefits payable of RMB 42,309,058 (31 December 2018: RMB 46,943,615), with actual payment of other long-term employee benefits payable due within one year of RMB 9,319,735 (31 December 2018: RMB 11,425,157) recognised in employee benefits payable.

(34) Other non-current liabilities

	31 December 2019	31 December 2018
Capital injection	216,405,569	166,405,569

In 2017, the Company's subsidiary Yuejiang Power received a capital injection of RMB 16,405,569 from minority shareholders. As at 31 December 2019, such capital injection was recorded in other non-current liabilities as the registration for changes of business license had not been completed.

In 2018, the Company's subsidiaries Yangjiang Wind Power and Qujie Wind Power respectively received capital injection of RMB 100,000,000 and RMB 50,000,000 from GEGC. The capital will be used for Yangjiang Shapa offshore wind power plant project and Qujie Wailuo offshore wind power plant project. As at 31 December 2019, such capital injection was recorded in other non-current liabilities as the registration for changes of business license had not been completed.

In 2019, the Group's subsidiary Zhuhai Wind Power received a capital injection of RMB 50,000,000 from GEGC. The capital will be used for Zhuhai Jinwan Electric offshore wind power project. As at 31 December 2019, such capital injection was recorded in other non-current liabilities as the registration for changes of business license had not been completed.

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4 Notes to the consolidated financial statements (Cont'd)

(35) Share capital

		Movements for the current year					
	31 December 2018	Issuance of new shares	Bonus shares	Housing fund transferred to shares	Others	Sub-total	31 December 2019
Shares subject to trading restriction:							
- Shares held by domestic state-owned legal person	1,893,342,621	-	-	-	-	-	1,893,342,621
- Other domestic shares							
Including: Shares held by domestic non-state-owned legal person	4,620,666	-	-	-	-	-	4,620,666
Shares held by domestic natural person	5,659	-	-	-	-	-	5,659
Shares not subject to trading restriction							
- RMB-dominated ordinary shares	2,553,907,040	-	-	-	-	-	2,553,907,040
- Domestically-listed foreign shares	798,408,000	-	-	-	-	-	798,408,000
	5,250,283,986	-	-	-	-	-	5,250,283,986

		Movements for the current year					
	31 December 2017	Issuance of new shares	Bonus shares	Housing fund transferred to shares	Others	Sub-total	31 December 2018
Shares subject to trading restriction:							
- Shares held by domestic state-owned legal person	1,893,342,621	-	-	-	-	-	1,893,342,621
- Other domestic shares							
Including: Shares held by domestic non-state-owned legal person	4,620,666	-	-	-	-	-	4,620,666
Shares held by domestic natural person	3,536	-	-	-	2,123	2,123	5,659
Shares not subject to trading restriction							
- RMB-dominated ordinary shares	2,553,909,163	-	-	-	(2,123)	(2,123)	2,553,907,040
- Domestically-listed foreign shares	798,408,000	-	-	-	-	-	798,408,000
	5,250,283,986	-	-	-	-	-	5,250,283,986

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4 Notes to the consolidated financial statements (Cont'd)

(36) Capital surplus

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Share capital premium (a)	4,544,074,067	-	(115,014)	4,543,959,053
Revaluation reserve	119,593,718	-	-	119,593,718
Investment from GEGC	395,000,000	-	-	395,000,000
Share of interests in the investee in proportion to the shareholding (b)	20,785,182	-	(5,813,698)	14,971,484
Transfer of capital surplus recognised under the previous accounting system	20,474,592	-	-	20,474,592
Others	2,919,327	-	-	2,919,327
	5,102,846,886	-	(5,928,712)	5,096,918,174

	31 December 2017	Increase in the current year	Decrease in the current year	31 December 2018
Share capital premium	4,445,477,866	98,596,201	-	4,544,074,067
Revaluation reserve	119,593,718	-	-	119,593,718
Investment from GEGC	395,000,000	-	-	395,000,000
Share of interest in the investee based on shareholding	20,785,182	-	-	20,785,182
Transfer of capital surplus recognised under the previous accounting system	20,474,592	-	-	20,474,592
Others	2,919,327	-	-	2,919,327
	5,004,250,685	98,596,201	-	5,102,846,886

(a) In 2019, Guangdong Wind Power invested in Huilai Wind Power with cash consideration of RMB 23,000,000 with its shareholding ratio raising from 83.33% to 89.83%. The difference between the paid consideration and the increased subsidiary's shares of net assets calculated based on proportion of equity acquired amounting to RMB 115,014 was deducted against capital surplus. Meanwhile, the minority interests were increased by RMB 115,014.

(b) In 2019, capital surplus of associates calculated based on proportion of equity acquired decreased by RMB 5,813,698.

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4 Notes to the consolidated financial statements (Cont'd)

(37) Other comprehensive income

	Other comprehensive income in the balance sheet					Other comprehensive income in the income statement for the year ended 31 December 2019				
	31 December 2018	Changes in accounting policies	1 January 2019	Attributable to the parent company after tax	31 December 2019	Accruals before income tax in the current year	Less: Amounts previously recognised in other comprehensive income transferred out in the current year	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax
Other comprehensive income that will not be subsequently reclassified to profit or loss										
Other comprehensive income that cannot be transferred to profit or loss under equity method	21,753,244	-	21,753,244	2,110,342	23,863,586	2,110,342	-	-	2,110,342	-
Changes in fair value of investments in other equity instruments	-	528,256,889	528,256,889	1,123,802,101	1,652,058,990	1,498,402,802	-	(374,600,701)	1,123,802,101	-
Other comprehensive income that will be subsequently reclassified to profit or loss										
Gains or losses arising from changes in fair value of available-for-sale financial assets	528,256,889	(528,256,889)	-	-	-	-	-	-	-	-
Other comprehensive income that can be transferred to profit or loss under equity method	-	-	-	220,468	220,468	220,468	-	-	220,468	-
	550,010,133	-	550,010,133	1,126,132,911	1,676,143,044	1,500,733,612	-	(374,600,701)	1,126,132,911	-

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the year ended 31 December 2018				
	31 December 2017	Attributable to the parent company after tax	31 December 2018	Accruals before income tax in the current year	Less: Amounts previously recognised in other comprehensive income transfer out in the current year	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax
Other comprehensive income that will not be subsequently reclassified to profit or loss								
Other comprehensive income that cannot be transferred to profit or loss under equity method	21,753,244	-	21,753,244	-	-	-	-	-
Other comprehensive income that will be subsequently reclassified to profit or loss								
Gains or losses arising from changes in fair value of available-for-sale financial assets	115,248,279	413,008,610	528,256,889	550,678,146	-	(137,669,536)	413,008,610	-
	137,001,523	413,008,610	550,010,133	550,678,146	-	(137,669,536)	413,008,610	-

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4 Notes to the consolidated financial statements (Cont'd)

(38) Surplus reserve

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Statutory surplus reserve	2,711,362,444	117,603,557	-	2,828,966,001
Discretionary surplus reserve	5,122,792,699	294,008,893	-	5,416,801,592
	7,834,155,143	411,612,450	-	8,245,767,593

	31 December 2017	Increase in the current year	Decrease in the current year	31 December 2018
Statutory surplus reserve	2,641,707,753	69,654,691	-	2,711,362,444
Discretionary surplus reserve	4,948,655,971	174,136,728	-	5,122,792,699
	7,590,363,724	243,791,419	-	7,834,155,143

In accordance with the *Company Law of the People's Republic of China* and the Company's Articles of Association, the Company should appropriate 10% of net profit for the year to the statutory surplus reserve, and the Company can cease appropriation when the statutory surplus reserve accumulated to more than 50% of the registered capital. The Company appropriates for the discretionary surplus reserve after the shareholders' meeting approves the proposal from the Board of Directors. The surplus reserve can be used to make up for the loss or increase the share capital after approval from the appropriate authorities.

According to the resolution at the shareholders' meeting dated 21 May 2019, the Company appropriated 10% of net profit for 2018, amounting to RMB 117,603,557 (2018: 10% of net profit for 2017, amounting to RMB 69,654,691) to the statutory surplus reserve. Meanwhile, the Company appropriated 25% of net profit for 2018, amounting to RMB 294,008,893 (2018: 25% of net profit for 2017, amounting to RMB 174,136,728) to the discretionary surplus reserve.

(39) Undistributed profits

	2019	2018
Undistributed profits at the beginning of the year	5,490,006,140	5,713,290,735
Add: Net profit attributable to equity owners of the Company	1,146,767,033	474,461,997
Less: Appropriation to statutory surplus reserve (Note 4(38))	(117,603,557)	(69,654,691)
Appropriation to discretionary surplus reserve (Note 4(38))	(294,008,893)	(174,136,728)
Dividends payable on ordinary shares (a)	(315,017,039)	(420,022,719)
Others (b)	(1,015,404)	(33,932,454)
Undistributed profits at the end of the year	5,909,128,280	5,490,006,140

(a) In accordance with the resolution at the shareholders' meeting dated 21 May 2019, the Company proposed a cash dividend to the shareholders at RMB 0.6 per 10 shares, amounting to RMB 315,017,039 calculated by 5,250,283,986 issued shares.

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4 Notes to the consolidated financial statements (Cont'd)

(39) Undistributed profits (Cont'd)

(b) In 2019, segregation and transfer expenses of associates related to "supply of water, power and heat and property management" calculated based on proportion of equity acquired were recognised as a reduction of RMB 1,015,404 to undisturbed profits. In 2018, the assets transferred by the Group's subsidiary without compensation for the Asset related to supply of water, power and heat and property management and the segregation and handover of municipal functions of SOEs totalled RMB 49,878,539, of which the amount borne by the parent company was RMB 33,932,454.

(c) Undistributed profits at the end of the year

The surplus reserve attributable to the parent company appropriated by subsidiaries this year was RMB 144,642,230 (2018: RMB 104,824,162).

As at 31 December 2019, the undistributed profits attributable to the parent company included an appropriation of RMB 2,463,278,951 (31 December 2018: RMB 2,318,515,265) to surplus reserve made by the Company's subsidiaries.

(40) Revenue and cost of sales:

	2019	2018
Revenue from main operations	29,018,275,346	27,125,955,662
Revenue from other operations	341,879,804	282,558,516
	29,360,155,150	27,408,514,178

	2019	2018
Cost of sales from main operations	24,468,499,397	24,236,414,355
Cost of sales from other operations	12,204,475	10,302,225
	24,480,703,872	24,246,716,580

(a) Revenue and cost of sale from main operations

	2019		2018	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Revenue from sales of electricity	28,811,365,634	24,303,147,059	26,949,774,763	24,099,233,129
Revenue from steam	137,136,069	100,553,481	126,032,622	87,916,412
Rendering of services	69,773,643	64,798,857	50,148,277	49,264,814
	29,018,275,346	24,468,499,397	27,125,955,662	24,236,414,355

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4 Notes to the consolidated financial statements (Cont'd)

(40) Revenue and cost of sales (Cont'd)

(b) Revenue and cost of sales from other operations

	2019		2018	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Revenue from integrated utilisation of coal ash	270,692,961	1,123,900	240,230,510	1,539,166
Rental income	25,092,388	3,910,335	20,343,421	4,088,745
Revenue from sales of materials	2,246,472	2,455,349	1,324,637	1,155,075
Others	43,847,983	4,714,891	20,659,948	3,519,239
	341,879,804	12,204,475	282,558,516	10,302,225

Information for revenue, cost of sales, and profit from main operating activities are included in segment reporting.

(41) Taxes and surcharges

	2019	2018	Tax base
Real estate tax	74,173,022	69,351,272	Note 3
City maintenance and construction tax	69,304,761	62,122,786	Note 3
Educational surcharge	53,642,928	50,942,570	Note 3
Land use tax	22,581,711	22,277,871	
Stamp tax	16,759,160	17,440,628	
Environmental protection tax	13,045,249	15,576,704	Note 3
Others	214,930	258,095	
	249,721,761	237,969,926	

(42) Selling and distribution expenses

	2019	2018
Labour cost	30,147,630	15,734,977
Labour insurance	6,141,152	3,419,927
Entertainment expenses	2,242,376	2,450,910
Travelling expenses	1,532,592	111,990
Rental expenses	700,908	-
Depreciation expenses (Note 4(13))	434,425	168,621
Others	2,589,679	3,497,436
	43,788,762	25,383,861

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4 Notes to the consolidated financial statements (Cont'd)

(43) General and administrative expenses

	2019	2018
Labour cost	318,985,080	279,543,009
Production preparation cost (a)	150,664,439	-
Labour insurance	79,937,050	88,735,929
Amortisation of intangible assets	52,313,721	53,189,360
Depreciation expenses (Note 4(12), (13))	50,801,562	45,795,858
Fire safety expenses	44,166,755	47,034,725
Property management expenses	29,057,707	26,313,608
Office expenses	23,737,171	20,613,680
Agency fee	19,084,853	18,257,095
Rental expenses	13,505,144	10,992,313
Maintenance cost	12,756,523	9,894,228
Afforestation fee	8,831,336	9,215,763
Traffic expenses	7,893,793	8,799,661
Travelling expenses	7,307,843	6,415,526
Labour costs	5,426,711	5,769,769
Entertainment expenses	4,009,303	3,810,169
Insurance expenses	3,316,306	3,465,634
Expenses on board meetings	533,663	719,286
Sewage charges	129,605	687,529
Others	42,182,303	49,096,796
	874,640,868	688,349,938

(a) In 2019, production preparation cost for Bohe Coal, subsidiary of the Company, amounted to RMB 150,664,439, mainly including related costs incurred for induction training and pre-construction.

(44) Research and development expenses

	2019	2018
Outsourced research and development expenses	8,549,423	2,419,679
System maintenance fees	961,443	2,624,097
Others	192,736	-
	9,703,602	5,043,776

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4 Notes to the consolidated financial statements (Cont'd)

(45) Financial expenses

	2019	2018
Interest expenses of discounted notes	1,410,457,651	1,451,841,303
Less: Capitalised interest	(179,819,947)	(141,335,812)
Sub-total of interest expenses	1,230,637,704	1,310,505,491
Amortisation of unrecognised finance charge	57,321,674	91,431,485
Amortisation of discounts or premium of debentures payable (Note 4(30))	1,588,413	2,840,111
Less: Interest income	(66,836,652)	(63,471,806)
Exchange losses - net	1,353,572	4,859,137
Bank charges and others	6,251,130	4,320,833
	1,230,315,841	1,350,485,251

(46) Other income

	2019	2018	Asset related/ Income related
Revenue from VAT refund upon collection	8,787,584	9,219,882	Income related
Compensation for relocation and renovation of Shajiao A Zhenkou pump house	5,561,358	753,231	Asset related
Enterprise economic contribution rewards for Nansha headquarters	3,777,300	10,774,300	Income related
Tax refund for PRC-made equipment	2,296,208	2,296,209	Asset related
Energy saving funds	1,479,871	4,112,576	Asset related
Income from refund of commissions for individual income tax	1,083,959	1,179,059	Income related
Desulfurisation project Shajiao A 5# generator unit	-	3,076,924	Asset related
Energy saving funds used as policy liquidation subsidies in previous years	-	4,165,231	Asset related
Special funds for differential electricity price	-	1,026,886	Asset related
Financial subsidy fund by Zhanjiang Government	-	3,050,000	Income related
Prize for entry of high and new technological enterprise cultivation library granted by the Department of Finance of Zhanjiang, Chikan Office	-	3,537,993	Income related
Other government grants related to asset	16,586,740	6,545,279	Asset related
Other government grants related to income	2,498,633	3,013,277	Income related
	42,071,653	52,750,847	

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4 Notes to the consolidated financial statements (Cont'd)

(47) Investment income

	2019	2018
Investment income from long-term equity investment under equity method	64,909,255	488,203,462
Investment income earned during the holding period of other equity instruments(Note 4(9))	58,580,379	-
Investment income earned during the holding period of available-for-sale financial assets	-	49,140,042
Recovery of interest income from written off other receivables (Note 4(48)(a))	1,224,342	-
Others	827,264	359,466
	125,541,240	537,702,970

The Group obtains returns from investment without any significant restrictions.

(48) Reversal of credit impairment losses

	2019	2018
Recovery of written off other receivables (a)	48,647,647	-
Reversal of losses on bad debts of accounts receivable (Note 4(2)(c))	2,288	-
Losses on bad debts of other receivables (Note 4(4)(c))	(2,301,051)	-
	46,348,884	-

(a) On 16 January 1999, Guangdong International Trust declared bankruptcy, the Group recognised its share in bankruptcy liabilities of RMB 61,297,805, including interest payable of RMB 1,297,805 calculated based on debtors' claim proportion in Guangdong International Trust. After deducting settlement payment of RMB 7,674,485 received from 2000 to 2003, as at 2 December 2003, the Group made provision for bad debts of RMB 52,325,515 on outstanding principal and wrote off such receivables in 2003. From 2008 to 2010, the Group had successively recovered total property distribution payments of RMB 3,677,868 from the bankruptcy and liquidation team of Guangdong International Trust.

In 2019, the Group received a total property distribution payment of RMB 49,945,452 from the bankruptcy and liquidation team of Guangdong International Trust, including interest of RMB 1,297,805, with tax-exclusive amount of RMB 1,224,342 included in investment income. The Group thus reversed credit impairment losses of RMB 48,647,647 in 2019.

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4 Notes to the consolidated financial statements (Cont'd)

(49) Asset impairment losses

	2019	2018
Impairment losses of long-term equity investments (Note 4(11)(b))	71,317,168	-
Impairment losses of fixed assets (Note 13(a)(iii))	54,133,177	151,136,187
Impairment losses of construction in progress (Note 4(14)(a)(ii))	35,211,238	13,816,430
Impairment losses of construction materials (Note 4(14)(b))	729,603	-
Losses on decline in the value of inventories (Note 4(5)(b))	530,152	2,136,875
(Reversal of)/Losses on impairment of advances to suppliers (Note 4(3)(b))	(190,000)	305,001
Losses on bad debts of accounts receivable	-	157,709
Losses on bad debts of other receivables	-	2,598,328
Impairment losses of intangible assets	-	56,502,373
Impairment losses of goodwill	-	25,036,894
	161,731,338	251,689,797

(50) Gains on disposals of assets

	2019	2018	Amount recognised in non-recurring profit or loss in 2019
Gains/(Losses) on disposals of fixed assets	(10,576)	1,572,097	(10,576)
Gains on disposals of intangible assets (Note 4(4)(a))	29,476,253	-	29,476,253
Losses on disposals of construction in progress	(8,962,253)	-	(8,962,253)
	20,503,424	1,572,097	20,503,424

(51) Non-operating income

	2019	2018	Amount recognised in non-recurring profit or loss in 2019
Gains on scraping of fixed assets	6,789,851	2,245,329	6,789,851
Payables unnecessary to be repaid	6,441,146	583,286	6,441,146
Income from penalty and fine	6,329,626	1,599,995	6,329,626
Claims and compensation income	4,375,102	45,458,540	4,375,102
Gains on donations	-	36,986,954	-
Others	9,300,994	2,582,133	9,300,994
	33,236,719	89,456,237	33,236,719

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4 Notes to the consolidated financial statements (Cont'd)

(52) Non-operating expenses

	2019	2018	Amount recognised in non-recurring profit or loss in 2019
Losses on scrapping of non-current assets	14,970,579	21,457,918	14,970,579
Expenses borne by enterprises under the "supply of water, electricity and heat and property management" renovation project (Note 4(31)(b)(ii))	7,885,758	-	7,885,758
Penalties and overdue fines	4,449,214	12,679,505	4,449,214
Losses on scrapping of inventories	3,360,365	1,160,993	3,360,365
Donation expenses	643,072	2,935,000	643,072
Others	702,139	926,114	702,139
	32,011,127	39,159,530	32,011,127

(53) Income tax expenses

	2019	2018
Current income tax calculated based on tax law and related regulations	673,284,479	476,327,171
Deferred income tax	64,780,530	(141,226,938)
	738,065,009	335,100,233

The reconciliation from income tax calculated based on the applicable tax rates and total profit presented in the consolidated income statement to the income tax expenses is listed below:

	2019	2018
Total profit	2,545,239,899	1,245,197,670
Income tax calculated at applicable tax rates	636,309,975	311,299,418
Effect of preferential tax rates of subsidiaries	(58,231,083)	(37,729,056)
Income not subject to tax	(32,184,480)	(134,879,733)
Costs, expenses and losses not deductible for tax purposes	25,250,185	17,227,646
Deductible losses for which no deferred tax asset was recognised in the current period	38,808,803	141,893,452
Transfer-out of deductible losses for which deferred tax asset was recognised	47,877,267	-
Deductible temporary differences for which no deferred tax asset was recognised in the current period	91,854,715	58,065,184
Utilisation of deductible losses for which no deferred tax asset was recognised in previous periods	(197,303)	-
Utilisation of deductible temporary differences for which no deferred tax asset was recognised in previous periods	(8,146,091)	(17,039,919)
Effect of other deductible expenses	(484,255)	(339,410)
Tax filing differences of income tax in prior years	(2,792,724)	(3,397,349)
Income tax expenses	738,065,009	335,100,233

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4 Notes to the consolidated financial statements (Cont'd)

(54) Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding

	2019	2018
Consolidated net profit attributable to ordinary shareholders of the parent company	1,146,767,033	474,461,997
Weighted average number of outstanding ordinary shares of the Company	5,250,283,986	5,250,283,986
Basic earnings per share	0.22	0.09
Including:		
- Basic earnings per share from continuing operations	0.22	0.09
- Basic earnings per share from discontinued operations	-	-

(b) Diluted earnings per share

Diluted earnings per share is calculated by dividing net profit attributable to ordinary shareholders of the parent company adjusted based on the dilutive potential ordinary shares by the adjusted weighted average number of ordinary shares outstanding. In 2019, there were no dilutive potential ordinary shares (2018: Nil), and hence diluted earnings per share is equal to basic earnings per share.

(55) Expenses by nature

The cost of sales, selling and distribution expenses, general and administrative expenses and research and development expenses in the income statement are listed as follows by nature:

	2019	2018
Consumed fuel and low value consumables, etc.	17,891,273,988	18,171,718,721
Depreciation and amortisation expenses	3,783,767,872	3,440,501,770
Employee benefits	1,886,271,386	1,779,288,108
Repair charges	1,006,918,706	928,420,266
Production preparation cost	150,664,439	-
Insurance expenses	103,594,103	103,099,272
Sewage and sanitary charges	61,671,728	63,437,485
Fire safety expenses	48,396,661	51,242,734
Transaction expenses	45,683,532	55,207,987
Property management expenses	33,041,303	31,646,545
Office expenses	26,894,609	26,262,942
Traffic expenses	25,677,325	33,298,085
Rental expenses	21,478,872	20,638,470
Others	323,502,580	260,731,770
	25,408,837,104	24,965,494,155

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4 Notes to the consolidated financial statements (Cont'd)

(56) Notes to the cash flow statement

(a) Cash received relating to other operating activities

	2019	2018
Interest income	64,827,152	59,564,119
Government grants	34,698,782	38,263,746
Rental income	25,092,388	21,564,026
Liquidation balance of enterprises with diversified businesses	15,128,380	-
Claims and compensation income	11,704,759	-
Others	43,877,306	18,740,883
	195,328,767	138,132,774

(b) Cash paid relating to other operating activities

	2019	2018
Administrative penalty and overdue fine	176,593,564	-
Insurance expenses	103,594,103	103,099,272
Sewage and sanitary charges	61,671,728	63,437,485
Fire safety expenses	48,396,661	51,242,734
Transaction expenses	45,683,532	55,207,987
Expenses relating to supply of water, power and heat and property management	42,207,199	9,699,285
Utility fees	39,491,941	38,924,305
Property management expenses	33,041,303	31,646,545
Office expenses	26,894,609	26,262,942
Traffic expenses	25,677,325	33,298,085
Rental expenses	21,478,872	20,638,470
Others	167,048,284	149,757,359
	791,779,121	583,214,469

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4 Notes to the consolidated financial statements (Cont'd)

(56) Notes to the cash flow statement (Cont'd)

(c) Cash received relating to other investing activities

	2019	2018
Cash at bank and on hand acquired from Maoming Zhenneng's equity transaction with Maoming Thermal	-	161,670,884

(d) Cash received relating to other financing activities

	2019	2018
Cash received from financing sales and leaseback	100,000,000	900,000,000

(e) Cash paid relating to other financing activities

	2019	2018
Cash paid for finance leases	293,244,563	426,817,014
Agency fee for debenture issuance	971,697	-
Payment of capital withdrawal to minority shareholders by Yuejia Electric	-	136,080,000
	294,216,260	562,897,014

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4 Notes to the consolidated financial statements (Cont'd)

(57) Supplementary information to the cash flow statement

(a) Supplementary information to the cash flow statement

Reconciliation from net profit to cash flows from operating activities

	2019	2018
Net profit	1,807,174,890	910,097,437
Add: Provision for asset impairment losses	161,731,338	251,689,797
Reversal of credit impairment losses	(46,348,884)	-
Depreciation of fixed assets	3,726,076,512	3,381,585,791
Depreciation of investment properties	2,085,161	701,435
Amortisation of intangible assets	52,313,721	53,189,360
Amortisation of long-term prepaid expenses	3,292,478	5,025,184
Amortisation of deferred income	(25,924,177)	(22,078,706)
Gains on disposal of fixed assets, intangible assets and other long-term assets	(12,322,696)	(27,805,508)
Financial expenses	1,290,901,363	1,409,636,224
Investment income	(125,541,240)	(537,702,970)
Decrease/(Increase) in deferred tax items	64,780,530	(141,226,938)
(Increase)/Decrease in inventories	(335,772,151)	43,680,628
Decrease/(Increase) in operating receivables	611,828,991	(360,270,970)
Increase in operating payables	1,098,407,276	1,064,707,342
Others	-	(31,291,750)
Net cash flows from operating activities	8,272,683,112	5,999,936,356

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4 Notes to the consolidated financial statements (Cont'd)

(57) Supplementary information to the cash flow statement (Cont'd)

(a) Supplementary information to the cash flow statement (Cont'd)

Significant operating, investing and financing activities that do not involve cash receipts and payments

	2019	2018
Inventory procurement payment made by acceptance notes	1,364,236,650	941,161,107
Long-term assets held under finance leases	425,283,800	240,830,581
Long-term assets of finance lease through sales and leaseback	100,000,000	900,000,000
Non-monetary asset acquired from Maoming Zhenneng's equity transaction with Maoming Thermal	-	267,343,152
	1,889,520,450	2,349,334,840

Net increase/(decrease) in cash and cash equivalents

	2019	2018
Cash at the end of the year	5,079,641,969	5,570,382,892
Less: Cash at the beginning of the year	(5,570,382,892)	(4,996,580,490)
Net (decrease)/increase in cash and cash equivalents	(490,740,923)	573,802,402

(b) Cash and cash equivalents

	31 December 2019	31 December 2018
Cash at bank and on hand	5,081,641,969	5,574,382,892
Less: Restricted cash at bank	(2,000,000)	(4,000,000)
Cash and cash equivalents at the end of the year (i)	5,079,641,969	5,570,382,892

(i) Cash and cash equivalents at the end of the year

	31 December 2019	31 December 2018
Cash on hand	25,114	31,413
Cash at bank that can be readily drawn on demand	5,079,616,855	5,570,351,479
	5,079,641,969	5,570,382,892

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4 Notes to the consolidated financial statements (Cont'd)

(58) Monetary items denominated in foreign currency

	31 December 2019		
	Balance in foreign currencies	Exchange rate	Balance in RMB
Cash at bank and on hand -			
USD	190	6.9762	1,324
HKD	11,541	0.8958	10,339
			11,663
Long-term borrowings -			
USD	8,947,131	6.9762	62,416,979
EUR	136,115	7.8155	1,063,810
			63,480,789
Current portion of non-current liabilities -			
USD	1,089,497	6.9762	7,600,549
EUR	314,641	7.8155	2,459,075
			10,059,624

5 Changes in consolidation scope

Subsidiaries established during the year:

Subsidiaries	Major business location	Place of registration	Nature of business	Registered capital	Shareholding (%)	Acquisition method
Guangdong Yudean Binhai Bay Energy Co., Ltd. ("Binhai Bay Company")	Dongguan, Guangdong Province	Dongguan, Guangdong Province	Electricity generation	30,000,000	100.00%	Investment

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6 Interests in other entities

(1) Interests in subsidiaries

(a) Composition of the Group

Subsidiaries	Major business location	Place of registration	Nature of business	Shareholding (%)		Acquisition method
				Direct	Indirect	
Maoming Zhenneng (i)	Maoming	Maoming	Electricity generation	46.54%	-	Investment
Jinghai Power	Jieyang	Jieyang	Electricity generation	65.00%	-	Investment
Zhanjiang Wind Power	Zhanjiang	Zhanjiang	Electricity generation	70.00%	-	Investment
Guangdong Yudean Anxin Electric Inspection & Installation Co., Ltd. (“Anxin Inspection”)	Dongguan	Dongguan	Electricity generation	100.00%	-	Investment
Guangdong Yudean Humen Electric Co., Ltd. (“Humen Electric”)	Dongguan	Dongguan	Electricity generation	60.00%	-	Investment
Bohe Coal	Maoming	Maoming	Electricity generation	67.00%	-	Investment
Yuheng Electric	Zhanjiang	Zhanjiang	Electricity generation	-	76.00%	Business combinations involving enterprises under common control
Xuwen Wind Power	Zhanjiang	Zhanjiang	Electricity generation	-	70.00%	Investment
Guangdong Yudean Huadu Natural Gas Therma Power Co., Ltd. (“Huadu Natural Gas”)	Guangzhou	Guangzhou	Electricity generation	65.00%	-	Investment
Dabu Electric	Meizhou	Meizhou	Electricity generation	100.00%	-	Investment
Leizhou Wind Power	Leizhou	Leizhou	Electricity generation	80.00%	14.00%	Investment
Dianbai Wind Power	Maoming	Maoming	Electricity generation	-	100.00%	Investment
Zhanjiang Electric	Zhanjiang	Zhanjiang	Electricity generation	76.00%	-	Business combinations involving enterprises under common control
Yuejia Electric	Meizhou	Meizhou	Electricity generation	58.00%	-	Business combinations involving enterprises under common control
Yuejiang Power	Shaoguan	Shaoguan	Electricity generation	90.00%	-	Business combinations involving enterprises under common control
Zhongyue Energy	Zhanjiang	Zhanjiang	Electricity generation	90.00%	-	Business combinations involving enterprises under common control
Guangdong Yudean Power Sales Co., Ltd. (“Power Sales”)	Guangzhou	Guangzhou	Electricity generation	100.00%	-	Investment
Qujie Wind Power	Zhanjiang	Zhanjiang	Electricity generation	100.00%	-	Investment
Yangjiang Wind Power	Yangjiang	Yangjiang	Electricity generation	-	100.00%	Investment
Lincang Energy	Lincang, Yunnan Province	Lincang	Electricity generation	100.00%		Business combinations involving enterprises not under common control
Shenzhen Guangqian Electric Co., Ltd. (“Guangqian Electric”)	Shenzhen	Shenzhen	Electricity generation	100.00%	-	Business combinations involving enterprises under common control
Huizhou Natural Gas	Huizhou	Huizhou	Electricity generation	67.00%	-	Business combinations involving enterprises under common control

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6 Interests in other entities (Cont'd)

(1) Interests in subsidiaries (Cont'd)

(a) Composition of the Group (Cont'd)

Subsidiaries	Major business location	Place of registration	Nature of business	Shareholding (%)		Acquisition method
				Direct	Indirect	
Pinghai Power (ii)	Huizhou	Huizhou	Electricity generation	45.00%	-	Business combinations involving enterprises under common control
Shibeishan Wind Power	Jieyang	Jieyang	Electricity generation	-	70.00%	Business combinations involving enterprises under common control
Red Bay Power	Shanwei	Shanwei	Electricity generation	65.00%	-	Business combinations involving enterprises under common control
Guangdong Wind Power	Guangzhou	Guangzhou	Electricity generation	100.00%	-	Business combinations involving enterprises not under common control
Tongdao Yuexin Wind Power Co., Ltd. ("Tongdao Company")	Huaihua, Hunan Province	Huaihua	Electricity generation	100.00%		Investment
Guangdong Yudean Pingyuan Wind Power Co., Ltd. ("Pingyuan Wind Power")	Meizhou	Meizhou	Electricity generation	-	100.00%	Investment
Guangdong Yudean Heping Wind Power Co., Ltd. ("Heping Wind Power")	Heyuan	Heyuan	Electricity generation	-	100.00%	Investment
Huilai Wind Power	Jieyang	Jieyang	Electricity generation	-	89.83%	Business combinations involving enterprises not under common control
Guangdong Yuejiang Hongrui Power Technology Development Co., Ltd. ("Hongrui Technology")	Shaoguan	Shaoguan	Electricity generation	-	90.00%	Investment
Guangdong Yudean Yongan Natural Gas Thermal Power Co., Ltd. ("Yongan Natural gas")	Zhaoqing	Zhaoqing	Electricity generation	90.00%	-	Investment
Hunan Xupu Yuefeng New Energy Co., Ltd. ("Xupu Yuefeng")	Huaihua, Hunan Province	Xupu County, Huaihua, Hunan Province	Electricity generation	-	100.00%	Investment
Guangxi Wuxuan Yuefeng New Energy Co., Ltd.("Wuxuan Yuefeng")	Guangxi Zhuang Autonomous Region	Wuxuan, Guangxi Zhuang Autonomous Region	Electricity generation	-	100.00%	Investment
Pingdian Comprehensive	Huizhou	Huizhou	Electricity generation	-	45.00%	Investment
Zhuhai Wind Power	Zhuhai	Zhuhai	Electricity generation	-	100.00%	Investment
Guangdong Yudean Zhencheng Comprehensive Energy Co., Ltd. ("Zhencheng Comprehensive") (i)	Maoming	Maoming	Electricity generation	-	37.23%	Investment
Binhai Bay Company	Dongguan	Dongguan	Electricity generation	100.00%	-	Investment

(i) On 30 November 2018, Maoming Zhenneng merged Maoming Thermal, wholly-owned by GEGC. After the merger, GEGC held 30.12% equity of Maoming Zhenneng. According to the agreement between the Company and GEGC, the delegated shareholder and director from GEGC maintain consensus with those of the Company while exercising the voting rights during the shareholders' meeting and the Board of Directors' meeting at Maoming Zhenneng. Therefore, the Company owns control power over Maoming Zhenneng. In addition, pursuant to the consent agreement entered into between the Company and GEGC, the Company holds 61.33% voting rights in Zhencheng Comprehensive, a subsidiary whose 80% equity is directly held by Maoming Zhenneng. Therefore, the Company owns control power over Zhencheng Comprehensive.

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6 Interests in other entities (Cont'd)

(1) Interests in subsidiaries (Cont'd)

(a) Composition of the Group (Cont'd)

(ii) Pinghai Power was acquired from GEGC by the Group in 2012 through offering non-public shares. According to the agreement between GEGC and Guangdong Huaxia Electric Power Development Co., Ltd. ("Huaxia Electric"), which holds 40% equity in Pinghai Power, the delegated shareholder and director from Huaxia Electric maintain consensus with those of GEGC when exercising their voting rights during the shareholders' meeting and Board of Directors' meeting at Pinghai Power; besides, after GEGC transfers its 45% equity in Pinghai Power to the Company, the delegated shareholder and director from Huaxia Electric also reach consensus with those of the Company when exercising their voting rights during the shareholders' meeting and Board of Directors' meeting at Pinghai Power. Therefore, the Company owns the control power over Pinghai Power.

(b) Subsidiaries with significant minority interests

Subsidiaries	Shareholding of minority shareholders (%)	Gains or losses attributable to minority shareholders in 2019	Dividends distributed to minority shareholders in 2019	Minority interests as at 31 December 2019
Bohe Coal	33.00%	(42,179,415)	-	1,440,940,454
Jinghai Power	35.00%	145,504,280	37,316,905	1,336,439,467
Honghaiwan Power	35.00%	152,155,923	58,421,446	1,249,439,286
Pinghai Power	55.00%	115,887,819	183,673,688	1,065,026,177
Red Bay Power	24.00%	67,958,573	59,628,829	989,403,057
Maoming Zhenneng	53.46%	15,807,136	-	716,362,380

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6 Interests in other entities (Cont'd)

(1) Interests in subsidiaries (Cont'd)

(b) Subsidiaries with significant minority interests (Cont'd)

The major financial information of the significant non-fully-owned subsidiaries of the Group is listed below:

	31 December 2019						31 December 2018					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total liabilities
Bohe Coal	406,450,976	8,090,725,274	8,497,176,250	1,243,204,501	2,887,485,525	4,130,690,026	605,153,826	6,838,951,897	7,444,105,723	1,912,681,712	2,437,121,377	4,349,803,089
Jinghai Power	944,179,710	7,485,923,562	8,430,103,272	1,944,115,146	2,667,589,649	4,611,704,795	1,204,643,294	7,994,284,373	9,198,927,667	2,607,699,843	3,081,936,133	5,689,635,976
Honghaiwan Power	790,682,866	5,336,542,066	6,127,224,932	1,388,119,251	1,169,279,149	2,557,398,400	943,046,924	5,759,863,813	6,702,910,737	1,582,252,157	1,818,644,840	3,400,896,997
Pinghai Power	1,025,618,654	4,139,133,331	5,164,751,985	1,038,669,288	2,189,671,466	3,228,340,754	1,213,521,626	4,504,301,232	5,717,822,858	1,167,600,036	2,490,564,556	3,658,164,592
Red Bay Power	2,933,345,468	1,360,939,980	4,294,285,448	149,489,138	22,283,574	171,772,712	2,970,589,465	1,477,137,297	4,447,726,762	332,108,967	27,812,323	359,921,290
Maoming Zhenneng	520,526,431	2,397,789,805	2,918,316,236	1,155,015,192	423,304,075	1,578,319,267	424,289,071	2,608,341,517	3,032,630,588	1,169,249,659	552,952,116	1,722,201,775

	2019				2018			
	Revenue	Net (loss)/profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net profit/(loss)	Total comprehensive income	Cash flows from operating activities
Bohe Coal	773,421	(127,816,410)	(127,816,410)	(55,199,499)	591,631	(18,848,423)	(18,848,423)	(14,288,706)
Jinghai Power	4,796,679,483	415,726,514	415,726,514	1,641,051,136	4,871,729,888	118,466,364	118,466,364	1,116,414,293
Honghaiwan Power	3,841,846,212	434,731,209	434,731,209	1,066,208,056	4,089,089,204	230,336,446	230,336,446	847,911,932
Pinghai Power	3,029,136,753	210,705,126	210,705,126	1,125,527,395	3,409,291,625	447,090,284	447,090,284	780,998,268
Red Bay Power	1,860,318,943	283,160,720	283,160,720	341,541,041	1,997,634,196	234,112,612	234,112,612	421,420,713
Maoming Zhenneng	1,566,406,325	29,568,156	29,568,156	376,262,049	1,552,628,327	(98,577,590)	(98,577,590)	264,329,442

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6 Interests in other entities (Cont'd)

(2) Interests in joint ventures and associates

(a) Basic information of significant joint ventures and associates

	Major business location	Place of registration	Nature of business	Whether strategic to the Group's activities	Shareholding (%)	
					Direct	Indirect
Joint ventures -						
Industry fuel	Guangzhou, Guangdong	Guangzhou, Guangdong	Fuel trading	Yes	50.00%	-
Associates -						
Shanxi Yudean Energy	Taiyuan, Shanxi	Taiyuan, Shanxi	Mining, power generation	Yes	40.00%	-
Yudean Shipping	Shenzhen, Guangdong	Shenzhen, Guangdong	Transportation, port operations	Yes	35.00%	-
Energy Group Finance Company	Guangzhou, Guangdong	Guangzhou, Guangdong	Finance	Yes	25.00%	-
Taishan Electric	Taishan, Guangdong	Taishan, Guangdong	Power generation	Yes	20.00%	-

Investments in associates are accounted for using the equity method.

(b) Summarised financial information of significant joint ventures

	31 December 2019	31 December 2018
	Industry fuel	Industry fuel
Current assets	2,525,548,290	2,925,805,788
Non-current assets	236,455,032	229,601,671
Total assets	2,762,003,322	3,155,407,459
Current liabilities	1,523,551,251	1,948,258,211
Non-current liabilities	795,464	750,000
Total liabilities	1,524,346,715	1,949,008,211
Minority interests	5,990,551	-
Attributable to shareholders of the parent company	1,231,666,056	1,206,399,248
Shares of net assets in proportion to shareholding (i)	615,833,028	603,199,624
Adjustments	(614,728)	(614,728)
Carrying amount of equity investment in joint ventures	615,218,300	602,584,896
Revenue	18,542,018,582	21,313,952,451
Net profit	161,363,606	144,800,960
Including: Attributable to the parent company	161,373,052	144,800,960
Other comprehensive income	-	-
Including: Attributable to the parent company	-	-
Total comprehensive income	161,363,606	144,800,960
Dividends received from joint ventures by the Group for the current year	68,053,122	75,493,986

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6 Interests in other entities (Cont'd)

(2) Interests in joint ventures and associates (Cont'd)

(b) Summarised financial information of significant joint ventures (Cont'd)

(i) Share of asset is calculated according to shareholding based on the amount attributable to the parent company in the consolidated financial statements of joint ventures. The amount in the consolidated financial statements of joint ventures considers the impacts of fair value of identifiable assets and liabilities of joint ventures at the time of acquisition and the unification of accounting policies.

(c) Summarised financial information of significant associates

	31 December 2019		31 December 2018	
	Shanxi Yudean Energy	Yudean Shipping	Shanxi Yudean Energy	Yudean Shipping
Current assets	493,527,957	677,384,957	237,368,764	679,812,323
Non-current assets	4,018,816,040	2,301,371,982	3,605,638,396	4,059,701,902
Total assets	4,512,343,997	2,978,756,939	3,843,007,160	4,739,514,225
Current liabilities	227,879,801	1,486,497,588	55,783,287	1,536,587,510
Non-current liabilities	167,617,393	209,774,800	185,614,684	531,180,002
Total liabilities	395,497,194	1,696,272,388	241,397,971	2,067,767,512
Minority interests	6,337,937	-	1,134,674	-
Attributable to shareholders of the parent company	4,110,508,866	1,282,484,551	3,600,474,515	2,648,533,400
Shares of net assets in proportion to shareholding (i)	1,644,203,546	448,869,593	1,440,189,806	935,111,350
Adjustments - Goodwill	-	-	-	-
Carrying amount of equity investment in associates	1,644,203,546	448,869,593	1,440,189,806	935,111,350
Revenue	7,251,090	1,525,757,019	3,689,284	1,730,790,827
Net profit/(loss)	610,019,213	(1,360,556,144)	569,420,122	5,208,435
Including: Attributable to the parent company	610,034,351	(1,360,556,144)	569,371,400	5,208,435
Other comprehensive income	-	615,287	-	-
Including: Attributable to the parent company	-	615,287	-	-
Total comprehensive income	610,019,213	(1,359,940,857)	569,420,122	5,208,435
Dividends received from associates by the Group for the current year	40,000,000	-	4,000,000	8,469,538

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6 Interests in other entities (Cont'd)

(2) Interests in joint ventures and associates (Cont'd)

(c) Summarised financial information of significant associates (Cont'd):

	31 December 2019		31 December 2018	
	Energy Group Finance Company	Taishan Electric	Energy Group Finance Company	Taishan Electric
Current assets	5,476,170,472	992,068,417	8,618,449,490	999,098,037
Non-current assets	14,966,723,063	11,150,344,536	13,958,043,610	12,126,348,270
Total assets	20,442,893,535	12,142,412,953	22,576,493,100	13,125,446,307
Current liabilities	16,528,663,938	1,324,769,339	19,713,970,097	2,373,171,786
Non-current liabilities	-	390,000,000	-	905,200,000
Total liabilities	16,528,663,938	1,714,769,339	19,713,970,097	3,278,371,786
Minority interests	-	863,919	-	1,029,541
Attributable to shareholders of the parent company	3,914,229,597	10,426,779,695	2,862,523,003	9,846,044,980
Shares of net assets based on shareholding (i)	978,557,399	2,085,355,939	715,630,751	1,969,208,996
Adjustments - Goodwill	13,325,000	-	13,325,000	-
Carrying amount of equity investment in associates	991,882,399	2,085,355,939	728,955,751	1,969,208,996
Revenue	713,981,963	6,549,854,533	720,277,335	8,171,917,086
Net profit	308,292,609	580,521,643	341,902,450	646,660,665
Including: Attributable to the parent company	308,292,609	580,709,129	341,902,450	646,576,935
Other comprehensive income	-	25,585	-	-
Including: Attributable to the parent company	-	25,585	-	-
Total comprehensive income	308,292,609	580,547,228	341,902,450	646,660,665
Dividends received from associates by the Group for the current year	64,106,710	-	57,221,066	121,582,000

(i) Share of asset is calculated in proportion to the shareholding based on the amount attributable to the parent company in the consolidated financial statements of associates. The amount in the consolidated financial statements of associates considers the impacts of fair value of identifiable net assets and liabilities of associates at the time of acquisition and the unification of accounting policies.

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6 Interests in other entities (Cont'd)

(2) Interests in joint ventures and associates (Cont'd)

(d) Summarised information of insignificant associates

	2019	2018
Associates:		
Aggregated carrying amount of investments	670,254,785	719,083,955
Aggregate for the following items in proportion to the shareholding		
Net profit (i)	23,188,661	70,091,971
Other comprehensive income (i)	2,110,342	-
Total comprehensive income	25,299,003	70,091,971

(i) The net profit and other comprehensive income have taken into account the impacts of both the fair value of the identifiable assets and liabilities at the time of acquisition and the unification of accounting policies.

7 Segment information

As the Group's operating revenue, expenses, assets and liabilities are primarily associated with sale of electric power and other related products, the Group's management, taking the sales of electric power as a whole business, periodically obtains accounting information relating to financial status, operating results and cash flow for assessment. Therefore, there is only the electric power segment in the Group.

The Group's operating income derives from the development and operation of electric plants in China and all assets are within China.

In 2019, the revenue earned by the Group's power plants from Southern Power Grid Company amounted to RMB 28,811,365,634 (2018: RMB 26,949,774,763), which took up 98.13% of the Group's operating income (2018: 98.33%).

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8 Related parties and related party transactions

(1) Information of the parent company

(a) General information of the parent company

	Place of registration	Nature of business
GEGC	Guangzhou	Operation and management of power generation enterprises, capital management of electricity assets, construction of power plant and sales of electricity

The ultimate holding party of the Company is State-owned Assets Supervision And Administration Commission of the People's Government of Guangdong Province.

(b) Registered capital and changes in registered capital of the parent company

	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
GEGC	23,000,000,000	-	-	23,000,000,000

(c) The percentages of shareholding and voting rights in the Company held by the parent company

	31 December 2019		31 December 2018	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
GEGC	67.39%	67.39%	67.39%	67.39%

(2) Information of subsidiaries

The general information and other related information of the subsidiaries are set out in Note 6(1)(a).

(3) Information of joint ventures and associates

Apart from material joint ventures and associates disclosed in Note 6, other joint ventures and associates that involved in related party transactions with the Group are listed as follows:

Name of entity	Relationship with the Group
Yudean Property Self-Insurance	Associate

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8 Related parties and related party transactions (Cont'd)

(4) Information of other related parties

	Relationship with the Group
Shaoguan Electric Power Plant	Controlled by GEGC
Guangdong Energy Group Shajiao C Power Plant ("Shajiao C")	Controlled by GEGC
Guangdong Zhuhai Jinwan Power Co., Ltd. ("Zhuhai Jinwan Electric")	Controlled by GEGC
Guangdong Yudean Property Management Co., Ltd. ("Yudean PM")	Controlled by GEGC
Guangdong Yudean Information Technology Co., Ltd. ("Yudean Technology")	Controlled by GEGC
Guangdong Yudean Property Investment Co., Ltd. ("Yudean PI")	Controlled by GEGC
Yudean Environmental	Controlled by GEGC
Shenzhen Tianxin Insurance Broker Co., Ltd. ("Shenzhen Tianxin")	Controlled by GEGC
Guangzhou Huangpu Power Engineering Co., Ltd. ("Huangpu Power Engineering")	Controlled by GEGC
Guangzhou Huangpu Yuehua Power Plant Human Resources Co., Ltd. ("Huangpu Yuehua Human Resources")	Controlled by GEGC
Guangdong Yuehua Power Co., Ltd. ("Yuehua Power")	Controlled by GEGC
Guangdong Yudean Yunhe Power Co., Ltd. ("Yunhe Power")	Controlled by GEGC
Guangdong Yuelong Power Generation Co., Ltd. ("Yuelong Power")	Controlled by GEGC
Guangdong Yudean Zhongshan Thermal Power Plant ("Zhongshan Thermal")	Controlled by GEGC
Guangdong Port of Yangjiang Harbour Service Co., Ltd. ("Port of Yangjiang")	Controlled by GEGC
Guangzhou Development District Yudean New Energy Co., Ltd. ("Yudean New Energy")	Controlled by GEGC
Guangdong Guanghe Power Co., Ltd. ("Guanghe Power")	Controlled by GEGC
Guangdong Xinhui Power Generation Co., Ltd. ("Xinhui Power")	Controlled by GEGC
Guangdong Energy Group Natural Gas Co., Ltd. ("Guangdong Energy Natural Gas")	Controlled by GEGC
Guangdong Yudean Fengshuba Power Generation Co., Ltd. ("Fengshuba Power")	Controlled by GEGC
Guangdong Yudean Changhu Power Generation Co., Ltd. ("Changhu Power")	Controlled by GEGC
Guangdong Yudean Qingxi Power Generation Co., Ltd. ("Qingxi Power")	Controlled by GEGC
Guangdong Yudean Liuxihe Power Generation Co., Ltd. ("Liuxihe Power")	Controlled by GEGC
Guangdong Province Zhuhai Power Generation Co., Ltd. ("Zhuhai Electric")	Controlled by GEGC
Guangdong Yudean Xinfengjiang Power Generation Co., Ltd. ("Xinfengjiang Power")	Controlled by GEGC
Guangdong Yudean Zhanjiang Biomass Power Generation Co., Ltd. ("Zhanjiang Biomass")	Controlled by GEGC
Guizhou Yueqian Electric Co., Ltd. ("Yueqian Electric")	Controlled by GEGC
Guangdong Yudean Changtan Power Generation Co., Ltd. ("Changtan Power")	Controlled by GEGC
Guangdong Yudean Ship Management Co., Ltd. ("Yudean Ship")	Controlled by GEGC
Guangzhou Yudean Huizhou New Energy Co., Ltd. ("Huizhou New Energy")	Controlled by GEGC
Guangdong Huizhou Liquefied Natural Gas Co., Ltd. ("Liquefied Natural Gas")	Controlled by GEGC

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8 Related parties and related party transactions (Cont'd)

(4) Other related parties (Cont'd)

	Relationship with the Group
Guangdong Yudean Nanshui Power Generation Co., Ltd. ("Nanshui Power")	Controlled by GEGC
Guangdong Yudean Environmental Protection Materials Co., Ltd. ("Environmental Protection Materials")	Controlled by GEGC
Shaoguan Qujiang Yudean New Energy Co., Ltd. ("Qujiang Yudean New Energy")	Controlled by GEGC
Yudean Leasing	Controlled by GEGC

(5) Related party transactions

(a) Purchase and sales of goods, and rendering and receiving of service

Purchase of goods and receiving of services:

Related parties	Type of related party transaction	Pricing policy of related party transaction	2019	2018
Industry fuel	Purchase of fuel	Agreement price	12,572,055,713	14,352,059,858
Guangdong Energy Natural Gas	Purchase of fuel	Agreement price	2,244,739,292	497,452,121
Yudean Environmental	Purchase of materials	Agreement price	170,610,784	148,417,712
Yudean Property Self-Insurance	Receipt of insurance services	Agreement price	41,085,804	19,958,353
Yudean PM	Receipt of property services	Agreement price	32,994,779	31,653,612
Yudean Shipping	Receipt of tug services	Agreement price	25,634,906	23,213,805
Huangpu Power Engineering	Receipt of maintenance and repair services	Agreement price	23,488,279	16,989,393
Port of Yangjiang	Receipt of tug services	Agreement price	6,862,044	9,247,217
Yudean Technology	Receipt of management service	Agreement price	3,476,417	3,906,107
Yudean PI	Receipt of management service	Agreement price	823,550	40,541
Yuehua Power	Purchase of goods	Agreement price	672,348	-
Huangpu Yuehua Human Resources	Receipt of training services	Agreement price	503,322	-
Changtan Power	Receipt of management service	Agreement price	452,830	-
Huangpu Yuehua Human Resources	Receipt of human resource outsourcing services	Agreement price	-	5,828,481
			15,123,400,068	15,108,767,200

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(a) Purchase and sales of goods, and rendering and receiving of service (Cont'd)

Sales of goods and rendering of services:

Related parties	Type of related party transaction	Pricing policy of related party transaction	2019	2018
Yudean Environmental	Revenue from sales of by-products	Agreement price	216,576,868	189,652,273
Shajiao C	Provision of maintenance and repair services	Agreement price	37,070,262	30,485,136
Yunhe Power	Income from transferring coal	Agreement price	12,285,018	8,194,149
Yunhe Power	Provision of maintenance and repair services	Agreement price	8,502,922	8,368,980
Xinhui Power	Provision of maintenance and repair services	Agreement price	8,212,669	-
Zhongshan Thermal	Provision of maintenance and repair services	Agreement price	4,856,637	-
Qujiang Yudean New Energy	Provision of maintenance and repair services	Agreement price	2,925,656	-
GEGC	Provision of custody services	Agreement price	2,311,321	2,070,690
Yudean New Energy	Provision of maintenance and repair services	Agreement price	1,662,684	923,603
Zhuhai Jinwan Electric	Provision of maintenance and repair services	Agreement price	928,889	2,934,438
Huizhou New Energy	Provision of maintenance and repair services	Agreement price	589,224	235,983
Liquefied Natural Gas	Provision of management services	Agreement price	336,826	-
Environmental Protection Materials	Provision of maintenance and repair services	Agreement price	188,522	-
Zhongshan Thermal	Provision of training services	Agreement price	55,175	435,144
Xinhui Power	Provision of training services	Agreement price	20,806	526,038
Yuelong Power	Provision of training services	Agreement price	-	32,004
Yuehua Power	Provision of training services	Agreement price	-	20,246
Zhuhai Electric	Provision of training services	Agreement price	-	14,528
Fengshuba Power	Provision of training services	Agreement price	-	14,528
Liuxihe Power	Provision of training services	Agreement price	-	14,528
Zhanjiang Biomass	Provision of training services	Agreement price	-	14,528
Changtan Power	Provision of training services	Agreement price	-	14,528
Yueqian Electric	Provision of training services	Agreement price	-	14,528
Yunhe Power	Provision of training services	Agreement price	-	14,528
Shajiao C	Provision of training services	Agreement price	-	12,547
Zhuhai Jinwan Electric	Provision of training services	Agreement price	-	12,302
Yudean Ship	Provision of training services	Agreement price	-	11,887
Xinfengjiang Power	Provision of training services	Agreement price	-	10,896
Changhu Power	Provision of training services	Agreement price	-	7,264
Nanshui Power	Provision of training services	Agreement price	-	3,632
Qingxi Power	Provision of training services	Agreement price	-	3,632
			296,523,479	244,042,540

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(b) Purchase of electric power

Related parties	2019	2018
Zhuhai Jinwan Electric	101,801,931	121,802,871
Yunhe Power	89,787,026	38,780,195
Yuelong Power	20,526,897	11,951,043
Yuehua Power	14,242,042	26,059,755
Guanghe Power	3,357,310	127,274,483
	229,715,206	325,868,347

The amount for purchase of electric power is determined by the difference of decrease in current feed-in tariff and purchased quantity of electricity agreed by companies selling electric power and power plants from related parties.

(c) Leases

The Group as the lessee:

Name of lessor	Type of the leased assets	Leasing payment recognised in 2019	Leasing payment recognised in 2018
Yudean PI	Housing rental	7,847,192	8,145,254
Yudean PM	Housing rental	2,814,448	-
Yudean PI	Billboard rental	760,686	776,478
		11,422,326	8,921,732

The Group as the lessor:

Name of lessee	Type of the leased assets	Leasing income recognised in 2019	Leasing income recognised in 2018
Yudean Shipping	Housing rental	572,844	39,077
Yudean PM	Housing rental	228,986	192,000
Qujiang Yudean New Energy	Housing lease	31,615	-
		833,445	231,077

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(d) Guarantee

The Group as the guaranteed party:

Guarantor	Guaranteed amount	Starting date	Maturity date	Whether the guarantee has been fulfilled or not
GEGC	1,500,000,000	14/08/2013	13/08/2022	No

(e) Lending among related parties

(i) According to the 2019 Framework Agreement on Financial Services between the Company and Energy Group Finance Company, Energy Group Finance Company is committed to offering the Group a credit line of no more than RMB 22,000,000,000 in 2019. In 2019, the Group borrowed a total of RMB 8,214,032,898 (2018: RMB 8,688,316,390) from Energy Group Finance Company based on actual capital requirement. The Group paid an interest of RMB 333,661,466 (2018: RMB 352,108,769) for such borrowings (Note 8(5)(h)).

(ii) In 2019, the net decrease of the Group's deposits in Energy Group Finance Company was RMB 510,103,873 (2018: a net increase of RMB 825,817,906). Interest due from Energy Group Finance Company amounted to RMB 63,274,596 (2018: RMB 60,293,273). In light of the frequent deposits and withdrawals, the Group only disclosed the amount of net change in deposits.

(iii) As disclosed in Note 4(22)(a), according to the three-party agreement signed among the Group, Energy Group Finance Company and Industry Fuel, the amount of the notes issued to Industry Fuel by the Group and discounted with Energy Group Finance Company represents the amount payable to Energy Group Finance Company. Given the frequent transactions, only the net change of the balance of commercial acceptance notes discounted with Energy Group Finance Company as at 31 December is disclosed. As at 31 December 2019, the net amount of Energy Group Finance Company's discounting of acceptance notes issued by the Group to Industry Fuel increased by RMB 216,838,893 (31 December 2018: increased by RMB 423,161,107). In 2019, the discounting interest charged by Energy Group Finance Company and borne by the Group which was included in the discounting interest expenses in the year amounted to RMB 28,961,757 (2018: RMB 13,243,370) (Note 8(5)(h)).

(iv) Based on the *Framework Agreement on Financial Lease* between the Company and Yudean Leasing in January 2019, Yudean Leasing is committed to offering the Group a credit line of no more than RMB 5 billion, which is reusable during the one-year agreement period. In 2019, the balance of the Group's long-term payables of finance lease through leaseback was RMB 537,407,741 (2018: 1,148,636,185), and the finance lease payment was RMB 111,825,155 (2018: RMB 28,330,513) (Note 8(5)(h)).

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(f) Allocation of common expenses

The Company's branches Shajiao A and Shajiao C agreed to share common expenses based on their agreed allocation percentage. In 2019, the common expenses received by the Group from Shajiao C was RMB 1,945,185 (2018: RMB 4,516,707).

(g) Interest income

Related parties	Type of related party transactions	2019	2018
Energy Group Finance Comp	Interest on deposits	63,274,596	60,293,273

(h) Interest expenses

Related parties	Type of related party transactions	2019	2018
Energy Group Finance Comp	Interest on borrowings	333,661,466	352,108,769
Energy Group Finance Comp	Notes discount charges	28,961,757	13,243,370
		362,623,223	365,352,139

(i) Interest payments

Related parties	Type of related party transactions	2019	2018
Yudean Leasing	Finance lease interest	111,825,155	28,330,513

In 2019, the loans provided by Energy Group Finance Company to the Group carried an annual interest rate from 3.92% to 4.90% (2018: from 3.92% to 4.66%).

(j) Purchase of assets from related parties

	2019	2018
Shaoguan Electric Power Plant	-	167,735,823

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(k) Joint investment

As at 31 December 2019, subsidiaries, joint ventures and associates jointly invested by the Group and GEGC were listed below:

	Percentage of equity attributable to GEGC
Maoming Zhenneng	30.12%
Bohe Coal	33.00%
Energy Group Finance Company	65.00%
Industry fuel	50.00%
Shanxi Yudean Energy	60.00%
Yudean Property Self-Insurance	51.00%
Western Investment	35.00%

(l) Remuneration of key management

	2019	2018
Remuneration of key management	4,558,580	3,737,581

(6) Accounts receivable from and payable to related parties

Receivables from related parties:

		31 December 2019	31 December 2018
Cash at bank and on hand	Energy Group Finance Company	4,468,014,839	4,978,118,712
Accounts receivable	Yunhe Power	3,123,537	2,817,688
	Xinhui Power	1,706,822	-
	Qujiang Yudean New Energy	1,699,980	-
	Yudean New Energy	941,609	1,062,659
	Shajiao C	901,427	10,466,023
	Zhongshan Thermal	846,660	-
	Huizhou New Energy	577,717	273,740
	Yuelong Power	-	18,000
		9,797,752	14,638,110

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8 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

Receivables from related parties (Cont'd):

		31 December 2019	31 December 2018
Other receivables	Yudean Environmental	69,568,758	54,456,181
	Energy Group Finance Company	20,866,069	18,856,569
	GEGC	2,311,321	2,070,690
	Yudean PI	1,536,942	1,267,802
	Shajiao C	1,371,603	1,663,292
	Yudean Shipping	576,400	-
	Yudean PM	466,572	543,732
	Liquefied Natural Gas	329,096	-
	Xinhui Power	-	549,900
		97,026,761	79,408,166
Advances to suppliers	Industry fuel	455,412,330	547,209,560
Other non-current assets	Yudean Technology	700,000	525,000

As at 31 December 2019 and 31 December 2018, the Group made no provision for bad debts of receivables from related parties.

		31 December 2019	31 December 2018
Notes payable	Energy Group Finance Company	870,000,000	653,161,107

		31 December 2019	31 December 2018
Accounts payable	Industry fuel	1,638,254,539	1,449,619,847
	Guangdong Energy Natural Gas	222,256,982	-
	Yudean Environmental	28,147,157	34,526,337
	Yudean PM	8,044,985	-
	Yudean Shipping	2,300,000	-
	Yudean Technology	92,000	-
	Huangpu Yuehua Human Resources	-	286,313
		1,899,095,663	1,484,432,497

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8 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

Receivables from related parties (Cont'd):

		31 December 2019	31 December 2018
Other payables	Energy Group Finance Company	-	13,356,633
	Huangpu Power Engineering	8,327,106	4,818,353
	Yudean PM	1,568,761	7,730,098
	Yudean Technology	959,440	1,130,960
	Yudean Environmental	766,080	1,414,106
	Qujiang Yudean New Energy	9,000	-
	Yuehua Power	-	58,000,000
	Yudean Shipping	-	5,312,830
	Yudean Leasing	-	2,167,970
	Huangpu Yuehua Human Resources	-	1,622,290
	Yudean Property Self-Insurance	-	400,000
	Shenzhen Tianxin	-	70,000
		11,630,387	96,023,240

	31 December 2019	31 December 2018
Short-term borrowings		
Energy Group Finance Company		
- Principal	4,115,000,000	5,042,000,000
- Interest	4,893,053	-
	4,119,893,053	5,042,000,000
Current portion of non-current liabilities		
Energy Group Finance Company		
- Principal	249,872,476	143,919,490
- Interest	4,153,303	-
	254,025,779	143,919,490
Long-term borrowings (Energy Group Finance Company)	2,765,740,493	2,833,766,371

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8 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

		31 December 2019	31 December 2018
Long-term payables	Yudean Leasing	1,667,026,669	1,147,811,958
	Guangdong Energy Group	12,217,551	-
		1,679,244,220	1,147,811,958

Part of information on short-term borrowings and long-term borrowings obtained from related parties is disclosed in Notes 4(21), 4(27) and 4(29); details on notes payable discounted by Energy Group Finance Company is disclosed in Note 4(22); details on long-term payables provided by Yudean Leasing is disclosed in Note 4(31)(a). Except for the aforesaid borrowings, notes payable and long-term payables, other receivables from and payables to related parties are interest-free and unsecured current accounts that will be paid off when needed.

(7) Commitments in relation to related parties

Leases

	31 December 2019	31 December 2018
- As lessee		
Yudean PI	11,465,806	18,622,911
Yudean PM	1,286,668	-
	12,752,474	18,622,911

(8) Investment commitments

As at 31 December 2019, the Group did not make any investment commitments with related parties.

9 Contingencies

(1) As at 31 December 2019, the Company provided joint guarantee for bank borrowings amounting to RMB 80,620,000 for Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd., of which the liability relief procedure is being handled.

(2) Pinghai Power failed to complete settlement with two of its engineering contractors due to the dispute of settlement regarding construction and installation project contracts. On 22 October 2018, one of the contractors filed a lawsuit in the local municipal people's court, demanding Pinghai Power to make payment for the additional construction expenses of RMB 165,978,408 arising from modification of scope of contract and the interest of RMB 72,478,979 arising from delay in payment. On 1 April 2019, Pinghai Power received subpoena from the local municipal people's court. On 14 May and 18 July 2019, Pinghai Power participated pre-trial conferences for the first instance and determined to hire a third party to conduct cost appraisal for the dispute. On 2 July 2019, the other contractor filed a lawsuit in the local intermediate people's court, demanding Pinghai Power to make payment for the additional construction expenses of RMB 89,548,053 arising from modification of scope of contract and the interest of RMB 36,526,452 arising from delay in payment. On 14 August 2019, Pinghai Power participated in the first instance hearing and filed an application for jurisdictional objection, which was rejected. On 8 November 2019, a counterclaim was filed by Pinghai Power in the local intermediate people's court, suing back against the contractor for default of contract due to delay in project completion. On 17 January 2020, the two parties participated the trial for of the first instance again and exchanged evidence in the court. As at the issuance date of the report, according to the suggestion of legal adviser, since the lawsuits were still pending for hearing, management of the Group could not estimate the litigation result, thus no construction expenses and interest related to

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the lawsuits were presented in the financial statements for the year ended 31 December 2019.

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10 Commitments

(1) Capital commitments

Capital expenditures contracted for by the Group but are not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

	31 December 2019	31 December 2018
Buildings and power generation equipment	13,735,070,950	8,351,174,768

The above capital commitments will be primarily used for the construction of new electric plants and the purchase of new generator units.

(2) Operating lease commitments

The future minimum lease payments due under the signed irrevocable operating leases contracts are summarised as follows:

	31 December 2019	31 December 2018
Within 1 year	24,818,237	16,483,957
1 to 2 years	5,159,843	12,699,701
2 to 3 years	1,681,275	2,235,203
Over 3 years	6,578,799	8,375,246
	38,238,154	39,794,107

(3) Implementation of prior commitments

(a) The Ninth Session of the Board approved the *Proposal on the Establishment of Guangdong Ningzhou Site Alternative Power Project Company to Conduct Preliminary Work for Project Verification* during its 3rd communication meeting in on 12 June 2019. In order to accelerate relevant work for Ningzhou Project, the Board agreed that the Company would form a wholly-owned Dongguan Ningzhou Site Alternative Power Project Company, Binhai Bay Company. The new company would be registered in Humen, Dongguan, with the initial registered capital of RMB 30,000,000. The preliminary work for Ningzhou Project should be carried out by the project company in accordance with the requirements of project verification. The Ninth Session of the Board approved the *Proposal on Acquisition of Construction Land for Guangdong Ningzhou Site Alternative Power Project* during its 5th communication meeting on 31 October 2019. Pursuant to the construction plan of Guangdong Ningzhou Site Alternative Power Project, the Board agreed that the construction land for the project could be acquired by Binhai Bay Company with a total budget of no more than RMB 240,000,000. The land acquisition cost would be borne by the Company in the form of capital contribution and recorded as project fund. As at 31 December 2019, the Company had made a total contribution of RMB 270,000,000 to Haibin Bay Company.

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10 Commitments (Cont'd)

(3) Implementation of prior commitments (Cont'd)

(b) The Ninth Session of the Board approved the *Proposal on Establishment of Zhuhai Jinwan Offshore Wind Power Project* during its 7th meeting on 25 January 2019. For the purpose of scaling up the Company's offshore wind power in Guangdong Province and the southeast coast, the Board approved the Company's investment in Zhuhai Jinwan Offshore Wind Power Project with a total dynamic investment of RMB 5,643,170,000, including a capital fund of RMB 1,128,634,000 (accounting for 20% of the total dynamic investment). Based on the construction progress and fund requirement of the project, the Company would increase its capital contribution to Guangdong Wind Power, which would then make capital injection to Zhuhai Wind Power. As at 31 December 2019, the Company had made a total capital contribution of RMB 265,000,000 to the project, including a supplementary contribution of 200,000,000 made in the current year.

(c) The Ninth Session of the Board approved the *Proposal of Investment in Construction of Zhanjiang Wailuo Offshore Wind Power Project (Phase I)* during its 1st communication meeting on 23 March 2018. In order to actively implement the energy development plans made by the State and Guangdong Province, greatly develop clean energy and accelerate the optimisation of electric generator structure, the Board gave permission to its wholly-owned subsidiary Qujie Wind Power for the construction of Zhanjiang Wailuo Offshore Wind Power Project (Phase I). The installation capacity of the project reached at 198 MW, and the total investments hit RMB 3,739,450,000. The capital fund was recorded as RMB 747,890,000 at a proportion of 20%. Based on the progress of project construction and capital demand, the Company would increase capital for Qujie Wind Power if necessary. In 2019, the Company made the supplementary capital contribution of RMB 100,000,000 to Qujie Wind Power, thus capital contribution accumulating to RMB 600,000,000.

(d) The Ninth Session of the Board approved the *Proposal on Capital Increase and Share Expansion of Guangdong Yudean Bohe Coal Power Co., Ltd.* during its 2nd communication meeting on 19 September 2018. In order to drive the integration project of Bohe Coal and meet the capital requirements of the protective resumption of Bohe Coal, the Board agreed the capital injection to the Company's wholly-owned subsidiary, Bohe Coal. The Company and GEGC should make capital injection to Bohe Coal with a total amount of RMB 3,980,000,000 in targeted proportion of 67% and 33% of the shareholding. As at 31 December 2019, the Company had increased a total capital of RMB 938,000,000.

(e) The Ninth Session of the Board approved the *Proposal of Investment in* Construction of *Zhanjiang Wailuo Offshore Wind Power Project (Phase II)* during its 1st communication meeting on 23 March 2018 and the *Proposal of Investment in Construction of Zhanjiang Wailuo Offshore Wind Power Project (Phase II)* during its 9th meeting on 29 August 2019. In order to step up for the scale development of the Company's new energy power generation, improve the proportion of clean energy installation, and optimise the structure of power source, the Board gave permission to the Company's wholly-owned subsidiary Qujie Wind Power for the investment of Wailuo Phase II, which was deemed as the main part of investment. The total dynamic investment for the project amounted to RMB 3,789,120,000, including a capital fund of RMB 757,824,000 (accounting for 20% of the total dynamic investment). The capital fund for the project would be provided to Qujie Wind Power by the Company through capital increase in batches based on actual construction progress and capital demand. In 2018, the Company had made a total capital increase of RMB 48,000,000 to Qujie Wind Power Wailuo Phase II and in 2019 the Company did not increase capital.

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10 Commitments (Cont'd)

(3) Implementation of prior commitments (Cont'd)

(f) The Eighth Session of the Board approved the *Proposal of Establishment of Yudean Yangjiang Offshore Wind Power Co., Ltd.* during its 6th meeting on 27 April 2015. The Board gave permission to the Company's wholly-owned subsidiary Guangdong Wind Power for the establishment of Yangjiang Wind Power in Yangjiang, which was deemed as the main part of investment in Yangjiang Shapa offshore wind power project. The registered capital for Phase I amounted to RMB 55,000,000, which would be settled via capital increase to Yangjiang Wind Power by Guangdong Wind Power after the Company's capital increase to Guangdong Wind Power. In order to step up for the scale development of the Company's new energy power generation, improve the proportion of clean energy installation, and optimise the structure of power source, the Board agreed on the investment in and construction for Shapa Project by Yangjiang Wind Power with a dynamic total investment of RMB 5,963,270,000. The capital fund was calculated as RMB 1,192,660,000 at a proportion of 20%. As at 31 December 2019, the Company had made a total capital contribution of RMB 455,000,000 to the project, including a supplementary contribution of 100,000,000 made in the current year.

(g) The Ninth Session of the Board approved the *Proposal on Involvement in Capital and Share Increase of Shenzhen Capital Group Co., Ltd.* during its 2nd communication meeting on 19 September 2018. In order to meet the requirement of SCG's strategic development, the Company was allowed to increase capital of RMB 213,034,000 to SCG at an equity proportion of 3.67% under the written approval of State-owned Assets Supervision and Administration Commission of the People's Government of Shenzhen Municipal. The amounts of RMB 65,135,200 and RMB 78,162,240 have been injected in 2018 and 2019 respectively, and the remaining RMB 69,736,560 would be injected within 2020.

(h) The Seventh Session of the Board approved the *Proposal of Investment in Phase II Thermal Power Cogeneration Project of Huizhou LNG Electric* during its 14th meeting in April 2013. According to the proposal, the Board permits the Company to invest in Phase II Thermal Power Cogeneration Project of Huizhou LNG Electric with the contribution ratio of 67%. The capital is about RMB 569,000,000 in total, which will be made in batches based on the project progress and capital requirement. The Company injected RMB 95,090,000, RMB 103,578,300 and RMB 29,114,500 respectively in 2017, 2018 and 2019. As at 31 December 2018, the Company had injected a total capital fund of RMB 227,782,800.

(i) The Ninth Session of the Board approved the *Proposal on Investment in and Construction of Zhanjiang Xinliao Offshore Wind Power Project* during its 6th communication meeting on 28 November 2019. In order to optimise the Company's energy structure and improve the proportion of clean energy, the Board agreed Qujie Wind Power's investment (as the main part of the investment in the project) in construction and operation of Zhanjiang Xinliao Offshore Wind Power Project with a dynamic total investment of RMB 3,698,880,000. The capital fund was calculated as RMB 739,776,000 at a proportion of 20%. The capital fund for the project would be provided to Qujie Wind Power by the Company through capital increase in batches based on actual construction progress and capital demand. As at 31 December 2019, the Company had made a total capital contribution of RMB 40,000,000 to the project, with no contribution made in the current year.

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10 Commitments (Cont'd)

(3) Implementation of prior commitments (Cont'd)

(j) The Seventh Session of the Board approved the *Proposal on Establishment of Guangdong Yudean Dapu Power Co., Ltd.* during its 11th meeting on 29 October 2012. The Board agreed Dapu Electric's investment (as the main part of the investment in the project) in construction and operation of the engineering project of replacing small generator units with big generator units. The capital fund of RMB 1,104,000,000, calculated at 20% of total investment of RMB 5,520,000,000, was needed. The capital fund for the project would be provided to Dapu Electric by the Company through capital increase in batches based on actual construction progress and capital demand. As at 31 December 2019, the Company had made a total capital contribution of RMB 1,040,000,000 to the project, including a supplementary contribution of 40,000,000 made in the current year.

(k) The Ninth Session of the Board approved the *Proposal of Increasing Capital for Guangdong Province Wind Power Generation Co., Ltd.* during its 5th meeting on 29 August 2018. The Board agreed Huilai Wind Power's technical transformation to Haiwan Shifeng Power Plant, which would be settled via capital increase to Yangjiang Wind Power by Guangdong Wind Power after the Company's capital increase to Guangdong Wind Power. The capital increase amounting to RMB 39,000,000 was fully made by the Company in 2019.

11 Events after the balance sheet date

(1) Statement of dividend distribution

According to the resolution at the Board of Directors' meeting dated 17 April 2020, the Board suggested the Group appropriating 10% and 25% of net profit, amounting to RMB 77,026,584 and RMB 192,566,461 to the statutory surplus reserves and the discretionary surplus reserve, respectively (2018: the Group appropriated RMB 117,603,557 of statutory surplus reserves and RMB 294,008,893 of discretionary surplus reserve). Meanwhile, the Board also suggested the Group distributing cash dividends of RMB 630,034,078 to its shareholders at RMB 1.2 per 10 shares (2018: the Group distributed cash dividends of RMB 315,017,039 to the shareholders at RMB 0.6 per 10 shares). The proposal is still pending for the approval of the shareholders' meeting. The cash dividends proposed after the balance sheet date have not been recognised as liabilities at the balance sheet date.

(2) Evaluation on the impact of Coronavirus Disease 2019

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in January 2020, a series of precautionary and control measures have been and continued to be implemented across the country.

To fight against COVID-19 outbreak, the Group works together to resolutely follow the epidemic prevention and control policies made by the Central Committee of the Communist Party of China, the State Council, the headquarters of the Group and the local governments, and improves control and prevention mechanism and measures. By taking into consideration the actual situation of its companies, the Group ensures stable production of its companies with multiple effective measures.

In addition to pay close attention to the development of the epidemic, the Company evaluates and responds for its impact on the Group's financial position, operating results and other aspects. As at the date on which the financial statements were authorised for issue, the evaluation was still under progress, and the Group expected no significant impact of COVID-19 outbreak on the Group's ability to continue as a going concern.

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11 Events after the balance sheet date (Cont'd)

(3) Yuejia Electric intends to disposal its assets after shutting down of generator units by closing and liquidation

Pursuant to Guangdong Province's work arrangement for restructuring "zombie companies" and the *Notice of Yudean Group on Matters Concerning Yuejia Electric's Transformation and Establishment of Energy Service Base*, in March 2020, the Sixth Session of the Board of Yuejia Electric, a subsidiary of the Group, approved the *Proposal on the Overall Program of Guangdong Yuejia Electric Co., Ltd. for Disposal of Assets after Shutting Down of Generator Units* with its first off-site resolution in 2020, and decided to disposal Yuejia Electric's assets after shutting down of generator units by closing and liquidation. The generator units of Yuejia Electric closed in succession in 2010 and 2016. As at 31 December 2019, the carrying amount of Yuejia Electric's net assets was RMB 131 million and the balance of provision for impairment of the fixed assets and intangible assets of Yuejia Electric was respectively RMB 480,449,596 and RMB 34,210,978(Note 13(a)(iii) and Note 4(15)(b)). As at the date on which the financial statements were authorised for issue, matters concerning the disposal of assets mentioned above were still under discussion.

12 Financial risk

The Group's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(1) Market risk

(a) Foreign exchange risk

The Group's major operational activities are carried out in Mainland China and a majority of the transactions are denominated in RMB. The Group is exposed to foreign exchange risk arising from the recognised assets and liabilities, and future transactions denominated in foreign currencies, primarily with respect to US dollars. The Group's finance department at its headquarters is responsible for monitoring the amount of assets and liabilities, and transactions denominated in foreign currencies to minimise the foreign exchange risk. Therefore, the Group may consider taking proper measures to mitigate the foreign exchange risk. During 2019 and 2018, the Group did not enter into any forward exchange contracts or currency swap contracts.

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12 Financial risk (Cont'd)

(1) Market risk (Cont'd)

(a) Foreign exchange risk (Cont'd)

The financial assets and the financial liabilities denominated in foreign currencies, which are held by the Group, were expressed in RMB as at 31 December 2019 and 31 December 2018 as follows:

	31 December 2019			
	USD	EUR	HKD	Total
Financial assets denominated in foreign currency -				
Cash at bank and on hand	1,324	-	10,339	11,663
Financial liabilities denominated in foreign currency -				
Long-term borrowings	62,416,979	1,063,810	-	63,480,789
Current portion of non-current liabilities	7,600,549	2,459,075	-	10,059,624
	70,017,528	3,522,885	-	73,540,413

	31 December 2018			
	USD	EUR	HKD	Total
Financial assets denominated in foreign currency -				
Cash at bank and on hand	1,304	-	11,288	12,592
Financial liabilities denominated in foreign currency -				
Long-term borrowings	68,270,542	3,537,220	-	71,807,762
Current portion of non-current liabilities	6,527,993	2,469,081	-	8,997,074
	74,798,535	6,006,301	-	80,804,836

As at 31 December 2019, if the RMB had strengthened/weakened by 10% against the USD while all other variables had been held constant, the Group's net profit would have been approximately RMB 5,251,215 (31 December 2018: approximately RMB 5,609,792) higher/lower for various financial assets and liabilities denominated in USD.

As at 31 December 2019, if the RMB had strengthened/weakened by 10% against the EUR while all other variables had been held constant, the Group's net profit would have been approximately RMB 264,216 (31 December 2018: approximately RMB 450,472) higher/lower for various financial assets and liabilities denominated in EUR.

As at 31 December 2019, if the RMB had strengthened/weakened by 10% against the HKD while all

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other variables had been held constant, the Group's net profit would have been approximately RMB 775 (31 December 2018: approximately RMB 847) lower/higher, for various financial assets denominated in HKD.

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12 Financial risk (Cont'd)

(1) Market risk (Cont'd)

(b) Interest rate risk

The Group's interest rate risk mainly arises from interest bearing borrowings including borrowings, debentures payable and long-term payables. Financial liabilities issued at floating rates expose the Group to cash flow interest rate risk. Financial liabilities issued at fixed rates expose the Group to fair value interest rate risk. The Group determines the relative proportions of its fixed rate and floating rate contracts depending on the prevailing market conditions. As at 31 December 2019, the Group's interest bearing borrowings were mainly borrowings, debentures payable and long-term payables and the amounts of respective interest are as follows:

	31 December 2019	31 December 2018
Short-term borrowings		
-fixed rate interest	750,000,000	735,000,000
-floating rate interest	5,144,026,790	6,791,000,000
	5,894,026,790	7,526,000,000

	31 December 2019	31 December 2018
Long-term borrowings and long-term borrowings due within one year		
-floating rate interest	19,345,443,393	20,548,090,036

	31 December 2019	31 December 2018
Debentures payable and debentures payable due within one year		
-fixed rate interest	1,536,931,768	1,536,994,298

	31 December 2019	31 December 2018
Long-term payables and long-term payables due within one year (excluding payables for specific projects)		
-fixed rate interest	90,000,000	90,000,000
-floating rate interest	2,657,339,603	2,466,113,382
	2,747,339,603	2,556,113,382

As at 31 December 2019, the Group's fixed interest bearing borrowings amounted to RMB 2,376,931,768 and floating interest bearing borrowings amounted to RMB 27,146,809,786(31 December 2018: fixed interest bearing borrowings RMB 2,361,994,298, floating rate bearing borrowings RMB 29,805,203,418).

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12 Financial risk (Cont'd)

(1) Market risk (Cont'd)

(b) Interest rate risk(Cont'd)

The Group's finance department at its headquarters continuously monitors the interest rate position of the Group. Increases in interest rates will increase the cost of new borrowing and the interest expenses with respect to the Group's outstanding floating rate borrowings, and therefore could have a material adverse effect on the Group's financial performance. 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. In 2019 and 2018, the Group did not hedge the interest rate risk with derivative financial instruments.

As at 31 December 2019, if interest rates on the floating rate borrowings had risen/fallen by 10 basis points while all other variables had been held constant, the Group's interest expense would have increased/decreased by approximately RMB 27,146,810 (31 December 2018: approximately RMB 17,884,606).

(2) Credit risk

Credit risk of the Group mainly arises from cash at bank and on hand, accounts receivable, other receivables, long-term receivables, etc. The carrying amount of the Group's financial assets reflect its maximum credit exposure on the balance sheet date.

The Group expects that there is no significant credit risk associated with cash at bank and on hand since they are deposited at Energy Group Finance Company, state-owned banks and other medium or large size listed banks with good reputation and high credit rating. The Group does not expect that there will be significant losses from non-performance by the counterparty.

In addition, the Group has policies to limit the credit exposure on accounts receivable, other receivables and long-term receivables. The Group assesses the credit quality of and sets credit limits on its customers by taking into account their financial position, the availability of guarantee from third parties, their credit history and other factors such as current market conditions. The credit history of the customers is regularly monitored by the Group. In respect of customers with a poor credit history, the Group will use written payment reminders, or shorten or cancel credit periods, to ensure the overall credit risk of the Group is limited to a controllable extent.

As at 31 December 2019, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage.

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12 Financial risk (Cont'd)

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analysed by their maturity dates below at their undiscounted contractual cash flows:

	31 December 2019					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount on balance sheet
Short-term borrowings	6,022,575,234	-	-	-	6,022,575,234	5,904,132,791
Notes payable	1,364,236,650	-	-	-	1,364,236,650	1,364,236,650
Accounts payable	2,465,154,162	-	-	-	2,465,154,162	2,465,154,162
Other payables	4,042,117,097	-	-	-	4,042,117,097	4,042,117,097
Other current liabilities	1,923,479,414	-	-	-	1,923,479,414	1,912,282,192
Long-term borrowings and long-term borrowings due within one year	3,553,716,056	2,365,490,761	5,697,789,922	12,879,252,180	24,496,248,919	19,375,265,574
Debentures payable and debentures payable due within one year	124,850,064	1,544,056,328	-	-	1,668,906,392	1,558,013,031
Long-term payables and long-term payables due within one year (excluding payables for specific projects)	430,536,479	331,964,412	1,613,203,370	915,876,405	3,291,580,666	2,747,339,603
	19,926,665,156	4,241,511,501	7,310,993,292	13,795,128,585	45,274,298,534	39,368,541,100

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12 Financial risk (Cont'd)

(3) Liquidity risk (Cont'd)

	31 December 2018					
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	Carrying amount on balance sheet
Short-term borrowings	7,772,410,040	-	-	-	7,772,410,040	7,526,000,000
Notes payable	941,161,107	-	-	-	941,161,107	941,161,107
Accounts payable	2,196,600,415	-	-	-	2,196,600,415	2,196,600,415
Other payables	4,152,518,495	-	-	-	4,152,518,495	4,152,518,495
Other current liabilities	1,109,288,333	-	-	-	1,109,288,333	1,107,904,110
Long-term borrowings and current portion of long-term borrowings	2,633,767,677	3,625,442,537	5,606,077,351	14,610,174,917	26,475,462,482	20,548,090,036
Debentures payable and debentures payable due within one year	758,015,172	76,621,672	833,520,000	-	1,668,156,844	1,536,994,298
Long-term payables and long-term payables due within one year (excluding payables for specific projects)	431,974,174	412,579,372	1,513,585,861	636,898,250	2,995,037,657	2,556,113,382
	19,995,735,413	4,114,643,581	7,953,183,212	15,247,073,167	47,310,635,373	40,565,381,843

The Group's available financing credit lines under agreement with the financial institutions as at balance sheet date are as follows:

	31 December 2019	31 December 2018
Available financing credit lines under agreement with the financing institutions	31,903,008,891	20,635,056,100

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13 Fair value estimates

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:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

(1) Assets measured at fair value on a recurring basis

As at 31 December 2019, the assets measured at fair value on a recurring basis by the above three levels are analysed below:

	Level 1	Level 2	Level 3	Total
Investments in other equity instruments - Other equity instruments	408,070,373	-	2,734,301,000	3,142,371,373

As at 31 December 2018, the assets measured at fair value on a recurring basis by the above three levels are analysed below:

	Level 1	Level 2	Level 3	Total
Available-for-sale financial assets - Available-for-sale equity instruments	340,765,380	-	799,040,951	1,139,806,331

The Group takes the date on which events causing the transfers between the levels take place as the timing specific for recognising the transfers. There is no transfer among Level 1, Level 2 and Level 3 for the current year.

The fair value of financial instruments traded in an active market is determined at the quoted market price; and the fair value of those not traded in an active market is determined by the Group using valuation technique. The valuation models used mainly comprise discounted cash flow model and market comparable corporate model. The inputs of the valuation technique mainly include risk-free interest rate, benchmark rate, exchange rate, credit spread, liquidity premium, dividend model, EBITDA multiplier, liquidity discount, etc.

The changes in Level 3 financial assets are analysed below:

	31 December 2018	Changes in accounting policies	1 January 2019	Additions in the current year	Gains recognised in other comprehensive income	31 December 2019
Investments in other equity instruments - Other equity instruments	-	1,225,040,951	1,225,040,951	78,162,240	1,431,097,809	2,734,301,000

The Group adopt such valuation models as cash flow discounting model and comparable company in the market to evaluate the fair value of the other equity instrument of Level 3 financial assets.

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13 Fair value estimates (Cont'd)

(2) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities measured at amortised cost mainly include accounts receivable, other receivables, long-term receivables, short-term borrowings, payables, long-term borrowings, debentures payable and long-term payables.

The carrying amount of the financial assets and liabilities not measured at fair value is a reasonable approximation of their fair value.

14 Capital management

The Group's capital management policies aim to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

The Group's total capital is calculated as "shareholders' equity" as shown in the consolidated balance sheet. The Group is not subject to external mandatory capital requirements, and monitors capital on the basis of gearing ratio.

As at 31 December 2019 and 31 December 2018, the Group's gearing ratio was as follows:

	31 December 2019	31 December 2018
Gearing ratio	54.70%	57.02%

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15 Notes to the company financial statements

(1) Accounts receivable

	31 December 2019	31 December 2018
Accounts receivable	209,270,013	264,564,281
Less: Provision for bad debts	(20,911)	(26,806)
	209,249,102	264,537,475

(a) The ageing of accounts receivable is analysed as follows:

	31 December 2019	31 December 2018
Within 1 year	209,270,013	264,564,281

(b) As at 31 December 2019, the five largest accounts receivable by debtors were summarised and analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
Total balance of the five largest accounts receivable	209,270,013	(20,911)	100.00%

(c) Provision for bad debts

For accounts receivable, irrespective of whether a significant financing component exists, the Company measures the loss provision according to the lifetime expected credit losses.

The recognition criteria and accrual method of provision for bad debts of accounts receivable adopted since 1 January 2019 are detailed in Note 2(9).

(i) As at 31 December 2019, accounts receivable for which the related provision for bad debts was provided on the grouping basis were analysed as follows:

Grouping 1

As at 31 December 2019, the Company's receivables from sales of electricity amounted to RMB 207,178,864, which mainly comprised receivables from Southern Power Grid Company. Considering the favourable credit history of Southern Power Grid Company, the Company held that there was no significant credit risk arising from receivables from sales of electricity. Since the possibility of material losses due to the default by Southern Power Grid Company was extremely low, the expected credit losses for the receivables from sales of electricity was 0%.

As at 31 December 2019, there was no accounts receivable categorised in Grouping 2.

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15 Notes to the company financial statements(Cont'd)

(1) Accounts receivable (Cont'd)

(c) Provision for bad debts (Cont'd)

(i) As at 31 December 2019, accounts receivable for which the related provision for bad debts was provided on the grouping basis were analysed as follows (Cont'd):

Grouping 3

	31 December 2019		
	Ending balance	Provision for bad debts	
	Amount	Lifetime ECL (%)	Amount
Within 1 year	2,091,149	1.00%	(20,911)

(ii) In 2019, the amount of provision for bad debts of accounts receivable was RMB 20,911, and the amount of reversed provision for bad debts of accounts receivable was RMB 26,806, with corresponding carrying amount of RMB 2,680,664. There was no provision for bad debts of accounts receivable written off.

(2) Other receivables

	31 December 2019	31 December 2018
Entrusted loans receivable	66,460,000	335,000,000
Supplementary medical insurance fund receivable	18,333,314	22,113,731
Receivables from sales of by-products	8,282,082	6,954,775
Advances receivable	7,809,969	2,167,620
Dividends receivable	2,652,502	447,956
Interest receivable	689,092	1,121,522
Others	4,073,484	7,605,984
	108,300,443	375,411,588
Less: Provision for bad debts	(151,165)	(115,360)
	108,149,278	375,296,228

(a) The ageing of other receivables is analysed as follows:

	31 December 2019	31 December 2018
Within 1 year	89,961,420	373,852,955
1 to 2 years	18,219,316	960,869
Over 3 years	119,707	597,764
	108,300,443	375,411,588

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15 Notes to the company financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements

	Stage 1					Stage 3		
	12-month ECL (on the grouping basis)		12-month ECL (on the individual basis)		Sub-total	Lifetime ECL (credit impaired)		Total
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Provision for bad debts	Book balance	Provision for bad debts	Provision for bad debts
31 December 2018	4,644,810	(115,360)	370,766,778	-	(115,360)	-	-	(115,360)
Changes in accounting policies	-	-	-	-	-	-	-	-
1 January 2019	4,644,810	(115,360)	370,766,778	-	(115,360)	-	-	(115,360)
Increase/(Recovery) in the current year	3,076,372	(138,281)	(265,753,667)	-	(138,281)			(138,281)
Reversal in the current year	(4,433,850)	102,476	-	-	102,476	-	-	102,476
31 December 2019	3,287,332	(151,165)	105,013,111	-	(151,165)	-	-	(151,165)

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15 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd):

As at 31 December 2019, the Company did not have other receivables in stage 2 or stage 3. Other receivables at stage 1 were analysed below:

(i) As at 31 December 2019, other receivables at stage 1 with provision for bad debts on individual basis were analysed as follows:

	Book balance	Lifetime ECL (%)	Provision for bad debts	Reason
Entrusted loans receivable	66,460,000	0%	-	The counterparty is the Company's subsidiary with a historical loss rate of 0%; therefore, the expected credit loss risk is extremely low.
Receivables from related parties	20,219,797	0%	-	The counterparty is a related party with a historical loss rate of 0%; therefore, the expected credit loss risk is extremely low.
Supplementary medical insurance fund receivable	18,333,314	0%	-	The counterparty is Taikang Pension, which provides custody services to the Company's supplementary medical insurance fund; therefore, the expected credit loss risk is extremely low.
	105,013,111		-	

(ii) As at 31 December 2019, other receivables at stage 1 with provision for bad debts on grouping basis were analysed as follows:

	31 December 2019		
	Book balance	Loss provision	
	Amount	Amount	Percentages
Grouping 1			
Within 1 year	3,076,372	(22,333)	1.00%
1 to 2 years	91,253	(9,125)	10.00%
Over 3 years	119,707	(119,707)	100.00%
	3,287,332	(151,165)	4.60%

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15 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(c) In 2019, the amount of provision for bad debts of other receivables was RMB 138,281, and the amount of reversed provision for bad debts of other receivables in the current year was RMB 102,476, with corresponding carrying amount of RMB 4,433,850. There was no provision for bad debts of other receivables written off.

(d) As at 31 December 2019, other receivables from top five debtors in respect of outstanding balance are analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Lincang Energy	Entrusted loans receivable	66,460,000	Within 1 year	61.37%	-
Tainkang Pension	Supplementary medical insurance fund receivable	18,333,314	Within 2 years	16.93%	-
Yudean Environmental	Receivables from sales of by-products	8,282,082	Within 1 year	7.65%	-
Binhai Bay Company	Advances receivable	3,785,476	Within 1 year	3.50%	-
GEGC	Service fee receivable	2,311,321	Within 1 year	2.13%	-
		99,172,193		91.58%	-

(3) Long-term equity investments

	31 December 2019	31 December 2018
Subsidiaries (a)	21,366,889,333	19,610,774,833
Joint ventures (b)	615,218,300	602,584,896
Associates (c)	5,880,150,813	5,763,295,357
Less: Long-term equity investments - provision for impairment of subsidiary (a)	(1,251,824,079)	(1,251,824,079)
Long-term equity investments - provision for impairment of joint venture (c)	(96,327,854)	(25,010,686)
	26,514,106,513	24,699,820,321

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15 Notes to the Company's financial statements (Cont'd)

(3) Long-term equity investments (Cont'd)

(a) Subsidiaries

	31 December 2018	Increase in investment	31 December 2019	Ending balance of provision for impairment loss	Declared cash dividends during the year
Zhanjiang Electric	2,185,334,400	-	2,185,334,400	-	188,824,627
Yuejia Electric	-	-	-	455,584,267	-
Maoming Zhenneng	687,458,978	-	687,458,978	-	-
Jinghai Power	1,930,395,668	-	1,930,395,668	-	69,302,823
Zhanjiang Wind Power	242,277,000	-	242,277,000	-	-
Zhongyue Energy	963,000,000	-	963,000,000	187,248,115	-
Humen Electric	3,192,416	-	3,192,416	86,807,584	-
Anxin Inspection	20,000,000	-	20,000,000	-	2,652,502
Bohe Coal	2,229,000,000	938,000,000	3,167,000,000	-	-
Pinghai Power	720,311,347	-	720,311,347	-	150,278,473
Red Bay Power	2,220,023,386	-	2,220,023,386	-	108,496,971
Huizhou Natural Gas	1,176,084,946	29,114,500	1,205,199,446	-	156,124,360
Guangqian Electric	1,353,153,223	-	1,353,153,223	-	195,967,359
Yuejiang Power	745,200,000	-	745,200,000	408,494,674	-
Huadu Natural Gas	186,550,000	-	186,550,000	-	-
Dapu Electric	1,000,000,000	40,000,000	1,040,000,000	-	-
Sub-total for next page	15,661,981,364	1,007,114,500	16,669,095,864	1,138,134,640	871,647,115

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15 Notes to the Company's financial statements (Cont'd)

(3) Long-term equity investments (Cont'd)

(a) Subsidiaries (Cont'd)

	31 December 2018	Increase in investment	31 December 2019	Ending balance of provision for impairment loss	Declared cash dividends during the year
Subtotal brought forward	15,661,981,364	1,007,114,500	16,669,095,864	1,138,134,640	871,647,115
Guangdong Wind Power	1,192,419,390	339,000,000	1,531,419,390	-	-
Leizhou Wind Power	80,800,000	-	80,800,000	-	10,677,647
Qujie Wind Power	779,750,000	140,000,000	919,750,000	-	35,650,569
Power Sales	230,000,000	-	230,000,000	-	18,974,196
Lincang Energy	314,000,000	-	314,000,000	113,689,439	-
Yongan Natural Gas	90,000,000	-	90,000,000	-	-
Tongdao Company	10,000,000	-	10,000,000	-	-
Binhai Bay Company	-	270,000,000	270,000,000	-	-
Total	18,358,950,754	1,756,114,500	20,115,065,254	1,251,824,079	936,949,527

Relevant information of the Company's subsidiaries is set out in Note 6.

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15 Notes to the company financial statements (Cont'd)

(3) Long-term equity investments (Cont'd)

(b) Joint ventures

	31 December 2018	Movements for the current year: Share of net profit/(loss) under equity method	Movements for the current year: Cash dividends declared	31 December 2019	Ending balance of provision for impairment loss
Industry fuel	602,584,896	80,686,526	(68,053,122)	615,218,300	-

(c) Associates

	31 December 2018	Movements for the current year: Increase in investment	Movements for the current year: Share of net profit/(loss) under equity method	Movements for the current year: Share of other comprehensive income	Movements for the current year: Other changes in equity	Movements for the current year: Cash dividends declared	Movements for the current year: Provision for impairment	31 December 2019	Ending balance of provision for impairment loss
Taishan Electric	1,969,208,996	-	116,141,826	5,117	-	-	-	2,085,355,939	-
Shanxi Yudean Energy	1,440,189,806	-	244,013,740	-	-	(40,000,000)	-	1,644,203,546	-
Energy Group Finance Company	728,955,751	250,000,000	77,073,152	-	(39,794)	(64,106,710)	-	991,882,399	-
Yudean Shipping	935,111,350	-	(476,194,650)	215,351	(10,262,458)	-	-	448,869,593	-
Yudean Property Self-Insurance	258,026,177	-	4,147,759	-	3,907	(773,832)	-	261,404,011	-
Western Investment	135,652,349	-	1,211,348	2,110,342	3,469,243	-	-	142,443,282	-
Yangshan Zhongxinkeng Electric	7,808,826	-	1,235,845	-	-	(1,001,005)	-	8,043,666	-
Jiangkeng Hydropower	5,694,710	-	512,330	-	-	(809,317)	-	5,397,723	-
Weixin Yuntou	257,636,706	-	9,903,262	-	-	-	(71,317,168)	196,222,800	(96,327,854)
	5,738,284,671	250,000,000	(21,955,388)	2,330,810	(6,829,102)	(106,690,864)	(71,317,168)	5,783,822,959	(96,327,854)

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15 Notes to the company financial statements (Cont'd)

(4) Revenue and cost of sales

	2019	2018
Revenue from main operations	2,143,735,733	2,235,681,776
Revenue from other operations	66,034,845	52,217,824
	2,209,770,578	2,287,899,600

	2019	2018
Cost of sales from main operations	2,091,084,312	2,132,196,128
Cost of sales from other operations	1,730,508	1,736,758
	2,092,814,820	2,133,932,886

(a) Revenue and cost of sales from main operations

	2019		2018	
	Revenue from main operations	Cost of sales from main operations	Revenue from main operations	Cost of sales from main operations
Revenue from sales of electricity	2,119,577,250	2,076,001,460	2,211,867,034	2,116,516,443
Revenue from steam	24,158,483	15,082,852	23,814,742	15,679,685
	2,143,735,733	2,091,084,312	2,235,681,776	2,132,196,128

(b) Revenue and cost of sales from other operations

	2019		2018	
	Revenue from other operations	Cost of sales from other operations	Revenue from other operations	Cost of sales from other operations
Sales of raw materials	27,522,105	158,629	32,148,949	498,400
Rental income	10,246,319	1,126,277	7,189,032	274,737
Others	28,266,421	445,602	12,879,843	963,621
	66,034,845	1,730,508	52,217,824	1,736,758

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15 Notes to the company financial statements (Cont'd)

(5) Investment income

	2019	2018
Income from long-term equity investments under cost method	936,949,527	965,079,299
Investment income from long-term equity investment under equity method	58,731,138	484,016,449
Investment income earned during the holding period of other equity instruments	58,580,379	-
Investment income from available-for-sale financial assets	-	49,140,042
Interest income from entrusted loans	18,164,293	18,545,516
Recovery of interest income from written off other receivables (Note 4(48)(a))	1,224,342	-
Others	827,264	363,563
	1,074,476,943	1,517,144,869

There is no significant restriction on the remittance of investment income to the Company.

(6) Reversal of credit impairment losses

	2019	2018
Recovery of other receivables written off	48,647,647	-
Reversal of losses on bad debts of accounts receivable	5,895	-
Losses on bad debts of other receivables	(35,805)	-
	48,617,737	-

(7) Asset impairment losses

	2019	2018
Impairment of long-term equity investments	71,317,168	113,689,439
Impairment losses on fixed assets	-	40,395,369
Bad debts provision	-	142,166
	71,317,168	154,226,974

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1 Statement of non-recurring profit or loss

	2019	2018
Recovery of other receivables written off	48,647,647	-
Government grants recognised in profit or loss for the current period	33,284,069	43,530,965
Gains on disposal of non-current assets	20,503,424	1,572,097
Gains on scraping of non-current assets	6,789,851	2,245,329
Penalties and overdue fines	(4,449,214)	(12,679,505)
Losses on scrapping of non-current assets	(14,970,579)	(21,457,918)
Other non-operating income and expenses other than aforesaid items	13,855,534	82,188,801
	103,660,732	95,399,769
Effect of income tax	(26,385,663)	(25,191,469)
Effect of minority interests (net of tax)	95,768	(7,809,260)
	77,370,837	62,399,040

Basis for preparation of statement of non-recurring profit or loss

Pursuant to the *Explanatory Announcement for Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss (2008)* issued by China Securities Regulatory Commission, non-recurring profit or loss refers to profit or loss arising from transactions and events those are not directly related to the Company's normal course of business, also from transactions and events those even are related to the company's normal course of business, but will interfere with the right judgement of users of the financial statements on the company's operation performance and profitability due to their special nature and occasional occurrence.

2 Return on net assets and earnings per share

	Weighted average return on net asset (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2019	2018	2019	2018	2019	2018

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Net profit attributable to ordinary shareholders of the Company	4.77%	2.02%	0.22	0.09	0.22	0.09
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	4.45%	1.75%	0.20	0.08	0.20	0.08

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3 Accounting data difference under domestic and overseas accounting standards

Differences in net profit and net assets attributable to the shareholdings of the company included in the consolidated financial statement prepared under the International Financial Reporting Standards (IFRSs) and the China Accounting Standards (CASs) are as follows:

	Net profit		Net assets	
	2019	2018	31 December 2019	31 December 2018
Under the CASs	1,146,767,033	474,461,997	26,178,241,077	24,227,302,288
Items and amounts adjusted under the IFRSs				
Difference in recognition of goodwill on business combination under common control (a)	(25,984,223)	-	38,638,777	64,623,000
Difference in recognition of land use value upon business combination (a)	(630,000)	(630,000)	16,970,000	17,600,000
Impact on minority interests (b)	54,120	54,120	4,864,339	4,810,219
Under the IFRSs	1,120,206,930	473,886,117	26,238,714,193	24,314,335,507

(a) Difference in recognition of goodwill on business combination under common control and difference in recognition of land use value upon 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.

(b) Impact on minority shareholders

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The above mentioned difference in recognition of land use value upon business combination exists in the Company and some holding subsidiaries, thus causing effect against minority interests.

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XIII. Documents for reference

1.Financial statements bearing the seal and signature of legal representative, financial controller and the person in charge of the accounting organ;
2.Original audit report seal with accounting firms and signature and seal from CPA;
3.All original copies of official documents and notices, which were disclosed in Securities Times, China Securities and Hong Kong Commercial Daily (Both English and Chinese version);
4. Chinese Version of the annual report

The documents mentioned above are kept in office, and are ready for reference at any time (except public holidays, Saturday and Sunday).

The Board of Directors of Guangdong Electric Power Development Co., Ltd.

Chairman of the Board: Wang Jin

April 18, 2020

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