



Guangdong Electric Power Development Co., Ltd.
2020 Annual Report

April 2021

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
Wen Lianhe	Director	Due to business	Wang Jin
Chen Ze	Director	Due to business	Wang Jin
Li Fangje	Director	Due to business	Zheng Yunpeng
Li Baobing	Director	Due to business	Zheng Yunpeng
Yan Ming	Director	Due to business	Rao Subo
Shen Hongtao	Independent director	Due to business	Sha Qilin

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-9 of Chapter 4 of this annual report-situation faced and countermeasures for relevant information.

The preplan profit distribution of the Company deliberated and approved by the Board is: Total share of of 5,250,283,986 for Base on the Company's total share capital, the Company would distribute cash dividend to all the shareholders at the rate of CNY 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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Definition

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 Energy Co., Ltd. (formerly " Guangdong Yudean Bohe Coal & Electricity Co., Ltd." renamed on February 25, 2021)
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 Company	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.
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.
Maoming Thermal Power Plant	Refers to	Guangdong Energy Maoming Thermal Power Co., Ltd. (formerly " Maoming Zhenheng Thermal Power Co., Ltd. " renamed on November 3, 2020)
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 Gas 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.
Yudean Shipping Company	Refers to	Guangdong Yudean Shipping Co., Ltd.
Yudean Western Investment Company	Refers to	Guangdong Yudeann Holdings Western Investment Co., Ltd.
Energy Group Finance Company	Refers to	Guangdong Energy Group Finance Co., Ltd.
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
Environmental Protection Company	Refers to	Guangdong Yudean Environmental Protection Co., Ltd

II. Basic Information of the Company and Financial index

I. Company information

Stock abbreviation	Yue Dian Li A, Yue Dian Li B	Stock code:	000539,200539
Stock exchange for listing	Shenzhen Stock Exchange		
Name in Chinese	广东电力发展股份有限公司		
Abbreviation of Registered Company Name in Chinese(If any)	粤电力		
English name (If any)	GUANGDONG ELECTRIC POWER DEVELOPMENT CO.,LTD		
English abbreviation (If any)	GED		
Legal Representative	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		
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)87570251	(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

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

	2020	2019	Changed over last year (%)	2018
Operating income (RMB)	28,329,065,391	29,360,155,150	-3.51%	27,408,514,178
Net profit attributable to the shareholders of the listed company (RMB)	1,746,280,132	1,146,767,033	52.28%	474,461,997
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	1,530,448,193	1,069,396,196	43.11%	412,062,957
Cash flow generated by business operation, net (RMB)	6,280,781,169	8,272,683,112	-24.08%	5,999,936,356
Basic earning per share(RMB/Share)	0.3326	0.2184	52.28%	0.09
Diluted gains per share(RMB/Share)	0.3326	0.2184	52.28%	0.09

Net asset earning ratio (%)	6.54%	4.77%	1.77%	2.02%
	End of 2020	End of 2019	Changed over last year (%)	End of 2018
Gross assets (RMB)	85,970,818,168	75,472,027,123	13.91%	73,329,662,306
Net assets attributable to shareholders of the listed company (RMB)	27,369,995,422	26,178,241,077	4.55%	24,227,302,288

The lower one of net profit before and after deducting the non-recurring gains/losses in the last three fiscal years is negative, and the audit report of last year shows that the ability to continue operating is uncertain

Yes No

The lower one of net profit before and after deducting the non-recurring gains/losses is negative

Yes No

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	1,746,280,132	1,146,767,033	27,369,995,422	26,178,241,077
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	38,638,777	38,638,777
Difference arising from recognition of land use value after enterprise merger	-630,000	-630,000	16,340,000	16,970,000
Influence on minority interests	54,120	54,120	4,918,459	4,864,339
According to IAS	1,745,704,252	1,120,206,930	27,429,892,658	26,238,714,193

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

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

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

(b) Influence on minority interests

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

VIII.Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	4,703,863,816	7,836,054,007	8,313,722,282	7,475,425,286
Net profit attributable to the shareholders of the listed company	7,373,105	806,311,390	755,703,910	176,891,727
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	-372,094	784,914,803	753,661,026	-7,755,542
Net Cash flow generated by business operation	1,170,574,344	2,847,647,553	2,470,190,633	-207,631,361

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 (2020)	Amount (2019)	Amount (2018)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	340,976,361	20,503,424	1,572,097	It was mainly because Yuejia received compensation of RMB 293.77 million for land recovery and RMB 51.03 million for disposal of fixed assets this year.
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	30,457,198	33,284,069	43,530,965	Various government subsidies received by branch companies and subsidiaries.
Gain equal to the amount by which investment costs for the Company to acquire subsidiaries, associates and joint ventures are lower than the Company's enjoyable fair value of identifiable net assets of investees when making investments	9,784,791			It was mainly due to the income generated by the acquisition of Huaguoquan Company and the acquisition of the environmental protection company by the fuel company.
Switch back of provision for depreciation of account receivable which was singly taken depreciation test.		48,647,647		
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	41,325,478	5,674,806	62,976,212	It was mainly due to the asset scrapping loss of branch companies and subsidiaries.
Less: .Amount of influence of income tax	106,618,392	26,385,663	25,191,469	
Less: Amount of influence of minority interests	100,093,497	-95,768	7,809,260	
Total	215,831,939	77,370,837	62,399,040	--

For the Company's non-recurring gain/loss items as defined in the Explanatory Announcement No.1 on information disclosure for Companies Offering their Securities to the Public-Non-recurring Gains and Losses and its non-recurring gain/loss items as illustrated in the Explanatory Announcement No.1 on information Disclosure

for Companies offering their securities to the public-non-recurring Gains and losses which have been defined as recurring gains and losses, it is necessary to explain the reason.

Applicable Not applicable

Items	Amount involved	Reason
Value-added tax will be refunded immediately	9,240,948	Comply with national policies and regulations, and continue to occur
Carbon emission quota used to fulfil the emission reduction obligation	-57,470,471	Comply with national policies and regulations, and continue to occur

III. Outline of Company Business

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

The Company shall comply with the disclosure requirements of Shenzhen Stock Exchange Industry Information Disclosure Guidelines No.15-Listed Companies Engaged in Power-related Business

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 the end of the reporting period, the company has controllable installed capacity of 23.273 million kilowatts, including holding installed capacity of 21.612 million kilowatts and equity participation installed capacity of 1.661 million kilowatts. Including: the holding installed capacity for coal-fired power generation of 17.15 million kilowatts; the holding installed capacity for gas and electricity of 3.72 million kilowatts and renewable energy generation like wind power and hydropower of 742,000 kilowatts. Clean energy installation accounted for 20.65%. In addition, the company is entrusted with managing the installed capacity of 13.286 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 69.859 billion kilowatt-hours ,a decrease of 1.85% YOY; average price stated in the consolidated statements is 447.27 Yuan/ thousands kilowatt-hours(tax included ,the same below), YOY drop of 16.22 Yuan/ thousands kilowatt-hours; the total operating income was RMB 28,329.0654 million, a decrease of RMB 1,031.0898 million or a decrease of 3.51% YOY.

The company's business is dominated by thermal power generation, and the fuel costs account for a large portion of operating costs, thus the fluctuations in coal prices and gas 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 15,978.6732 million yuan, which accounted for 71.10% of the main business costs; Affected by the fall in electricity and coal prices, a decrease of 1,624.1609 million yuan or a decrease of 9.23% over the same period of last year.

During the reporting period, affected by the steady recovery of the macro economy, continuous stability of the company's power production, and the effective cost control, the Company's gross profit of power generation and net profit attributable to its parent company increased significantly year-on-year. the Company achieved a net

profit of 1,746.2801 million yuan attributable to the parent company for the whole year, a YOY increase of 52.28%.

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

The Company's main power generation assets are located in Guangdong Province, with a total asset size of more than 85.9 billion. It is the largest listed company of power in Guangdong Province. By the end of 2020, The company's controllable installed capacity and entrusted managed installed capacity totaled 36.216 million kilowatts , accounting for 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 only listed company and 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

Guided by the national energy development strategy, the Company is preparing the "14th Five-Year Plan" in combination with its own condition, and will implement the "1+2+3+X" strategy in the future - to build a first-class green and low-carbon power listed company, coordinate safety and development, optimize and strengthen coal, gas and biomass power generation services, and vigorously develop new energy, energy storage, hydrogen energy and land park development. The Company has abundant project reserves and great development potential. The Company has clear main business, reasonable structure, outstanding industrial position and market share, strong comprehensive strength and great development potential.

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 2020, the company completed a total of 58.649 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 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.

5. Advantage of financial resources

By the end of 2020, the company's total assets were 85.971 billion yuan, net assets were 35.743 billion yuan, net assets attributable to the parent were 27.370 billion yuan, and net profits attributable to the parent were 1.746 billion yuan; Net cash inflow from operating activities was 6.281 billion yuan, net cash outflow from investment activities was 8.114 billion yuan, and net cash outflow from financing activities was 2.517 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". Company will steadily push forward the construction of key energy projects and the development of new energy resources in the province, actively seek to expand into regions with better resource conditions and higher power demand, and contribute to the implementation of the "30.60" goal.

IV. Management's Discussion and Analysis

I. General

At the beginning of 2020, affected by the COVID-19, the demand for industrial electricity in the whole society declined. However, with the solid advancement of work resumption, production resumption, business resumption and market resumption, the electricity consumption of the whole society in Guangdong Province rose against the trend after going through the bottom, reaching 692.612 billion kWh, with a year-on-year increase of 3.44%, and the growth rate slowed down by 2.5 percentage points. In 2020, Guangdong received 205.7 billion kWh of XD, with a year-on-year increase of 1.76%, and the output of XD exceeded the planned transmission of 35.6 billion kWh; In terms of installed capacity, a total of 14.27 million kilowatts of nuclear power and thermal power units were newly put into operation in the province, and the newly added installed capacity under unified commissioning accounts for 9.67% of the capacity under unified commissioning. Affected by the continuous increase of power transmission from XD, the year-on-year increase of unit capacity in the province, and the substantial increase of renewable energy such as wind power in the province, the utilization hours of coal-fired units in the province were 3,882 hours, the on-grid power of coal-fired units was 56.473 billion kWh, with a year-on-year decrease of 3.76%, the on-grid power of air machines was 11.687 billion kWh, with a year-on-year increase of 2.71%, and the on-grid power of wind power was 1.279 billion kWh, with a year-on-year increase of 4.24%.

In 2020, the Company's market-oriented transaction scale expanded, and the discount rate increased. The average on-grid price of consolidated statements was RMB 447.27/thousand kWh (including tax, the same below), down RMB 16.22/thousand kWh year-on-year, with a decrease of 3.50%. However, due to the year-on-year decline in fuel prices, the dividends from the implementation of tax reduction and fee reduction policies, and the Company's effective control over all costs and expenses, the profit of the Company's power generation business increased significantly year on year.

By the end of 2020, the company's consolidated statement had total assets of 85.971 billion yuan, with a year-on-year increase of 13.91%; The equity attributable to the shareholders of the parent company was 27.370 billion yuan, with a year-on-year increase of 4.55%. The company's consolidated operating income reached 28.329 billion yuan, with a year-on-year decrease of 3.51; Net profit attributable to shareholders of the parent company was 1.746 billion yuan, with a year-on-year increase of 52.28; Earnings per share were 0.33 yuan (0.22 yuan in the same period last year). According to the consolidated statement, the company's liabilities totaled 50.227 billion yuan, with an asset-liability ratio of 58.42%.

In 2020, the Company resolutely implemented the requirements of supply-side structural reform in the power industry, adhered to the clean, low-carbon, safe and efficient energy development strategy, and continuously optimized the power supply structure and asset structure. All offshore wind turbines in Wailuo, Zhanjiang were officially put into operation, and Units 1 and 2 (2 million kilowatts) of Bohe Project were officially put into operation after 168-hour trial run. The gas and power projects in Huadu and Dongguan Ningzhou were accelerated and the power supply structure was continuously optimized. By the end of 2020, the Company had controllable installed capacity of 23.273 million kilowatts, with a year-on-year increase of 10.80%, of which the proportion of clean energy increased to 20.65%. In the future, the Company will also adhere to the new development concept,

continue to promote the optimization and adjustment of power supply structure, actively integrate into the construction of Guangdong-Hong Kong-Macao Greater Bay Area and Shenzhen pioneering demonstration zones and the development of Guangdong's "One Core, One Belt and One Area", actively respond to the "30•60" goal of carbon peaking and carbon neutrality in China, and vigorously promote the Company's clean and low-carbon transformation for energy.

In 2020, 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 9 on-site meetings and 3 communication meetings, and completed the examination and approval of 55 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 4 shareholders' meetings, and all 17 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 107 announcements throughout the year. The information disclosure has been evaluated as "A" by Shenzhen Stock Exchange for Seven consecutive years.

The Company shall comply with the disclosure requirements of Shenzhen Stock Exchange Industry Information Disclosure Guidelines No.15-Listed Companies Engaged in Power-related Business

In 2020, the scale of market-oriented transactions in Guangdong Province continued to expand, and the annual transaction and monthly centralized competitive transaction reached 248.85 billion kWh, with a year-on-year increase of 27.60%, and the average transaction price difference was RMB -0.04543/kWh. Including, the annual trading power of 216.208 billion kWh, and the average transaction price difference of RMB -0.04712/kWh; The accumulated monthly centralized bidding power was 32.645 billion kWh, and the average transaction price difference was RMB -0.03423/kWh. In 2020, the Company's on-grid electricity was 69.859 billion kWh, of which the total market trading electricity was 58.649 billion kWh, accounting for 83.95%, with a year-on-year increase of 23.557 billion kWh.

In 2020, the electricity trading scale in Guangdong market was 248.85 billion kWh, accounting for 76.27% of the province's thermal power generation of 326.263 billion kWh. In 2021, the total transaction scale of Guangdong power market is expected to reach 270 billion kWh, and the proportion of electricity in the Company's market is expected to further increase from 80% in 2020.

Main Production and Operation Information

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	2,327.29	2,103.5
Installed capacity of units that are newly put into production ('0,000 kW)	220.4	46
Planned installed capacity of approved projects ('0,000 kW)	706.1	468
Planned installed capacity of projects under construction ('0,000 kW)	566.1	468

Power generation ('00,000,000 kWh)	737.51	752.83
On-grid electricity or electricity sales ('00,000,000 kWh)	698.59	711.75
Average on-grid price or selling price (RMB/ kWh, including tax)	0.447	0.463
Average power consumption rate of power plant (%)	5.43%	5.59%
Power plant utilization hours (h)	3,712	3,811

(1) Operation Information of thermal power in Guangdong Province

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	2,249.58	2,046.58
Installed capacity of units that are newly put into production ('0,000 kW)	200	46
Planned installed capacity of approved projects ('0,000 kW)	435.5	338
Planned installed capacity of projects under construction ('0,000 kW)	435.5	338
Power generation ('00,000,000 kWh)	719.92	741.25
On-grid electricity or electricity sales ('00,000,000 kWh)	681.60	700.58
Average on-grid price or selling price (RMB/ kWh, including tax)	0.442	0.460
Average power consumption rate of power plant (%)	5.32	5.62
Power plant utilization hours (h)	3749	3903

(2) Operation Information of wind power in Guangdong Province

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	64.11	43.32
Installed capacity of units that are newly put into production ('0,000 kW)	20.4	0
Planned installed capacity of approved projects ('0,000 kW)	270.6	130
Planned installed capacity of projects under construction ('0,000 kW)	130.6	130
Power generation ('00,000,000 kWh)	12.79	7.56

On-grid electricity or electricity sales ('00,000,000 kWh)	12.27	7.22
Average on-grid price or selling price (RMB/kWh, including tax)	0.657	0.566
Average power consumption rate of power plant (%)	4.33	4.77
Power plant utilization hours (h)	2033	2021

(3) Operation Information of water power in Yunnan Province

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	13.60	13.60
Installed capacity of units that are newly put into production ('0,000 kW)	0	0
Planned installed capacity of approved projects ('0,000 kW)	0	0
Planned installed capacity of projects under construction ('0,000 kW)	0	0
Power generation ('00,000,000 kWh)	4.80	4.02
On-grid electricity or electricity sales ('00,000,000 kWh)	4.72	3.95
Average on-grid price or selling price (RMB/kWh, including tax)	0.169	0.168
Average power consumption rate of power plant (%)	1.81	1.79
Power plant utilization hours (h)	3617	3030

Electricity sales of the Company

Applicable Not applicable

Established in July 2015, Guangdong Yudean Electric Power Marketing Co., Ltd., a wholly-owned company of the Company, is one of the first power sales companies with market access, with a number of "SD01". Based on the business of purchasing and selling electricity and focusing on improving the efficiency of electricity consumption, Yudean Electric Power Marketing provides customers with demand response strategy, energy saving transformation, energy consumption strategy consultation, contract energy management, electric energy storage and other services, and carries out comprehensive energy service projects (smart energy management, carbon asset management, energy trusteeship, energy audit) in vertical (industry) fields, large group enterprises and large parks (etc.).

In 2020, the electricity consumption of the agent users of Yudean Electric Power Marketing was 49.244 billion kWh, with a year-on-year increase of 37.72%. Among them, the agent power of Company's holding subsidiary is 30.342 billion kWh, accounting for 43.43% of the company's on-grid power.

Reasons for significant changes in relevant data

√ Applicable □ Not applicable

In 2020, the electricity consumption of the agent users of Yudean Electric Power Marketing increased by 37.72% year on year, mainly due to the further expansion of the transaction scale of Guangdong power market in 2020 and the synchronous growth of the electricity consumption of the agent users.

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

	2020		2019		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	28,329,065,391	100%	29,360,155,150	100%	-3.51%
On Industry					
Electric power , Steam sales and labor income	27,882,220,303	98.42%	29,018,275,346	98.84%	-3.91%
Other	446,845,088	1.58%	341,879,804	1.16%	30.70%
On products					
Sales Electric Power	27,651,253,496	97.61%	28,811,365,634	98.13%	-4.03%
Labor income	102,026,259	0.36%	69,773,643	0.24%	46.22%
Steam income	128,940,548	0.46%	137,136,069	0.47%	-5.98%
Comprehensive utilization of fly ash	363,312,318	1.28%	270,692,961	0.92%	34.22%
Sales material income	2,283,546	0.01%	2,246,472	0.01%	1.65%
Lease revenue	26,513,095	0.09%	25,092,388	0.08%	5.66%
Other	54,736,129	0.19%	43,847,983	0.15%	24.83%
Area					
Guangdong	28,256,809,636	99.74%	29,299,674,022	99.79%	-3.56%
Yunnan	72,255,755	0.26%	60,481,128	0.21%	19.47%

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

√ Applicable □ Not applicable

The Company shall comply with the disclosure requirements of Shenzhen Stock Exchange Industry Information Disclosure Guidelines No.15-Listed Companies Engaged in Power-related Business

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						
Sales Electric Power	27,651,253,496	22,282,338,006	19.42%	-4.03%	-8.32%	3.77%
Area						
Guangdong	28,256,809,636	22,410,370,492	20.69%	-3.56%	-8.23%	4.04%

Reasons for great changes in related financial indicators

□ Applicable √ Not applicable

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

√ Yes □ No

Classification	Items	Unit	2020	2019	Changes
Electric power, thermal production and supply	Sales volume	Billion kwh	698.59	711.75	-1.85%
	Production	Billion kwh	737.51	752.83	-2.03%

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 27.651 billion yuan taking up approximately 97.61% 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	2020	2019	Increase/Decrease
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		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Electric power, thermal production and supply	Fuel cost	15,978,673,234	71.10%	17,602,834,155	71.90%	-9.23%
Electric power, thermal production and supply	Depreciation expense	3,298,603,378	14.68%	3,676,925,686	15.02%	-10.29%
Electric power, thermal production and supply	Labor cost	1,301,310,447	5.79%	1,445,633,763	5.91%	-9.98%
Electric power, thermal production and supply	Other	1,893,689,442	8.43%	1,755,310,268	7.17%	7.88%

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 71.10% of total cost. Mainly affected by the fall of fuel prices, the fuel cost decreased year on year. Due to accelerated depreciation caused by the decommissioning of Sha Jiao A unit, full depreciation of Huizhou natural gas phase I and 1# Generator Unit of Guangqian company in 2019, and the production of Huizhou Natural Gas Phase II, Qujie Wind Power and Leizhou Wind Power, In 2020, the depreciation expenses decreased by 10.29% year on year.

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

√Yes □No

Name	Business place	Registered address	Nature	Registered capital	Proportion (%)	Acquired
Guangdong Yudean Dayawan Comprehensive Energy Co., Ltd.	Huizhou, Guangdong	Huizhou, Guangdong	Electric Power	22,000,000	80 %	Invested
Guangdong Yudean Qiming Energy Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Electric Power	20,000,000	100 %	Invested
Shenzhen Huaguoquan Electric Service Co., Ltd.	Shenzhen, Guangdong	Shenzhen, Guangdong	Rent	2,650,000	100 %	Merger of non-identical enterprises

Shaoguan Nanxiong Yuefeng New Energy Co., Ltd.	Shaoguan, Guangdong	Shaoguan, Guangdong	Electric Power	5,000,000	100 %	Invested
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(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 sales customers

Total sales amount to top 5 customers (RMB)	28,172,626,485
Proportion of sales to top 5 customers in the annual sales(%)	99.45%
Proportion of the sales volume to the top five customers in the total sales to the related parties in the year	1.41%

Information of the Company's top 5 customers

No	Name	Amount (RMB)	Proportion
1	GPGC	27,651,253,496	97.61%
2	Guangdong Energy Group Co., Ltd.	399,973,128	1.41%
3	Huizhou Yuxin Chemical Co., Ltd.	50,330,006	0.18%
4	Huizhou Huiling Chemical Co., Ltd.	44,709,815	0.16%
5	Huizhou Dayawan Petrochemical Power Thermal Co., Ltd.	26,360,040	0.09%
Total	--	28,172,626,485	99.45%

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)	21,078,521,309
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	77.13%
Proportion of purchase amount from the top 5 suppliers in the total purchase amount from the related parties in the year	49.92%

Information about the top 5 suppliers

No	Name	Amount (RMB)	Proportion
1	Guangdong Energy Group Co., Ltd.	13,451,651,893	46.46%
2	China Energy Engineering Group Guangdong Electric Power Design Institute Co., Ltd.	3,970,242,390	14.53%
3	Guangdong Dapeng ING Co., Ltd	1,884,561,252	6.51%
4	Guangdong Zhujiang Investment Electric Fuel Co., Ltd.	934,683,800	3.23%
5	China Energy Construction Group, Guangdong Thermal Power Engineering Co., Ltd.	765,296,478	2.64%
Total	--	17,555,549,430	60.63%

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

	2020	2019	Increase/Decrease(%)	Notes
Sale expenses	49,214,514	43,788,762	12.39%	Mainly due to the company's added full-time sales staff and increased business costs caused by the deepening of electricity market.
Administration expenses	835,927,395	874,640,868	-4.43%	
Financial expenses	1,108,522,064	1,230,315,841	-9.90%	
R & Development expenses	274,579,716	9,703,602	2,729.67%	It is mainly caused by the increase of R&D investment and improvement of R&D cost collection management of the company and its subordinate units.

4. R & D Expenses

Applicable Not applicable

No	Project company name	Main Project name	Project progress	Target and influence
1	Guangdong	Research on	Completed	Judge the explosion probability of coal pulverizing system by

	Red Bay Power Generation Co., Ltd.	explosion-proof technology and engineering demonstration of direct-blown coal pulverizing system based on the need of increasing high volatile coal blending		operating conditions, study the operation control technology of steam inerting system, and develop the automatic operation control system, including the operation control strategy of steam inerting system under the working conditions of starting and stopping grinding, coal feeder cut-off, abnormal increase of outlet temperature of coal mill, spontaneous combustion of powder pipe, etc. Research on the control technology of coal mill operation parameters after installing steam inerting system, including the high and low limits of safe coal mill outlet temperature control, optimization of air-coal ratio of coal mill, etc., to prevent powder accumulation in powder pipe and spontaneous combustion of pulverized coal. The above research and renovation can effectively prevent the deflagration of the pulverizing system and improve the safety of the coal pulverizing system.
2	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	Completed	There are some difficult problems in No.3 unit of our factory, such as poor load regulation performance, poor operation stability, large fluctuation of main steam temperature and reheat steam temperature under variable load conditions, and deviation of main steam pressure up to 1MPa-1.8MPa, which sometimes leads to more AGC assessment of units. No. 3 unit cannot meet the requirements of two detailed rules: Implementation Rules for Grid-connected Operation Management of Southern Power Plants (2017 Edition) and Implementation Rules for Auxiliary Service Management of Southern Power Plants (2017 Edition). After the implementation of advanced control system, the performance index of the units has been improved obviously, and it has strong competitiveness in the secondary modulation market
3	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Research on AGC control optimization of Jinghai Power Generation Company based on auxiliary modulation market of Southern Power Grid	Completed	On the premise of meeting the assessment indexes of "Two Rules" in 2017 edition, improve the response characteristics of the unit and the comprehensive modulation performance index K of the unit under the modulation auxiliary market environment.
4	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Development of frequency converter decoupling control technology for condensate pump of MW units in Jinghai Power Generation	Completed	Improve the safety and stability of the frequency converter, and reduce the equipment fault caused by auxiliary equipment failure.

		Company		
5	Guangdong Energy Maoming Thermal Power Plant Co., Ltd	Research and application of vacuum system and high capacity heating technology of unit	Completed	<p>1. Renovation of vacuum system: improve vacuum degree of condenser by using the characteristics of low limit pressure and strong suction capacity of Roots water ring vacuum pump unit. Meanwhile, using the energy saving advantage that the energy consumption of Roots water ring vacuum pump unit is only 35% of that of water ring vacuum pump unit under the same pumping condition, the auxiliary power is greatly saved by using Roots vacuum pump unit instead of water ring vacuum pump, thus achieving the purpose of energy saving.</p> <p>2. High-capacity heating technology research and application research: Low-pressure heating is changed into direct desuperheating and decompression heating with main steam under low load conditions, specifically, a desuperheating and decompression device is installed in front of the mixer to supply heat to the outside in parallel with the existing mixer. Medium-pressure heating is changed to direct desuperheating and decompression of main steam under low load condition, specifically, a desuperheating and decompression device is installed in front of the mixer to supply heat to the outside in parallel with the existing mixer. The heating pipes after temperature and pressure reduction can still be the existing heating pipes. After the implementation of the scheme, the heating capacity is not affected by electric load, and the flexibility, reliability and safety of heating are greatly improved.</p>
6	Shajiao A Power Plant	Research and application of shore power system technology for Shajiao A Power Plant Wharf	In process	After research, formulate the construction plan, which meets the requirements of Guangdong Energy Group Wharf Shore Power Reconstruction Plan, Review Opinions on Research Report of Feasibility Study Project of Shore Power Construction Planning of Guangdong Energy Group Wharf and Dongguan Port and Shipping Bureau, build the ship shore power system and put it into use.
7	Shajiao A Power Plant	Research on raising reheat steam temperature of 300MW unit under low nitrogen combustion condition	In process	The reheat steam temperature of 300MW unit boiler increases by about 8-15 °C, and the corresponding coal consumption for power supply decreases by 0.4-0.8 g/kwh; Combustibles in fly ash are reduced by 1%-2%, and the corresponding coal consumption for power supply is reduced by 0.3-0.6g/kwh; With an annual power generation of 1.2 billion kWh of a 300MW unit, it can save about 1200t of standard coal annually, and the unit price of standard coal is calculated as RMB 700/t, so the annual economic benefit is about RMB 840,000. After optimization and adjustment, the concentration of NOx and SO2 is reduced by about 10%, which can save the cost of denitration and desulfurization by about RMB 600,000 per year, and reduce the emission of pollutants and the impact on the environment.

8	Guangdong Huizhou Pinghai Power Generation Plant Co., Ltd.	Development and application of network security reinforcement technology for distributed control system (DCS) of 1000MW units	Completed	Combined with the characteristics of OVATION system, establish an industrial firewall in DCS system to block the safety; Realize the deep protection of the system from the host to the system boundary; Adopt domestic independent design for safety equipment and establish "white environment" system.
9	Zhanjiang Zhongyue Energy Co., Ltd.	Development and application of multi-system joint defense intelligent management and control system in the whole region (non-production area)	In process	By integrating the production management system and the personnel management system, reduce the repetitive work of each management system, make the personnel management orderly and improve the management level; Through the real-time monitoring and recording of the activity route of the factory personnel, realize the effective management and control of the factory personnel, and improve the Company's security management level; Effectively control the access of important prevention and control areas, improve the level of work safety, and reduce the overall probability of personal casualty accidents.
10	Zhanjiang Zhongyue Energy Co., Ltd.	Research and application of intelligent patrol inspection for coal transportation trestle	In process	Realize all-line, omni-directional and fully autonomous intelligent inspection management of coal transportation trestle, realize unmanned inspection and visual management of production site, improve the safety of coal transportation system operation, and avoid all safety accidents and losses caused by incomplete and unquantified manual inspection and strong dependence on personnel quality. The intelligent operation and maintenance mode of production site based on robot can effectively promote the intelligent management and operation of power plants.
11	Guangdong Dapu Power Generation Co., Ltd.	Research and application of wastewater recycling and zero emission process in power plant	In process	Achieve zero discharge of wastewater and save water resources.
12	Shenzhen Guangqian Electric Power Co., Ltd.	Improvement research and application of compressor rotor of M701F3 heavy-duty gas turbine	Completed	Ensure the safe and reliable operation of the unit and fundamentally improve its corrosion resistance; Upgrade the size of the screw thread of the pull rod bolt and reduce the stress of the key parts; Perform sand blasting on the threaded part of the pull rod bolt to improve its strength.
13	Shenzhen Guangqian Electric Power Co., Ltd.	Research and application of on-line monitoring of denitration CEMS and ammonia escape system for waste heat	Completed	A denitration CEMS monitoring and operating room with containers as carriers is built, which is conducive to the maintenance of daily work, facilitates the maintenance and overhaul of existing heat tracing pipelines and instruments, and conforms to relevant environmental protection specifications.

		boiler of gas-steam combined cycle unit		
14	Guangdong Huizhou Natural Gas Power Generation Co., Ltd.	Structural strength analysis and life evaluation of key components of M701F gas turbine compressor circumferential tie rod rotor	Completed	Achieve structural strength analysis and life assessment of key components of M701F gas turbine compressor circumferential tie rod rotor.
15	Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	Research and application of vortex steam seal technology for high and medium pressure bridge of steam turbine	Completed	Renovate and replace the steam seal at the bridge part of No.11 steam turbine to effectively reduce the bridge leakage and improve the unit economy.
16	Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.	Phase II Development and Implementation Contract of Zhanjiang Wind Power Integrated Management System (TIMSS)	Completed	The implementation of TIMSS includes: home page, procurement management, inventory management, maintenance management, safety management, operation management, asset ledger, administration management and supplier management function modules, which are combined with mobile office to further improve office work efficiency.
17	Zhanjiang Electric Power Co., Ltd.	Research and application of steam turbine cold end state performance and operation optimization technology	In process	Realize the on-line monitoring and diagnosis of the performance of the cold end system of steam turbine and the application of the operation optimization device, monitor the working state of the cold end system of steam turbine on line, optimize the operation modes such as circulating water pump, inlet and outlet water gate of condenser circulating water, condenser cleanliness, etc., and optimize the equipment maintenance plan according to the deterioration of parameters. After the on-line monitoring, diagnosis and operation optimization devices for the cold end performance of steam turbine are applied, the coal consumption of power supply of the unit can be effectively reduced by more than 0.5g/kWh.
18	Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	Science and technology service of wind farm intelligent O&M system based on SCADA data analysis in Qujie Wind Farm	Completed	Perform intelligent management and evaluation of fan efficiency, intelligent fault pre-diagnosis of key subsystems of fan and early intervention to realize health management.
19	Guangdong Wind Power Generation	Research and application of centralized control	In process	It has realized the comprehensive real-time monitoring of wind farms, fully grasped the working status, equipment safety and production of wind farm equipment by plates, and possessed the

	Co., Ltd.	management platform and early warning model for intelligent wind farm		basic conditions for preventive maintenance through the establishment of early warning model.
20	Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd.	Research on key application technologies of intensive offshore wind power flexible DC delivery system	In process	Perform research on key application technologies of intensive offshore wind power flexible DC transmission system, based on the purpose of optimizing the overall project investment, put forward a topology scheme suitable for offshore wind power flexible DC transmission system in deep sea and far sea, and verify the scheme by PSCAD simulation platform. Based on the topology scheme of the system, aiming at the characteristics of high coupling of the system, study the resonance of the system, and put forward the corresponding resonance suppression measures.

Situation of Research and Development Input by the Company

	2020	2019	Increase/Decrease(%)
Number of Research and Development persons (persons)	799	357	123.81%
Proportion of Research and Development persons	10.79%	4.83%	5.96%
Amount of Research and Development Investment (Yuan)	299,498,628	31,216,857	859.41%
Proportion of Research and Development Investment of Operation Revenue	1.06%	0.11%	0.95%
Amount of Research and Development Investment Capitalization (Yuan)	24,918,912	21,513,254	15.83%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	8.32%	68.92%	-60.60%

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

Applicable Not applicable

In 2020, the company and its subordinate units actively carried out independent R&D, therefore the number of R&D projects and the R&D investment increased significantly. At the same time, the company improved the collection management of R&D expenses, and the amount of R&D investment increased significantly by 859.41% year on year.

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

√Applicable □ Not applicable

In 2020, the company and its subordinate units actively carried out independent R&D, the number of R&D projects and the R&D investment increased significantly. At the same time, the company improved the collection management of R&D expenses. Therefore, the capitalization rate of R&D investment decreased from 68.92% to 8.32% when the capitalization amount of R&D investment increased steadily by 15.83% and increased significantly by 859.41% year on year.

5.Cash Flow

In RMB

Items	2020	2019	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	31,137,993,363	33,659,185,010	-7.49%
Subtotal of cash outflow received from operation activities	24,857,212,194	25,386,501,898	-2.08%
Net cash flow arising from operating activities	6,280,781,169	8,272,683,112	-24.08%
Subtotal of cash inflow received from investing activities	843,016,762	360,804,825	133.65%
Subtotal of cash outflow for investment activities	8,957,199,800	5,146,772,301	74.04%
Net cash flow arising from investment activities	-8,114,183,038	-4,785,967,476	69.54%
Subtotal cash inflow received from financing activities	25,044,386,337	15,153,940,487	65.27%
Subtotal cash outflow for financing activities	22,527,006,534	19,131,397,299	17.75%
Net cash flow arising from financing activities	2,517,379,803	-3,977,456,812	163.29%
Net increase in cash and cash equivalents	683,977,907	-490,740,923	239.38%

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

√Applicable □ Not applicable

(1) Cash inflow from investment activities increased by 133.65%, mainly due to the liquidation and disposal of assets by Yuejia this year.

(2) Cash outflow from investment activities increased by 74.04%, mainly due to the year-on-year increase of fixed assets and intangible assets purchased by provincial wind power and marina bay company.

(3) The net cash flow from investment activities increased by 69.54%, mainly due to the increase of cash outflow from investment activities.

(4) The cash inflow from fund-raising activities increased by 65.27%, mainly due to the issuance of 1.5 billion corporate bonds this year, which resulted in more cash received for borrowing.

(5) The net cash flow from fund-raising activities increased by 163.29%, mainly due to the increased impact of cash inflow from fund-raising activities.

(6) The net increase of cash and cash equivalents increased by 239.38%, mainly due to the large cash inflow from fund-raising activities this year.

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

Applicable Not applicable

III. Analysis of Non-core Business

Applicable Not applicable

IV. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

Indicate whether the Company has adopted the new accounting standards governing revenue and leases since 2020 and restated the beginning amounts of relevant financial statement line items in the year.

Applicable.

In RMB

	End of 2020		End of 2019		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	5,790,946,117	6.74%	5,081,641,969	6.73%	0.01%	
Accounts receivable	4,332,149,033	5.04%	3,197,690,464	4.24%	0.80%	
Inventories	1,589,882,029	1.85%	1,817,059,269	2.41%	-0.56%	
Investment real estate	49,732,668	0.06%	52,093,631	0.07%	-0.01%	
Long-term equity investment	6,687,257,614	7.78%	6,455,784,562	8.55%	-0.77%	
Fixed assets	47,195,233,079	54.90%	38,555,718,718	51.09%	3.81%	
Construction in process	9,153,637,100	10.65%	10,882,003,846	14.42%	-3.77%	
Short-term loans	7,622,427,916	8.87%	5,904,132,791	7.82%	1.05%	
Long-term loans	18,998,555,568	22.10%	16,587,103,380	21.98%	0.12%	

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	3,142,371,373	335,980,082	2,538,725,399		69,736,560			3,548,088,015
Available-for-sale financial assets	3,142,371,373	335,980,082	2,538,725,399		69,736,560			3,548,088,015
Total	3,142,371,373	335,980,082	2,538,725,399		69,736,560			3,548,088,015
Financial Liability	0							0

Content of other changes

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, 2020, the power charge rights of several power generation subsidiaries, were pledged to the bank to obtain long-term loans of 4,193,207,913 yuan, of which: the balance of long-term loans due within one year was 298,558,767 (as of December 31, 2019: 4,231,292,593 yuan, were pledged to the bank to obtain long-term loans of 240,907,909 yuan). The borrowings are detailed as follows:

1.As at December 31, 2020, 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 31,2020	December 31,2019
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	1,840,351,082	1,976,685,804
Guangdong Yudean Leizhou Power Generation Co., Ltd.	224,052,692	232,038,267
Guangdong Yudean Qujie Wind Power	1,310,860,000	1,155,920,000

Generation Co., Ltd.		
Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.	98,565,000	121,425,000
Lincang Yudean Energy Co., Ltd.	661,000,000	676,000,000
Guangdong Yudean Xuwen Wind Power Generation Co., Ltd.	58,379,139	69,223,522
Total	4,193,207,913	4,231,292,593

2.As at December 31, 2020, 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 31,2020	December 31,2019
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	193,721,167	188,255,791
Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.	28,200,000	22,860,000
Lincang Yudean Energy Co., Ltd.	20,000,000	15,000,000
Guangdong Yudean Xuwen Wind Power Generation Co., Ltd.	6,366,219	6,806,543
Guangdong Yudean Leizhou Power Generation Co., Ltd.	7,985,575	7,985,575
Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	42,285,806	-
Total	298,558,767	240,907,909

V. Investment situation

1. General

√ Applicable □ Not applicable

Investment Amount in 2020(RMB)	Investment Amount in 2019(RMB)	Change rate
2,337,157,612	2,084,276,740	12.13%

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 Lawsuit	Date of Disclosure(If any)	Disclosure Index
Guangdong Wind Generation Co., Ltd.	Wind Generation	Capital increase	793,881,870	100%	Self Funds	No	Long-term	Electric power	During the reporting period, the preliminary work or project construction of Zhuhai Jinwan Offshore Wind Power Project, Pingyuan Wind Power Project and Nanxiong Wind Power Project was progressing as planned.		3,857,075	No	January 26,2019,November 29,2019, April 11,2020, August 28,2020 and December 5,2020	Announcement No.2019-05, 2019-58 , 2020-13 , 2020-45 and 2020-63 Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
Guangdong	Financial	Capital	512,958,282	25%	Self Funds	Guangdong Energy Group	Long-term	Financial	In normal operation		976,185	No	August 28,2020	Announcement No.2020-48 ,

Energy Financial Leasing Co., Ltd.	Leasing	increase				(Share Proportion: 50%) Chaokang Company (Share Proportion: 25%)		Leasing						Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
Guangdong Yudean Qujie Wind Power Generation Co., Ltd.	Wind Power Generation	Capital increase	360,000,000	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.		193,500,299	No	August 31, 2019, November 29, 2019, October 31, 2018	Announcement No.2018-54, 2019-40 and 2019-59 Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
Guangdong Yudean Binhaiwan Energy Co., Ltd.	Natural Gas Generation	Capital increase	300,000,000	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.		-12,518,863	No	April 11, 2020	Announcement No.2020-13. Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
Guangdong Electric Industry Fuel Co., Ltd.	Coal sales	Capital increase	100,000,000	50%	Self Funds	Guangdong Energy Group (Share Proportion: 50%)	Long-term	Coal sales	In normal operation		74,496,407	No	December 5, 2020	Announcement No.2020-64. Published in China Securities Daily, Securities Times and

														http://www.cninfo.com.cn
Shenzhen Capital Group Co., Ltd.	Investment	Capital increase	69,736,560	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		20,290,444	No	September 20, 2018	Announcement No.2018-50. Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Lincang Yudean Energy Co., Ltd.	Hydroelectric Generation	Capital increase	63,300,000	100%	Self Funds	No	Long-term	Electric power	During the reporting period, the construction of the Lincang Dayakou Hydropower Station was progressing as planned.		159,602,623	No	October 13, 2020	Announcement No.2020-52. Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Tongdao Yuexin Wind Power Generation Co., Ltd.	Wind Power Generation	Capital increase	50,000,000	100%	Self Funds	No	Long-term	Electric power	During the reporting period, the construction of Gaoshan Wind Power Project was progressing as planned.		-696,160	No	April 11, 2020	Announcement No.2020-13. Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Shenzhen Huaguoguan Electric	Electrical Service	Purchase	49,680,900	100%	Self Funds	No	Long-term	Electrical Service	In normal operation		-1,017,465	No	May 21, 2020	Announcement No.2020-38. Published in

Service Co., Ltd.	es							es						China Securities Daily, Securities Times and http://.www.cninfo.com.cn
Guangdong Yudean Qiming Energy Co., Ltd.	Natural Gas Generation	New establishment	20,000,000	100%	Self Funds	No	Long-term	Electric power	During the reporting period, the preliminary work of the alternative power supply project at Shenzhen Guangming Plant was progressing as planned.		-3,416,166	No	November 29, 2019	Announcement No.2019-58 Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
Guangdong Yudean Dayawan Integrated Energy Co., Ltd.	Natural Gas Generation	New establishment	17,600,000	80%	Self Funds	Huizhou Dayawan Petrochemical Industry Zone Investment Co., Ltd. (shareholding ratio: 20%)	Long-term	Electric power	During the reporting period, the preliminary work of the western comprehensive energy station project in Daya Bay Petrochemical Zone was progressing as planned.		-3,732,705	No	February 15, 2020	Announcement No.2020-13. Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
Total	--	--	2,337,157,612	--	--	--	--	--	--	0	112,136,428	--	--	--

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
Domestic and foreign stocks	000027	Shenzhen Energy	15,890,628	FVM	78,246,000	13,834,800	76,190,172				92,080,800	Other equity instrument Investment	Self funds
Domestic and foreign stocks	600642	Shenergy	235,837,988	FVM	322,642,373	-32,764,028	54,040,357				289,878,345	Other equity instrument Investment	Self funds
Domestic and foreign stocks	831039	NEEQ	3,600,000	FVM	7,182,000	4,446,000	8,028,000				11,628,000	Other equity instrument Investment	Self funds
Total			255,328,616	--	408,070,373	-14,483,228	138,258,529	0	0	0	393,587,145	--	--
Disclosure date for the notice of approval by the Board (If any)			October 31, 2019										
Disclosure date for the notice of approval by shareholders' Meeting (If any)													

(2) Investment in Derivatives

Applicable Not applicable

None

5.Application of the raised capital

Applicable Not applicable

None

VI.Significant Asset and Right Offering

1.Situation of Significant Asset Sale

Applicable Not applicable

None

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	8,152,803,743	2,584,179,809	4,859,564,103	676,369,130	502,484,201
Guangdong Huizhou Natural gas Power Generation Co., Ltd.	Subsidiary	Power generation and power station construction.	1,499,347,500	3,824,947,892	1,152,314,335	3,928,115,507	953,792,971	720,089,324
Shenzhen Guangqian Electric Power Co., Ltd.	Subsidiary	Power generation and power station construction.	1,030,292,500	1,837,506,907	260,541,073	1,711,378,892	453,487,011	341,192,217
Guangdong Huizhou Pinghai Power Generation Plant Co., Ltd.	Subsidiary	Power generation and power station	1,370,000,000	5,023,438,993	1,614,664,152	3,243,260,761	620,922,357	458,659,787

		construction.						
Guangdong Red Bay Power Generation Co., Ltd	Subsidiary	Power generation and power station construction.	2,749,750,000	6,034,891,711	1,275,820,278	3,655,108,574	416,080,617	307,093,384
Guangdong Yuejia Electric Power Co., Ltd.	Subsidiary	Power generation and power station construction.	756,000,000	465,983,771	244,324,340	2,134,294	287,230,095	283,232,695

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 Dayawan Integrated Energy Co., Ltd.	Invested	During the reporting period, Dayawan Comprehensive Energy Project was in the early stage of work and did not start construction.
Guangdong Yudean Qiming Energy Co., Ltd.	Invested	During the reporting period, Shenzhen Guangming Project was in the early stage of work and did not start construction.
Shenzhen Huaguoquan Electric Service Co., Ltd.	M & A	No significant impact.
Shaoguan Nanxiong Yuefeng New Energy Co., Ltd.	Invested	During the reporting period, Nanxiong Yufeng New Energy Project was in the early stage of work and did not start construction.

Note:

1. During the reporting period, all 11 thermal power business entities achieved profits this year, mainly due to the decline in coal prices and the strengthening of cost control by the Company. 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 fierce competition in the power market in Yunnan Province, Lincang Company, a wholly-owned subsidiary of the Company, has a low on-grid electricity price superposed with large depreciation cost and financial cost burden, and has incurred operating losses for four consecutive years. This year, the impairment provision for the operating assets group was RMB 118 million.

3. Investment income of the Company to affiliated companies increased year-on-year. The main reason is that the Shipping Company made more impairment provision last year, which led to a large loss of investment income of the Shipping Company.

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 power production has always been dominated by thermal power. With the rapid development of new and renewable energy sources such as nuclear power, hydropower, wind power and solar energy in recent ten years, the proportion of thermal power has declined, WHICH has gradually changed from the main power supply to the basic power supply for peak regulation and frequency modulation. In 2020, on behalf of the Chinese government, President Xi Jinping put forward China's "3060" goal in terms of carbon peaking and carbon neutralization. In this environment, in the future, the thermal power industry mainly relies on developing large-capacity and high-parameter coal-fired power and accelerating gas-fired power to optimize its structure, on improving its technical strength to reduce consumption and increase efficiency, on market to obtain electricity quantity and electricity price, and on fine management to reduce costs. Meanwhile, the Company will adhere to the new development concept, continuously promote the optimization and adjustment of power supply structure, vigorously develop the construction of new energy projects, and promote the clean and low-carbon transformation of the Company's energy.

(II) Corporate development strategy

At present, guided by the national energy development strategy, the Company is preparing the "14th Five-Year Plan" in combination with its own condition. In the future, it will focus on energy production and supply, with consideration of comprehensive energy services, centered by the goals of carbon peaking and carbon neutralization. Based on Guangdong and targeted at the whole country, it will implement the "1+2+3+X" strategy-to build a first-class green low-carbon power listed company, coordinate safety and development, optimize and strengthen the coal power, gas power and biomass power generation business, and vigorously develop new energy, energy storage, hydrogen energy and land park development. It will fully promote the leap-forward development of new energy; Grasp the window phase of thermal power development and accelerate the development and construction of key projects; Explore the distribution of multi-energy joint supply project of "integration of source network, load and storage", promote the integrated development of "integration of wind, light and fire hydrogen storage", and build an ecological and civilized power generation enterprise.

(III) Production and operation plans

In 2021, the company's consolidated statement has a budget target value of 78.469 billion kilowatt hours of on-grid electricity, which is 12.32% higher than the actual on-grid power in 2020; The budgetary target value of the main business revenue is RMB 29.624 billion, and an increase of 1.743 million yuan compared to the actual amount of main business operating revenue of RMB 27.881 billion; the budgetary value for the full-year planned investment is RMB 2.29 billion, a decrease of 364 million yuan over the actual completed investment of RMB 2.654 billion in 2020.

(Note: The above operating plan does not represent the company's profit forecast for 2021, whether it can be achieved depending on various factors such as macro economy, industrial policy and changes in the electricity market, thus there is considerable uncertainty, and investors should pay special attention to it.)

(VI) Possible risks

Firstly, novel coronavirus pneumonia and external environment are still uncertain. The price of coal gas is hovering at high level, and the downward pressure of electricity price still exists. The gap of new energy subsidies receivable is gradually expanding, which may result in problems concerning the operation of Company that can not be ignored.

Secondly, the production safety situation is complex and severe, there are still many illegal operations, and the level of safety management is uneven.

Thirdly, the comprehensive utilization hours of units are decreasing year by year, the coal consumption level of coal machinery is high, and the operation situation is under pressure for a long time.

Fourthly, thermal power is changing from the main power supply to the basic power supply of peak regulation and frequency modulation, and the development space of coal power is limited. The development layout of new energy projects is weak, and there are not enough high-quality projects in reserve, which puts forward higher requirements for the company to vigorously develop clean energy.

(V) Countermeasures

Firstly, firmly push forward the transformation and upgrading of power supply structure, and strive to achieve greater breakthroughs in structural adjustment. Company will vigorously promote the integration and development of the Company's "wind, light and fire hydrogen storage". Strive for development opportunities and accelerate the progress of key energy projects. Solidly promote the construction of Ningzhou Alternative Power Project, Huadu Thermal Power Project, Yangjiang Shaba, Wailuo Phase II, Xinliao Offshore Wind Power Project, Guangxi Wuxuan, Tongdao Daogaoshan and Xupu Taiyangshan Onshore Wind Power projects, and ensure the completion of the annual project investment and construction plan on schedule. Increase investment and development of clean energy and project reserve, and accelerate the preliminary work of Shenzhen Guangming Gas and Power Project, Daya Bay Integrated Energy Station, Zhaoqing Yong'an Natural Gas Thermal Power Project and Yangjiang Qingzhou Offshore Wind Power Project. Actively build distributed energy sources with multiple combined supply of cold, heat, electricity and gas; Explore the infrastructure construction such as electricity exchange, charging piles and energy storage and the development and utilization of hydrogen energy.

Secondly, deepen the drive of reform and innovation to improve the development quality of listed companies. Profoundly develop benchmarking world-class management promotion actions, through continuous construction and optimization of the benchmarking management system, run the benchmarking through the whole process of enterprise decision-making and operation, and enhance the core competitiveness of the Company. Focus on the implementation of innovation-driven development strategy, and make greater progress in consolidating scientific and technological achievements and building digital energy and smart energy. Deploy basic and forward-looking technology research in the fields of energy security, smart systems and efficient fuel utilization in advance. Actively comply with the power market reform, continuously improve the power marketing management, vigorously explore the power market, and build an integrated platform for production and marketing of gain

services and a situational awareness decision-making platform for the operating environment of power enterprises. Thirdly, implement the relevant arrangements 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. 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

Applicable Not applicable

No reception of research, communication and interview occurred in the period

V. Important Events

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

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

Applicable Not applicable

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 2018 to 2020, the company's cash dividends accounted for 66.39%、54.94% and 36.08% of the distributable profits realized 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
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 2020 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 1.2 (tax inclusive) per 10 shares.

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 1.2 (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 0.6 (tax inclusive per 10 shares; for B-share, the company will distribute cash dividends of RMB 0.6 (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
2020	630,034,078.32	1,746,280,132	36.08%	0	0%	630,034,078.32	36.08%
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%

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

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
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))	630,034,078.32
Profit available for distribution (CNY)	2,336,344,455
Proportion of the cash dividend in the total profit available for distribution (%)	100%
Particular about cash dividend in the period	
If the company's development is at the growth stage with arrangements of significant capital expenditures, the minimum proportion of cash dividend in the profit distribution should reach 20%.	
Details of proposal of profit distribution preplan or share conversion from capital public reserve	
In 2020, The company determined 1,109,012,846 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 RMB1,615,486,105 in the prior year, thus the upper limit of the distributable profits is RMB2,724,498,951. According to the Articles of Association of the company, draw RMB7110,901,285 for the statutory surplus reserve taking for 10% of net profits, draw RMB277,253,212 for the other surplus reserve taking 25% of the total net profits, then the upper limit of the distributable profits to the shareholders is RMB2,336,344,455. The company's 2020 annual profits distribution plan is: Based on that the number of the company's total share capital at the end of 2020 is 5,250,283,986 shares, planned that the company will distribute cash dividends of RMB 1.2 (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 parties.

None

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

explained

Applicable Not applicable

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

Applicable Not applicable

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

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

Applicable Not applicable

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

Applicable Not applicable

On July 5, 2017, the Ministry of Finance issued the notice on revising and printing the "accounting standards for Business Enterprises No. 14 - Revenue" (CK [2017] No. 22) (hereinafter referred to as the "new revenue standards"), requiring domestic listed companies to take effect from January 1, 2020.

On December 16, 2019, the Ministry of Finance issued the Interim Provisions on accounting treatment of Carbon Emission Trading (CK [2019] No. 22) (hereinafter referred to as "Interim Provisions on carbon emission rights"), requiring key emission enterprises to take effect from January 1, 2020.

On June 19, 2020, the Ministry of Finance issued the accounting regulation of coronavirus-related rent reduction(CK[2020] No.10) (hereinafter referred to as the "COVID-19 rent reduction provisions") requiring enterprises to take effect from June 19, 2020 to June 30, 2021.

On December 11, 2020, the Ministry of Finance issued the "question and answer on the implementation of accounting standards for business enterprises (2020)" to explain the new standards and new policies.

Through the deliberation and approval of the 11th meeting of the 9th Board of Directors and the 8th meeting of the 9th Board of Supervisors of the company, the company implements the above new revenue standards from January 1, 2020 in accordance with the provisions of the Ministry of finance. In addition to the above accounting policy changes, other unchanged parts are still implemented in accordance with the "accounting standards for business enterprises - Basic Standards" and relevant specific standards issued by the Ministry of Finance in the early stage, the application guide of accounting standards for business enterprises, the interpretation of accounting standards for business enterprises and other relevant provisions.

The company implements the above new revenue criteria, the Interim Provisions on carbon emissions, the rent reduction provisions of COVID-19 and the accounting standards of enterprises, and has no significant impact on the company's financial position, operating results and cash flows.

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 Dayawan Integrated Energy Co., Ltd.	Huizhou ,Guangdong	Huizhou ,Guangdong	Electric Power	22,000,000	80 %	Invested
Guangdong Yudean Qiming Energy Co., Ltd.	Shenzhen ,Guangdong	Shenzhen ,Guangdong	Electric Power	20,000,000	100 %	Invested
Shenzhen Huaguoquan Electric Service Co., Ltd.	Shenzhen ,Guangdong	Shenzhen ,Guangdong	Rent	2,650,000	100 %	Merger of non-identical enterprises
Shaoguan Nanxiong Yuefeng New Energy Co., Ltd.	Shaoguan, Guangdong	Shaoguan, Guangdong	Electric Power	5,000,000	100 %	Invested

IX. Engagement/Disengagement of CPAs**CPAs currently engaged**

Name of the domestic CPAs	PWC Certified Public Accountants (special general partnership)
Remuneration for domestic accounting firm (RMB10,000)	359
Continuous life of auditing service for domestic accounting firm	5
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(5 years),Li Yanhua(2 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

Applicable Not applicable

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 2020. The audit remuneration was RMB 3.59 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

√ Applicable □ Not applicable

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 165.,978408 million(principal) and interest of RMB 72.478979 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 238.457387 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. After the both parties reached a settlement agreement, on November 30, 2020, Huizhou Intermediate People's Court ruled that the plaintiff Guangdong Thermal Power Engineering Co., Ltd. was allowed to withdraw the lawsuit.	Both parties reach a settlement and confirm that the total settlement price of the project involved is RMB 1,007,858,115, and Party A also needs to pay Party B a fee of RMB 49,648,202.85. The total cost of litigation is RMB 1,122,648.47, with each party bearing 50%. All expenses have been paid. The above matters have no significant impact on the operating results and financial situation of the company in the current period.	The decision to withdraw the lawsuit has been executed.	April 4, 2019	Announcement No.2019-12)Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn

<p>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 Response 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. 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.</p>	12,607.45	No	<p>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. After the both parties reached a settlement agreement, on November 30, 2020, Huizhou Intermediate People's Court ruled that the plaintiff Guangdong Thermal Power Engineering Co., Ltd. was allowed to withdraw the lawsuit.</p>	<p>Both parties reach a settlement and confirm that the total settlement price of the project involved is RMB 345.95 million, and Party A also needs to pay Party B a fee of RMB 15,524,830.92. The total cost of litigation is RMB436,313.49, with each party bearing 50%. All expenses have been paid. The above matters have no significant impact on the operating results and financial situation of the company in the current period.</p>	<p>The decision to withdraw the lawsuit has been executed.</p>	<p>July 11, 2019</p>	<p>Announcement No.2019-29)Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn</p>
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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

None

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

None

5. Other significant related-party transactions

Applicable Not applicable

(1) 2020 daily related transactions were carried out after examination and approval by 2020 first provisional shareholders' general meeting. Refer to VIII. Relationship between related parties and the transactions between them of the Financial Report Notes of this report for details.

(2) The Company signed the Financial Services Framework Agreement with the related party Guangdong Energy Group Finance Co., Ltd., the main content of which is that the Company and its holding subsidiaries applied for a comprehensive credit line totaling RMB 22 billion from Guangdong Energy Group Finance Co., Ltd. in 2020, which was reviewed and approved by the First Extraordinary General Meeting of Shareholders in 2020.

(3) In order to ensure the safety of capital supply, broaden financing channels, and relieve capital pressure, the Company and Guangdong Energy Finance Leasing Co., Ltd. signed the Framework Agreement on Financial Leasing Cooperation, with the total amount of financing not exceeding RMB 10 billion, which was reviewed and approved by the First provisional General Meeting of Shareholders in 2020.

(4) In order to effectively protect the property value of power generation equipment and reduce the risk cost, the Company and its related party Guangdong Energy Property Insurance Self-insurance Co., Ltd. (formerly "Guangdong Yudean Property Insurance Self-insurance Co., Ltd.") signed the Framework Agreement on Cooperation in Insurance and Risk Management Services, in which the Captive Insurance Company provided insurance and risk management services to the Company and its holding subsidiaries, and the total expenses within the agreement period did not exceed RMB 400 million, which was reviewed and approved by the First provisional General Meeting of Shareholders of the Company in 2020.

(5) In order to standardize the enterprise's multiple economic reforms, effectively revitalize relevant resources and realize the preservation and appreciation of assets, the Company acquired 95% equity of Huaguoquan Company held by Dongguan Humen Jinfan Industrial Corporation at a price of RMB 47.1969 million, and the purchase price was finally converted according to the net assets evaluation value of Huaguoquan Company which was filed and approved by the competent authority. This matter has been reviewed and approved by the thirteen meeting of the ninth Board of Directors of the Company.

(6) In order to implement the requirements of deepening the reform of state-owned enterprises and improve the level of integration of industry and finance, Guangdong Energy Finance Leasing Co., Ltd. plans in capital increase and share expansion. The Company will participate in the capital increase and share expansion of the financial leasing company, and acquire 25% of its equity by injecting RMB 512,958,300 into the financial leasing company. After the capital injection, it holds its registered capital of RMB 500 million. The capital injection price is determined based on the assessed value of the net assets of the financial leasing company that has been filed and approved by the competent authorities. This matter has been reviewed and approved by the fourteen meeting of the ninth Board of Directors of the Company.

(7) In order to meet the policy needs of national renewable energy development, speed up the construction of Shaba Wind Power Project, strengthen cooperation with international financial organizations, broaden financing channels and reduce financing costs, the Company provided joint liability guarantee for the loan of RMB 2 billion transferred by Department of Finance of Guangdong Province to Guangdong Energy Group Co., Ltd. for the Shaba Wind Power Project of Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd., and the Company signed a counter-guarantee contract with Yangjiang Wind Power Company. This matter was reviewed and approved at the fifth meeting of the ninth Board of Directors of the Company and approved at the second provisional General Meeting of Shareholders in 2020.

(8) In order to further deepen the reform of mixed ownership in state-owned enterprises and speed up the improvement of the corporate governance structure and market-oriented operating mechanism of state-owned enterprises, the Company and Guangdong Energy Group Co., Ltd. simultaneously increased the capital of RMB 200 million to the fuel company according to the equity ratio, which was used for the fuel company to acquire 100% equity of environmental protection company, and the rest of the acquisition funds were settled by the fuel company itself. This matter has been reviewed and approved by the seventeen meeting of the ninth Board of Directors of the Company.

(9) In order to implement the spirit of the document of State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province on "reducing management levels and reducing legal entities", optimize the layout of state-owned capital and improve management efficiency, the Board of Directors agreed that Guizhou Yueqian Electric Power Co., Ltd. (hereinafter referred to as "Yueqian Company") should absorb and merge Guangdong Yudean Holding Western Investment Co., Ltd. After the merger is completed, the registered capital of Yueqian Company held by the Company is about RMB 247.6904 million (based on the recorded assets evaluation results and the changes in the net assets of both parties during the transition period determined by extended audit), and the share ratio of Yueqian Company held by the Company is about 13%. This matter has been reviewed and approved by the seventeen meeting of the ninth Board of Directors of the Company.

(10) In order to implement the decision-making arrangements of State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province on the reform of mixed ownership, and promote the fuel company to improve the market-oriented operating mechanism and achieve high-quality development, the Company and Guangdong Energy Group Co., Ltd. simultaneously increased capital by RMB 360 million according to the equity ratio, which was used by the fuel company to acquire the newly-increased registered capital for the 20% equity of the power generation company, and the rest of the subscription funds were settled by the fuel company itself. This matter has been reviewed and approved by the eighteen meeting of the ninth 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 2020	January 18,2020	http://www.cninfo.com.cn .
Announcement of Related Transactions on Signing of the Financial Services Framework Agreement, Framework Agreement on Financing Leasing Cooperation and Framework Agreement on Cooperation in Insurance and Risk Management Services	January 18,2020	http://www.cninfo.com.cn .
Announcement of Resolutions of the 13th Meeting of the Ninth Board of Directors	May 21,2020	http://www.cninfo.com.cn .
Announcement on Related transaction in Capital Increase and Share Expansion of Guangdong Energy Finance Leasing Co., Ltd.	August 28,2020	http://www.cninfo.com.cn .
Announcement on Investing in the Construction of Zhaoqing Dinghu Natural Gas Cogeneration Project	October 13,2020	http://www.cninfo.com.cn .
Announcement on Related Transactions of Capital Increase to Guangdong	December 5,2020	http://www.cninfo.com.cn .

Guangdong Electric Power Industry Fuel Co., Ltd.		
Announcement on Related Transactions of of Guizhou Yueqian Electric Power Co., Ltd's Merger of Guangdong Yudean Holdings Western Investment Co., Ltd.	December 5,2020	http://www.cninfo.com.cn .
Announcement on Related Transactions of Capital Increase to Guangdong Guangdong Electric Power Industry Fuel Co., Ltd.	December 25,2020	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.

(3) Lease

Applicable Not applicable

Note :

As a lessee, The Company rented houses , Yangjiang Port and billboards from Yudean Real Estate Company, and the rental fee incurred this year was RMB4,406,829;

As a lessor, the Company leased the houses to Yudean Property Company , Yudean Shipping Company ,Shajiao A Power Plant and Qujiang New Energy . the rental income for this year was confirmed to be RMB1,691,072;

The parent company of the Company, as a lessor, 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 RMB730,001..

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 amount 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	1,160	Guaranteeing of joint liabilities.	15 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27,2009	9,367	June 22,2009	4,147	Guaranteeing of joint liabilities.	18 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co.,	May 27,2009	7,250	May 27,2009	725	Guaranteeing of joint liabilities.	15 years	No	No

Ltd.								
Guangdong Energy Group Co.,Ltd.	October 29,2020	200,000	November 19,2020	32,306	Guaranteeing of joint liabilities.	23 years and 9 months	No	Yes
Total amount of approved external guarantee in the report period(A1)		234,624.4		Total actually amount of external guarantee in the report period(A2)		30,276		
Total amount of approved external guarantee at the end of the report period(A3)		425,459.4		Total actually amount of external guarantee at the end of the report period(A4)		38,338		
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	5,838	Guaranteeing of joint liabilities.	18 years	No	No
Total of guarantee for subsidiaries approved in the period(B1)				Total of actual guarantee for subsidiaries in the period (B2)		-1,084		
Total of guarantee for subsidiaries approved at period-end(B3)		141,536		Total of actual guarantee for subsidiaries at period-end(B4)		5,838		
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 of signing agreement)	Actual amount 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)								
Total guarantee quota approved in the reporting period (A1+B1+C1)		234,624.4		Total amount of guarantee actually incurred in the reporting period (A2+B2+C2)		29,192		

Total guarantee quota already approved at the end of the reporting period (A3+B3+C3)	566,995.4	Total balance of the actual guarantee at the end of the reporting period (A4+B4+C4)	44,176
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+B4+C4) %		1.61%	
Including:			
Amount of guarantee for shareholders, actual controller and its related parties (D)			32,306
The debts guarantee amount provided for the Guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly (E)			6,032
Total guarantee Amount of the abovementioned guarantees (D+E+F)			38,338

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.Material contract with daily operation concerned

Applicable Not applicable

5. 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 2020 disclosed by the company on the same day.

<http://www.cninfo.com.cn>

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 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, Maoming Power Plant, Zhanjiang company, Dapu 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

2020 is a decisive year to win the fight against poverty. Under the correct leadership of the Office of the Municipal Government and the Leading Group for Accurate Poverty Relief in the New Period of Yuejiang Power Generation Company, the targeted poverty relief team stationed in Mixiashui Village thoroughly implemented

General Secretary Jin Ping's strategic idea on poverty relief and development in the new period, fully implemented the relevant work arrangements of the central government, provinces, cities and counties, closely adhered to the goal of poverty alleviation in 2020, made precise policy, self-pressurized and comprehensively tackled key problems, and accelerated the implementation progress of poverty alleviation projects to ensure winning the fight against poverty.

(I) Ensure party building and promote poverty alleviation. It continues to thoroughly implement the important guiding spirit put forward by General Secretary Xi Jinping at the Central Poverty Relief and Development Work Conference, "Well ensuring party building to promote poverty alleviation is an important experience for poverty-stricken areas to get rid of poverty and become rich", and organically combines the consolidation of rural grassroots party organizations with poverty alleviation. Firstly, strengthen the political consciousness. Carry out in-depth study of Xi Jinping's new era of socialism with Chinese characteristics and the spirit of the 19th National Congress of the Communist Party of China, as well as the important instructions and comments of General Secretary Xi Jinping, actively adopt the way of "going out" and "inviting in" to carry out the study of party building knowledge, persist in arming the mind with the advanced thoughts of the Party, and promote theory to guide practice. Secondly, strengthen the guidance of 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 areas, improving quality and strengthening capabilities" to give full play to the exemplary and leading role of Party members, and to promote the village collective economy to blossom and grow. Thirdly, pay special attention to the co-construction of branches. Organize and help the Party branch of the unit to carry out the co-construction work of Party branch in Mixiashui Village, and promote the cohesion and combat effectiveness of the village grass-roots party organizations to a higher level.

(II) Earnestly well ensure poverty alleviation and consolidation. In strict accordance with the working principle of "poverty alleviation by following policies and undertaking responsibilities", continue to track and understand the production and living conditions of poor households in Mixiashui Village, and focus on the basic requirements of "one policy for each household" to well ensure poverty alleviation and consolidation for poor households; In guiding the Industry development of poor households, it is necessary to give full play to the resource advantages of Mixiashui Village in a down-to-earth manner, such as enhancing the planting and breeding of rice, peanut and poultry, and to plan new ideas in combination with the new situation, actively explore and introduce characteristic industries suitable for large-scale planting and breeding, and give full play to the building function of the industry to ensure that poor households can get rid of poverty stably without returning to poverty.

3. Implement industrial assistance. Firstly, continue to support the leading industries of high-quality rice, and promote the "company+growers" model. Secondly, push forward the passion fruit industry for poverty relief. In 2018, it completed a 10-year land transfer contract of about 260 mu, which promoted the construction of passion fruit planting demonstration base project in Mixiashui Village by Quan'an Economic and Trade Development Corporation, and led 10 poor households to carry out passion fruit planting, initially forming a "one village, one product" industry with the characteristics of Mixiashui Village. In 2019 and 2020, relying on the passion fruit planting demonstration base in Mixiashui Village, it actively guided and helped 10 poor households to carry out excellent passion fruit planting, provided technical guidance to growers on a regular basis, and operated through the business model of "company+poor households", performed planting and management according to unified standards, and adopted guaranteed reserve price for acquisition. Thirdly, support the development of breeding programs, encourage active employment, and implement the policy of "Award instead of Compensation". In 2020, a total of about RMB 100,000 was invested in "Award instead of Compensation". Meanwhile, it implemented supporting measures matching with Nanxiong City's "Award instead of Compensation", and guided poor

households to actively develop production projects such as rice, peanut planting and poultry breeding, and invested about RMB 65,000 to support production.

(IV) Strive to well ensure poverty relief through consumption. Adhere to the consumption poverty relief policy as the fulcrum to increase the villagers and village collective income, rely on the platform of Mixiashui Village Zhongzhi Cooperative to smooth sales channels and to create order agriculture, make good use of the production and sales model of "company+cooperative+poor households (farmers)" to make bigger and stronger leading industries for high-quality rice, passion fruit and peanuts in Mixiashui Village, and realize poverty alleviation by industry-driven hard work; Explore investing poverty relief funds to purchase a batch of agricultural products processing and packaging equipment, concentrate on purchasing and packaging the agricultural products of poor households and villagers in Mixiashui Village, further enhance the value of agricultural products, and actively connect with individuals, government agencies and social organizations, make efforts to publicize the agricultural products in Mixiashui Village, expand the sales volume of products, and earnestly implement the policy of poverty relief by consumption.

5. Promote the construction of new socialist countryside. Taking the opportunity of comprehensively dismantling dilapidated mud brick houses, it worked hard to ensure the "Three Clearings, Three Demolitions and Three Renovations" in Mixiashui Village. A total of 483 dilapidated mud brick houses were demolished, with a total area of 14,722 square meters; In June 2020, the renovation of the outer facade of houses along the village roads and the beautification, greening and hardening work along the roads had been completed, and the construction of the fine route of the new rural demonstration villages along the provincial roads in Mixiashui Village has achieved initial success.

6. Promote infrastructure construction. Firstly, invest RMB 650,000 (including RMB 50,000 donated by Yuejiang Power Generation Company in 2019) to organize the implementation of the comprehensive improvement project of public service infrastructure in Mixiashui Village in 2020. Continue to work on the construction of farmland water conservancy projects and consolidate the foundation of agricultural development in Mixiashui Village; Continue to improve the village road hardening project, and build 9 village road meeting lanes based on the actual plan. Secondly, improve and upgrade the office environment of the village party-mass service center. Invest RMB 45,000 to renovate the surrounding areas of the party-mass service center; Invest RMB 92,000 to buy office equipment such as office tables, chairs and computers to improve office conditions; Seek special funds of RMB 300,000 from Nanxiong to upgrade the village party-mass service center.

7. Focus on improving village collective income. In 2020, it made an overall investment of RMB 1.14 million (including RMB 320,000 of "6.30" directional donation from Yuejiang Power Generation Company in 2018) to invest in Sanrong Hakka Sauerkraut Industry Construction Project in Nanxiong City, so as to increase the village collective economic income and consolidate and enhance the effectiveness of assistance.

8. Implement the "three guarantees" policy. Fully implement the "three guarantees" policy and fully implement the poverty relief education guarantee for poor households in accordance with the policy requirements; Solidly promote the full coverage of medical security, fully implement the medical security policy, and subsidize 41 poor households to purchase urban and rural medical insurance; Well ensure people's livelihood security, continue to implement the living materials security project for poor households, and provide appropriate living materials security to all poor households in a timely manner to help poor households improve their lives; Continue to implement the warm condolence program for poor households, and carry out warm condolence activities to all poor households when appropriate. In January 2020, Yuejiang Power Generation Company distributed Spring Festival condolences to 41 poor households according to the standard of RMB 200 per household, and invested RMB 0.82 million; In May, 2020, according to the standard of RMB 300 per household, it provided 11 poverty-stricken households with a total solatium of RMB 3,300 during the epidemic period.

II. Assistance provided by Maoming Power Plant to Xinbei Village, Shalang Town, Dianbai District, Maoming City

In 2020, Maoming Municipal People's Congress Standing Committee, Guangdong Energy Maoming Thermal Power Plant Co., Ltd. and Maoming Branch of Guangfa Bank resolutely implemented the series of decision-making arrangements of the CPC Central Committee and the State Council on poverty alleviation battle and the spirit of General Secretary Xi Jinping's series of important speeches on poverty relief work, fully implemented the general arrangements of provincial and municipal poverty alleviation work, and made decisive achievements in poverty alleviation in Xinbei Village, Shalang Town, Dianbai District. By November 2020, Xinbei Village has reached the exit standard from relatively poor villages, with 138 people in 45 poor households have all achieved the "Eight Haves" and it has gone through the exit formalities as scheduled. In 2020, the annual per capita disposable income of poor households in Xinbei Village reached RMB 17,819, exceeding the annual per capita disposable income standard of RMB 8,951 for poor households with labor in poverty-stricken villages in 2020.

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

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 relief work. The main leaders of the three assistance 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

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 assistance units set up a subsidy fund to provide seedlings and means of production and to assist them in selling agricultural products. The poverty relief team stationed in the village mobilized and assisted poor households to carry out decentralized planting and breeding, the assistance units provided baby chicks, and the open-source planting cooperatives assisted in signing the sales guaranteed recycling agreement and selling agricultural products. From 2017 to 2019, the assistance units provided a total of RMB 120,000, and distributed 3,760 Xinyi Huaixiang chickens and feeds to poor households with work willingness and ability, thus increasing the income of poor households by RMB 130,000. In 2020, the assistance unit invested another RMB 28,000 to buy 1,000 Xinyi Huaixiang chickens to distribute to the poor households with work willingness and ability, and it is estimated that the income of poor households can be increased by RMB 50,000.

Secondly, build an agricultural industrial park. Adopt the mode of "cooperative+base+poor households", run by open source planting cooperatives, and invest more than RMB 400,000 to build a 50-acre red heart guava planting base. The first batch of fruits were picked in May 2020, and by August 2020, the accumulated sales reached about 3,500 kg, with a sales income of about RMB 9,000. After pruning and dwarfing in August, the fruits can be picked

and marketed in mid-November, and it is planned to sell 15,000 Jin during the year. In the next two years, the fruit output will gradually increase, and will increase to 100,000 kg/year, and the profit will be RMB 30,000 per year.

Thirdly, build photovoltaic power stations for poverty alleviation. Adopting the model of "company+cooperative+poor households", Maoming Dianbai District Open Source Planting Cooperative cooperated with Maoming Commercial Power Bairizhao Photovoltaic Energy Co., Ltd., and invested the poor households' financial pooling funds of RMB 999,000 in 2017 to build a 200KW photovoltaic poverty relief power station on the roof of the Party-mass Service Center of Xinbei Village Committee, the teaching building roof of Xinbei Primary School and the on back mountain, with a cooperation period of 20 years. The project achieved grid connection for power generation before July 20, 2018. The annual fixed income is RMB 160,000 from 2018 to 2022 and RMB 100,000 from 2023 to 2037. In 2018-2019, poor households with work ability received a total dividend of RMB 1,200/person.

(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 relief team leader took the lead in earnestly studying the spirit of the Nineteenth National Congress of the Communist Party of China, the Second, Third and Fourth Sessions of the Nineteenth Central Committee, carrying out the theme education activities of "Remain true to the original aspiration, keep in mind the mission", fully mobilizing the enthusiasm of Party members, and actively supporting the daily work of the "two committees" in the village, the targeted poverty relief 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.

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

In 2020, 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. By 2020, all poverty relief projects have been completed (four projects: the first one is photovoltaic power generation. The second is to invest in Guangdong Yujie Company; The third is to invest in Leizhou herbivorous pig project; And the fourth is to invest in basic investment companies) and have received generated earnings.
2. RMB 860,000 of unit poverty relief funds have be received, and RMB 860,000 has been used to build nine public welfare projects for villagers.
3. According to the unified arrangements of superiors and the actual situation of Waiyuan Village, it assisted the village committee in party building. Firstly, strengthen the construction of the branch of the Village Committee, actively mobilize young people to join the Party, and constantly add new forces to the party; Secondly, strengthen the party building, hold a party member conference on July 1, review the oath of party joining, enhance the party spirit of party members, and keep in mind the purpose of serving the people; Thirdly, strengthen the education of Party members, and organize them to carry out education of "two studies, one action, four consciousnesses, four self-confidences, two maintenance" and "remain true to the original aspiration, keep in mind the mission", so as to improve their ideological awareness, policy awareness and enthusiasm for serving the masses.
4. It held monthly meetings of village cadres to discuss the implementation of poverty relief work.
5. It followed up completed investment projects to ensure that the income of poor households was in place.

6. It invested in the construction and completed the construction of activity venues for five villagers' groups.
7. It completed education and poverty relief work assigned by unit leaders.
8. It encouraged young people who newly graduated from school and failed to get admitted by university to work in other places to earn money, to increase the income of poor households.
9. It provided consolation to poor households during the Spring Festival.
10. It checked and tracked the actual implementation of the "three guarantees" for poor households.
11. It assisted village committees in drug control, eliminating evils, rural revitalization and human settlements.
12. Prevention and control of COVID-19. Firstly, well ensure propaganda and ask the village to cooperate and jointly prevent and control the "COVID-19"; Secondly, boil the Chinese herbal medicines for villagers and send them to natural villages; Thirdly, set up checkpoints at the entrance of each natural villages to check the physical condition of the people entering the village. Fourthly, carry out disinfection in all natural villages. No suspicious cases were found in Waiyuan Village.

As of December 2020, there were 78 poor households with 219 people registered in the Waiyuan village committee, all of whom have been lifted out of poverty.

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

In 2020, 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. Solidly carry out grass-roots party building: invest RMB 100,000 to build a cultural corridor, and RMB 29,900 to build a publicity column for party building and system on the wall in village committees.
2. Actively promote the people's livelihood project: invest RMB 36,000 to carry out the farmland and mountain pond restoration project in Ma'anshan.
3. Carry out activities to celebrate the 98th anniversary of the Party founding, offer condolences to 16 60-year-old party members, and organize Party Day activities with the theme of "Celebrating July 1st and Keeping in Mind the Mission".
4. Invest RMB 5,400 in Spring Festival, to offer condolences to poor party members, old party members and seriously ill party members.
5. Well ensure the prevention and control of COVID-19 and the work of "Three Clearings, Three Demolitions and Three Renovations".
6. By the end of December 2020, after dynamic adjustment, there are currently 67 poor households (including 41 poor households with subsistence allowances, 15 poor households with five guarantees and 11 general poor households) and 138 poor people, all of whom have been lifted out of poverty stably.

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

Zhanjiang Wind Power Company actively responded to the call of the CPC Central Committee, fulfilled the corporate mission of "being virtuous and capable, benefiting both the nation and the people" and fulfilled its social responsibilities. After five years' efforts, by the end of 2020, the two designated poverty relief villages of Zhanjiang Wind Power Company, Shuitou Village, Xuwen County, Zhanjiang City and Houhai Village, Xuwen County, have all achieved poverty alleviation, and 189 poor households with files and cards have all been lifted out of poverty. Zhanjiang Wind Power Company will always adhere to the people-centered development thought, create clean energy for the people's better life, consolidate the achievements of poverty alleviation with the local people, continue to promote the effective connection between comprehensive poverty alleviation and rural

revitalization, and contribute to the realization of the goal of "two hundred years" and the Chinese dream of the great rejuvenation of the Chinese nation.

(3) Targeted Poverty Alleviation Result

Index	Measurement unit	Quantity / Status
I. General situation	——	——
There into: 1. Capital	In RMB 10,000	259.63
2. Cash supplies	In RMB 10,000	2.82
3. Ecological protection to poverty alleviation	person	1,315
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
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	11.8
1.4 The number of poverty population who had been helped to create a file	person	259
2. Poverty alleviation by transfer employment	——	——
Among them: 2.1 Investment amount of vocational skill training	In RMB 10,000	0
2.2 Number of people of vocational skill training	person	0
2.3 Quantity of employment of poverty population who had been helped create a file	person	43
3. Poverty alleviation by relocation	——	——
Thereinto: 3.1 Employment of relocated households	person	0
4. Educational poverty alleviation	——	——
Among them: 4.1 Investment amount of subsidizing poverty students	In RMB 10,000	10
4.2 Number of subsidized poverty students	person	52
4.3 Improving the investment amount for education in poor areas	In RMB 10,000	0.3
5. Health poverty alleviation	——	——
Among them: 5.1 Investment amount for medical and health resources in poor areas	In RMB 10,000	0
6. Ecological protection poverty alleviation	——	——

6.2 Investment amount	In RMB 10,000	0
7. Guarantee of all the details	——	——
Among them: 7.1 Investments on stay-at-home children, women and elderly	In RMB 10,000	0
7.2 Number of stay-at-home children, women and elderly in aid	Person	0
7.3 Investments on poor & disable people	In RMB 10,000	0
7.4 Number of poor & disable people in aid	person	0
8. Social poverty alleviation	——	——
Including: 1 Investments on cooperation between West China and East China	In RMB 10,000	1.02
8.2 Investments on one-to-one anti-poverty	In RMB 10,000	86.63
8.3 Investments from anti-poverty charity fund	In RMB 10,000	0
9. Other projects	——	——
Among them: 9.1 Number of project	a	10
9.2 Investment amount	In RMB 10,000	100.79
9.3 Number of poverty population who had been helped to create a file	person	958
III. Awards (Content and level)	——	——

(4) Subsequent targeted poverty alleviation program

The Company will continue to implement the relevant regulations of the province, city and county on targeted poverty relief, adapt to local conditions, and well ensure the targeted poverty relief:

(I) Further consolidate the effectiveness of poverty alleviation. Firstly, well ensure system construction, further improve the measures for poverty relief assets management, and ensure the safety and effective management of poverty relief assets formed by higher-level poverty relief funds and assistance unit funds. Secondly, seize the income-increasing projects, ensure the continuous operation of the project, and continuously generate revenue. According to the work requirements of higher authorities, some households under poverty alleviation can be allocated with resources in a prioritized manner to support further development. Thirdly, implement archives construction, further improve paper and electronic archives as required, and keep precious historical materials.

(II) Vigorously implement and promote the rural revitalization strategy. According to the new rural planning and design scheme, make full efforts in village road hardening, sewage treatment, garbage treatment, centralized water supply, beautification, greening and lighting, etc., gradually implement the project construction, complete the construction tasks with high quality, and further improve the living environment of the whole village. In addition, further plan and formulate village rules and regulations, govern the village by the system, fully utilize the role of the system, and promote the construction of rural civilization.

(III) Further strengthen and improve the work of party building. Study and implement the spirit of the 19th

National Congress of the Communist Party of China, the Second, Third, Fourth and Fifth Plenary Sessions of the 19th Central Committee and the spirit of Comrade Xi Jinping's series of important speeches, and implement the spirit of the meeting into the work; Assist in building a team of cadres of the two village committees who are entrepreneurial and efficient for the people; Fully utilize the leading role of the village party branch secretary and lead the whole village to carry out the work well; Further strengthen the education of honesty, build a strong ideological defense line against corruption and defection, and put an end to corruption during targeted poverty relief.

3. Information on environmental protection

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

√ Yes □ No

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	1	Within the factory	1.37	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	14.82	Not approved	No
Shajiao A power plant	SO ₂	Concentrated emission through chimney	1	Within the factory	19.50	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	226.85	Not approved	No
Shajiao A power plant	NO _x	Concentrated emission through chimney	1	Within the factory	34.71	Emission Standard of Air Pollutants for Thermal Power Plants	399.50	Not approved	No

						(GB13223-2011)			
Guangdong Dapu Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1.04	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	22.878	593	No
Guangdong Dapu Power Generation Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	13.34	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	294.077	1447	No
Guangdong Dapu Power Generation Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	32.68	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	720.712	1502	No
Zhanjiang Zhongyue Energy Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1.12	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	16	480	No
Zhanjiang Zhongyue Energy Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	14.70	Emission Standard of Air Pollutants for Thermal	209.32	1200	No

						Power Plants (GB13223-2011)			
Zhanjiang Zhongyue Energy Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	26.22	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	373.22	1587	No
Guangdong Shaoguan Yujiang Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1.38	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	30.62	717.78	No
Guangdong Shaoguan Yujiang Power Generation Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	16.18	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	357.66	2303.55	No
Guangdong Shaoguan Yujiang Power Generation Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	33.80	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	746.76	2809.07	No
Zhanjiang Electric Power Co.,	Smoke	Concentrated emission through	2	Within the factory	1	Emission Standard of Air	32	32	No

Ltd.		chimney				Pollutants for Thermal Power Plants (GB13223-2011)			
Zhanjiang Electric Power Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	5	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	382	382	No
Zhanjiang Electric Power Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	29	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	737	737	No
Guangdong Yudean Jinghai Power General Co., Ltd.	Smoke	Concentrated emission through chimney	4	Within the factory	2.27	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	127.6	1770	No
Guangdong Yudean Jinghai Power General Co., Ltd.	SO ₂	Concentrated emission through chimney	4	Within the factory	19.96	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	1119.3	6502	No
Guangdong	NO _x	Concentrated	4	Within the	34.92	Emission	1958.5	4687	No

Yudean Jinghai Power General Co., Ltd.		d emission through chimney		factory		Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)			
Guangdong Red Bay Power General Co., Ltd.	Smoke	Concentrate d emission through chimney	4	Within the factory	2.38	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	85.43	Not approved	No
Guangdong Red Bay Power General Co., Ltd.	SO ₂	Concentrate d emission through chimney	4	Within the factory	9.05	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	336.34	Not approved	No
Guangdong Red Bay Power General Co., Ltd.	NO _x	Concentrate d emission through chimney	4	Within the factory	30.79	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	1152.10	Not approved	No
Guangdong Energy Maoming thermal power plant Co., Ltd.	Smoke	Concentrate d emission through chimney	2	Within the factory	1.46	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-	32	168.12	No

						2011)			
Guangdong Energy Maoming thermal power plant Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	13.73	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	320.64	385.51	No
Guangdong Energy Maoming thermal power plant Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	31.12	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	668.69	689.58	No
Pinghai Power plant	Smoke	Concentrated emission through chimney	2	Within the factory	1.74	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	63.83	700	No
Pinghai Power plant	SO ₂	Concentrated emission through chimney	2	Within the factory	25.05	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	714.24	1750	No
Pinghai Power plant	NO _x	Concentrated emission through chimney	2	Within the factory	38.76	Emission Standard of Air Pollutants for Thermal Power	1013.52	3500	No

						Plants (GB13223- 2011)			
Qianwan LNG Power plant	NO _x	Concentrate d emission through chimney	3	Within the factory	10.87	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	180.37	1312.5	No
Huizhou LNG Power Plant	NO _x	Concentrate d emission through chimney	6	Within the factory	25.19	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	1244.63	2033.1	No
Bohe Company	Smoke	Concentrate d emission through chimney	3	Within the factory	0.43	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	0.758	72	No
Bohe Company	SO ₂	Concentrate d emission through chimney	3	Within the factory	4.15	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	6.53	974	No
Bohe Company	NO _x	Concentrate d emission through chimney	3	Within the factory	28.17	Emission Standard of Air Pollutants	49.69	1195	No

						for Thermal Power Plants (GB13223- 2011)			
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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 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

None.

Other environmental protection related information

None

The Company shall comply with the disclosure requirements of Shenzhen Stock Exchange Industry Information Disclosure Guidelines No.15-Listed Companies Engaged in Power-related Business

1. The Company strictly abides by the Environmental Protection Law of the People's Republic of China, Air Pollution Prevention Law of the People's Republic of China, Water Pollution Prevention Law of the People's Republic of China and Law of the People's Republic of China on Prevention and Control of Environmental Pollution by Solid Waste, and the current environmental protection policies and regulations have no impact on the Company. In 2020, the operating expenses required by the Company's thermal power plants to implement environmental protection policies and regulations are mainly to purchase limestone and denitration materials, totaling about RMB 175 million.

2. In 2020, according to the standard, the coal consumption for comprehensive power supply of the Company's thermal power plants is 301.59 g/kWh of coal, the sulfur dioxide emission performance value is 0.055g/kWh, nitrogen oxide emission performance value is 0.125g/kWh, and soot emission performance value is 0.006g/kWh. Where, the commissioning rate of desulfurization device is 100%, and the average desulfurization efficiency is 99.15%; The average operation rate of denitration device is 99.79%, and the average denitration efficiency is 84.42%; The operation rate of dry dust removal device is 100%, and the average dust removal efficiency is 99.88%.

XIX. Other material events

Applicable Not applicable

No such cases in the reporting period.

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. On June 28, 2020, Pinghai Power Plant applied to the Supreme Court to withdraw its retrial application. On July 6, 2020, the Supreme Court ruled that the retrial applicant Guangdong Huizhou Pinghai Power Plant Co., Ltd. was allowed to withdraw the retrial application.

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 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.

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%					1,179	1,897,970,125	36.15%
1. State-owned shares									
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%					1,179	4,627,504	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%					1,179	6,838	0%
4. Foreign shares									
Of which: Foreign legal person shares									
Foreign natural person shares									
II. Shares with unconditional subscription	3,352,315,040	63.85%					-1,179	3,352,313,861	63.85%
1. Common shares in RMB	2,553,907,040	48.64%					-1,179	2,553,905,861	48.64%
2. Foreign shares in domestic market	798,408,000	15.21%						798,408,000	15.21%
3. Foreign shares in foreign market									
4. Other									
III. Total of capital shares	5,250,283,986	100%						5,250,283,986	100%

Reasons for share changed

√ Applicable □ Not applicable

On August 14, 2020, Mr. Lin Weifeng, the employee supervisor of the Company, ceased to serve as the employee

supervisor of the Company due to work changes, but still served as the Director of the Finance Department of Shajiao A Power Plant, a branch of the Company. As of the disclosure date of his resignation announcement, Mr. Lin Weifeng held 4,716 shares of the Company. According to the relevant provisions of the Listing Rules of Shenzhen Stock Exchange, the supervisors of listed companies shall not transfer the shares held by them within six months after their resignations. Therefore, the lock ratio of Mr. Lin Weifeng's holding of 4,716 shares of the Company increased from 75% to 100%, and the number of restricted shares of the Company also increased correspondingly.

Approval of Change of Shares

Applicable Not applicable

Ownership transfer of share changes

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

In RMB

Shareholder	Number of restricted shares at the beginning	Number of restricted shares in increased this period	Number of restricted shares released in this period	Number of restricted shares at the end of the period	Reasons for sales restriction	Release date of sales restriction
Lin Weifeng	3,537	1,179	0	4,716	Change of employee supervisor	-
Total	3,537	1,179	0	4,716	--	--

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

Total number of common shareholders at the end of the reporting period	90,997	Total shareholders at the end of the month from the date of disclosing	92,978	The total number of preferred shareholders 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	2.49%	130,882,902	-17,979,518		130,882,902		
Guangzhou Development Group Co., Ltd.	State-owned legal person	2.22%	116,693,602	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	1.16%	60,672,411	29,048,888		60,672,411		
Zheng Jianxiang	Domestic Natural person	0.47%	24,804,886	1,569,988		24,804,886		

Harbin Hali Industry Co., Ltd.	Domestic Non-State owned legal person	0.40%	20,942,945	-283,869		20,942,945		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas Legal person	0.30%	15,855,512	4,099,013		15,855,512		
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Overseas Legal person	0.29%	15,216,066	-100,000		15,216,066		
Harbin Daoli District Charity Foundation	Domestic Non-State owned legal person	0.26%	13,667,406	8,900		13,667,406		
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.	130,882,902		RMB Common shares	130,882,902				
Guangzhou Development Group 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	60,672,411		RMB Common shares	60,672,411				
Zheng Jianxiang	24,804,886		Foreign shares placed in domestic exchange	24,804,886				
Harbin Hali Industry Co., Ltd.	20,942,945		RMB Common shares	20,942,945				
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	15,855,512		Foreign shares placed in domestic	15,855,512				

		exchange	
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	15,216,066	Foreign shares placed in domestic exchange	15,216,066
Harbin Daoli District Charity Foundation	13,667,406	RMB Common shares	13,667,406
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)	<p>The Fifth largest shareholder Li Zhuo holds 1,270,220 A shares of the Company through A shares ordinary stock account, and holds 359,402,191A shares of the Company through stock account with credit transaction and guarantee. hold60,672,411 shares of the Company's stock totally.</p> <p>The Seventh largest shareholder Harbin Hali Industry Co., Ltd. holds300 A shares of the Company through A shares ordinary stock account, and holds 20,942,645 A shares of the Company through stock account with credit transaction and guarantee, hold 20,942,945 shares of the Company's stock totally.</p> <p>The Tenth largest shareholder Harbin Daoli District Charity Foundation holds16,800 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, hold 13,667,406 shares of the Company's stock totally.</p>		

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

Yes No

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

2. Controlling shareholder

Nature of Controlling Shareholders: Local state holding

Type of Controlling Shareholders: Legal person

Name of the Controlling shareholder	Legal representative/ Leader	Date of incorporation	Organization code	Principal business activities
Guangdong Energy Group Co., Ltd.	Li Zhuoxian	August 3,2001	9144000073048602 2G	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

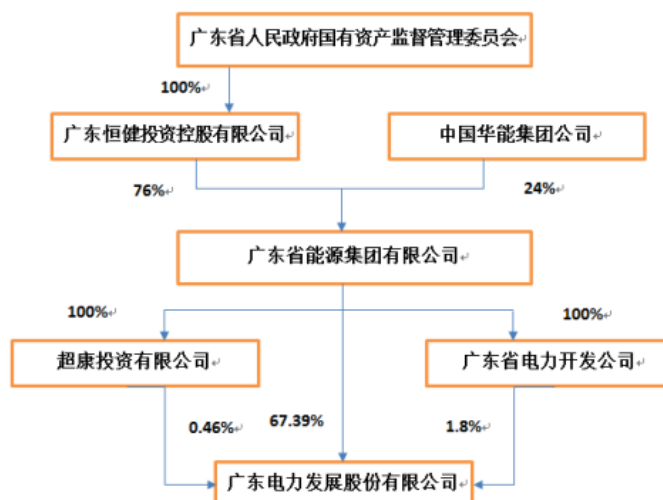
Name of the controlling shareholder	Legal representative/person in charge	Date of establishment	Organization code	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People's Government	Li Cheng	June 26,2004	114400007583361658	As the special institution directly subordinate to Guangdong Provincial People's Government, performed the obligation of provincial state-asset contributor entrusted by the provincial government.
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

VII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period.

VIII Information about convertible corporate bonds

Applicable Not applicable

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

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	57	June 11, 2018						
Wang Jin	Director	In office	Male	57	September 18, 2017						
Rao Subo	Director	In office	Male	56	September 18, 2017						
Wen Lianhe	Director	In office	Male	51	September 18, 2017		2,830				2,830
Chen Ze	Director	In office	Male	52	September 18, 2017						
Li Fangji	Director	In office	Male	53	June 28, 2018						
Zheng Yunpeng	Director	In office	Male	52	June 28, 2018						
Zheng Yunpeng	General Manager	In office	Male	52	June 11, 2018						
Yan Ming	Director	In office	Male	49	February 21, 2019						
Li Baobing	Director	In office	Male	46	November 19, 2019						
Liang Peilu	Employee director	In office	Male	56	August 2, 2019						
Mao Qinghan	Director	In office	Male	46	August 2, 2019						
Sha Qilin	Independent director	In office	Male	60	May 20, 2014						

Shen Hongtao	Independent director	In office	Female	53	May 20,2016						
Wang Xi	Independent director	In office	Male	50	May 20,2016						
Ma Xiaolian	Independent director	In office	Male	56	September 18,2017						
Yin Zhongyu	Independent director	In office	Male	51	September 18,2017						
Zhang Dewei	Chairman of the Supervisory Committee	In office	Male	59	August 14,2012						
Shi Yan	Supervisor	In office	Female	43	November 19,2019						
Zhu Weiping	Independent Supervisor	In office	Male	63	May 20,2014						
Jiang Jinsuo	Independent Supervisor	In office	Male	52	May 20,2014						
Hu Jinpei	Employee supervisor	In office	Male	57	December 23,2020						
Li Qing	Employee supervisor	In office	Male	43	May 20,2014						
Tang Yongguang	Deputy GM	In office	Male	58	November 28,2019						
Liu Wei	Deputy GM, Finance manager	In office	Male	41	September 18,2017						

Liu Wei	Board secretary	In office	Male	41	October 24,2006						
Lin Weifeng	Employee supervisor	Dimission	Male	52	May 15,2002	August 14,2020	4,716				4,716
Li Jianwen	Employee supervisor	Dimission	Male	48	August 14,2020	December 23,2020					
Liu Hui	Deputy GM	Dimission	Female	55	July 28,2010	October 31,2020					
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
Lin Weifeng	Employee supervisor	Dimission	August 14,2020	Job change
Li Jianwen	Employee supervisor	Dimission	December 23,2020	Job change
Liu Hui	Deputy GM	Dimission	October 31,2020	Retire

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, Chief safety officer and Vice chief engineer of Guangdong Yudean Group, and Head of the Information Technology Centre Preparatory team of Guangdong Yudean Electric Power .

Mr. Wen Lianhe, born in October 1968 and graduated from Harbin Institute of Technology. He is now senior engineer (professor level) and currently deputy director 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, Vice chief engineer ,Minister of operating management Dept 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 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., Minister of strategy Development Dept and party branch secretary of Energy Group.

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., Minister of Comprehensive Dept and Secretary of the Party Branch of Energy Group.

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, Minister and Secretary of the Party Branch 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 once served as the secretary and director of the party branch of Xicun Thermal Power Plant in 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 Rising Nonferrous Metals Co., Ltd, independent director of Polyrocks Chemical Co., Ltd and independent director of 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 Institute of China and transition and open economy of Sun Yat sen University, concurrently serves as Deputy Secretary-General and Standing member of China Institute of International Finance and China Society of World Economics, editorial board member of world economy, economist of monetary policy committee of the people's Bank of China and business center of National Bureau of statistics, independent

director of Guangdong Electric Power Development Co.,Ltd., Guangzhou Yuexiu Financial Holdings Group Co., Ltd., Zhuhai Rural Commercial Bank, CNFinance holding Co.,Ltd. and BY-HEALTH Co.,Ltd, External director of Guangzhou Bus Group.He was the 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 the general manager of the Great Wall Securities M&A Department. He previously served as a director of the Guotai Junan M&A business and an executive director of Shanghai Longrui Investment Consultants Company, General Manager of M & A Dept of Great Wall Securities.

Mr.Zhang Dewei, born in January 1961. Guangzhou Normal University Bachelor of Science, Jinan University Master of Business Administration. Senior economist. He is currently theDeputy Secretary of Discipline Inspection Commission, General Auditor, General Manager of Audit department and Secretary of Party branch 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, Chairman of the Supervisory Committee of Guangdong Electric Power Development Co., Ltd.

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, Zhujiang Industrial and 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. Hu Jinpei, born in April 1963, graduated from correspondence college, engineer, is currently the Director of Discipline Inspection Department of Shajiao A Power Plant. He used to be the First Engineer of thermal engineering in Maintenance Department of Shajiao A Power Plant, Director of Material Division of Maintenance Department of Shajiao A Power Plant, director of Material Procurement Division of Operation Department of Shajiao A Power Plant, Deputy General Manager of diversified corporation of Shajiao A Power Plant, General Manager of Dongguan Humen Jinfan Industrial Corporation of Shajiao A Power Plant, and Director of Logistics Service Department of Shajiao A Power Plant.

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. 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.

Finance Minister Assistant.

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 and Manager.

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.	Deputy GM	December,2020		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	April,2018		Yes
Li Fangji	Guangdong Energy Group Co., Ltd.	General Manager of Operating Management Dept and Secretary of Party Branch	February1,2021		Yes

Yan Ming	Guangdong Energy Group Co., Ltd.	Vice Chief Engineer, Minister of Strategic Dept and Secretary of Party Branch	February,2021		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.	Deputy Secretary of Discipline Inspection Commission, General Auditor, General Manager of Audit department	September, 2017		Yes
Shi Yan	Guangdong Energy Group Co., Ltd.	Deputy Gm of Finance Dept	June,2020		Yes
Mao Qinghan	Guangzhou Development Group Co., Ltd.	Executive director	December,2017		Yes
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	Guangdong Energy Maoming Thermal Power Plant Co., Ltd.	Board chairman	March,2019		No
Wang Jin	Guangdong Red Bay Power Generation Co., Ltd.	Board chairman	September,2018		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
Wang Jin	Zhuhai Special Economic Zone Guangzhu Power Generation Co., Ltd.	Board chairman	July,2020		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	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 Lianhe	Guangdong Zhuhai Power Generation Plant Co., Ltd.	Board chairman	July,2018		No
Chen Ze	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Board chairman	March,2017		No
Chen Ze	广东 Guangdong Yangjiang Port Co., Ltd.	Board chairman	November,2019		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	Guangdong Yudean Binhaiwan Energy Co., Ltd.	Executive director	May,2019		No
Zheng Yunpeng	Guangdong Yudean Dayawan Integrated Energy Co., Ltd	Board chairman	January,2020		No
Zheng Yunpeng	Guangdong Yudean Dananhai Intelligent Energy Co., Ltd.	Executive director	January,2021		No
Zheng Yunpeng	Guangdong Yudean Baihua Integrated Energy Co., Ltd	Executive director	February,2021		No
Li Baobing	CSPG Energy Co., Ltd.	Supervisor	June,2018		No
Li Baobing	Guangdong Yudean Finance Lease Co., Ltd.	Board chairman	September,2019		No
Li Baobing	Guangdong Energy Group Finance Co., Ltd.	Director	September,2020		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
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 Store 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	CNFinance holding Co.,Ltd.	Independent Director	March 2019		Yes
Wang Xi	BY-HEALTH Co.,Ltd	Independent Director	September 2020		Yes
Wang Xi	Guangzhou Yuexiu Financial Holdings Group Co., Ltd.	Independent Director	January 2019		Yes
Wang Xi	Zhuhai Rural Commercial Bank Co., Ltd.	Independent Director	July,2014		Yes
Wang Xi	Guangzhou Bus Group	External director	August 2018		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
Yin Zhongyu	LC Securities	Assistant president	September,2019		Yes
Shi Yan	Guangdong Electric Power Development Corporation	Chairman of the Supervisory	February,2021		No

		Committee			
Shi Yan	Guangdong Energy Group Guizhou Co., Ltd.	Director	August,2020		No
Shi Yan	Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.	Supervisor	March,2018		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
Hu Jinpei	Guangdong Electric Power Development Co.,Ltd. Shajiao A Power Plant	Minister of Discipline Inspection	November,2020		
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	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
Li Qing	Shenzhen Guangqian Electric Power Co., Ltd.	Chairman of the Supervisory Committee	December,2018		No
Li Qing	Zhanjiang Zhongyue Energy Co., Ltd.	Chairman of the Supervisory Committee	August,2019		No
Li Qing	Guangdong Yudean Baihua Integrated Energy Co., Ltd	Supervisor	February,2021		No
Tang Yongguang	Guangdong Electric Industry Fuel Co., Ltd.	Director	March,2020		No
Tang	Zhanjiang Electric Power Co., Ltd.	Director	December,2019		No

Yongguang					
Tang Yongguang	Zhanjiang Zhongyue Energy Co., Ltd.	Board chairman	December,2019		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	July,2020		No
Tang Yongguang	Guangdong Yudean Huaqing Coal Gas Union cycle Power Generation Co., Ltd.	Board chairman	July,2020		No
Liu Wei	Guangdong Wind Power Generation Co., Ltd.	Director	December,2017		No
Liu Wei	Guangdong Yudean 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 Electric Power Sales Co., Ltd.	Director	December,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
Liu Wei	Guangzhou Zhujiang Natural Gas Power Generation Co., Ltd.	Director	July,2020		No
Liu Wei	Guangdong Energy Finance Leasing Co., Ltd.	Director	November,2020		No
Liu Wei	Guangdong Yudean Zhongshan Thermal Power Plant Co., Ltd.	Board chairman	July,2020		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 before tax was total RMB 6.3546 million .

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

In RMB10,000

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	57	In office	84.16	No
Rao Subo	Director	Male	56	In office		Yes
Wen Lianhe	Director	Male	52	In office		Yes
Chen Ze	Director	Male	51	In office		Yes
Li Fangji	Director	Male	53	In office		Yes
Zheng Yunpeng	Director, General Manager	Male	52	In office	84.16	No
Yan Ming	Director	Male	49	In office		Yes
Li Baobing	Director	Male	46	In office		Yes
Liang Peilu	Director	Male	56	In office	81.4	No
Mao Qinghan	Director	Male	46	In office		Yes
Sha Qilin	Independent director	Male	60	In office	10.14	No
Shen Hongtao	Independent director	Female	53	In office	9.07	No
Wang Xi	Independent director	Male	50	In office	9.61	No
Ma Xiaoqian	Independent director	Male	56	In office	9.61	No
Yin Zhongyu	Independent director	Male	51	In office	8	No
Zhang Dewei	Chairman of the	Male	59	In office		Yes

	Supervisory Committee					
Shi Yan	Supervisor	Female	43	In office		Yes
Zhu Weiping	Independent Supervisor	Male	63	In office	5.89	No
Jiang Jinsuo	Independent Supervisor	Male	52	In office	6.43	No
Hu Jinpei	Employee supervisor	Male	57	In office	27.92	No
Li Qing	Employee supervisor	Male	43	In office	39.79	No
Tang Yongguang	Deputy GM	Male	58	In office	66.57	No
Liu Wei	Deputy General manager, Finance Manager, Board secretary	Male	41	In office	77.41	No
Lin Weifeng	Employee supervisor	Male	52	Dismission	27.23	No
Li Jianwen	Employee supervisor	Male	48	Dismission	21.36	No
Liu Hui	Deputy GM	Female	55	Dismission	66.71	No
Total	--	--	--	--	635.46	--

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)	997
Number of in-service staff of the main subsidiaries (person)	5,691
Total number of the in-service staff (person)	6,794
Total number of staff receiving remuneration in the current period (person)	6,771
The number of the parent company and the main subsidiary's retired staffs who need to bear the cost (person)	3,596
Professional	
Classified according by Professions	Number of persons (person)

Production	4,324
Sales	103
Technical	1,014
Financial	173
Administrative	1,034
Other	146
Total	6,794
Education	
Classified according by education background	Number of persons (person)
Doctor	1
Master	216
Universities	3,383
Colleges	1,813
Technical secondary school	236
High school and Below	1,145
Total	6,794

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

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, separation of organization and financial independence between controlling shareholder. And it has a complete business and operations management ability. 1. Separation of operation: the Company is principally engaged in the electricity generation and sales to Guangdong Electric Power Holding Co. (“GPHC”) directly. The Company has subcontracted the subsidiary of Yudean, the holding company, to purchase the fuels, which is solely for the purpose of better utilization of large-scale purchase and cost control. 2. Separation of human resource: the General Manager and all his subordinates, Secretary to the Board of Directors, Financial Manager are paid by the Company and take no position in the holding company. 3. Separation of assets: the Company has independent production system, supporting system and other facilities. The Company owns its intangible assets such as intellectual property rights, trademarks and non-patent technology; 4. Separation of organization: the Company has established integrated operating institution of its own. 5. Financial independence: the Company has an independent financial department and has established independent accounting system and financial management system. It opened independent bank accounts for its own operation.

III. Competition situations of the industry

Applicable Not Applicable

Problem Types	Name of the Controlling Shareholders	Property of the Controlling Shareholders	Problems and Causes	Countermeasures	Time Schedule of Works and Follow-up Program
Horizontal competitions	Guangdong 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 formed from Guangdong Provincial Power Group Corporation.	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 Energy Group to push forward

			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. 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.	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.
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IV. Annual General Meeting and Extraordinary Shareholders' Meetings in the Reporting Period

1. Annual General Meeting

Sessions	Type	Investor participation ratio	Meeting Date	Disclosure date	Disclosure index
The first provisional shareholders' General meeting in 2020	Provisional shareholders' General Meeting	72.63%	April 27,2020	April 28,2020	Announcement :Announcement of Resolution of the first Provisional shareholders' general meeting in 2020, Announcement No.:2020-28, Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
2019 Shareholders' general meeting	Annual General Meeting	72.64%	May 20,2020	May 21,2020	Announcement :Announcement of Resolution of 2019 shareholders' general meeting , Announcement No.:2020-37. Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Second provisional shareholders' General meeting in 2020	Provisional shareholders' General Meeting	72.66%	October 28,2020	October 29,2020	Announcement :Announcement of Resolution of the Second Provisional shareholders' general meeting in 2020, Announcement No.:2020-57, Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Third	Provisional	72.56%	December	December	Announcement :Announcement of

provisional shareholders' General meeting in 2020	shareholders' General Meeting		21,2020	22,2020	Resolution of the Third Provisional shareholders' general meeting in 2020, Announcement No.:2020-68, Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
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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	12	9	3	0	0	No	4
Shen Hongtao	12	8	3	1	0	No	3
Wang Xi	12	9	3	0	0	No	4
Ma Xiaoqian	12	9	3	0	0	No	4
Yin Zhongyu	12	7	3	2	0	No	3

Notes to failure to personally attend Board Meetings Successively Twice

None

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.

None

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 2020, 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 2019 Annual Report, 2019 Internal Control Evaluation Report, 2019 Comprehensive Risk Management Report, 2019 Audit Institution Hiring, Provision for Impairment of Assets, 2020 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 3rd meeting on March 30, 2020, reviewed and adopted the "Proposal on Illustration of Budget Implementation in 2019 and Budget Preparation in 2020".

4. According to the Company Law, Stock Listing Rules, Articles of Association, Interim Provisions on Prohibition of Securities Market and other relevant regulations, the nominating members of the Board of Directors carefully examined the qualifications of directors and senior managers of the Ninth Board of Directors of the Company, and formed relevant examination opinions and submitted them to the Board of Directors.

VII. Work of the supervisory Committee

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

Yes No

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

VIII. Assessment and incentive Mechanism for Senior executives

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

IX. Internal control situations

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

Yes No

2. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	April 10, 2021	
Disclosure index of appraisal report on internal control	Juchao Website: (http://www.cninfo.com.cn), Self-evaluation report of internal control in 2020	
Proportion of total unit assets covered by appraisal in the total assets of the consolidated financial statements of the company	98.47%	
Proportion of total unit incomes covered by appraisal in the total business incomes of the consolidated financial statements of the company	99.56%	
Standards of Defects Evaluation		
Category	Financial Report	Non-financial Report

Qualitative criteria	<p>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.</p>	<p>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.</p>
Quantitative standard	<p>A quantitative criterion regards operating receipt and gross value of assets as its yard stick. ① inner control deficiency may lead to loss related to profit statement, which is measured by operating receipt. The amount of misstatement in financial report resulted from the control deficiency or its combination is less than 0.5 percent of the operating receipt, which could be considered as the common deficiency. That would be considered as serious deficiency if the amount of misstatement in financial report resulted from the control deficiency or its combination is more than 0.5 percent but less than 1 percent of the operating receipt. And that would be regarded as significant deficiency if that is more than 1 percent of the operating receipt. ② inner control deficiency may lead to loss related to assets management, which is measured by total assets. The amount of misstatement in financial report resulted from the control deficiency or its combination is less than 0.5 percent of the total assets, which could be considered as the common deficiency. That would be considered as serious deficiency if the amount of misstatement in financial report resulted from the control deficiency or its combination is more than 0.5 percent but less than 1 percent of the total assets. And that would be regarded as significant</p>	<p>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.</p>

	deficiency if that is more than 1 percent of the total assets.	
Number of major defects in financial reporting (a)		0
Number of major defects in non financial reporting (a)		0
Number of important defects in financial reporting (a)		0
Number of important defects in non financial reporting (a)		0

X. Internal Control audit report

Applicable Not applicable

Review opinions in the internal control audit report	
We believe that Guangdong Electric Power Development Co., Ltd. has maintained effective internal control over financial reporting in all material respects as of 31 December 2020 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 10,2021
Internal audit report's opinion	Juchao Website: (http://www.cninfo.com.cn) 2020 Audit report of internal control
Type of audit report on internal control	Unqualified auditor's report
Whether there is significant defect in non-financial report	No

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

Yes No

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

Yes No

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 fully 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
Public Issuance of Corporate Bonds to Qualified Investors in 2020 (Phase I)	20 Yudean 01	149113.SZ	April 29,2020	April 29,2025	150,000	2.45%	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.
Public Issuance of Corporate Bonds to Qualified Investors in 2021 (Phase I)	21 Yudean 01	149369.SZ	January 27,2021	January 27,2024	100,000	3.57%	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	During the reporting period, the Bonds have not yet reached the interest payment date.						
If the corporate bonds attached	The term of 20 Yudean 01 bonds is 5 years, attaching the option that the issuer will redeem at						

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)	<p>the end of the third year, the option that the issuer raises the coupon rate and the option that the investors will put back.</p> <p>During the reporting period, 21 Yudean 01 has no special clauses attached.</p> <p>he relevant clauses did not reach the implementation</p>
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II. Bond trustee and the credit rating agency information

Bond trustee:							
Name	China CITIC Securities Co., Ltd	Office	2/F, B building, Kaiheng Center, Chaoyangmen Street, Dongcheng District , Beijing	Contact	Liu Renshuo	Tel	010-86451370
The credit rating agencies which follow and rate the corporate bond during the reporting period							
Name	CCXI			Office address	Building 6, Yinhe SOHO, No.2 Nanzhugan Alley , Dongcheng District, Beijing		
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						

III. The usage of corporate bonds to raise money

The usage and performance of raised funds from Corporate bonds	<p>As of the end of the reporting period, the funds raised by 20 Yudean 01 have been used up to repay the Company's debts and supplement the working capital.</p> <p>As of the approval date of the annual report, the funds raised by 21 Yudean 01 have been used up to repay the Company's debts.</p>
At the end of balance (RMB 10,000)	0
Special fund raising account operation	The special account for raising funds shall be operated as agreed.
Whether the usage of the raised money corresponding to the purposes of promise,	Yes

use plans, and other agreement	
--------------------------------	--

IV. Corporate bond rating information

On April 20, 2021, CCXI traced and analyzed the credit status of the company and the company's bonds of "20Yudean 01", Finalized by the China Credit Rating Credit Rating Committee, 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.ccxi.com.cn> and <http://www.cninfo.com.cn>, with the title of Credit Rating Report for Public Issuance of Corporate Bonds to Qualified Investors in 2020 (Phase I) of Guangdong Electric Power Development Co., Ltd.

On January 12, 2021, CCXI traced and analyzed the credit status of the company and the company's bonds of "21Yudean 01", Finalized by the China Credit Rating Credit Rating Committee, 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.ccxi.com.cn> and <http://www.cninfo.com.cn>, with the title of Credit Rating Report for Public Issuance of Corporate Bonds to Qualified Investors in 2021 (Phase I) of Guangdong Electric Power Development Co., Ltd.

During the reporting period, the rating agencies did not issue a tracking rating report of 20 Yudean 01 and 21 Yudean 01.

V. Corporate bond credit mechanism, the debt repayment plans and other security measures

(1) The credit-raising mechanism: There is no guarantee for the bonds of 20 Yudean 01 and 21 Yudean 01.

(2) Debt repayment plan: The payment of principal and interest of 20 Yudean 01 and 21 Yudean 01 Bonds will be handled through bond registration agencies and relevant institutions. The specific matters of payment will be explained in the announcement disclosed by the issuer in the media specified by CSRC, Shenzhen Stock Exchange and China Securities Industry Association in accordance with relevant regulations.

(3) Debt repayment guarantee measures: In order to fully and effectively safeguard the legitimate rights and interests of bondholders of the Bonds, the issuer has worked out a series of work plans for timely and full repayment of 20 Yudean 01 and 21 Yudean 01 Bonds, and strove to form a set of guarantee measures to ensure the safe redemption of bonds. Including setting up a special reimbursement working group, formulating and strictly implementing the fund management plan, formulating the *Rules of Bondholders' Meeting*, giving full play to the role of bond trustee and strictly fulfilling information disclosure obligations, etc.

VI. During the reporting period the bondholder meeting

During the reporting period, the company did not

During the reporting period, the company did not hold 20 Yudean 01 and 21 Yudean 01 bondholders meeting.

VII. During the reporting period the bond trustee perform his duties

As the trustee of the bonds, China Securities has performed the duties of the bond trustee in strict accordance with the Code of Practice of Corporate Bond Trustee, Prospectus and Trustee Management Agreement, and has continuously tracked the company's credit status, management and application of raised funds, and repayment of

principal and interest of corporate bonds, and urged the company to fulfill the obligations agreed in the prospectus of corporate bonds, thus safeguarding the legitimate rights and interests of bondholders.

During the reporting period, there was no conflict of interest between China Securities and the issuer when China Securities performs the duties as a bond trustee.

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

In RMB 10,000

Items	2020	2019	At the same time rate of change
Earnings before interest, tax, depreciation and amortization	805,371.38	755,964.55	6.54%
Current ratio	53.38%	57.45%	-4.07%
Debt ratio	58.42%	54.70%	3.72%
Quick ratio	41.74%	43.44%	-1.70%
EBITDA/Total debts	16.03%	18.30%	-2.27%
Interest coverage ratio	3.52	2.76	27.54%
Cash interest coverage ratio	5.42	6.91	-21.56%
EBITDA interest coverage ratio	5.77	5.24	10.11%
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

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

1. On August 14, 2019, the Company issued the third ultra-short-term financing bonds of RMB 900,000,000 in 2019, with a bond duration of 180 days, and the repaid principal and interest during the reporting period is: RMB 911,950,819.67;
2. On November 15, 2019, the Company issued the fourth ultra-short-term financing bonds of RMB 1,000,000,000 in 2019, with a bond duration of 180 days, and the repaid principal and interest during the reporting period is: RMB1,011,311,475.41 ;
3. On February 20, 2020, the Company issued the First ultra-short-term financing bonds of RMB1,100,000,000 in 2020, with a bond duration of 180 days, and the repaid principal and interest during the reporting period is: RMB1,111,360,655.74 ;
4. On August 10, 2020, the Company issued the Second ultra-short-term financing bonds of RMB1,600,000,000 in 2020, with a bond duration of 172 days, and the repaid principal and interest during the reporting period is: RMB0 ;
5. On November 10, 2020, the Company issued the Third ultra-short-term financing bonds of RMB1,600,000,000

in 2020, with a bond duration of 178 days, and the repaid principal and interest during the reporting period is: RMB0 ;

6. 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 repaid during the reporting period is: RMB 33,520,000;

7. On March 18, 2013, the Company publicly issued 12 Yudean Bonds (i.e. real name book-entry corporate bonds) with a face value of RMB 1,200,000,000 and a term of 5+2 years, and the repaid principal and interest during the reporting period is: RMB 42,301,671.75;

8. Guangdong Huizhou Pinghai Power Plant Co., Ltd., a holding subsidiary of the Company, publicly issued 16 Pinghai 01 real-name book-entry corporate bonds ("16 Pinghai 01") with a face value of RMB 700,000,000 and a term of 5 years to the public on September 26, 2016, and the repaid interest during the reporting period is: RMB 29,050,000.

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 69.584 billion, of which the used amount limit was RMB 19.911 billion, thus the remaining available bank amount limit was about RMB 49.673 billion. In this year, the company repaid bank loans of about RMB17.765 billion, and the balance of bank loans was RMB 28.012billion.

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 "20 Yudean 01 and 21 Yudean 01 Bonds" issuance. During the reporting period, the company strictly fulfilled the above commitments.

XI.Major events occurring in the period of report

Nil

XII.Whether there is a guarantor corporate bonds

Yes No

XII.. Financial Report

I. Audit report

Type of audit opinion	Unqualified audit opinion
Date for signing the auditor's report	April 8 ,2021
Type of audit opinion	PWC Certified Public Accountants (special general partnership)
Date for signing the auditor's report	PWC ZTSZD No.(2021) 10033
Type of audit opinion	Wang Bin, Li Yanhua

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Guangdong Electric Power Development Co., Ltd.

Financial Statements and Auditor's Report
For the Year Ended 31 December 2020
[English translation for reference only]

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[English Translation for Reference Only]

Auditor's Report

PwC ZT Shen Zi (2021) No. 10033
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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 2020;
- 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 2020, 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 ("CASs"). 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

Key Audit Matters (Cont'd)

Key Audit Matter

(1) Impairment of power related fixed assets and long-term equity investments

Refer to Note 2(27)(b)(i), Note 4(10)(b)(iii) and Note 4(13)(a)(vi) to the financial statements (Note 1).

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 2020, 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, less disposal costs, of the asset groups and the long-term equity investments 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.

How our audit addressed the Key Audit Matter

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;

Key Audit Matters (Cont'd)

Key Audit Matters (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.

(ii) Recognition of loss for investment in an associate due to provision for impairment of long-term assets

Refer to Note 2(11)(b), Note 4(10)(b)(i) to the financial statements.

In 2020, Guangdong Yudean Shipping Co., Ltd. (hereinafter referred to as "Yudean Shipping"), associate of Guangdong Electric Power, has delivered a weaker performance than expected due to the sluggish international shipping market, continuous fluctuation in shipping prices, and rising operating costs. Thus, there is an indication of impairment of related long-term assets, and Yudean Shipping has made provision for impairment of long-term assets. In 2020, Yudean Shipping recognised a net loss of RMB 579,173,582, including a loss of RMB 585,756,126 arising from the provision for impairment loss on long-term assets and a loss of RMB 202,710,755 for investment in Yudean Shipping recognised by Guangdong Electric Power under the equity method. As at 31 December 2020, the carrying amount of the long-term equity investment of Guangdong Electric Power in Yudean Shipping was RMB 241,738,113.

How our audit addressed the Key Audit Matter (Cont'd)

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.

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 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;

Key Audit Matters (Cont'd)

Key Audit Matters (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 the equity method in 2020 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.

How our audit addressed the Key Audit Matter (Cont'd)

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;

Key Audit Matters (Cont'd)

Key Audit Matters (Cont'd)

(ii) Recognition of loss for investment in an associate due to provision for impairment of long-term assets (Cont'd)

How our audit addressed the Key Audit Matter (Cont'd)

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):

- 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 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.

(iii) Recognition of deferred tax assets related to deductible losses

Our audit procedures for the recognition of deferred tax assets related to deductible losses mainly include:

Refer to Note 2(27)(b)(iv) and Note 4(18) to the financial statements.

- 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;

As at 31 December 2020, Guangdong Electric Power recognised the corresponding deferred tax assets for the deductible losses incurred by individual subsidiaries at a total of RMB 216,733,521.

- 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;

According to the financial forecast of the aforesaid subsidiaries in future periods, management recognises deferred tax assets within the limits of which 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.

- 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;

Key Audit Matters (Cont'd)

Key Audit Matters (Cont'd)

(iii) Recognition of deferred tax assets related to deductible losses (Cont'd)

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.

How our audit addressed the Key Audit Matter (Cont'd)

Our audit procedures for the recognition of deferred tax assets related to deductible losses mainly include (Cont'd):

- We compared the taxable income estimated by management last year with the actual taxable income for the current year to assess the historical accuracy of management's forecast;
- We reviewed whether the deferred tax assets were recognised within the limits of which 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.

Other Information

Management of Guangdong Electric Power is responsible for the other information. The other information comprises all of the information included in 2020 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 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.

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 CASs 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 CASs, 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, structure and content of the financial statements, including the disclosures, 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.

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

Shanghai, the People’s Republic of China
8 April 2021

Signing CPA

Wang Bin
(Engagement Partner)

Li Yanhua

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ASSETS	Note	31 December 2020	31 December 2019
Current assets			
Cash at bank and on hand	4(1)	5,790,946,117	5,081,641,969
Accounts receivable	4(2)	4,332,149,033	3,197,690,464
Advances to suppliers	4(3)	766,871,830	605,314,333
Other receivables	4(4)	459,266,554	272,801,588
Inventories	4(5)	1,589,882,029	1,817,059,269
Contract assets	4(6)	3,870,497	—
Current portion of non-current assets	4(7)	49,785,734	28,865,131
Other current assets	4(8)	546,685,636	305,595,567
Total current assets		13,539,457,430	11,308,968,321
Non-current assets			
Long-term receivables	4(9)	-	65,856,346
Long-term equity investments	4(10)	6,687,257,614	6,455,784,562
Investments in other equity instruments	4(11)	3,548,088,015	3,142,371,373
Investment properties	4(12)	49,732,668	52,093,631
Fixed assets	4(13)	47,195,233,079	38,555,718,718
Construction in progress	4(14)	9,153,637,100	10,882,003,846
Intangible assets	4(15)	2,141,625,383	1,787,738,640
Goodwill	4(16)	2,449,886	2,449,886
Long-term prepaid expenses	4(17)	26,409,305	19,473,586
Deferred tax assets	4(18)	446,587,650	445,709,226
Other non-current assets	4(19)	3,180,340,038	2,753,858,988
Total non-current assets		72,431,360,738	64,163,058,802
TOTAL ASSETS		85,970,818,168	75,472,027,123

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

CONSOLIDATED BALANCE SHEET (CONT'D)
AS AT 31 DECEMBER 2020

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

LIABILITIES AND OWNERS' EQUITY	Note	31 December 2020	31 December 2019
Current liabilities			
Short-term borrowings	4(21)	7,622,427,916	5,904,132,791
Notes payable	4(22)	1,092,292,546	1,364,236,650
Accounts payable	4(23)	2,666,180,513	2,465,154,162
Advances from customers		-	432,714
Contract liabilities	4(24)	6,573,912	-
Employee benefits payable	4(25)	304,548,373	242,510,538
Taxes payable	4(26)	498,801,080	571,377,151
Other payables	4(27)	6,775,700,584	4,042,117,097
Current portion of non-current liabilities	4(28)	3,180,551,951	3,182,980,482
Other current liabilities	4(29)	3,217,523,576	1,912,282,192
Total current liabilities		25,364,600,451	19,685,223,777
Non-current liabilities			
Long-term borrowings	4(30)	18,998,555,568	16,587,103,380
Debentures payable	4(31)	1,499,542,911	1,496,631,799
Long-term payables	4(32)	3,171,971,127	2,485,346,245
Deferred income	4(33)	134,647,590	139,256,513
Long-term employee benefits payable	4(34)	218,543,743	134,988,860
Deferred tax liabilities	4(18)	638,571,910	537,385,614
Other non-current liabilities	4(35)	200,970,029	216,405,569
Total non-current liabilities		24,862,802,878	21,597,117,980
Total liabilities		50,227,403,329	41,282,341,757
Owners' equity			
Share capital	4(36)	5,250,283,986	5,250,283,986
Capital surplus	4(37)	4,902,263,914	5,096,918,174
Other comprehensive income	4(38)	1,946,305,595	1,676,143,044
Surplus reserve	4(39)	8,515,360,638	8,245,767,593
Undistributed profits	4(40)	6,755,781,289	5,909,128,280
Total equity attributable to equity owners of the Company		27,369,995,422	26,178,241,077
Minority interests		8,373,419,417	8,011,444,289
Total owners' equity		35,743,414,839	34,189,685,366
TOTAL LIABILITIES AND OWNERS' EQUITY		85,970,818,168	75,472,027,123

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

Legal representative
Wang Jin

Principal in charge of accounting
Liu Wei

Head of accounting department
Meng Fei

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ASSETS	Note	31 December 2020	31 December 2019
Current assets			
Cash at bank and on hand		338,045,631	224,504,289
Accounts receivable	15(1)	173,029,247	209,249,102
Advances to suppliers		26,680,500	43,002,000
Other receivables	15(2)	328,224,857	108,149,278
Inventories		118,530,205	151,518,056
Other current assets		1,209,217	1,228,009
Total current assets		985,719,657	737,650,734
Non-current assets			
Long-term receivables		467,000,000	340,000,000
Long-term equity investments	15(3)	28,453,042,855	26,514,106,513
Investments in other equity instruments		3,548,088,015	3,142,371,373
Investment properties		6,389,845	7,025,443
Fixed assets		559,635,880	706,435,221
Construction in progress		200,574	14,945,019
Intangible assets		81,954,649	85,839,959
Other non-current assets		208,353,879	356,004,000
Total non-current assets		33,324,665,697	31,166,727,528
TOTAL ASSETS		34,310,385,354	31,904,378,262

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

COMPANY BALANCE SHEET (CONT'D)

AS AT 31 DECEMBER 2020

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

LIABILITIES AND OWNERS' EQUITY	Note	31 December 2020	31 December 2019
Current liabilities			
Short-term borrowings		1,902,013,125	1,401,641,708
Accounts payable		136,723,162	156,122,676
Contract liabilities		6,343,773	—
Employee benefits payable		93,479,997	63,480,425
Taxes payable		28,112,055	44,298,675
Other payables		40,872,386	71,126,853
Current portion of non-current liabilities		836,189,634	1,554,314,700
Other current liabilities		3,217,281,173	1,912,282,192
Total current liabilities		<u>6,261,015,305</u>	<u>5,203,267,229</u>
Non-current liabilities			
Debentures payable		1,499,542,911	798,857,333
Long-term payables		-	3,466,237
Deferred income		29,988,606	39,984,807
Long-term employee benefits payable		56,805,513	36,570,958
Deferred tax liabilities		621,507,946	535,193,684
Total non-current liabilities		<u>2,207,844,976</u>	<u>1,414,073,019</u>
Total liabilities		<u>8,468,860,281</u>	<u>6,617,340,248</u>
Owners' equity			
Share capital		5,250,283,986	5,250,283,986
Capital surplus		5,405,326,643	5,599,980,903
Other comprehensive income		1,946,305,595	1,676,143,044
Surplus reserve		8,515,360,638	8,245,767,593
Undistributed profits		4,724,248,211	4,514,862,488
Total owners' equity		<u>25,841,525,073</u>	<u>25,287,038,014</u>
TOTAL LIABILITIES AND OWNERS' EQUITY		<u>34,310,385,354</u>	<u>31,904,378,262</u>

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

Legal representative
Wang Jin

Principal in charge of accounting
Liu Wei

Head of accounting department
Meng Fei

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Item	Note	2020	2019
Revenue	4(41)	28,329,065,391	29,360,155,150
Less: Cost of sales	4(41)	(22,472,276,501)	(24,480,703,872)
Taxes and surcharges	4(42)	(253,585,385)	(249,721,761)
Selling and distribution expenses	4(43)	(49,214,514)	(43,788,762)
General and administrative expenses	4(44)	(835,927,395)	(874,640,868)
Research and development expenses	4(45)	(274,579,716)	(9,703,602)
Financial expenses	4(46)	(1,108,522,064)	(1,230,315,841)
Including: Interest expenses		1,111,500,948	1,230,637,704
Interest income		76,249,292	66,836,652
Add: Other income	4(50)	39,698,146	42,071,653
Investment income	4(51)	300,836,022	125,541,240
Including: Share of profit of associates and joint ventures		235,387,197	64,909,255
Less: (Losses on)/Reversal of credit impairment	4(49)	(300,656)	46,348,884
Asset impairment losses	4(48)	(487,542,577)	(161,731,338)
Add: Gains on disposal of assets	4(52)	340,976,361	20,503,424
Operating profit		3,528,627,112	2,544,014,307
Add: Non-operating income	4(53)	86,920,206	33,236,719
Less: Non-operating expenses	4(54)	(93,280,408)	(32,011,127)
Total profit		3,522,266,910	2,545,239,899
Less: Income tax expenses	4(55)	(887,005,403)	(738,065,009)
Net profit		2,635,261,507	1,807,174,890
Classified by continuity of operations			
Net profit from continuing operations		2,635,261,507	1,807,174,890
Net profit from discontinued operations		-	-
Classified by ownership of the equity			
Attributable to equity owners of the Company		1,746,280,132	1,146,767,033
Minority interests		888,981,375	660,407,857
Other comprehensive income, net of tax			
Attributable to equity owners of the Company	4(38)	270,162,551	1,126,132,911
Other comprehensive income that will not be reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		251,985,062	1,123,802,101
Other comprehensive income that cannot be subsequently transferred to profit or loss under the equity method		18,578,841	2,110,342
Other comprehensive income items which can be reclassified subsequently to profit or loss			
Other comprehensive income that can be subsequently transferred to profit or loss under the equity method		(401,352)	220,468
Total comprehensive income		2,905,424,058	2,933,307,801
Attributable to shareholders of the Company		2,016,442,683	2,272,899,944
Attributable to minority interests		888,981,375	660,407,857
Earnings per share			
Basic earnings per share (RMB Yuan)	4(56)	0.33	0.22
Diluted earnings per share (RMB Yuan)	4(56)	0.33	0.22

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

Legal representative
Wang Jin

Principal in charge of accounting
Liu Wei

Head of accounting department
Meng Fei

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**COMPANY INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Item	Note	2020	2019
Revenue	15(4)	1,221,597,027	2,209,770,578
Less: Cost of sales	15(4)	(1,161,627,038)	(2,092,814,820)
Taxes and surcharges		(14,120,096)	(18,252,419)
Selling and distribution expenses		(2,949,082)	(2,072,707)
General and administrative expenses		(149,616,128)	(124,632,105)
Research and development expenses		(9,814,665)	(961,443)
Financial expenses		(212,937,750)	(206,287,649)
Including: Interest expenses		217,096,206	207,829,042
Interest income		5,070,493	5,256,138
Add: Other income		10,079,699	13,186,290
Investment income	15(5)	1,576,864,127	1,074,476,943
Including: Share of profit of associates and joint ventures		230,001,917	58,731,138
Less: (Losses on)/Reversal of credit impairment	15(6)	(37,463)	48,617,737
Asset impairment losses	15(7)	(162,336,342)	(71,317,168)
Add: Gains on disposal of assets		157,963	-
Operating profit		1,095,260,252	829,713,237
Add: Non-operating income		23,324,983	4,222,347
Less: Non-operating expenses		(5,196,433)	(2,538,378)
Total profit		1,113,388,802	831,397,206
Less: Income tax expenses		(4,375,956)	(61,131,363)
Net profit		1,109,012,846	770,265,843
Classified by continuity of operations			
Net profit from continuing operations		1,109,012,846	770,265,843
Net profit from discontinued operations		-	-
Other comprehensive income, net of tax		270,162,551	1,126,132,911
Other comprehensive income that will not be reclassified to profit or loss			
Changes in fair value of investments in other equity instruments		251,985,062	1,123,802,101
Other comprehensive income that cannot be subsequently transferred to profit or loss under the equity method		18,578,841	2,110,342
Other comprehensive income items which can be reclassified subsequently to profit or loss			
Other comprehensive income that can be subsequently transferred to profit or loss under the equity method		(401,352)	220,468
Total comprehensive income		1,379,175,397	1,896,398,754

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

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Item	Note	2020	2019
Cash flows from operating activities			
Cash received from sales of goods or rendering of services		30,852,391,660	33,450,306,969
Refund of taxes and surcharges		120,199,533	13,549,274
Cash received relating to other operating activities	4(57)(a)	165,402,170	195,328,767
Sub-total of cash inflows		<u>31,137,993,363</u>	<u>33,659,185,010</u>
Cash paid for goods and services		(19,797,671,869)	(20,616,807,058)
Cash paid to and on behalf of employees		(1,820,849,783)	(1,880,454,324)
Payments of taxes and surcharges		(2,514,991,463)	(2,097,461,395)
Cash paid relating to other operating activities	4(57)(b)	(723,699,079)	(791,779,121)
Sub-total of cash outflows		<u>(24,857,212,194)</u>	<u>(25,386,501,898)</u>
Net cash flows from operating activities	4(58)(a)	<u>6,280,781,169</u>	<u>8,272,683,112</u>
Cash flows from investing activities			
Cash received from disposal of investments		-	48,647,647
Cash received from returns on investments		482,893,552	239,149,433
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		326,388,591	73,007,745
Cash received relating to other investing activities	4(57)(c)	33,734,619	-
Sub-total of cash inflows		<u>843,016,762</u>	<u>360,804,825</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(7,978,451,246)	(4,818,610,061)
Cash paid to acquire investments		(796,075,842)	(328,162,240)
Net cash paid to acquire subsidiaries and other business units	4(58)(b)	(40,880,216)	-
Cash paid relating to other investing activities	4(57)(d)	(141,792,496)	-
Sub-total of cash outflows		<u>(8,957,199,800)</u>	<u>(5,146,772,301)</u>
Net cash flows used in financing activities		<u>(8,114,183,038)</u>	<u>(4,785,967,476)</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONSOLIDATED CASH FLOW STATEMENT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Item	Note	2020	2019
Cash flows from financing activities			
Cash received from capital contributions		4,400,000	526,340,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries		4,400,000	526,340,000
Cash received from borrowings		23,540,514,639	14,527,600,487
Cash received from issuance of debentures		1,499,471,698	-
Cash received relating to other financing activities	4(57)(e)	-	100,000,000
Sub-total of cash inflows		25,044,386,337	15,153,940,487
Cash repayments of borrowings		(19,538,646,624)	(16,563,416,551)
Cash payments for distribution of dividends, profits or interest expenses		(2,808,213,989)	(2,273,764,488)
Including: Cash payments for dividends or profit to minority interests of subsidiaries		(547,811,816)	(415,937,941)
Cash paid relating to other financing activities	4(57)(f)	(180,145,921)	(294,216,260)
Sub-total of cash outflows		(22,527,006,534)	(19,131,397,299)
Net cash flows from/(used in) financing activities		2,517,379,803	(3,977,456,812)
Effect of foreign exchange rate changes on cash and cash equivalents		(27)	253
Net increase/(decrease) in cash and cash equivalents	4(58)(a)	683,977,907	(490,740,923)
Add: Cash and cash equivalents at the beginning of the year		5,079,641,969	5,570,382,892
Cash and cash equivalents at the end of the year	4(58)(c)	5,763,619,876	5,079,641,969

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

Legal representative
Wang Jin

Principal in charge of accounting
Liu Wei

Head of accounting department
Meng Fei

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**COMPANY CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

Item	2020	2019
Cash flows from operating activities		
Cash received from sales of goods or rendering of services	1,418,456,795	2,565,249,720
Cash received relating to other operating activities	37,621,882	13,481,620
Sub-total of cash inflows	<u>1,456,078,677</u>	<u>2,578,731,340</u>
Cash paid for goods and services	(920,870,342)	(1,804,883,929)
Cash paid to and on behalf of employees	(314,966,765)	(321,850,372)
Payments of taxes and surcharges	(81,690,906)	(105,174,506)
Cash paid relating to other operating activities	(68,583,529)	(48,028,306)
Sub-total of cash outflows	<u>(1,386,111,542)</u>	<u>(2,279,937,113)</u>
Net cash flows from operating activities	<u>69,967,135</u>	<u>298,794,227</u>
Cash flows from investing activities		
Cash received from disposal of investments	66,460,000	383,647,647
Cash received from returns on investments	1,761,030,730	1,188,744,289
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,420,190	3,081,801
Sub-total of cash inflows	<u>1,829,910,920</u>	<u>1,575,473,737</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(20,279,906)	(31,307,163)
Cash paid to acquire investments	(2,654,476,711)	(2,184,276,740)
Net cash paid to acquire subsidiaries	(49,680,900)	-
Sub-total of cash outflows	<u>(2,724,437,517)</u>	<u>(2,215,583,903)</u>
Net cash flows used in investing activities	<u>(894,526,597)</u>	<u>(640,110,166)</u>
Cash flows from financing activities		
Cash received from borrowings	7,098,860,667	4,500,000,000
Cash received from issuance of debentures	1,499,471,698	-
Sub-total of cash inflows	<u>8,598,332,365</u>	<u>4,500,000,000</u>
Cash repayments of borrowings	(6,840,306,500)	(3,800,000,000)
Cash payments for distribution of dividends, profits or interest expenses	(819,130,127)	(518,785,791)
Cash paid relating to other financing activities	(794,907)	(971,697)
Sub-total of cash outflows	<u>(7,660,231,534)</u>	<u>(4,319,757,488)</u>
Net cash flows from financing activities	<u>938,100,831</u>	<u>180,242,512</u>
Effect of foreign exchange rate changes on cash and cash equivalents	(27)	253
Net increase/(decrease) in cash and cash equivalents	<u>113,541,342</u>	<u>(161,073,174)</u>
Add: Cash and cash equivalents at the beginning of the year	224,504,289	385,577,463
Cash and cash equivalents at the end of the year	<u>338,045,631</u>	<u>224,504,289</u>

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

Legal representative
Wang Jin

Principal in charge of accounting
Liu Wei

Head of accounting department
Meng Fei

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Note	Attributable to equity owners of the Company						Total owners' equity
	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	
Balance at 1 January 2020	<u>5,250,283,986</u>	<u>5,096,918,174</u>	<u>1,676,143,044</u>	<u>8,245,767,593</u>	<u>5,909,128,280</u>	<u>8,011,444,289</u>	<u>34,189,685,366</u>
Movements for the year ended 31 December 2020							
Total comprehensive income							
Net profit	-	-	-	-	1,746,280,132	888,981,375	2,635,261,507
Other comprehensive income	4(38)	-	270,162,551	-	-	-	270,162,551
Total comprehensive income for the year		-	270,162,551	-	1,746,280,132	888,981,375	2,905,424,058
Capital contribution and withdrawal by owners							
Others	-	-	-	-	-	20,805,569	20,805,569
Profit distribution							
Appropriation to surplus reserve	4(39)	-	-	269,593,045	(269,593,045)	-	-
Distribution to shareholders	4(40)(a)	-	-	-	(630,034,078)	(547,811,816)	(1,177,845,894)
Share of interests in associates in proportion to the shareholding	4(37)	-	(194,654,260)	-	-	-	(194,654,260)
Balance at 31 December 2020	<u>5,250,283,986</u>	<u>4,902,263,914</u>	<u>1,946,305,595</u>	<u>8,515,360,638</u>	<u>6,755,781,289</u>	<u>8,373,419,417</u>	<u>35,743,414,839</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

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

Note	Attributable to equity owners of the Company						Total owners' equity
	Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits	Minority interests	
Balance at 1 January 2019	<u>5,250,283,986</u>	<u>5,102,846,886</u>	<u>550,010,133</u>	<u>7,834,155,143</u>	<u>5,490,006,140</u>	<u>7,290,519,359</u>	<u>31,517,821,647</u>
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(38)	-	1,126,132,911	-	-	-	1,126,132,911
Total comprehensive income for the year		-	1,126,132,911	-	1,146,767,033	660,407,857	2,933,307,801
Capital contribution and withdrawal by owners							
Others		-	-	-	-	476,340,000	476,340,000
Profit distribution							
Appropriation to surplus reserve	4(39)	-	-	411,612,450	(411,612,450)	-	-
Distribution to shareholders	4(40)(a)	-	-	-	(315,017,039)	(415,937,941)	(730,954,980)
Share of interests in associates in proportion to the shareholding	4(37)	-	(5,813,698)	-	(1,015,404)	-	(6,829,102)
Transactions with minority shareholders	4(37)	-	(115,014)	-	-	115,014	-
Balance at 31 December 2019	<u>5,250,283,986</u>	<u>5,096,918,174</u>	<u>1,676,143,044</u>	<u>8,245,767,593</u>	<u>5,909,128,280</u>	<u>8,011,444,289</u>	<u>34,189,685,366</u>

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

Legal representative
Wang Jin

Principal in charge of accounting
Liu Wei

Head of accounting department
Meng Fei

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

(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 2020		<u>5,250,283,986</u>	<u>5,599,980,903</u>	<u>1,676,143,044</u>	<u>8,245,767,593</u>	<u>4,514,862,488</u>	<u>25,287,038,014</u>
Movements for the year ended 31 December 2020							
Total comprehensive income							
Net profit		-	-	-	-	1,109,012,846	1,109,012,846
Other comprehensive income	4(38)	-	-	270,162,551	-	-	270,162,551
Total comprehensive income for the year		-	-	270,162,551	-	1,109,012,846	1,379,175,397
Profit distribution							
Appropriation to surplus reserve	4(39)	-	-	-	269,593,045	(269,593,045)	-
Distribution to shareholders	4(40)(a)	-	-	-	-	(630,034,078)	(630,034,078)
Share of interests in associates in proportion to the shareholding	4(37)	-	(194,654,260)	-	-	-	(194,654,260)
Balance at 31 December 2020		<u>5,250,283,986</u>	<u>5,405,326,643</u>	<u>1,946,305,595</u>	<u>8,515,360,638</u>	<u>4,724,248,211</u>	<u>25,841,525,073</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

COMPANY STATEMENT OF CHANGES IN OWNERS' EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2020

(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(38)	-	-	1,126,132,911	-	-	1,126,132,911
Total comprehensive income for the year		-	-	1,126,132,911	-	770,265,843	1,896,398,754
Profit distribution							
Appropriation to surplus reserve	4(39)	-	-	-	411,612,450	(411,612,450)	-
Distribution to shareholders	4(40)(a)	-	-	-	-	(315,017,039)	(315,017,039)
Share of interests in associates in proportion to the shareholding	4(37)	-	(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

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

Legal representative
Wang Jin

Principal in charge of accounting
Liu Wei

Head of accounting department
Meng Fei

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

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 2020, 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, Yunnan Province, Hunan Province and Guangxi Zhuang Autonomous Region of 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 8 April 2021.

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 (“ECLs”) of receivables and contract assets (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, critical accounting estimates and key assumptions 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 Standard 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.

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(All amounts in RMB Yuan unless otherwise stated)
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2 Summary of significant accounting policies and accounting estimates (Cont'd)

(1) Basis of preparation (Cont'd)

As at 31 December 2020, the Group's net current liabilities amounted to RMB 11,825 million, capital commitments contracted for by the Group amounted to RMB 15,286 million, and capital commitments amounted to RMB 392 million, among which the capital expenditure due within one year amounted to RMB 7,882 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 2020, 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

(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")) in order to obtain sufficient financing credit lines. As at 31 December 2020, the Group's available credit line approved by financial institutions and government departments amounted to approximately RMB 49,673 million, with RMB 20,092 million from Energy Group Finance Company, RMB 20,881 million from other commercial banks and financial institutions, RMB 4,000 million from issuance of perpetual bonds approved by the National Development and Reform Commission, RMB 3,900 million from issuance of corporate bonds approved by the China Securities Regulatory Commission, and RMB 800 million of quota of medium-term notes financing obtained after the registration in the Interbank Market in China. Among the Group's available credit line from financial institutions, approximately RMB 14,318 million is due before 31 December 2021. Management has communicated with the financial institutions and hence expected the credit line due before 31 December 2021 to renew the term for another 12 months.

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

The financial statements of the Group and the Company for the year ended 31 December 2020 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and company's financial position of the Group and the Company as at 31 December 2020 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).

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

(5) Business combinations

(a) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the Group in a business combination are measured at the carrying amount. If the acquiree is acquired from a third party by the ultimate controlling party in a prior year, the consideration paid and net assets obtained by the Group are measured based on the carrying amounts of the acquiree's assets and liabilities (including the goodwill arising from the acquisition of the acquiree by the ultimate controlling party) presented in the consolidated financial statements of the ultimate controlling party. 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 combination cost and identifiable net assets obtained by the Group 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.

(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.

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

(6) Preparation of consolidated financial statements (Cont'd)

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. Where the loss for the current period attributable to the minority shareholders of the subsidiaries exceeds the share of the minority interests in the opening balance of equity, the excess is deducted against minority interests. 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 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 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, a portion of certain investments in equity instruments not held for trading are designated as financial assets at fair value through other comprehensive income under other investments in equity instruments. The relevant dividend income of such financial assets 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)

(9) Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment

The Group recognises the loss provision based on ECLs for financial assets and contract 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 and contract assets 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
Contract assets grouping 1	Receivables from related parties
Contract assets grouping 2	Other contract assets
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 instruments (Cont'd)

(a) Financial assets (Cont'd)

(ii) Impairment (Cont'd)

Based on the overdue days and lifetime ECL rate, the Group calculates the ECLs of accounts receivable that are classified into groupings with consideration to historical credit losses experience, the current conditions and forecasts of future economic conditions. Based on the exposure at default and the 12-month/lifetime ECL rate, the Group calculates the ECLs of other receivables and long-term 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.

(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; or (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.

When a financial asset is derecognised, the difference between the carrying amount and the sum of the consideration received and the cumulative changes in fair value that are previously recognised directly in other comprehensive income is recognised in profit or loss for the current period, except for those as investments in other equity instruments, the difference aforementioned is recognised in retained earnings instead.

(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 payable, accounts payable, 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 instruments (Cont'd)

(b) Financial liabilities (Cont'd)

A financial liability is derecognised or partly derecognised when the underlying present 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. In valuation, the Group adopts valuation techniques applicable in the current situation and supported by adequate available data and other information, selects inputs with the same characteristics as those of assets or liabilities considered in relevant transactions of assets or liabilities by market participants, and gives priority to the use of 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) Valuation 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.

(e) Amortisation methods of low-value consumables

Low-value consumables are amortised in full amount.

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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 using the cost method, and are adjusted to the equity method when preparing the consolidated financial statements, and investments in joint ventures and associates are accounted for using the equity method.

(a) Determination of investment cost

For long-term equity investments acquired through a business combination involving enterprises under common control, the investment cost shall be the absorbing party's share of the carrying amount of owners' equity of the party being absorbed in the consolidated financial statements of the ultimate controlling party at the combination date; for long-term equity investments acquired through a business combination involving enterprises not under common control, the investment cost shall be the combination cost.

For long-term equity investments acquired not through a business combination: for long-term equity investments acquired by payment in cash, the initial investment cost shall be the purchase price actually paid; for long-term equity investments acquired by issuing equity securities, the initial investment cost shall be 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 dividends 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 accounted for using the equity method, where the initial investment cost exceeds the Group's share of the fair value of the investee's identifiable net assets at the time of acquisition, the investment is initially measured at that cost; where the initial investment cost is less than the Group'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.

For long-term equity investments accounted for using the equity method, the Group recognises the investment income according to its share of net profit or loss of the investee. The Group does not recognise further losses when the carrying amounts of the long-term equity investment together with any long-term interests that, in substance, form part of the Group's net investment in investees 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 investment losses and the provisions at the amount it expects to undertake. 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. Unrealised gains or losses on transactions between the Group and its investees are eliminated to the extent of the Group's equity interest in the investees, based on which the investment income or losses are recognised. Any losses resulting from transactions between the Group and its investees, which are attributable to asset impairment losses are not eliminated.

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

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

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

Control is the power over investees that can bring variable returns through involvement in related activities of investees and the ability to influence the returns by using such power over investees.

Joint control is the 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)).

(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 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	20 to 40 years	0% to 5%	2.38% to 4.75%

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 investment property's estimated useful life, net residual value and depreciation (amortisation) method applied 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.

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

(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 into the Group and the costs can be reliably measured. Fixed assets purchased or constructed by the Group 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.

(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 net 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, 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 25 years	0% to 5%	3.80% 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 amounts of fixed assets 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)

(13) Fixed assets (Cont'd)

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

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is a finance lease. 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 period 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 benefits are 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.

(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 construction in progress ready for their intended use. Construction in progress is transferred to fixed assets when the assets are ready for their intended use, and depreciation is charged starting 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 an asset is interrupted abnormally and the interruption lasts for more than 3 months, until the acquisition or construction is resumed.

For special borrowings for the acquisition and construction of qualifying assets, the capitalised amount of the special borrowings is determined by the interest expenses incurred in the period less interest income of the unused borrowings deposited at bank or investment income from temporary investment.

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

(15) Borrowing costs (Cont'd)

The capitalised amount of general borrowings intended to be used for the acquisition and construction of qualifying assets 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 rate at which the future cash flows of the borrowings over the expected lifetime 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.

(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.

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

(16) Intangible assets (Cont'd)

(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)).

(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.

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

(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 asset 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 group 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.

(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

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. 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 as either defined contribution plans or 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; non-planned expenses provided to retired employees fall under defined benefit plans.

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

(19) Employee benefits (Cont'd)

(b) Post-employment benefits (Cont'd)

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.

Defined benefit plan

For defined benefit plan, the Group used the projected unit credit method and includes the obligation of the defined benefit plan 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 period. The cost of employee benefits arising from defined benefit plans are classified into the following parts:

- service cost (including current service cost as well as gains and losses on curtailments and settlements);
- net interest expenses on net liabilities of the defined benefit plan (including interest expenses for obligations of the defined benefit plan); and
- Changes arising from remeasurement on net liabilities of defined benefit plans

Service cost and net interest expenses on net liabilities of defined benefit plans are included in profit or loss for the current period. Changes arising from remeasurement on net liabilities of defined benefit plans (including actuarial gains or losses) are included in other comprehensive income.

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

(19) Employee benefits (Cont'd)

(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 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.

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 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 Group recognises revenue at the amount of the consideration which the Group is expected to receive when the customer obtains control over relevant goods or services.

(a) Revenue from sales of electricity and heat energy

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

(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, the recipient resource utilisation confirms receipt and they obtain control over the by-products.

(c) Provision of electric power transaction service

For the electric power transaction 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.

(d) Rendering of services

The Group provides maintenance services to external parties. The related revenue is recognised based on the stage of completion within a certain period, which is determined based on proportion of costs incurred to date to the estimated total costs. On the balance sheet date, the Group re-estimates the stage of completion to reflect the actual status of contract performance.

When the Group recognises revenue based on the stage of completion, the amount with unconditional collection right obtained by the Group is recognised as accounts receivable, and the rest is recognised as contract assets. Meanwhile, loss provision for accounts receivable and contract assets are recognised on the basis of ECLs (Note 2(9)). If the contract price received or receivable exceeds the amount for the completed service, the excess portion will be recognised as contract liabilities. Contract assets and contract liabilities under the same contract are presented on a net basis.

Contract costs include contract performance costs and contract acquisition costs. The costs incurred by the Group for the rendering of maintenance services are recognised as contract performance costs and are carried forward to the cost of main operations based on the stage of completion when associated revenue is recognised.

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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 reasonable and systemic basis over the useful lives of the assets.

Government grants related to daily operation that 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. For other government grants related to income that compensate the future costs, expenses or losses are recorded as deferred income and deducted against related costs in reporting the related costs, expenses or losses; government grants related to income that compensate the incurred costs, expenses or losses are deducted against related costs.

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.

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

(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 loss). 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.

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.

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

(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.

For the rental waivers as a result of COVID-19 and for the period ended 30 June 2021 only, the Group applies the practical expedient and records the waivers in profit or loss in the waiving period.

(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 is 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) Critical judgements in applying the accounting policies

(i) Classification of financial assets

Significant judgements made by the Group in the classification of financial assets include business model and analysis on contractual cash flow characteristics.

The Group determines the business model for financial asset management on the grouping basis, and factors to be considered include the methods for evaluating financial asset performance and reporting the financial asset performance to key management personnel, the risks affecting financial asset performance and corresponding management methods, the ways in which related business management personnel are remunerated, etc.

The major judgement 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, whether the amount of prepayment only reflects the principal outstanding and the interest based on the principal outstanding, as well as the reasonable compensation due to the early termination of the contract.

(ii) Determination of significant increase in credit risk

The main criteria for the Group to determine if there is a significant increase in credit risk are that one or more of the following indicators change significantly: the debtor's business environment, internal and external credit rating, significant changes in the actual or expected business results, and significant decreases in the value of the collateral or the guarantor's credit rating.

Judgement of the Group on the occurred credit impairment is mainly based on whether it meets one or more of the following conditions: the debtor is suffering significant financial difficulties, engaged in other debt restructuring, or probably bankrupt, etc.

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

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

(a) Critical judgements in applying the accounting policies (Cont'd)

(iii) Point of revenue recognition

With regard to sales of electricity to grid companies, the Group supplies electricity to grid companies in accordance with the contract. Then grid companies have the right to sell electricity and set price at its sole discretion, and take the risks of any price fluctuation and damages or losses of the products. The Group believes that the grid companies obtain control over electric power upon receiving the electric. Therefore, revenue is recognised accordingly.

(b) Critical accounting estimates and key assumptions

The critical accounting estimates and key assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting year are outlined below:

(i) Accounting 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 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. These calculations require use of accounting estimates (Note 4(20)).

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, growth rate and gross margins 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.

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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)

(ii) Measurement of ECLs

The Group calculates ECLs through default risk exposure and ECL rate, and determines the ECL rate based on default probability and default loss rate. In determining the ECL 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 Group considered different macroeconomic scenarios. Significant macroeconomic assumptions related to the estimation of ECLs include the risk of economic downturn, the external market environment, the technological environment, changes in customer conditions, gross domestic product, consumer price index, etc. The Group regularly monitors and reviews assumptions related to the calculation of ECLs. In 2020, the Group updated values of forward-looking parameters used in ECL model to reflect the impact of COVID-19 on ECLs of financial instrument in a timely manner.

(iii) Depreciation period and residual values of fixed assets

The depreciation period 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, and are reviewed at each year-end with appropriate adjustments made accordingly.

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

(iv) Income tax and deferred income tax

The Group is subject to enterprise income tax 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.

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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 tax and deferred income tax (Cont'd)

Deferred tax assets are recognised for the deductible tax losses that can be carried forward to subsequent years to the extent that it is probable that taxable profit will be available in the future against which the deductible tax losses can be utilised. Taxable profit that will be available in the future includes the taxable profit that will be realised through normal operations and the taxable profit that will be increased upon the reversal of taxable temporary differences incurred in prior periods. Judgements and estimates are required to determine the time and amounts of taxable profit in the future. Any difference between the reality and the estimate may result in adjustment to the carrying amount of deferred tax assets.

(28) Significant changes in accounting policies

The Ministry of Finance released the revised *CAS 14 - Revenue* (2017 revision) (the “new revenue standard”) in 2017, the *Interim Provisions on the Accounting Treatment Regarding Carbon Emissions Right Trading* in 2019, the *Circular on Accounting Regulations of Rental Waivers Against COVID-19* (Cai Kuai [2020] No. 10) in 2020 and the *Questions and Answers on the Implementation of CASs* (issued on 11 December 2020). The financial statements for the year ended 31 December 2020 are prepared in accordance with the above standard, circular, questions and answers on implementation, and impacts on the Group and the Company’s financial statements are as follows:

(a) Revenue

According to the new revenue standard, the Group and the Company recognised the cumulative effect of initial adoption of the standard as adjustment to the opening balance of retained earnings of 2020 and other related items in the financial statements. The comparatives for 2019 are not restated.

The nature and the reasons of the changes in accounting policies	The line items affected	The amounts affected	
		1 January 2020	
		The Group	The Company
Due to the implementation of the new revenue standard, the Group and the Company reclassify the accounts receivable which is related to the provision of maintenance service and does not meet the unconditional collection rights to contract assets, and reclassify advances from customers related to the provision of service to contract liabilities.	Contract assets	-	-
	Accounts receivable	-	-
	Contract liabilities	-	-
	Advances from customers	-	-

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

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

(a) Revenue (Cont'd)

Compared with the original revenue standards, the impact of the implementation of the new revenue standards on major items in the 2020 financial statements is as follows:

The line items affected	The amounts affected	
	31 December 2020	
	Consolidated	Company
Contract assets	3,870,497	-
Accounts receivable	(3,870,497)	-
Contract liabilities	6,573,912	6,343,773
Other current liabilities	623,030	380,626
Advances from customers	(7,196,942)	(6,724,399)

(b) The accounting treatment regarding carbon emissions right trading

The Group and the Company have prepared the financial statements for the year ended 31 December 2020 in accordance with the above interim provisions through prospective application from 1 January 2020 (Note 4(54)(a)).

(c) Accounting treatment of rental waivers against COVID-19

For the rental waivers as a result of COVID-19, agreed with lessees and lessors and for the period ended 30 June 2021 only, the Group and the Company have applied the practical expedient in the above circular for the preparation of the financial statements for the year ended 31 December 2020 (Note 4(41)).

(d) The adoption of above revised standards has no impact on the equity attributable to equity owners of the Company and minority interests in the Group's consolidated financial statements.

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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 input VAT of the current period)	5%, 6%, 9% and 13%
	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	20% and 25%
Real estate tax	Real estate'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 Taxation Administration 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 intercompany entrusted loans and training service is subject to VAT at the rate of 6%. The operating leases of the real estates under simplified taxation method is subject to VAT at a rate of 5%.

Pursuant to the *Notice on the Policy of Streamlining and Combination of Value-added Tax Levy Rates* jointly issued by the Ministry of Finance and the State Taxation Administration, 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 Group, are subject to VAT at the rate of 3%.

Pursuant to the *Circular on Enterprise Income Tax Policy Concerning Deductions for Equipment and Appliances* (Cai Shui [2018] No. 54) issued by the State Taxation Administration, during the period from 1 January 2018 to 31 December 2020, the cost of newly purchased equipment of Guangdong Yudean Power Sales Co., Ltd. ("Power Sales") with the original cost less than RMB 5 million can be fully deducted against taxable profit in the next month after the asset is put into use, instead of being depreciated annually for tax filing.

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3 Taxation (Cont'd)

- (1) The main categories and rates of taxes applicable to the Group are set out below (Cont'd):
- (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"), Guangdong Yudean Pingyuan Wind Power Co., Ltd. ("Pingyuan Wind Power"), Guangdong Yudean Zhuhai Offshore Wind Power Co., Ltd. ("Zhuhai Wind Power"), Zhanjiang Yuheng Power Maintenance Installation Co., Ltd. ("Yuheng Electric"), Tongdao Yuexin Wind Power Co., Ltd. ("Tongdao Company"), Guangdong Yudean Zhencheng Comprehensive Energy Co., Ltd. ("Zhencheng Comprehensive") and Shenzhen Huaguoquan Electric Power Service Co. Ltd. (Huaguoquan Company) (Note 3(2)), the applicable enterprise income 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.
- (2) Tax preference
- (a) Pursuant to the approval documents (Cai Shui [2008] No. 46 and Guo Shui Fa [2009] No. 80), Dianbai Wind Power, Leizhou Wind Power, Pingyuan Wind Power and Zhuhai 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 posted profits for the first time in 2016, Leizhou Wind Power posted profits for the first time in 2017, Pingyuan Wind Power posted profits for the first time in 2020, the applicable enterprise income tax rates for Dianbai Wind Power, Leizhou Wind Power, Pingyuan Wind Power and Zhuhai Wind Power were 12.5%, 12.5%, 0% and 0% in 2020 respectively (2019: 12.5%, 0%, 25% and 25%).

Pursuant to the *Supplementary Notice on Issues Concerning the Preferential Enterprise Income Tax Policies for Public Infrastructure Projects* (Cai Shui [2014] No. 55), enterprises invest and operate public infrastructure projects in compliance with the *Catalog of Public Infrastructure Projects Eligible for Preferential Enterprise Income Tax Treatment*, those which adopt one-off approval and are subject to construction in batches (such as terminals, berths, airport terminals, runways, sections, generator units, etc.) are subject to income tax calculated in units of each batch and enjoy the tax preferential policy of "three-year exemption and three-year 50% reduction" when the following conditions are satisfied: (i) different batches are space-independent; (ii) each batch has its own function to generate revenue; (iii) they are accounted for in units of each batch and are subject to income tax individually, while the period expenses are allocated rationally. In 2020, the Group's subsidiary Qujie Wind Power met the above conditions. Therefore, Qujie Youhao wind power project (profits posted for the first time was in 2017), Xuwen Shibangling wind power project (profits posted for the first time was in 2016), Qujie Wailuo offshore wind power project (Phase I) (profits posted for the first time was in 2019), Qujie Wailuo offshore wind power project (Phase II) (it has not yet put into production as at 31 December 2020) and Xinliao offshore wind power project (it has not yet put into production as at 31 December 2020) of Qujie Wind Power are entitled to the tax preferential policy of "three-year exemption and three-year 50% reduction" respectively.

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3 Taxation (Cont'd)

(2) Tax preference (Cont'd)

(a) (Cont'd)

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 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 2018, Zhanjiang Electric Co., Ltd. ("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 Taxation Administration, 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%. In 2020, Zhanjiang Electric was subject to enterprise income tax at the tax rate of 25% as the certificate has expired.

(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. In 2020, Yuheng Electric, Tongdao Company, Zhencheng Comprehensive and Huaguoquan Company met the conditions for small low-profit enterprises, and their amount of taxable income were reduced to 25% of income and were subject to the enterprise income tax at the tax rate of 20%. Therefore, in 2020, the applicable enterprise income tax rate for Yuheng Electric, Tongdao Company, Zhencheng Comprehensive and Huaguoquan Company was 20% (2019: 20%, 25%, 25% and 20% respectively).

(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 2020, 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 2020	31 December 2019
Cash on hand	26,993	25,114
Cash at bank	987,906,161	611,602,016
Deposits with Energy Group Finance Company (b)	4,775,686,722	4,468,014,839
Other cash balances (c)	27,326,241	2,000,000
	<u>5,790,946,117</u>	<u>5,081,641,969</u>

(a) As at 31 December 2020, the Group had no offshore deposit (31 December 2019: 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 2020, other cash balances of RMB 27,326,241 (31 December 2019: RMB 2,000,000) mainly represented deposits for ecological protection and for performance guarantees, among which other cash balances placed in Energy Group Finance Company was RMB 592,681 (Note 8(5)(e)(ii)).

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

(2) Accounts receivable

	31 December 2020	31 December 2019
Accounts receivable	4,332,342,360	3,197,845,885
Less: Provision for bad debts	(193,327)	(155,421)
	<u>4,332,149,033</u>	<u>3,197,690,464</u>

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

	31 December 2020	31 December 2019
Within 1 year	4,207,713,515	3,181,230,519
1 to 2 years	120,135,947	16,615,366
2 to 3 years	4,492,898	-
	<u>4,332,342,360</u>	<u>3,197,845,885</u>

(b) As at 31 December 2020, the five largest accounts receivable aggregated by debtor were analysed as follows:

	Balance	Amount of provision for bad debts	% of total balance
Total amounts of the five largest accounts receivable	<u>4,283,112,463</u>	<u>-</u>	<u>98.86%</u>

(c) Provision for bad debts

For accounts receivable, the Group recognises the lifetime ECLs provision regardless of whether there exists a significant financing component.

From 31 December 2020, the Group's recognition standards and accrual methods for provision for bad debts of accounts receivable are detailed in Note 2(9).

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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 2020, 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 2020, the amount of receivables from sales of electricity of the Group was RMB 4,289,945,688 (31 December 2019: 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 ECL rate for sales proceeds of electricity is 0% (31 December 2019: 0%).

Grouping 2:

As at 31 December 2020, the amount of receivables from related parties of the Group was RMB 23,063,968 (31 December 2019: 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 ECL rate for receivables from related parties is 0% (31 December 2019: 0%).

Grouping 3:

	31 December 2020			31 December 2019		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rate	Amount	Amount	Lifetime ECL rate	Amount
Within year	19,332,704	1.00%	(193,327)	15,542,140	1.00%	(155,421)

(d) In 2020, the amount of provision for bad debts of accounts receivable was RMB 193,327 (2019: RMB 155,421), and the amount of reversed provision for bad debts of accounts receivable in the current year was RMB 155,421 (2019: RMB 157,709), with corresponding book balance of RMB 15,542,140 (2019: RMB 13,210,607). There was no provision for bad debts of accounts receivable written off (2019: Nil).

(e) As at 31 December 2020, the right to collect electric charges of several electric subsidiaries, was pledged to banks to obtain long-term borrowings of RMB 4,193,207,913, including RMB 298,558,767 due within one year (31 December 2019: RMB 4,231,292,593, including RMB 240,907,909 due within one year) (Note 4(28)(a)(i) and Note 4(30)(a)).

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

(3) Advances to suppliers

	31 December 2020	31 December 2019
Advances to suppliers	766,986,831	605,429,334
Less: Provision for bad debts	(115,001)	(115,001)
	<u>766,871,830</u>	<u>605,314,333</u>

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

	31 December 2020		31 December 2019	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	763,808,199	99.59%	604,059,281	99.77%
1 to 2 years	2,226,260	0.29%	886,809	0.15%
2 to 3 years	779,606	0.10%	115,026	0.02%
Over 3 years	172,766	0.02%	368,218	0.06%
	<u>766,986,831</u>	<u>100.00%</u>	<u>605,429,334</u>	<u>100.00%</u>

As at 31 December 2020, advances to suppliers with ageing over one year amounted to RMB 3,178,632 (31 December 2019: RMB 1,370,503), mainly including prepayments for spare parts and materials.

(b) Provision for bad debts accrued in the current year

	2020	2019
Opening balance	(115,001)	(305,001)
Reversal in the current year	-	190,000
Ending balance	<u>(115,001)</u>	<u>(115,001)</u>

(c) As at 31 December 2020, the five largest advances to suppliers by debtors were analysed as follows:

	Amount	% of total balance
Sum of the five largest advances to suppliers	<u>710,413,203</u>	<u>92.62%</u>

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

(4) Other receivables

	31 December 2020	31 December 2019
Land withdrawal receivable (Note 4(13)(a)(v))	146,885,400	46,536,090
Supplementary medical insurance fund receivable	92,191,270	68,705,226
Receivables from sales of by-products	91,564,007	76,167,059
Dividends receivable	31,500,000	-
Interest receivable	27,301,568	20,866,069
Land deposits receivable	23,446,000	23,446,000
Compensation receivable for electricity charges during the demolition and construction period (Note 4(13)(a)(iv))	11,881,442	-
Project expenses paid on behalf	8,561,629	8,101,462
Reserves receivable	3,692,394	5,004,220
Government grants receivable	712,256	447,197
Others	30,723,089	35,274,171
	<u>468,459,055</u>	<u>284,547,494</u>
Less: Provision for bad debts	(9,192,501)	(11,745,906)
	<u>459,266,554</u>	<u>272,801,588</u>

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

	31 December 2020	31 December 2019
Within 1 year	376,100,197	191,812,809
1 to 2 years	16,643,311	58,978,320
2 to 3 years	45,747,354	24,490,685
Over 3 years	29,968,193	9,265,680
	<u>468,459,055</u>	<u>284,547,494</u>

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

(4) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements

	Stage 1		Stage 1		Sub-total	Stage 3		Total
	ECLs in the following 12 months (grouping)		ECLs in the following 12 months (individual)			Lifetime ECLs (Credit impaired)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
31 December 2019	39,948,507	(3,308,193)	236,161,274	-	(3,308,193)	8,437,713	(8,437,713)	(11,745,906)
Increase in the current year	38,710,181	(1,803,752)	180,597,861	-	(1,803,752)	-	-	(1,803,752)
Reversal in the current year	(32,592,838)	1,594,751	-	-	1,594,751	-	-	1,594,751
Written off in the current year	-	-	-	-	-	(2,803,643)	2,803,643	2,803,643
Transfer to Stage 3	(41,237)	-	-	-	-	41,237	(41,237)	(41,237)
31 December 2020	46,024,613	(3,517,194)	416,759,135	-	(3,517,194)	5,675,307	(5,675,307)	(9,192,501)

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

(4) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd)

As at 31 December 2020 and 31 December 2019, the Group did not have any other receivables at Stage 2. Other receivables at Stage 1 and Stage 3 are analysed as follows:

(i) As at 31 December 2020, other receivables for which the related provision for bad debts was provided on the individual basis were analysed as follows:

	Book balance	12-month ECL rate	Provision for bad debts	Reason
Stage 1				
Land withdrawal receivable	146,885,400	0.00%	-	The counterparty is a government unit and the risk of ECLs is extremely low.
Receivables from related parties	110,142,767	0.00%	-	The counterparty is a related party, with a historical loss rate of 0%, and the risk of ECLs is extremely low.
Supplementary medical insurance fund receivable	92,191,270	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 ECLs is extremely low.
Dividends receivable	31,500,000	0.00%	-	The counterparty has good credit, with a historical loss rate of 0%, and the risk of ECLs is extremely low.
Land deposits receivable	23,446,000	0.00%	-	The counterparty is a government unit and the risk of ECLs is extremely low.
Compensation receivable for electricity charges during the demolition and construction period	11,881,442	0.00%	-	The demolition and construction project is initiated by the government-owned industrial park, which pays compensation expenses, and the risk of ECLs is extremely low.
Government grants receivable	712,256	0.00%	-	The counterparty is a government unit and the risk of ECLs is extremely low.
	<u>416,759,135</u>		<u>-</u>	
Stage 3				
Project expenses paid on behalf	2,394,279	100.00%	(2,394,279)	Unrecoverable by estimation since the counterparty is financially difficult
Reserves receivable	34,676	100.00%	(34,676)	Unrecoverable by estimation due to resignation of the employee
Others	3,246,352	100.00%	(3,246,352)	Unrecoverable by estimation since the counterparty is financially difficult
	<u>5,675,307</u>		<u>(5,675,307)</u>	

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

(4) Other receivables (Cont'd)

(b) Provision for losses and changes in book balance statements (Cont'd)

(i) As at 31 December 2019, other receivables for which the related provision for bad debts was provided on the individual basis were analysed as follows:

	Book balance	12-month ECL rate	Provision for bad debts	Reason
Stage 1				
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 ECLs is extremely low.
Supplementary medical insurance fund receivable	68,705,226	0.00%	-	The counterparty is 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 ECLs is extremely low.
Land withdrawal receivable	46,536,090	0.00%	-	The counterparty is a government unit and the risk of ECLs is extremely low.
Land deposits receivable	23,446,000	0.00%	-	The counterparty is a government unit and the risk of ECLs is extremely low.
Government grants receivable	447,197	0.00%	-	The counterparty is a government unit and the risk of ECLs is extremely low.
	<u>236,161,274</u>		<u>-</u>	

	Book balance	Lifetime ECL rate	Provision for bad debts	Reason
Stage 3				
Project expenses paid on behalf	2,356,339	100.00%	(2,356,339)	Unrecoverable by estimation since the counterparty is financially difficult
Reserves receivable	34,676	100.00%	(34,676)	Unrecoverable by estimation due to resignation of the employee
Others	6,046,698	100.00%	(6,046,698)	Unrecoverable by estimation since the counterparty is financially difficult
	<u>8,437,713</u>		<u>(8,437,713)</u>	

(ii) As at 31 December 2020 and 31 December 2019, other receivables of which provision for bad debts was calculated on grouping basis were all in Stage 1, which were analysed below:

	31 December 2020		
	Book balance	Loss provision	
	Amount	Amount	Provision ratio
Grouping 1			
Within 1 year	38,668,944	(396,393)	1.03%
1 to 2 years	4,326,485	(477,719)	11.04%
2 to 3 years	703,263	(317,161)	45.10%
Over 3 years	2,325,921	(2,325,921)	100.00%

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46,024,613	(3,517,194)	7.64%
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31 December 2019

	Book balance	Loss provision	
	Amount	Amount	Provision ratio
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%
	<u>39,948,507</u>	<u>(3,308,193)</u>	<u>8.28%</u>

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

(4) Other receivables (Cont'd)

- (c) In 2020, the amount of provision for bad debts was RMB 1,803,752 (2019: RMB 3,758,375), and the amount of reversed provision for bad debts in the current year was RMB 1,594,751 (2019: RMB 1,457,324), with corresponding book balance of RMB 32,592,838 (2019: RMB 34,975,056).

The balance of other receivables that were written off in the current year was RMB 2,803,643, and the provision for bad debts was RMB 2,803,643, of which significant other receivables were analysed as follows:

	Nature of other receivables	Amount of written-off	Reasons for written-off	Procedures performed for written-off	Arising from related-party transactions or not
Guangzhou Huading Building Materials Co., Ltd.	Others	2,803,643	The company declared bankruptcy	Written off with approval	No

- (d) As at 31 December 2020, the five largest other receivables by debtors were analysed as follows:

	Nature	Balance	Ageing	% of total other receivables	Provision for bad debts
Meixian Chengjiangzhen People's Government of Meizhou City	Land withdrawal receivable	146,885,400	Within 1 year	31.36%	-
Taikang Pension	Supplementary medical insurance fund receivable	92,191,270	Within 3 years	19.68%	-
Guangdong Environmental Protection Co., Ltd. ("Yudean Environmental")	Receivables from sales of by-products	76,071,143	Within 1 year	16.24%	-
Sunshine Insurance Group Corporation ("Sunshine Insurance")	Dividends receivable	31,500,000	Within 1 year	6.72%	-
Maoming Port Construction Office	Land deposits receivable	23,446,000	Over 3 years	5.00%	-
		<u>370,093,813</u>		<u>79.00%</u>	<u>-</u>

- (e) As at 31 December 2020, 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 Bureau	Taxation Immediate refund of VAT	591,208	Within 1 year	Expected to be fully recovered by June 2021
Huilai Bureau	Taxation Immediate refund of VAT	121,048	Within 1 year	Expected to be fully recovered by June 2021
		<u>712,256</u>		

(5) Inventories

- (a) Inventories are summarised by categories as follows:

	31 December 2020	31 December 2019
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	Book balance	Provision for decline in the value of inventories	Carrying amount	Book balance	Provision for decline in the value of inventories	Carrying amount
Fuel	873,215,395	(219,427)	872,995,968	1,090,379,874	(219,427)	1,090,160,447
Spare parts	726,029,502	(28,775,273)	697,254,229	718,858,215	(14,790,029)	704,068,186
Others	19,631,832	-	19,631,832	22,830,636	-	22,830,636
	<u>1,618,876,729</u>	<u>(28,994,700)</u>	<u>1,589,882,029</u>	<u>1,832,068,725</u>	<u>(15,009,456)</u>	<u>1,817,059,269</u>

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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 2019	Increase in the current year	31 December 2020
Spare parts	(14,790,029)	(13,985,244)	(28,775,273)
Fuel	(219,427)	-	(219,427)
	<u>(15,009,456)</u>	<u>(13,985,244)</u>	<u>(28,994,700)</u>

In 2020, Guangdong Electric Power Development Co., Ltd. Shajiao A Power Plant ("Shajiao A Power Plant") made provision for decline in the value of spare parts of RMB 13,985,244, mainly due to impairment arising from discontinued usage caused by scraping and detaching of the assets after shutdown of 1# Generator Unit, 2# Generator Unit and 3# Generator Unit.

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

Specific basis for determining net realisable
value

Spare parts and fuel
The carrying amount is higher than the amount
of net realisable value of the disposal proceeds
less the disposal costs

(6) Contract assets

	31 December 2020	31 December 2019
Contract assets	3,883,009	-
Less: Provision for impairment of contract assets	(12,512)	-
	<u>3,870,497</u>	<u>-</u>

For contract assets, the Group recognises the lifetime ECL provision regardless of whether there is a significant financing component.

	Book balance	Lifetime ECL rate	Provision for impairment
Contract assets of related parties	2,186,487	0.00%	-
Contract assets of third parties	1,696,522	0.74%	(12,512)
	<u>3,883,009</u>		<u>(12,512)</u>

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

(7) Current portion of non-current assets

	31 December 2020	31 December 2019
Less: Deposit for finance lease due within one year	49,785,734	28,865,131

As at 31 December 2020, non-current assets due within one year represented the present value of the deposit of RMB 50,000,000 paid for sales and leaseback of fixed assets (31 December 2019: RMB 30,000,000).

(8) Other current assets

	31 December 2020	31 December 2019
VAT to be deducted	541,660,352	296,729,796
Prepayment of income tax	4,286,044	7,893,174
Others	739,240	972,597
	<u>546,685,636</u>	<u>305,595,567</u>

(9) Long-term receivables

	31 December 2020	31 December 2019
Deposit for sale-leaseback	49,785,734	94,721,477
Less: Deposit for sale-leaseback due within one year (Note 4(7))	(49,785,734)	(28,865,131)
	<u>-</u>	<u>65,856,346</u>

For the year ended 31 December 2020, the discount rate of long-term receivables is 5.97% (2019: ranging from 5.97% to 6.68%).

(10) Long-term equity investments

	31 December 2020	31 December 2019
Joint ventures (a)	531,313,393	615,218,300
Associates (b)	6,252,272,075	5,936,894,116
	<u>6,783,585,468</u>	<u>6,552,112,416</u>
Less: Provision for impairment of long-term equity investments	(96,327,854)	(96,327,854)
	<u>6,687,257,614</u>	<u>6,455,784,562</u>

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

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

(a) Joint ventures

	31 December 2019	Movements for the current year			31 December 2020	Provision for impairment at the end of the year	
		Increase in investment (i)	Share of net profit/(loss) under equity method	Other changes in equity (ii)			Cash dividends declared
Guangdong Electric Power Industry Fuel Co., Ltd. ("Industry Fuel")	615,218,300	100,000,000	74,496,406	(189,310,878)	(69,090,435)	531,313,393	-

Equity related information in joint ventures is set forth in Note 6(2).

- (i) Pursuant to the *Proposal on Involvement in Capital of Guangdong Power Industry Fuel Co., Ltd.* approved by the Board of Directors on 4 December 2020, the Company was permitted to make a capital injection of RMB 100,000,000 to Industry Fuel at its original proportion of shareholding. As at 14 December 2020, the Company has made a capital injection of RMB 100,000,000.
- (ii) As at 31 December 2020, Industry Fuel acquired 100% controlling interest of Yudean Environmental at a consolidation of RMB 838,178,800 from its ultimate controlling party GEGC through a business combination involving enterprises under common control. At the combination date, the difference of RMB 378,621,758, between the consideration of RMB 838,178,800 paid for acquisition and the carrying amount of owners' equity of Yudean Environmental presented in the consolidated financial statements of the ultimate parent company, GEGC, was written off against the capital surplus, surplus reserve and undistributed profits of Industry Fuel. The Company recognised a decrease of RMB 189,310,878 in capital surplus accordingly on the basis of shareholding proportion.

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

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

(b) Associates

	Movements for the current year							31 December 2020	Provision for impairment at the end of the year
	31 December 2019	Increase in investment	Share of net profit/(loss) under equity method	Adjustment to other comprehensive income (Note 4(38))	Other changes in equity (iv)	Cash dividends or profits declared			
Guangdong Guohua Yudean Taishan Electric Co., Ltd. ("Taishan Electric")	2,085,355,939	-	79,605,330	(54,368)	-	(275,880,313)	1,889,026,588	-	
Shanxi Yudean Energy Co., Ltd. ("Shanxi Yudean Energy")	1,644,203,546	-	194,928,850	-	-	(20,000,000)	1,819,132,396	-	
Energy Group Finance Company	991,882,399	-	89,907,325	18,578,841	-	(73,161,903)	1,027,206,662	-	
Guangdong Energy Financial Leasing Co., Ltd. ("Energy Financial Leasing Company") (ii)	-	521,507,353	976,186	-	-	-	522,483,539	-	
GEG Property & Casualty Captive Insurance Co., Ltd. ("GEG Property Insurance")	261,404,011	-	8,638,204	-	-	(1,573,262)	268,468,953	-	
Yudean Shipping (i)	448,869,593	-	(202,710,755)	(346,984)	(4,073,741)	-	241,738,113	-	
Weixin Yuntou (iii)	196,222,800	-	(20,630,582)	-	-	-	175,592,218	(96,327,854)	
Guangdong Yuedian Stock West Investment Co., Ltd. ("West Investment")	142,443,282	-	2,845,271	-	(1,269,641)	-	144,018,912	-	
Huaneng Shantou Wind Power Co., Ltd. ("Huaneng Shantou Wind Power")	56,743,303	-	5,385,280	-	-	(7,035,681)	55,092,902	-	
Yangshan Zhongxinkeng Electric Co., Ltd. ("Yangshan Zhongxinkeng")	8,043,666	-	948,652	-	-	(1,399,026)	7,593,292	-	
Yangshan Jiangkeng Hydropower Co., Ltd. ("Yangshan Jiangkeng")	5,397,723	-	997,030	-	-	(804,107)	5,590,646	-	
	<u>5,840,566,262</u>	<u>521,507,353</u>	<u>160,890,791</u>	<u>18,177,489</u>	<u>(5,343,382)</u>	<u>(379,854,292)</u>	<u>6,155,944,221</u>	<u>(96,327,854)</u>	

Equity related information in associates is set forth in Note 6(2).

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

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

(b) Associates (Cont'd)

- (i) Since 2019, Yudean Shipping, an associate of the Company, has been affected by the global economic downturn, fierce competition in the shipping industry and COVID-19, resulting in continuous fluctuation in shipping prices. Due to production reduction in petroleum exporting countries, the tense geopolitical relationship and the implementation of the new environmental protection policy, the operating costs are showing a trend of fluctuation and increase. In addition, the frequency and cost of plant repairs in the future will increase as the competent authorities tighten the management of the special inspection for ships over 28 years and the frequency of plant repairs. Thus, there is an indication of impairment of related long-term assets, as Yudean Shipping has delivered a weaker performance than expected due to profit reduction. In 2019, Yudean Shipping recognised a net loss of RMB 1,360,556,144, and the Company recognised a loss of RMB 476,194,650 for investment in Yudean Shipping at the equity method. In 2020, Yudean Shipping continuously monitored the impairment of related long-term assets. As at 31 December 2020, Yudean Shipping carried out the impairment test for long-term assets and made further provision for impairment of fixed assets based on the testing results. In 2020, Yudean Shipping recognised a net loss of RMB 579,173,582, including a loss of RMB 585,756,126 arising from the provision for impairment loss on long-term assets and the Company recognised a loss of RMB 202,710,755 for investment in Yudean Shipping at the equity method. The Company reviewed the testing results and assessed the impairment of the long-term equity investment in Yudean Shipping. As at 31 December 2020, the carrying amount of the Company's long-term equity investment in Yudean Shipping was RMB 241,738,113. The Company's long-term equity investment in Yudean Shipping was not exposed to any further impairment risk.
- (ii) In 2020, the Company, GEGC and Upper Horn Investment Co., Ltd. entered into the capital increase agreement, which stipulated that the Company would contribute RMB 512,958,282 in cash for the new registered capital of RMB 500,000,000 of Energy Financial Leasing Company and hold 25% of the equity of Energy Financial Leasing Company after the capital increase. In November 2020, the Company completed the capital increase and obtained 25% of the equity of Energy Financial Leasing Company. In accordance with the Articles of Association of Energy Financial Leasing Company, after the capital increase, Energy Financial Leasing Company would establish five seats in the Board of Directors, of which the Company has one director, who can exert significant influence on Energy Financial Leasing Company. Therefore, Energy Financial Leasing Company became an associate of the Company. As at the completion date of the capital increase, the Company recognised the difference between the initial investment cost of RMB 512,958,282 and the share of carrying amount of owner's equity of Energy Financial Leasing Company presented in the consolidated financial statements of the ultimate controlling party GEGC in non-operating income of RMB 8,549,071 (Note 4(53)) and adjusted the investment cost to RMB 521,507,353.

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

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

(b) Associates (Cont'd)

(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 their recoverable amount, the provision for impairment of long-term equity investments was RMB 71,317,168. In 2020, Weixin Yuntou experienced continuous operating losses, and the Company recognised a loss of RMB 20,630,582 for investment in Weixin Yuntou at the equity method. As at 31 December 2020, the carrying amount of the Company's long-term equity investments in Weixin Yuntou was RMB 175,592,218. Based on prudential principal, the Company conducted an impairment test on the long-term equity investments in Weixin Yuntou again. As the carrying amount of the long-term equity investments was higher than their recoverable amount, no further impairment provision was made by the Company in 2020.

(iv) In 2020, other changes in equity from long-term equity investments in associates were changes in capital surplus of RMB 5,343,382 (2019: changes in capital surplus of RMB 5,813,698 and changes in undistributed profits of RMB 1,015,404).

(11) Investments in other equity instruments

	31 December 2020	31 December 2019	Cash dividends in the current year
Investments in equity instruments			
- Equity of listed companies	393,587,145	408,070,373	13,297,095
- Equity of unlisted companies	3,154,500,870	2,734,301,000	51,790,444
	<u>3,548,088,015</u>	<u>3,142,371,373</u>	<u>65,087,539</u>

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

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

Including:

	31 December 2019	Movements in the current year	31 December 2020	% of shareholding in 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%	12,217,095
- GMG International Tendering Co., Ltd. ("GMG Tendering") (c)	3,600,000	-	3,600,000	1.29%	450,000
- Shenzhen Capital Group Co., Ltd. ("SCG") (d)	258,297,440	69,736,560	328,034,000	3.67%	20,290,444
- Sunshine Insurance (e)	356,000,000	-	356,000,000	3.38%	31,500,000
- South Sea Wind Electricity Development Co., Ltd. ("South Sea Wind Electricity") (f)	70,000,000	-	70,000,000	10.00%	-
	<u>939,626,056</u>	<u>69,736,560</u>	<u>1,009,362,616</u>		<u>65,087,539</u>
Investments in other equity instruments - accumulated changes in fair value					
- Shenzhen Energy (a)	62,355,372	13,834,800	76,190,172		
- Shanghai Shenergy (b)	86,804,385	(32,764,028)	54,040,357		
- GMG Tendering (c)	3,582,000	4,446,000	8,028,000		
- SCG (d)	637,702,560	82,263,440	719,966,000		
- Sunshine Insurance (e)	1,412,000,000	268,000,000	1,680,000,000		
- South Sea Wind Electricity (f)	301,000	199,870	500,870		
	<u>2,202,745,317</u>	<u>335,980,082</u>	<u>2,538,725,399</u>		
Total	<u>3,142,371,373</u>	<u>405,716,642</u>	<u>3,548,088,015</u>		

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)

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

- (a) As at 31 December 2020, the Company held 15,120,000 tradable A shares in Shenzhen Energy with fair value of RMB 92,080,800, 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 13,834,800 (2019: RMB 12,096,000), and other comprehensive income was adjusted upwards accordingly.
- (b) As at 31 December 2020, the Company held 55,532,250 tradable A shares in Shanghai Shenergy with fair value of RMB 289,878,345, 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, losses at fair value amounted to RMB 32,764,028 (2019: gains of RMB 51,644,993), and other comprehensive income was adjusted downwards accordingly.
- (c) As at 31 December 2020, 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 11,628,000, 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 4,446,000 (2019: RMB 3,564,000), 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 SCG at its original proportion of shareholding. A capital injection of RMB 65,135,200 was made in 2018, a capital injection of RMB 78,162,240 was made in 2019 and a capital injection of RMB 69,736,560 was made in 2020. As at 31 December 2020, the fair value of the equity that the Company held in SCG amounted to RMB 1,048,000,000, and the investment cost was RMB 328,034,000. During the year, gains at fair value amounted to RMB 82,263,440 (2019: RMB 18,796,809), and other comprehensive income was adjusted upwards accordingly.
- (e) As at 31 December 2020, the fair value of the equity that the Company held in Sunshine Insurance amounted to RMB 2,036,000,000, and the investment cost was RMB 356,000,000. During the year, gains at fair value amounted to RMB 268,000,000 (2019: RMB 1,412,000,000), and other comprehensive income was adjusted upwards accordingly.
- (f) As at 31 December 2020, the fair value of the equity that the Company held in South Sea Wind Electricity amounted to RMB 70,500,870, and the investment cost was RMB 70,000,000. During the year, gains at fair value amounted to RMB 199,870 (2019: RMB 301,000), and other comprehensive income was adjusted upwards accordingly.

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

(12) Investment properties

	Buildings
Cost	
- Opening balance	68,575,914
- Business combinations involving enterprises not under common control (Note 5(2))	189,849
- Ending balance	<u>68,765,763</u>
Accumulated depreciation	
- Opening balance	(16,482,283)
- Increase in the current year (a)	(2,550,812)
- Ending balance	<u>(19,033,095)</u>
Carrying amount	
- Ending balance	<u>49,732,668</u>
- Opening balance	<u>52,093,631</u>

- (a) In 2020, depreciation charged to investment properties was RMB 2,550,812 (2019: RMB 2,085,161) among which depreciation expenses charged to cost of sales, and general and administrative expenses were RMB 1,915,214 and RMB 635,598 (2019: RMB 1,449,563 and RMB 635,598) respectively.

(13) Fixed assets

	31 December 2020	31 December 2019
Fixed assets (a)	47,114,756,688	38,530,031,244
Disposal of fixed assets (b)	80,476,391	25,687,474
	<u>47,195,233,079</u>	<u>38,555,718,718</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

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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 2019	18,608,504,390	58,925,695,568	595,487,302	1,356,377,715	79,486,064,975
Increase in the current year					
Purchase	17,136,050	22,501,095	22,772,199	35,320,903	97,730,247
Transfers from construction in progress (ii)	3,983,479,384	7,564,119,392	585,556,342	39,056,567	12,172,211,685
Donations received	-	-	-	168,534	168,534
Business combinations involving enterprises not under common control (Note 5(2))	57,535,129	-	215,292	64,462	57,814,883
Adjustment to sale-leaseback transactions (iii)	-	246,842,838	-	-	246,842,838
Decrease in the current year					
Adjustment due to differences in project settlement	-	(26,293,092)	-	-	(26,293,092)
Disposal and scrap	(33,553,667)	(1,677,061,649)	(16,801,424)	(46,093,451)	(1,773,510,191)
Transfer to construction in progress (iv)	-	(10,754,401)	-	-	(10,754,401)
Reclassification to other current assets (v)	(344,844,012)	(819,112,234)	(10,339,832)	(10,365,104)	(1,184,661,182)
Losses on inventory shortage	(10,000)	(629,982)	-	-	(639,982)
31 December 2020	22,288,247,274	64,225,307,535	1,176,889,879	1,374,529,626	89,064,974,314
Accumulated depreciation					
31 December 2019	(6,941,728,181)	(31,757,059,270)	(442,607,496)	(930,761,890)	(40,072,156,837)
Increase in the current year					
Provision (i)	(490,705,833)	(2,739,466,925)	(22,480,399)	(94,897,156)	(3,347,550,313)
Adjustment to sale-leaseback transactions (iii)	-	(123,685,636)	-	-	(123,685,636)
Decrease in the current year					
Disposal and scrap	15,419,294	1,414,818,457	15,933,154	38,450,416	1,484,621,321
Transfer to construction in progress (iv)	-	7,173,019	-	-	7,173,019
Reclassification to other current assets (v)	225,851,503	460,997,857	6,303,110	6,352,424	699,504,894
Losses on inventory shortage	9,500	598,483	-	-	607,983
31 December 2020	(7,191,153,717)	(32,736,624,015)	(442,851,631)	(980,856,206)	(41,351,485,569)
Provision for impairment					
31 December 2019	(146,890,986)	(731,325,859)	(1,656,135)	(4,003,914)	(883,876,894)
Increase in the current year					

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

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Provision (vi)	(45,920,611)	(345,566,460)	-	(234,722)	(391,721,793)
Decrease in the current year					
Disposal and scrap	9,945,883	186,471,151	-	-	196,417,034
Reclassification to other current assets (v)	117,106,386	358,114,377	1,233,217	3,995,616	480,449,596
31 December 2020	(65,759,328)	(532,306,791)	(422,918)	(243,020)	(598,732,057)

Carrying amount

31 December 2020	15,031,334,229	30,956,376,729	733,615,330	393,430,400	47,114,756,688
31 December 2019	11,519,885,223	26,437,310,439	151,223,671	421,611,911	38,530,031,244

As at 31 December 2019 and 31 December 2020, 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, research and development expenses and selling and distribution expenses for 2020 were set out as follows:

	2020	2019
Cost of sales	3,283,110,982	3,658,711,930
General and administrative expenses	50,215,937	50,165,964
Research and development expenses	6,956,941	-
Construction in progress	6,584,299	6,574,021
Selling and distribution expenses	682,154	434,425
	<u>3,347,550,313</u>	<u>3,715,886,340</u>

(ii) The costs of fixed assets transferred from construction in progress in the current year amounted to RMB 12,172,211,685 (2019: RMB 1,190,693,825) (Note 4(14)(a)(i)).

(iii) In 2020, Zhanjiang Zhongyue Energy Co., Ltd. ("Zhongyue Energy") settled in advance the contract for sales and leaseback of fixed assets signed with Bank of Communications Financial Leasing Co., Ltd., and the unrealised sales and leaseback losses arising from the difference between the selling price and the carrying amount of the assets in sales and leaseback transactions amounting to RMB 246,842,838 was included in the cost of fixed assets, and unrecognised losses of RMB 123,685,636 from amortised sales and leaseback was recognised as the accumulated depreciation of power generation equipment of fixed assets.

(iv) In 2020, due to an adjustment to land for construction of heavy crude oil processing project of PetroChina Company Limited, Shibeishan Wind Power, a subsidiary of the Group, commenced the demolition and construction of 3 fans and cables in accordance with the *Letter from Huilai People's Government on Request to Initiate the Movement of Fans and Cables at Shibeishan Wind Power Plant*, and signed a three-party agreement with Jieyang Da Nanhai Petrochemical Industrial Zone Management Committee ("Petrochemical Management Committee") and Huilai People's Government. The agreement specified that Petrochemical Management Committee was responsible for the settlement of demolition and construction expenses at a cost of RMB 15,654,700 not exceeding the project budget, and compensated for the actual loss of power generated during the demolition and construction of Shibeishan Wind Power and the estimated loss of power generation after the demolition and construction. In 2020, Shibeishan Wind Power transferred these 3 fans with a cost of RMB 10,754,401 and accumulated depreciation of RMB 7,173,019 to construction in progress. As at 31 December 2020, Shibeishan Wind Power had received advances from demolition and construction projects amounting to RMB 15,000,000, and RMB 626,874 of demolition and construction expenses was recognised. The compensation for power losses recognised for 2020 was RMB 11,315,659 (exclusive of tax) (inclusive of tax: RMB 11,881,442) was included in non-operating income. The demolition and construction of fans and cables is expected to be completed in 2021.

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

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(v) The generator units of Guangdong Yuejia Electric Co., Ltd. ("Yuejia Electric") were shut down in 2010 and 2016. In 2020, pursuant to Guangdong Province's work arrangement for restructuring "zombie companies", Yuejia Electric, a subsidiary of the Group decided to dispose corresponding assets after shutting down of generator units, and transferred the fixed assets with a carrying amount of RMB 4,706,692 and intangible assets with a carrying amount of RMB 0 to other current assets (Note 4(15)). In 2020, the carrying amount of other current assets disposed of by the Group's subsidiary Yuejia Electric was RMB 4,696,776, and the disposal expenses were RMB 2,860,679 at a consideration of RMB 348,494,173. The difference between the carrying amount of assets and disposal expenses and the consideration amounting to RMB 340,936,718 was included in gains on disposal of assets (Note 4(52)). As at 31 December 2020, Yuejia Electric had received the consideration for disposal of RMB 201,608,773, while the remaining consideration was the land withdrawal receivable from Meixian Chengjiangzhen People's Government of Meizhou City, totalling RMB 146,885,400 (Note 4(4)).

(vi) Impairment of fixed assets

In 2020, movements of provision for impairment of fixed assets were as follows:

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Lincang Energy (Note 1)	82,261,857	118,339,800	-	200,601,657
Guangdong Yudean Bohe Energy Co., Ltd. ("Bohe Energy", previously Guangdong Yudean Bohe Coal Power Co., Ltd.)(Note 2)	-	208,000,000	-	208,000,000
Guangdong Red Bay Power Generation Co., Ltd. ("Red Bay Power")	48,597,529	-	-	48,597,529
Guangdong Shaoguan Yuejiang Electric Power Co., Ltd. ("Yuejiang Power")	73,395,628	-	(32,440,873)	40,954,755
Guangdong Energy Maoming Thermal Power Station Co., Ltd. ("Energy Thermal", previously Maoming Zhenneng Thermal Power Co., Ltd.)	29,751,684	-	-	29,751,684
Guangdong Yudean Jinghai Power Co., Ltd. ("Jinghai Power")	34,952,258	8,773,156	(21,496,541)	22,228,873
Guangdong Electric Power Development Co., Ltd. Shajiao A Power Plant ("Shajiao A Power Plant") (Note 3)	76,354,667	52,051,098	(107,070,194)	21,335,571
Zhanjiang Electric	18,822,875	-	-	18,822,875
Zhongyue Energy	12,662,964	4,557,739	(12,012,160)	5,208,543
Guangdong Huizhou Natural Gas Power Co., Ltd. ("Huizhou Natural Gas") (Note 4)	23,895,462	-	(20,664,892)	3,230,570
Yuejia Electric (Note 4(13)(a)(v))	480,449,596	-	(480,449,596)	-
Guangdong Wind Power	2,732,374	-	(2,732,374)	-
	<u>883,876,894</u>	<u>391,721,793</u>	<u>(676,866,630)</u>	<u>598,732,057</u>

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

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

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

Note 1 Impairment of related asset groups of certain subsidiaries that have suffered continuous operating loss in recent years

In 2020 and previous years, certain subsidiaries of the Group were affected by sharp fluctuations in the price of coal used in power generation, the marketisation of the electricity industry and other factors, and 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 made. 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 2020.

Due to the fierce competition in the hydroelectric power market in Yunnan Province, Lincang Energy, a subsidiary of the Group, suffered from continuous operating loss. In 2018, the Group made a provision of RMB 82,261,857 for the impairment of fixed assets for the relevant asset groups of generator units of Lincang Energy. The Group conducted impairment tests on the relevant asset groups of generator units of Lincang Energy again in 2020. As the carrying amount of the relevant asset groups was lower than the recoverable amount, the provision for the impairment of fixed assets was RMB 118,339,800. 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 pre-tax discount rates of 9.95%.

Note 2 In 2020, Bohe Energy obtained approval from Guangdong Development and Reform Committee. As the alternative capacity of some generator units could not be approved, management expected that the alternative capacity of these units would not be available for subsequent project construction or sales. Therefore, a provision of RMB 208,000,000 for impairment of fixed assets was made to the capitalised acquisition cost of the alternative capacity of these generator units.

Note 3 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 made a provision for impairment of power generation equipment related to 1# generator unit, amounting to RMB 40,395,369, and made accelerated depreciation of 1-5# generator units since 1 January 2019. In 2020, the Group carried out tests for impairment of 2# and 3# generator units of Shajiao A Power Plant and made a provision for impairment, amounting to RMB 52,051,098. In addition, the Group transferred part of the equipment related to 1#, 2# and 3# generator units which have been approved for scrapping to fixed assets pending for disposal, and the provision for impairment of fixed assets amounting to RMB 107,070,194 was transferred out accordingly.

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

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

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

Note 4 In 2020, the Group partially disposed of the fixed assets of Huizhou Natural Gas of which provision for impairment was made in prior years, and the provision for impairment of fixed assets amounting to RMB 20,664,892 was transferred out accordingly.

(vii) Fixed assets held under finance leases

As at 31 December 2020, the fixed assets with a carrying amount of RMB 2,641,183,636 (a cost of RMB 3,703,973,010) were held under finance leases (31 December 2019: a carrying amount of RMB 1,494,260,623 and a cost of RMB 2,962,401,108). The analysis was as follows:

	Cost	Accumulated depreciation	Carrying amount
31 December 2020			
Power generation equipment	3,703,973,010	(1,062,789,374)	2,641,183,636
	<hr/>	<hr/>	<hr/>
31 December 2019			
Power generation equipment	2,962,401,108	(1,468,140,485)	1,494,260,623
	<hr/>	<hr/>	<hr/>

Details of the future payments of fixed assets held under finance leases are disclosed in Note 4(32).

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

(13) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(viii) Fixed assets with pending certificates of ownership:

	Carrying amount	Reasons for not obtaining certificates of ownership
Buildings	<u>548,942,185</u>	Awaiting government approval

As at 31 December 2020, 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 2020	31 December 2019
Scraped parts of power generation equipment	75,549,913	24,842,897
Other equipment	<u>4,926,478</u>	<u>844,577</u>
	<u>80,476,391</u>	<u>25,687,474</u>

(14) Construction in progress

	31 December 2020	31 December 2019
Construction in progress (a)	9,151,362,123	10,881,106,316
Construction materials (b)	<u>2,274,977</u>	<u>897,530</u>
	<u>9,153,637,100</u>	<u>10,882,003,846</u>

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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 2020			31 December 2019		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Zhuhai Jinwan Electric offshore wind power project	3,432,128,854	-	3,432,128,854	398,849,306	-	398,849,306
Yangjiang Shapa offshore wind power project	1,451,718,258	-	1,451,718,258	390,159,975	-	390,159,975
Qujie Wailuo offshore wind power project (Phase II)	896,786,215	-	896,786,215	57,038,810	-	57,038,810
Xinliao offshore wind power project	772,822,903	-	772,822,903	55,250,401	-	55,250,401
Huadu thermal and power cogeneration project	496,904,393	-	496,904,393	136,704,136	-	136,704,136
Pingyuan Maoping wind power project	338,524,935	-	338,524,935	30,712,910	-	30,712,910
Hunan Tongdao Dagaoshan wind power plant project	114,806,165	-	114,806,165	15,590,430	-	15,590,430
Bohe Energy integration project	97,519,981	-	97,519,981	6,608,072,801	-	6,608,072,801
Shajiao Ningzhou gas power project	89,785,770	-	89,785,770	5,821,536	-	5,821,536
Qujie Wailuo offshore wind power project (Phase I)	-	-	-	2,306,302,480	-	2,306,302,480
Other infrastructure construction projects	802,352,687	(283,142,471)	519,210,216	501,729,597	(201,306,931)	300,422,666
Other technology improvement projects	941,154,433	-	941,154,433	576,180,865	-	576,180,865
	<u>9,434,504,594</u>	<u>(283,142,471)</u>	<u>9,151,362,123</u>	<u>11,082,413,247</u>	<u>(201,306,931)</u>	<u>10,881,106,316</u>

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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 2019	Increase in the current year	Transfer to fixed assets in the current year (Note 4(13)(a)(ii))	Transfer from fixed assets in the current year (Note 4(13)(a)(iv))	Transfer to intangible assets in the current year (Note 4(15))	Impairment (ii)	Other movements (i)	31 December 2020	Proportion of investment to the budget (%)	Project progress	Accumulated capitalised borrowing costs	Including: Capitalised borrowing costs for the year	Capitalisation rate	Source of fund
Zhuhai Jinwan Electric offshore wind power project	5,643,170,000	398,849,306	3,037,440,741	-	-	-	-	(4,161,193)	3,432,128,854	68.81%	60.65%	69,473,154	63,649,374	4.13%	Borrowings and own funds
Yangjiang Shapa offshore wind power project	5,963,270,000	390,159,975	1,061,558,283	-	-	-	-	-	1,451,718,258	27.51%	24.13%	41,235,860	39,755,269	4.21%	Borrowings and own funds
Qujie Wailuo offshore wind power project (Phase II)	3,789,120,000	57,038,810	858,528,764	(18,531,359)	-	(250,000)	-	-	896,786,215	27.30%	29.44%	16,936,729	16,849,840	3.87%	Borrowings and own funds
Xinliao offshore wind power project	3,698,880,000	55,250,401	751,799,099	(34,226,597)	-	-	-	-	772,822,903	24.66%	20.72%	16,662,156	16,662,156	3.91%	Borrowings and own funds
Huadu thermal and power cogeneration project	3,593,160,000	136,704,136	360,200,257	-	-	-	-	-	496,904,393	15.63%	14.07%	13,287,574	12,158,611	3.65%	Borrowings and own funds
Pingyuan maoping wind power project	450,818,900	30,712,910	308,659,203	-	-	-	-	(847,178)	338,524,935	85.07%	77.73%	5,799,060	5,790,856	4.07%	Borrowings and own funds
Hunan Tongdao Dagaoshan wind power plant project	531,740,000	15,590,430	99,215,735	-	-	-	-	-	114,806,165	24.40%	31.76%	3,053,294	3,053,294	4.29%	Borrowings and own funds
Bohe Energy integration project	11,037,075,900	6,608,072,801	2,125,151,266	(8,690,425,794)	-	-	-	54,721,708	97,519,981	89.41%	95.66%	466,723,380	103,913,901	4.33%	Borrowings and own funds
Shajiao Ningzhou gas power project	5,927,600,000	5,821,536	83,964,234	-	-	-	-	-	89,785,770	1.71%	1.51%	-	-	-	Own funds
Qujie Wailuo offshore wind power project (Phase I)	3,739,450,000	2,306,302,480	582,682,564	(2,853,319,433)	-	(3,330,000)	-	(32,335,611)	-	87.30%	100.00%	57,152,791	12,912,894	4.58%	Borrowings and own funds
Other infrastructure	Not applicable	300,422,666	313,524,109	(12,901,019)	-	-	(81,835,540)	-	519,210,216	Not	Not	20,195,918	8,120,010	4.16%	Borrowings and own

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									applicable	applicable					
construction projects															
Other technology improvement projects	Not applicable	576,180,865	931,344,110	(562,807,483)	3,581,382	(7,144,441)	-	-	941,154,433	Not applicable	Not applicable	1,335,162	1,335,162	4.23%	Borrowings and own funds
		<u>10,881,106,316</u>	<u>10,514,068,365</u>	<u>(12,172,211,685)</u>	<u>3,581,382</u>	<u>(10,724,441)</u>	<u>(81,835,540)</u>	<u>17,377,726</u>	<u>9,151,362,123</u>			<u>711,855,078</u>	<u>284,201,367</u>		

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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 (Cont'd)

Other movements of construction in progress for the year mainly include net income from trial operation of RMB 37,343,982 and net expenses on trial operation of RMB 54,721,708.

(ii) Provision for impairment of construction in progress

Item	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020	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	(50,166,211)	-	-	(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	(4,611,551)	-	-	(4,611,551)	Impairment of upfront expenses for construction in progress
Impairment of upfront expenses for 5# and 6# generator units of Red Bay (Note 2)	-	(26,446,447)	-	(26,446,447)	Impairment of upfront expenses for construction in progress
Impairment of upfront expenses for 5# and 6# generator units of Jinghai (Note 2)	-	(55,389,093)	-	(55,389,093)	Impairment of upfront expenses for construction in progress
	<u>(201,306,931)</u>	<u>(81,835,540)</u>	<u>-</u>	<u>(283,142,471)</u>	

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.

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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 (Cont'd)

Note 2 Upfront expenses for 5# and 6# generator units of Red Bay and Jinghai mainly represent expenses on preliminary feasibility studies, design and three supplies and one levelling. In recent years, the national energy industry distribution and the project planning of competent authorities has left the project stagnant. In 2020, management reassessed the feasibility of the project, and concluded that it was less likely to proceed with the project. Thus, management recorded provision for impairment of construction in progress in full amount in the current year.

(iii) As at 31 December 2020, some generator units 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 generator units were put into production. Therefore, the risk of impairment of such units was low.

(iv) In 2018, Bohe Energy sold part of its construction in progress of power plants to the Energy Financial Leasing Company 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. In 2020, as the main work of Bohe Energy integration project was completed and transferred to fixed assets, the book balance of construction in progress arising from finance leases amounting to RMB 1,000,000,000 was transferred to fixed assets. As at 31 December 2020, Bohe Energy had no book balance of construction in progress arising from finance leases (2019: RMB 1,000,000,000).

In 2020, the Group acquired part of Wailuo offshore wind power project (Phase II) of Qujie Wind Power and part of Xinliao offshore wind power project under finance leases. As at 31 December 2020, the book balance of construction in progress arising from Wailuo offshore wind power project (Phase II) of Qujie Wind Power under finance leases was RMB 15,707,964 (31 December 2019: Nil) and the book balance of construction in progress arising from Xinliao offshore wind power project under finance leases was RMB 419,647,262 (31 December 2019: Nil). In addition, the book balance of RMB 641,571,902 of construction in progress arising from Wailuo offshore wind power project (Phase I) under finance leases was transferred to fixed assets in 2020 (31 December 2019: RMB 496,524,360).

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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) (Cont'd)

In 2019, the Group acquired part of 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 2020, the book balance of construction in progress arising from finance leases was RMB 195,556,709 (31 December 2019: RMB 98,973,445).

In 2019, the Group acquired part of Zhuhai Jinwan Electric offshore wind power project of Zhuhai Wind Power under finance leases. As at 31 December 2020, the book balance of construction in progress arising from finance leases was RMB 285,812,173 (31 December 2019: RMB 100,962,931).

In 2020, the Group acquired part of Hunan Tongdao Dagaoshan wind power plant project under finance leases. As at 31 December 2020, the book balance of construction in progress arising from finance leases was RMB 42,240,044 (31 December 2019: Nil).

In 2020, the Group acquired part of Huadu thermal and power cogeneration project under finance leases. As at 31 December 2020, the book balance of construction in progress arising from finance leases was RMB 85,952,629 (31 December 2019: Nil).

(b) Construction materials

	31 December 2020	31 December 2019
Equipment for specific use	1,337,570	664,437
Materials for specific use	937,407	962,696
	<u>2,274,977</u>	<u>1,627,133</u>
Less: Provision for impairment of construction materials		
- Materials for specific use	-	(729,603)
	<u>2,274,977</u>	<u>897,530</u>

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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 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
Increase in the current year								
Purchase	-	394,169,295	-	-	-	13,015,782	641,996	407,827,073
Transfer from construction in progress (Note 4(14)(a)(i))	-	3,330,000	-	-	-	6,932,177	462,264	10,724,441
Decrease in the current year								
Disposal	-	(76,593)	-	-	-	-	-	(76,593)
Reclassification to other current assets (Note 4(13)(a)(v))	(190,778,416)	-	-	(7,298,672)	-	-	-	(198,077,088)
31 December 2020	251,739,268	2,465,901,227	129,906,544	15,170,000	14,795,352	152,461,615	8,461,203	3,038,435,209
Accumulated amortisation								
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)
Increase in the current year								
Provision (a)	-	(50,921,532)	(2,471,188)	-	(389,604)	(10,007,580)	(848,729)	(64,638,633)
Decrease in the current year								
Disposal	-	50,455	-	-	-	-	-	50,455
Reclassification to other current assets (Note 4(13)(a)(v))	157,589,042	-	-	6,277,068	-	-	-	163,866,110
31 December 2020	(251,739,268)	(427,975,917)	(28,180,513)	(15,170,000)	(10,981,010)	(104,488,485)	(1,772,260)	(840,307,453)
Provision for impairment								
31 December 2019	(33,189,374)	(56,502,373)	-	(1,021,604)	-	-	-	(90,713,351)

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Decrease in the current year								
Reclassification to other current assets (Note 4(13)(a)(v))	33,189,374	-	-	1,021,604	-	-	-	34,210,978
31 December 2020	-	(56,502,373)	-	-	-	-	-	(56,502,373)

Carrying amount

31 December 2020	-	1,981,422,937	101,726,031	-	3,814,342	47,973,130	6,688,943	2,141,625,383
31 December 2019	-	1,634,871,312	104,197,219	-	4,203,946	38,032,751	6,433,412	1,787,738,640

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

(15) Intangible assets (Cont'd)

- (a) In 2020, the amortised amount of intangible assets was RMB 64,638,633, with general and administrative expenses of RMB 59,013,289, construction in progress of RMB 4,750,588 and research and development expenses of RMB 874,756 respectively (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).
- (b) As at 31 December 2020, the Group had obtained land use right certificates for all of its lands, except for lands with carrying amount of RMB 32,527,564 (31 December 2019: RMB 33,348,275) 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.
- (c) In 2020, the Group's expenditures on research and development totalling RMB 274,579,716 (2019: RMB 9,703,602) were all recognised as research and development expenses in the current period (Note 4(45)). As at 31 December 2020, there were no intangible assets arising from internal research and development within the Group.

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

(16) Goodwill

	31 December 2020	31 December 2019
Goodwill -		
Guangdong Wind Power (a)	2,449,886	2,449,886
Lincang Energy (b)	25,036,894	25,036,894
	<u>27,486,780</u>	<u>27,486,780</u>
Less: Provision for impairment -		
Lincang Energy (b)	(25,036,894)	(25,036,894)
	<u>2,449,886</u>	<u>2,449,886</u>

(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 related to Guangdong Wind Power. On 31 December 2020, the Group conducted impairment tests on goodwill related to Guangdong Wind Power. The results showed that the recoverable amount of asset group related to Guangdong Wind Power (including goodwill) was higher than its carrying amount, and there was no risk of impairment (31 December 2019: There was no risk of impairment).

(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 2019	Increase in the current year	Amortisation charged in the current year	31 December 2020
Long-term lease charges	15,287,462	-	(2,028,166)	13,259,296
Improvements to fixed assets held under operating leases	4,115,789	5,855,340	(1,415,513)	8,555,616
Others	70,335	4,612,988	(88,930)	4,594,393
	<u>19,473,586</u>	<u>10,468,328</u>	<u>(3,532,609)</u>	<u>26,409,305</u>

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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 2020		31 December 2019	
	Deductible temporary differences and deductible tax losses	Deferred tax assets	Deductible temporary differences and deductible tax losses	Deferred tax assets
Deductible losses	866,934,091	216,733,521	686,911,585	171,727,895
Provision for asset impairments	442,188,855	110,391,655	408,154,790	101,889,644
Net income from trial operation included in construction in progress	234,870,149	54,608,985	209,580,236	49,967,756
Unrealised profits from intra-group transactions	148,814,504	37,203,626	166,852,624	41,713,156
Employee benefits payable	117,216,096	29,304,023	103,644,393	25,911,098
Government grants	76,619,379	19,154,845	86,420,159	21,605,041
Depreciation of fixed assets	74,700,511	18,675,127	75,431,480	18,857,870
Amortisation of intangible assets	4,526,232	1,131,558	4,490,857	1,122,714
Amortisation of pre-operating costs	-	-	165,954,215	41,488,554
	<u>1,965,869,817</u>	<u>487,203,340</u>	<u>1,907,440,339</u>	<u>474,283,728</u>
Including:				
Expected to be recovered within 1 year (inclusive)		96,965,235		44,262,666
Expected to be recovered after one year		<u>390,238,105</u>		<u>430,021,062</u>
		<u>487,203,340</u>		<u>474,283,728</u>

(b) Deferred tax liabilities before offsetting

	31 December 2020		31 December 2019	
	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	(2,538,725,399)	(634,681,350)	(2,202,745,317)	(550,686,330)
Net expenses in trial operation included in construction in progress	(96,051,849)	(24,012,962)	(38,741,129)	(9,685,282)
Capital appreciation from assets revaluation arising from business combinations involving enterprises not under common control	(56,290,560)	(14,072,640)	-	-
Amortisation of land use rights	(16,068,632)	(4,017,158)	(16,451,826)	(4,112,957)
Interest receivable	(6,620,900)	(1,655,226)	(3,341,332)	(835,333)
Depreciation of fixed assets	(2,993,057)	(748,264)	(2,560,854)	(640,214)
	<u>(2,716,750,397)</u>	<u>(679,187,600)</u>	<u>(2,263,840,458)</u>	<u>(565,960,116)</u>

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Including:

Expected to be recovered within 1 year (inclusive)	(9,629,576)	(1,863,587)
Expected to be recovered after one year	(669,558,024)	(564,096,529)
	<u>(679,187,600)</u>	<u>(565,960,116)</u>

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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 2020	31 December 2019
Deductible temporary differences	1,179,347,248	1,435,936,580
Deductible losses	2,074,970,324	1,467,976,248
	<u>3,254,317,572</u>	<u>2,903,912,828</u>

(d) Deductible tax losses that are not recognised as deferred tax assets will expire in following years:

	31 December 2020	31 December 2019
2020	-	172,104
2021	134,978,486	141,098,222
2022	628,529,972	603,896,902
2023	670,390,708	567,573,810
2024	153,029,742	155,235,210
2025	488,041,416	-
	<u>2,074,970,324</u>	<u>1,467,976,248</u>

Management believed that as at the maturity date for the above deductible losses, the relevant subject of tax payment has no 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 2020		31 December 2019	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(40,615,690)	446,587,650	(28,574,502)	445,709,226
Deferred tax liabilities	40,615,690	(638,571,910)	28,574,502	(537,385,614)

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

(19) Other non-current assets

	31 December 2020	31 December 2019
Prepaid equipment payments	1,421,038,893	971,323,399
Input VAT to be deducted	886,196,509	881,814,121
Prepayment for projects	394,556,021	488,163,133
Unrealised losses on sales and leaseback (a)	209,580,144	346,314,528
Prepayment for equity acquisition (b)	113,381,000	-
Deposits prepaid for equity acquisition (c)	80,000,000	-
Prepayment for land use rights	73,532,955	64,424,212
Others	2,054,516	1,819,595
	3,180,340,038	2,753,858,988

(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 2020, the unrealised losses on sales and leaseback, which were amortised in depreciation expenses in cost of sales, amounted to RMB 13,577,182 (2019: RMB: 16,764,193).

(b) On 29 December 2020, Guangdong Wind Power, a subsidiary of the Group, entered into an equity transfer agreement with Guangdong Guangye Investment Group Co., Ltd. ("Guangye Investment Group"). Guangdong Wind Power intended to acquire 51% equity of Guangdong Guangye Nanhua New Energy Co., Ltd. ("Nanhua New Energy") held by Guangye Investment Group, at a consideration of RMB 93,381,000. As at 31 December 2020, Guangdong Wind Power had paid the equity acquisition of RMB 93,381,000 in full amount. As at 31 December 2020, as the registration for changes of business license of Nanhua New Energy had not been completed and Guangdong Wind Power had not obtained substantive control over Nanhua New Energy, the relevant equity acquisition was included in other non-current assets, and relevant equity transactions would be completed in 2021.

As at 31 December 2020, Guangdong Wind Power (a subsidiary of the Group) entered into an equity transfer agreement with Guangye Investment Group, intending to acquire 51% equity of Guangdong Yueneng Datang Renewable Power Co., Ltd. ("Datang Renewable Power") held by Guangye Investment Group, at a consideration of RMB 161,858,100. As at 31 December 2020, as the registration for changes of business license of Datang Renewable Power had not been completed and Guangdong Wind Power had not obtained substantive control over Datang Renewable Power, the relevant equity acquisition was included in other non-current assets, and relevant equity transactions would be completed in 2021.

(c) In July 2020, the Group's subsidiary Guangdong Province Wind Power Generation Co., Ltd. ("Guangdong Wind Power") and Beijing Guangdun New Energy Technology Co., Ltd. ("Guangdun New Energy") signed the *Equity Acquisition Framework Agreement of Dachengxian Dun'An New Energy Co., Ltd.* The agreement stipulated that if the Ziya River wind power plant project of Dachengxian Dun'An New Energy Co., Ltd. ("Dun'An New Energy") (a wholly-owned subsidiary of Guangdun New Energy) was put into operation before 31 December 2021, Guangdong Wind Power acquired 100% equity of Dun'An New Energy from Guangdun New Energy. In December 2020, Guangdong Wind Power paid the equity acquisition deposit of RMB 80,000,000 in accordance with the agreement. Due to the uncertainty of pre-conditions regarding the acquisition of underlying equity and the fact that the margin is recoverable after the actual closing date of the equity acquisition and does not constitute a part of the acquisition, the margin is included in other non-current assets.

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

(20) Provision for asset impairment and losses

	31 December 2019	Increase in the current year	Reversal in the current year	Write-off in the current year	Reclassification to other current assets (Note 4(13)(a)(v)) and (Note 4(15))	31 December 2020
Provision for bad debts of account receivable	(155,421)	(193,327)	155,421	-	-	(193,327)
Including: Provision for bad debts on grouping basis	(155,421)	(193,327)	155,421	-	-	(193,327)
Provision for bad debts of other receivables	(11,745,906)	(1,844,989)	1,594,751	2,803,643	-	(9,192,501)
Provision for bad debts of contract assets	-	(12,512)	-	-	-	(12,512)
Sub-total	(11,901,327)	(2,050,828)	1,750,172	2,803,643	-	(9,398,340)
Provision for impairment of advances to suppliers	(115,001)	-	-	-	-	(115,001)
Provision for decline in the value of inventories	(15,009,456)	(13,985,244)	-	-	-	(28,994,700)
Provision for impairment of long-term equity investments	(96,327,854)	-	-	-	-	(96,327,854)
Provision for impairment of fixed assets	(883,876,894)	(391,721,793)	-	196,417,034	480,449,596	(598,732,057)
Provision for impairment of construction materials	(729,603)	-	-	729,603	-	-
Provision for impairment of construction in progress	(201,306,931)	(81,835,540)	-	-	-	(283,142,471)
Provision for impairment of intangible assets	(90,713,351)	-	-	-	34,210,978	(56,502,373)

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Provision for impairment of goodwill	(25,036,894)	-	-	-	-	(25,036,894)
Sub-total	<u>(1,313,115,984)</u>	<u>(487,542,577)</u>	<u>-</u>	<u>197,146,637</u>	<u>514,660,574</u>	<u>(1,088,851,350)</u>
	<u>(1,325,017,311)</u>	<u>(489,593,405)</u>	<u>1,750,172</u>	<u>199,950,280</u>	<u>514,660,574</u>	<u>(1,098,249,690)</u>

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

(21) Short-term borrowings

	31 December 2020	31 December 2019
Principal		
Credit loan	7,614,870,202	5,894,026,790
Interest		
Credit loan	7,557,714	10,106,001
	7,622,427,916	5,904,132,791

(a) As at 31 December 2020, the annual interest rates of the short-term borrowings ranged from 2.85% to 4.35% (31 December 2019: 3.84% to 4.35%).

(b) As at 31 December 2020, the principal of short-term credit loan provided by related party Energy Group Finance Company amounted to RMB 4,583,000,000 (31 December 2019: RMB 4,115,000,000) (Note 8(6)). Interest payable of short-term borrowings to Energy Group Finance Company amounted to RMB 4,920,173 (31 December 2019: RMB 4,893,053).

(22) Notes payable

	31 December 2020	31 December 2019
Bank acceptance notes	972,292,546	794,236,650
Trade acceptance notes	120,000,000	570,000,000
	1,092,292,546	1,364,236,650

(a) 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 2020, the balance of trade acceptance notes issued by the Group and discounted by Industry Fuel with Energy Group Finance Company amounted to RMB 120,000,000 (31 December 2019: RMB 570,000,000) with discount rate of 2.50% to 2.85% (31 December 2019: 2.70% to 3.72%). The acceptance notes were due within eleven months (31 December 2019: due from three to eleven months) (Note 8(6)).

As at 31 December 2020, the balance of bank acceptance notes issued by the Group to Industry Fuel with Energy Group Finance Company and discounted by Industry Fuel with Energy Group Finance Company amounted to RMB 492,992,546 (31 December 2019: RMB 300,000,000) with discount rate of 2.50% to 3.50% (31 December 2019: 2.70% to 3.60%). The acceptance notes were due from two to nine months (31 December 2019: due from four to twelve months) (Note 8(6)).

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

(22) Notes payable (Cont'd)

(a) (Cont'd)

As at 31 December 2020, the balance of bank acceptance notes issued by the Group to Industry Fuel with external banks and discounted by Industry Fuel with external banks amounted to RMB 354,000,000 (31 December 2019: RMB 328,000,000) with discount rate of 2.14% to 2.95% (31 December 2019: 2.80% to 3.65%). The acceptance notes were due from two to eight months (31 December 2019: due from two to twelve months).

As at 31 December 2020, the balance of bank acceptance notes issued by the Group to Guangdong Pearl River Investment Electricity and Fuel Co, Ltd. ("Pearl Fuel") with external banks and discounted by Pearl Fuel with external banks amounted to RMB 85,000,000 (31 December 2019: RMB 166,236,650) with discount rate of 2.17% to 2.71% (31 December 2019: 2.73% to 3.30%). The acceptance notes were due from five to six months (31 December 2019: due from five to eight months).

(b) As at 31 December 2020, the balance of bank acceptance notes issued by the Group to project builders with external banks and discounted by project builders with external banks amounted to RMB 40,300,000 (31 December 2019: Nil) with discount rate of 1.43% to 3.21% (31 December 2019: Nil). The acceptance notes were due from eleven to twelve months (31 December 2019: Nil). The Group shall bear the discounting interest expenses arising from relevant acceptance notes when such acceptance notes are obtained by the project builders and discounted to external banks.

(c) In 2020, the discounting interest charged by Energy Group Finance Company and borne by the Group which was included in the discounting interest expenses in the current year amounted to RMB 25,427,149 (2019: RMB 28,961,757) (Note 8(5)(h)).

The Group presented the procurement of coal with the acceptance notes in the cash outflows from operating activities and payment of project equipment with acceptance notes in the cash outflows from investing activities, and the discounting interest borne by the Group in the cash outflows from financing activities.

(23) Accounts payable

	31 December 2020	31 December 2019
Fuel payable and freight payable	2,152,485,461	2,042,046,703
Materials and spare parts payable	396,420,019	372,739,371
Settlement payable for power transactions (b)	41,580,819	-
Management fees payable for frequency modulation and energy storage	11,686,819	-
Others	64,007,395	50,368,088
	<u>2,666,180,513</u>	<u>2,465,154,162</u>

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

(23) Accounts payable (Cont'd)

(a) As at 31 December 2020, accounts payable with ageing over one year amounted RMB 36,173,534 (31 December 2019: RMB 37,429,105), mainly including unsettled fuel payable and materials payable.

(b) In December 2020, Power Sales, a subsidiary of the Group, had a settlement payable for power transactions due to the adjustment to the price difference of the power sales contract amounting to RMB 41,580,819 (31 December 2019: Nil).

(24) Contract liabilities

	31 December 2020	31 December 2019
Advances from services	6,344,293	-
Advances from others	229,619	-
	<u>6,573,912</u>	<u>-</u>

(25) Employee benefits payable

	31 December 2020	31 December 2019
Short-term employee benefits payable (a)	261,426,210	210,052,524
Defined contribution plans payable (b)	3,087,318	3,386,520
Early retirement benefits payable (c)	32,292,293	29,071,494
Defined benefit plans payable (c)	7,742,552	-
	<u>304,548,373</u>	<u>242,510,538</u>

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

(25) Employee benefits payable (Cont'd)

(a) Short-term employee benefits

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Wages and salaries, bonus, allowances and subsidies	-	1,289,732,433	(1,289,533,582)	198,851
Staff welfare	3,089,748	127,272,952	(127,272,952)	3,089,748
Social security contributions	108,737,231	107,923,923	(68,560,284)	148,100,870
Including: Medical insurance	108,737,231	101,493,919	(62,130,280)	148,100,870
Work injury insurance	-	179,643	(179,643)	-
Maternity insurance	-	6,250,361	(6,250,361)	-
Housing funds	-	133,490,448	(133,490,448)	-
Labour union funds and employee education funds	92,290,273	51,806,192	(41,898,414)	102,198,051
Other short-term employee benefits	5,935,272	97,056,329	(95,152,911)	7,838,690
	<u>210,052,524</u>	<u>1,807,282,277</u>	<u>(1,755,908,591)</u>	<u>261,426,210</u>

(b) Defined contribution plans

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Basic pensions	-	23,493,814	(23,493,814)	-
Unemployment insurance	-	1,001,683	(1,001,683)	-
Annuity	3,386,520	95,462,923	(95,762,125)	3,087,318
	<u>3,386,520</u>	<u>119,958,420</u>	<u>(120,257,622)</u>	<u>3,087,318</u>

(c) Early retirement benefits payable refer to early retirement benefits payable by the Group within one year, and defined benefit plans payable refer to retirement pensions payable by the Group within one year. Please refer to Note 4(34)(a) and (b) for details.

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

(26) Taxes payable

	31 December 2020	31 December 2019
Unpaid VAT	315,452,032	330,790,264
Enterprise income tax payable	147,823,950	186,789,728
Individual income tax payable	18,973,674	14,877,406
City maintenance and construction tax payable	4,710,210	13,996,062
Water resource fee payable	4,690,504	8,392,765
Educational surcharge and local educational surcharge payable	3,895,809	12,344,489
Pollution discharge fee payable and environmental protection tax payable	2,227,048	2,764,462
Others	1,027,853	1,421,975
	<u>498,801,080</u>	<u>571,377,151</u>

(27) Other payables

	31 December 2020	31 December 2019
Construction and equipment expenses payable	5,539,541,169	3,754,518,279
Generator unit capacity payable (b)	830,188,680	-
Project warranty payable	124,770,917	109,048,438
Advances from land reserve (c)	39,253,600	-
Carbon emission allowances payable	36,011,871	-
Advances from compensations for demolition (Note 4(13)(a)(iv))	14,373,126	-
State Oceanic and Fisheries Administration penalty payable (d)	11,531,700	11,531,700
Dividends payable to non-tradable owners of the Company (e)	9,771,322	9,771,322
Others	170,258,199	157,247,358
	<u>6,775,700,584</u>	<u>4,042,117,097</u>

(a) As at 31 December 2020, other payables of RMB 1,675,967,363 (31 December 2019: RMB 1,860,509,505) 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) As at 31 December 2020, 1# and 2# generator units of Bohe Energy had been completed and were temporarily transferred to fixed assets. Generator unit capacity payable by Bohe Energy was estimated to be RMB 830,188,680 based on the capacity index of thermal power generator units.

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

(27) Other payables (Cont'd)

- (c) On 4 June 2020, Pinghai Power and the Department of Natural Resources of Huizhou Bureau signed An agreement on the recovery of land use rights, which agreed that the Department of Natural Resources of Huizhou Bureau would recover part of the land originally intended for construction of the new construction project of Pinghai Power based on the market value of the land for state-owned construction. The contract consideration is subject to the assessment on the value of the land. As at 31 December 2020, the Department of Natural Resources of Huizhou Bureau had paid land reserve of RMB 39,253,600 to Pinghai Power in advance. As the final contract consideration was still under evaluation, the Group recognised the advances from land reserve as other payables.
- (d) 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 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 on 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 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 the issuance date of the report, Pinghai Power was still waiting for the administrative judgement by Guangzhou Maritime Affairs Court. 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 2020.
- (e) 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)

(28) Current portion of non-current liabilities

	31 December 2020	31 December 2019
Principal		
Long-term borrowings due within one year (a) (Note 4(30))	1,363,579,404	2,758,340,013
Long-term payables due within one year (b) (Note 4(32))	244,488,837	333,082,890
Debentures payable due within one year (c) (Note 4(31))	1,498,700,741	40,299,969
Sub-total	3,106,768,982	3,131,722,872
Interest		
Long-term borrowings due within one year	27,549,970	29,822,181
Long-term payables due within one year	566,666	354,166
Debentures payable due within one year	45,666,333	21,081,263
Sub-total	73,782,969	51,257,610
	3,180,551,951	3,182,980,482

(a) Long-term borrowings due within one year

	31 December 2020	31 December 2019
Principal		
Pledged loan (i)	298,558,767	240,907,909
Guaranteed loan (ii)	1,400,000	1,511,827,500
Credit loan	1,063,620,637	1,005,604,604
Sub-total	1,363,579,404	2,758,340,013
Interest		
Pledged loan	5,273,499	6,096,475
Guaranteed loan	429,160	3,740,900
Credit loan	21,847,311	19,984,806
Sub-total	27,549,970	29,822,181
	1,391,129,374	2,788,162,194

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

(28) Current portion of non-current liabilities (Cont'd)

(a) Long-term borrowings due within one year (Cont'd)

(i) As at 31 December 2020, 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 2020	31 December 2019
Yuejiang Power	193,721,167	188,255,791
Qujie Wind Power	42,285,806	-
Zhanjiang Wind Power	28,200,000	22,860,000
Lincang Energy	20,000,000	15,000,000
Leizhou Wind Power	7,985,575	7,985,575
Xuwen Wind Power	6,366,219	6,806,543
	<u>298,558,767</u>	<u>240,907,909</u>

(ii) As at 31 December 2020, Zhanjiang Wind Power provided maximum amount guarantee for Xuwen Wind Power's long-term borrowings of RMB 1,400,000 (31 December 2019: RMB 11,827,500) due within one year.

(iii) As at 31 December 2020, the annual interest rate of long-term borrowings due within one year ranged from 1.30% to 4.41% (31 December 2019: 1.30% to 5.00%). The borrowings will be due within 12 months.

(b) Long-term payables due within one year

As at 31 December 2020, long-term payables due within one year were financing lease payable and payables for share repurchase. Net financing lease payable due within one year was RMB 154,488,837 (namely, the remaining net amount of the total amount of RMB 203,583,950 after deducting the unrecognised finance charge of RMB 49,095,113). 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 2020, details of long-term payables due within one year were disclosed in Note 4(32).

(c) See details of debentures payable due within one year in Note 4(31).

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

(29) Other current liabilities

	31 December 2020	31 December 2019
Short-term debentures payable	3,216,900,546	1,912,282,192
Output VAT to be written off	623,030	-
	<u>3,217,523,576</u>	<u>1,912,282,192</u>

Related information of short-term debentures payable is as follows:

	Face value	Issuance date	Maturity period	Issuance amount	31 December 2019	Issued in the current year	Interest at face value	Amortisation of discounts or premium	Repayments for the year	31 December 2020
Third batch of super short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2019	900,000,000	14/08/2019	180 days	900,000,000	908,987,671	-	2,963,149	-	(911,950,820)	-
Fourth batch of super 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	1,003,294,521	-	8,016,954	-	(1,011,311,475)	-
First batch of super short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2020	1,100,000,000	20/02/2020	180 days	1,100,000,000	-	1,100,000,000	11,360,656	-	(1,111,360,656)	-
Second batch of super short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2020	1,600,000,000	10/08/2020	172 days	1,600,000,000	-	1,600,000,000	11,440,000	-	-	1,611,440,000
Third batch of super short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2020	1,600,000,000	10/11/2020	178 days	1,600,000,000	-	1,600,000,000	5,460,546	-	-	1,605,460,546
	<u>6,200,000,000</u>			<u>6,200,000,000</u>	<u>1,912,282,192</u>	<u>4,300,000,000</u>	<u>39,241,305</u>	<u>-</u>	<u>(3,034,622,951)</u>	<u>3,216,900,546</u>

In 2020, the interest rate of super short-term financing notes issued by the Company was from 1.8% to 2.45% (2019: 2.30% to 3.60%).

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

(30) Long-term borrowings

	31 December 2020	31 December 2019
Principal		
Pledged loan (a)	4,193,207,913	4,231,292,593
Guaranteed loan (b)	77,500,000	1,557,285,000
Credit loan	16,091,427,059	13,556,865,800
Sub-total	<u>20,362,134,972</u>	<u>19,345,443,393</u>
Interest		
Pledged loan	5,273,499	6,096,475
Guaranteed loan	429,160	3,740,900
Credit loan	21,847,311	19,984,806
Sub-total	<u>27,549,970</u>	<u>29,822,181</u>
	<u>20,389,684,942</u>	<u>19,375,265,574</u>
Less: Long-term borrowings due within one year (Note 4(28)(a))		
Principal		
Pledged loan	(298,558,767)	(240,907,909)
Guaranteed loan	(1,400,000)	(1,511,827,500)
Credit loan	(1,063,620,637)	(1,005,604,604)
Sub-total	<u>(1,363,579,404)</u>	<u>(2,758,340,013)</u>
Interest		
Pledged loan	(5,273,499)	(6,096,475)
Guaranteed loan	(429,160)	(3,740,900)
Credit loan	(21,847,311)	(19,984,806)
Sub-total	<u>(27,549,970)</u>	<u>(29,822,181)</u>
	<u>(1,391,129,374)</u>	<u>(2,788,162,194)</u>
Total	<u>18,998,555,568</u>	<u>16,587,103,380</u>

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

(30) Long-term borrowings (Cont'd)

(a) Pledged loan

As at 31 December 2020, the charge right for electricity and accounts receivable were treated as pledge for long-term pledged loan for the following subsidiaries:

		31 December 2020	31 December 2019
Yuejiang Power	(i)	1,840,351,082	1,976,685,804
Qujie Wind Power	(ii)	1,310,860,000	1,155,920,000
Lincang Energy	(iii)	661,000,000	676,000,000
Leizhou Wind Power	(iv)	224,052,692	232,038,267
Zhanjiang Wind Power	(v)	98,565,000	121,425,000
Xuwen Wind Power	(vi)	58,379,139	69,223,522
		<u>4,193,207,913</u>	<u>4,231,292,593</u>

- (i) As at 31 December 2020, the Group's subsidiary Yuejiang Power borrowed RMB 1,840,351,082 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 26 May 2030, and the annual interest rate is 3.85% (2019: 4.53%). The borrowings include long-term borrowings due within one year amounting to RMB 193,721,167 (2019: RMB 1,976,685,804, including long-term borrowings due within one year amounting to RMB 188,255,791).
- (ii) As at 31 December 2020, for the construction of Zhanjiang Wailuo offshore wind power project, the Group's subsidiary Qujie Wind Power borrowed RMB 1,310,860,000 (2019: 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 from 4.15% to 4.26% (2019: 4.41% to 4.90%). The borrowings include long-term borrowings due within one year amounting to RMB 42,285,806 (2019: Nil).
- (iii) In 2015, the Group's subsidiary Lincang Energy obtained loans from bank consortium initiated by the Industrial and 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 11 June 2031. As at 31 December 2020, the balance of the loan was RMB 661,000,000 (2019: RMB 676,000,000), including long-term borrowings due within one year amounting to RMB 20,000,000 (2019: RMB 15,000,000), with the interest rate of 4.26% (2019: 4.41%).

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

(30) Long-term borrowings (Cont'd)

(a) Pledged loan (Cont'd)

(iv) The Group's subsidiary Leizhou Wind Power obtained loans from the Industrial and Commercial Bank of China, which were secured by Leizhou Wind Power's right to charge electricity. As at 31 December 2020, the balance of pledged loan was RMB 224,052,692, with the maturity date of 29 April 2030 and the interest rate ranged from 4.26% to 4.90%, including long-term borrowings due within one year amounting to RMB 7,985,575 (2019: RMB 232,038,267, including long-term borrowings due within one year amounting to RMB 7,985,575, with the interest rate ranged from 4.41% to 4.90%).

(v) As at 31 December 2020, the Group's subsidiary Zhanjiang Wind Power borrowed RMB 98,565,000 from the Industrial and Commercial Bank of China, secured by Zhanjiang Wind Power's right to charge electricity. The maturity date is on 7 May 2024, and the annual interest rate is 4.26% (2019: 4.41%). The borrowings include long-term borrowings due within one year amounting to RMB 28,200,000 (2019: RMB 121,425,000, including long-term borrowings due within one year amounting to RMB 22,860,000).

(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 Group'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 2020, the balance of the loan above totalled to USD 8,947,131 (equivalent to RMB 58,379,139) (2019: USD 9,922,812 (equivalent to RMB 69,223,522)), among which balance of the long-term borrowings due within one year amounted to USD 975,681 (equivalent to RMB 6,366,219) (2019: USD 975,681 (equivalent to RMB 6,806,543)). The maturity date of the loan is 3 March 2030 with the annual interest rate from 1.99% to 3.21% (2019: 3.13% to 3.76%). Meanwhile, the loans are guaranteed by the Company.

(b) Guaranteed loan

As at 31 December 2020, the balance of the Group's subsidiary Xuwen Wind Power's long-term borrowings from Energy Group Finance Company was RMB 8,500,000, including long-term borrowings due within one year of RMB 1,400,000, which was secured by Zhanjiang Wind Power (2019: RMB 23,900,000, including long-term borrowings due within one year amounting to RMB 1,400,000). The annual interest rate of the loan is 4.26% (2019: 4.41%), and the maturity date is 28 November 2031.

As at 31 December 2020, the balance of the Group's subsidiary Qujie Wind Power's long-term borrowings from China Clean Development Mechanism Fund was RMB 69,000,000 (2019: Nil), which was guaranteed by Energy Group Finance Company. The annual interest rate of the loan is 3.46% (2019: Nil), and the maturity date is 7 May 2025.

(c) As at 31 December 2020, the annual interest rate of long-term borrowings ranged from 1.30% to 4.41% (31 December 2019: 1.30% to 4.94%).

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

(31) Debentures payable

	31 December 2019	Issued in the current year	Amortisation of discounts or premium	Transferred to current portion of non-current liabilities	31 December 2020
16 Pinghai Bond 01 (a)	697,774,466	-	1,268,942	(699,043,408)	-
First batch of middle-term notes issued by Guangdong Electric Power Development Co., Ltd., 2018 (b)	798,857,333	-	800,000	(799,657,333)	-
20 Yudean Bond 01 (c)	-	1,500,000,000	(457,089)	-	1,499,542,911
	<u>1,496,631,799</u>	<u>1,500,000,000</u>	<u>1,611,853</u>	<u>(1,498,700,741)</u>	<u>1,499,542,911</u>

- (a) As approved by CSRC Circular SFC License [2016] No. 1864, the Group'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 Group 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 Pinghai Power is entitled to adjust the coupon rate in the third interest-bearing year of the bond. 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, Pinghai Power transferred the balance of current portion of non-current liabilities to the debentures payable on 31 December 2019. The annual interest rate of the loan was adjusted from 3.10% to 4.15% starting from 26 September 2019 and the loan should be payable annually on simple interest. As at 31 December 2020, Pinghai Power reclassified debentures payable to current portion of non-current liabilities. Such debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 4.23% (31 December 2019: 4.23%).

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

(31) Debentures payable (Cont'd)

(b) 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 expense of RMB 2,256,000, which should be paid in three years. As at 31 December 2020, the issue expense of RMB 2,256,000 was 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 2020, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 4.29%.

(c) As approved by CSRC Circular SFC License [2019] No. 2477, the Company issued 5-year book-entry corporate debentures in real-name system with face value of RMB 1,500,000,000 ("20 Yuedian Bond 01") to the public on 29 April 2020. The Company altogether raised RMB 1,499,471,698 after deducting an issue expense of RMB 528,302. The loan is subject to an annual interest rate of 2.45% starting from 29 April 2020 and should be payable annually on simple interest. As at 31 December 2020, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 2.46%.

(32) Long-term payables

	31 December 2020	31 December 2019
Long-term payables (a)	3,147,011,127	2,414,256,713
Payables for specific projects (b)	24,960,000	71,089,532
	<u>3,171,971,127</u>	<u>2,485,346,245</u>

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

(32) Long-term payables (Cont'd)

(a) Long-term payables

	31 December 2020	31 December 2019
Finance lease payable (i)	3,301,499,964	2,657,339,603
Payables for share repurchase (ii)	90,000,000	90,000,000
Less: Long-term payables due within one year	(244,488,837)	(333,082,890)
	3,147,011,127	2,414,256,713

(i) The Group's minimum finance lease payments are as follows:

<u>Minimum finance lease payments</u>	31 December 2020	31 December 2019
Within 1 year (inclusive)	268,337,930	427,932,313
1 to 2 years (inclusive)	614,912,274	239,714,412
2 to 3 years (inclusive)	589,800,822	557,701,919
Over 3 years	2,723,041,450	1,971,377,855
Sub-total	4,196,092,476	3,196,726,499
Less: Unrecognised finance charge	(894,592,512)	(539,386,896)
	3,301,499,964	2,657,339,603

The above finance lease payable due within one year less unrecognised finance charge is listed in Note 4(28)(b).

(ii) In 2016, Guangdong Utrust Equity Investment Co., Ltd. ("Utrust Investment") injected capital of RMB 10,000,000 to the Group's subsidiary Leizhou Wind Power and capital of RMB 50,000,000 to the Group's subsidiary Dianbai Wind Power, and obtained 30% equity of the Group's subsidiary Xuwen Wind Power at a consideration of RMB 30,000,000. According to the agreement, the Group shall repurchase the equity held by Utrust Investment after the five-year equity participation (namely, in 2021), and the price of repurchase shall equal to Utrust Investment's actual amount of contribution of RMB 90,000,000. The Group should pay equity premium to Utrust Investment at fixed proportion annually. As at 31 December 2020, share repurchases payable to Utrust Investment by the Group were reclassified to current portion of non-current liabilities.

(b) Payables for specific projects

	Opening balance	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)	31,001,152	(31,001,152)	-
Liquidation balance of enterprises with diversified businesses (iii)	15,128,380	(15,128,380)	-
	71,089,532	(46,129,532)	24,960,000

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

(32) 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, a subsidiary of the Group. According to the document issued by Yunnan Water Conservancy & Hydropower Investment Co., Ltd. (Yun Shui Tou Fa [2015] No. 16), such payables for specific projects 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 the agreement, including RMB 32,205,311 from the Department of Finance of Guangdong Province, RMB 38,647,834 from GEGC and payables of RMB 4,168,733 from Shaoguan Electric Power Plant. According to the document issued by the 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 2020, 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. In 2020, the Group returned the surplus from special funds for "Supply of Water, Electricity and Heat and Property Management" to the Department of Finance of Guangdong Province and GEGC.

(iii) In 2019, the non-related electric power enterprises with diversified businesses transferred liquidation balance of RMB 15,128,380 to Yuejiang Power, a subsidiary of the Group, which was specifically invested in its employees' relocation, training and pension funds. In 2020, Yuejiang Power made specific plans for employees' relocation, training and pension funds. Management believed that there was no need for additional expenses in future years, so the liquidation balance of RMB 15,128,380 received from diversified businesses in 2019 was transferred to non-operating income in the current year.

(33) Deferred income

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Government grants (a)	139,256,513	14,995,600	(19,604,523)	134,647,590

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

(33) Deferred income (Cont'd)

(a) Government grants

Government grants	31 December 2019	Increase in the current year	Recognised in other income in the current year	31 December 2020	Assets related/ Income related
Compensation for relocation and renovation of Shajiao A Zhenkou pump house	22,245,433	-	(5,561,358)	16,684,075	Assets related
Special funds for 1-3# generators' desulfurisation project	17,714,334	-	(1,303,568)	16,410,766	Assets related
Energy saving grants	15,270,657	-	(1,479,870)	13,790,787	Assets related
Tax refund for PRC-made equipment	12,629,142	-	(2,296,208)	10,332,934	Assets related
Comprehensive technology upgrading for the energy saving of 1&2# generator units turbine by Zhongyue Energy	8,461,538	-	(769,231)	7,692,307	Assets related
Development and competitiveness funds from SASAC	7,333,333	-	(666,667)	6,666,666	Assets related
Second incentives for comprehensive and typical demonstration projects under financial policies of energy saving	7,200,000	-	(450,000)	6,750,000	Assets related
Incentives for energy efficiency of power plant by Dongguan	6,590,750	-	(1,647,687)	4,943,063	Assets related
Post rewarding subsidies for ultra-low emissions of 1&2# generators	6,279,149	-	(633,192)	5,645,957	Assets related
Incentives for energy efficiency of power plant by Zhongyue Energy	4,436,729	-	(277,296)	4,159,433	Assets related
Post rewarding subsidies for ultra-low emissions of designated account of special fund in Maonan District of Maoming in 2018	3,727,308	-	(338,846)	3,388,462	Assets related
Incentives for energy efficiency of power plant by Zhanjiang	3,062,182	-	(306,218)	2,755,964	Assets related
Dianbai Reshui wind power plant project	3,000,000	-	-	3,000,000	Assets related
Expansion on flow reconstruction project	2,900,038	-	(725,010)	2,175,028	Assets related
Shajiao A - 2016 central finance energy saving funds	2,822,499	-	(705,624)	2,116,875	Assets related
Government subsidies from the financial treasury payment centre of Qujiang District, Shaoguan	2,651,208	-	(276,146)	2,375,062	Assets related

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Special prize funds of recycle economy and energy saving by Shenzhen	2,218,155	-	(213,334)	2,004,821	Assets related
Energy saving funds	2,185,045	-	(546,260)	1,638,785	Assets related
Provincial special funds for enterprises' technology improvement	-	8,735,600	(60,664)	8,674,936	Assets related
Special fund for the project of no wastewater discharge	-	3,710,000	-	3,710,000	Assets related
Development and application project for the operation and maintenance of offshore wind power	-	2,550,000	-	2,550,000	Assets related
Others	8,529,013	-	(1,347,344)	7,181,669	Assets related
	<u>139,256,513</u>	<u>14,995,600</u>	<u>(19,604,523)</u>	<u>134,647,590</u>	

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

(34) Long-term employee benefits payable

	31 December 2020	31 December 2019
Early retirement benefits payable (a)	167,123,612	131,071,031
Defined benefit plans payable (b)	35,749,463	-
Other long-term employee benefits payable (c)	63,920,439	42,309,058
Less: Payable within one year	<u>(48,249,771)</u>	<u>(38,391,229)</u>
	<u>218,543,743</u>	<u>134,988,860</u>

The employee benefits payable within one year are included in the employee benefits payable (Note 4(25)).

- (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 2020, 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 3.97% (2019: 4.27%) of the same period. As at 31 December 2020, the Group accrued termination benefits of RMB 167,123,612 (31 December 2019: RMB 131,071,031) and recognised it in long-term employee benefits payable. The actual termination benefits due within one year totalling RMB 32,292,293 (31 December 2019: RMB 29,071,494) were recognised in employee benefits payable.
- (b) In accordance with the *FAQ on Social Management of Retired Employees in State-owned Enterprises* (Guo Zi Ting Fa Gai Ge [2020 No. 36] issued by the State-owned Assets Supervision and Administration Commission of the State Council, the Group made a one-time provision for the existing retirement pensions paid to retired employees, and the retirement pensions are paid on a monthly basis. The Group's retirement pensions mainly include retirement subsidies, military transfer subsidies and living allowances for retired primary and secondary school teachers. The expected present values of cash flows that shall be paid for retirement pensions during the expected remaining life of the retired employees are recognised as long-term employee benefits payable and recorded in profit or loss for the current period. As at 31 December 2020, the Group calculated the expected expense for each year up to the expected remaining life based on certain proportion of the retired employee's retirement pensions of the year, and estimated the present value of cash expenses for future retirement pensions by treasury bond interest rate of 3.97% of the same period. As at 31 December 2020, the Group accrued defined benefit plans of RMB 35,749,463 and recognised it in long-term employee benefits payable. The actual termination benefits due within one year totalling RMB 7,742,552 are recognised in employee benefits payable.

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

(34) Long-term employee benefits payable (Cont'd)

(b) (Cont'd)

As at 31 December 2020, significant actuarial assumptions for the determination of the present value of the obligations of the defined benefit plan were as follows:

31 December 2020

Discount rates	3.97%
Growth rates on military transfer subsidies	2% to 12%
Growth rates on retirement allowances	0%
Growth rates on living allowances for retired primary and secondary school teachers	0%

Assumptions regarding expected remaining life are determined in terms of published statistical data and records of each region on an actuarial basis.

The sensitivity analysis below has been carried out based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while all other assumptions are held constant.

If the discount rate decreases by 0.5%, the present value of the obligations of the defined benefit plan will increase by RMB 1,893,973. If the life expectancy increases 0.5%, the present value of the obligations of the defined benefit plan will increase by RMB 2,654,517.

The sensitivity analysis presented above may not reflect the actual changes in the obligations of the defined benefit plan because it is unlikely that changes in one assumption would occur in isolation of one another as some of the assumptions may be correlated.

(c) According to relevant regulations on social medical insurance in places where the Company and some subsidiaries of 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 current period. As at 31 December 2020, 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 3.97% (2019: 4.27%) as discount rate. As at 31 December 2020, the Group accrued other long-term employee benefits payable of RMB 63,920,439 (31 December 2019: RMB 42,309,058), with actual payment of other long-term employee benefits payable due within one year of RMB 8,214,926 (31 December 2019: RMB 9,319,735) recognised in employee benefits payable.

(d) Long-term employee benefits payable included in profit or loss for the current period in 2020 were as follows:

	2020	2019
General and administrative expenses	140,104,439	59,459,281

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

(35) Other non-current liabilities

	31 December 2020	31 December 2019
Capital injection (a)	200,000,000	216,405,569
Housing revolving fund	970,029	-
	<u>200,970,029</u>	<u>216,405,569</u>

- (a) In 2017, the Group's subsidiary Yuejiang Power received a capital injection of RMB 16,405,569 from minority shareholders. In 2020, Yuejiang Power decided to use the capital injection from shareholders in prior years to increase the share capital. As at the issuance date of the report, relevant equity transactions and the registration for changes of business license had been completed. Therefore, such capital injection from minority shareholders originally recorded in other non-current liabilities was recognised as minority interests.

In 2018, the Group'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 2020, such capital injection was recorded in other non-current liabilities as the relevant equity transactions and 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 2020, such capital injection was recorded in other non-current liabilities as the relevant equity transactions and the registration for changes of business license had not been completed.

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

(36) Share capital

	31 December 2019	Movements in the current year					31 December 2020
		Issuance of new shares	Bonus shares	Housing fund transferred to shares	Others	Sub-total	
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
	<u>5,250,283,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,250,283,986</u>
	1 December 2018	Movements in the current year					31 December 2019
		Issuance of new shares	Bonus shares	Housing fund transferred to shares	Others	Sub-total	
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
	<u>5,250,283,986</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,250,283,986</u>

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

(37) Capital surplus

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Share capital premium	4,543,959,053	-	-	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 (a)	14,971,484	-	(194,654,260)	(179,682,776)
Transfer of capital surplus recognised under the previous accounting system	20,474,592	-	-	20,474,592
Others	2,919,327	-	-	2,919,327
	<u>5,096,918,174</u>	<u>-</u>	<u>(194,654,260)</u>	<u>4,902,263,914</u>
	31 December 2018	Increase in the current year	Decrease in the current year	31 December 2019
Share capital premium	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	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
	<u>5,102,846,886</u>	<u>-</u>	<u>(5,928,712)</u>	<u>5,096,918,174</u>

(a) In 2020, capital surplus of associates calculated based on proportion of equity acquired decreased by RMB 194,654,260 (Note 4(10)(a) and Note 4(10)(b)).

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

(38) Other comprehensive income

	Other comprehensive income in the balance sheet			Other comprehensive income in the income statement for the year ended 31 December 2020				
	31 December 2019	Attributable to the parent company after tax		Accruals before income tax	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
		31 December 2020						
Other comprehensive income items which will not be reclassified to profit or loss								
Other comprehensive income that will not be reclassified to profit or loss	23,863,586	18,578,841	42,442,427	18,578,841	-	-	18,578,841	-
Changes in fair value of investments in other equity instruments	1,652,058,990	251,985,062	1,904,044,052	335,980,082	-	(83,995,020)	251,985,062	-
Other comprehensive income items which can be reclassified subsequently to profit or loss								
Other comprehensive income that can be subsequently transferred to profit or loss under the equity method	220,468	(401,352)	(180,884)	(401,352)	-	-	(401,352)	-
	1,676,143,044	270,162,551	1,946,305,595	354,157,571	-	(83,995,020)	270,162,551	-

	Other comprehensive income in the balance sheet					Other comprehensive income in the income statement for the year ended 31 December 2020				
	31 December 2018	Changes in accounting policies		Attributable to the parent company after tax	31 December 2019	Accruals before income tax	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
		1 January 2019								
Other comprehensive income items which will not be reclassified to profit or loss										
Other comprehensive income that will not be reclassified to profit or loss	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 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	528,256,889	(528,256,889)	—	-	-	-	-	-	-	-
Other comprehensive income that can be subsequently transferred to profit or loss under the 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	-

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

(39) Surplus reserve

	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020
Statutory surplus reserve	2,828,966,001	77,026,584	-	2,905,992,585
Discretionary surplus reserve	5,416,801,592	192,566,461	-	5,609,368,053
	<u>8,245,767,593</u>	<u>269,593,045</u>	<u>-</u>	<u>8,515,360,638</u>
	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
	<u>7,834,155,143</u>	<u>411,612,450</u>	<u>-</u>	<u>8,245,767,593</u>

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 20 May 2020, the Company appropriated 10% of net profit for 2019, amounting to RMB 77,026,584 (2019: 10% of net profit for 2018, amounting to RMB 117,603,557) to the statutory surplus reserve. Meanwhile, the Company appropriated 25% of net profit for 2019, amounting to RMB 192,566,461 (2019: 25% of net profit for 2018, amounting to RMB 294,008,893) to the discretionary surplus reserve.

(40) Undistributed profits

	2020	2019
Undistributed profits at the beginning of the year	5,909,128,280	5,490,006,140
Add: Net profit attributable to equity owners of the Company	1,746,280,132	1,146,767,033
Less: Appropriation to statutory surplus reserve (Note 4(39))	(77,026,584)	(117,603,557)
Appropriation to discretionary surplus reserve (Note 4(39))	(192,566,461)	(294,008,893)
Dividends payable on ordinary shares (a)	(630,034,078)	(315,017,039)
Others	-	(1,015,404)
Undistributed profits at the end of the year	<u>6,755,781,289</u>	<u>5,909,128,280</u>

- (a) In accordance with the resolution at the shareholders' meeting dated 20 May 2020, the Company proposed a cash dividend to the shareholders at RMB 1.2 per 10 shares, amounting to RMB 630,034,078 calculated by 5,250,283,986 issued shares.

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

(40) Undistributed profits (Cont'd)

(b) Undistributed profits at the end of the year

The surplus reserve attributable to the parent company appropriated by subsidiaries of the Group this year was RMB 193,043,043 (2019: RMB 144,642,230).

As at 31 December 2020, the undistributed profits attributable to the parent company included an appropriation of RMB 2,656,321,994 (31 December 2019: RMB 2,463,278,951) to surplus reserve made by the Company's subsidiaries.

(41) Revenue and cost of sales

	2020	2019
Revenue from main operations	27,882,220,303	29,018,275,346
Revenue from other operations	446,845,088	341,879,804
	<u>28,329,065,391</u>	<u>29,360,155,150</u>

	2020	2019
Cost of sales from main operations	22,449,750,105	24,468,499,397
Cost of sales from other operations	22,526,396	12,204,475
	<u>22,472,276,501</u>	<u>24,480,703,872</u>

(a) Revenue and cost of sales from main operations

	2020		2019	
	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	27,651,253,496	22,282,338,006	28,811,365,634	24,303,147,059
Revenue from steam	128,940,548	81,308,257	137,136,069	100,553,481
Rendering of services	102,026,259	86,103,842	69,773,643	64,798,857
	<u>27,882,220,303</u>	<u>22,449,750,105</u>	<u>29,018,275,346</u>	<u>24,468,499,397</u>

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

(41) Revenue and cost of sales (Cont'd)

(b) Revenue and cost of sales from other operations

	2020		2019	
	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	363,312,318	4,547,044	270,692,961	1,123,900
Rental income	26,513,095	7,863,170	25,092,388	3,910,335
Revenue from sales of materials	2,283,546	7,866,528	2,246,472	2,455,349
Others	54,736,129	2,249,654	43,847,983	4,714,891
	<u>446,845,088</u>	<u>22,526,396</u>	<u>341,879,804</u>	<u>12,204,475</u>

- (i) Due to the impact of COVID-19, the Group exempted the lessee from paying the rent of RMB 612,511 for the second quarter of 2020, and the Group has deducted the above rental waivers against the rental income for the current period.

Information for revenue, cost of sales and profit from main operations is included in segment reporting.

- (c) The Group's revenue in 2020 was broken down as follows:

	2020				
	Sales of electricity, steam and coal ash	Services	Rent	Others	Total
Revenue from main operations					
Including: Recognised at point	27,780,194,044	2,513,942	-	-	27,782,707,986
Recognised over period	-	99,512,317	-	-	99,512,317
Revenue from other operations					
Including: Recognised at point	363,312,318	-	-	49,344,627	412,656,945
Recognised over period	-	-	26,513,095	7,675,048	34,188,143
	<u>28,143,506,362</u>	<u>102,026,259</u>	<u>26,513,095</u>	<u>57,019,675</u>	<u>28,329,065,391</u>

As at 31 December 2020, the amount of revenue corresponding to the performance obligation of the Group that had been contracted but not yet performed or not fulfilled was RMB 5,718,411. The Group expected that the revenue amounting to RMB 5,718,411 would be recognised in 2021.

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

(42) Taxes and surcharges

	2020	2019	Tax base
Real estate tax	75,933,259	74,173,022	Note 3
City maintenance and construction tax	68,515,974	69,304,761	Note 3
Educational surcharge	53,165,549	53,642,928	Note 3
Land use tax	22,531,130	22,581,711	
Stamp tax	19,545,498	16,759,160	
Environmental protection tax	13,566,142	13,045,249	Note 3
Others	327,833	214,930	
	<u>253,585,385</u>	<u>249,721,761</u>	

(43) Selling and distribution expenses

	2020	2019
Employee benefits	33,743,494	30,147,630
Labour insurance	4,128,202	6,141,152
Entertainment expenses	2,607,534	2,242,376
Travelling expense	1,180,807	1,532,592
Rental expenses	1,359,093	700,908
Depreciation expenses (Note 4(13)(a)(i))	682,154	434,425
Others	5,513,230	2,589,679
	<u>49,214,514</u>	<u>43,788,762</u>

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

(44) General and administrative expenses

	2020	2019
Employee benefits	429,078,411	318,985,080
Amortisation of intangible assets (Note 4(15)(a))	59,013,289	52,313,721
Depreciation expenses (Note 4(12)(a) and (13)(a)(i))	50,851,535	50,801,562
Labour insurance	46,337,902	79,937,050
Fire safety expenses	42,632,745	44,166,755
Property management expenses	33,135,162	29,057,707
Agency fee	29,785,038	19,084,853
Office expenses	27,242,206	23,737,171
Rental expenses	15,011,259	13,505,144
Maintenance cost	10,392,331	12,756,523
Afforestation fee	9,276,335	8,831,336
Traffic expenses	8,090,054	7,893,793
Travelling expense	5,427,018	7,307,843
Labour costs	6,363,138	5,426,711
Entertainment expenses	4,380,801	4,009,303
Insurance expenses	4,293,685	3,316,306
Expenses on board meetings	729,481	533,663
Production preparation cost	-	150,664,439
Sewage charges	-	129,605
Others	53,887,005	42,182,303
	<u>835,927,395</u>	<u>874,640,868</u>

(45) Research and development expenses

	2020	2019
Employee benefits	126,089,196	-
Material expenses	119,208,245	-
Outsourced research and development expenses	14,701,916	8,549,423
Depreciation and amortisation expenses	7,831,697	-
Others	6,748,662	1,154,179
	<u>274,579,716</u>	<u>9,703,602</u>

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

(46) Financial expenses

	2020	2019
Interest costs	1,395,702,315	1,410,457,651
Less: Capitalised interest	(284,201,367)	(179,819,947)
Sub-total of interest expenses	<u>1,111,500,948</u>	<u>1,230,637,704</u>
Amortisation of unrecognised finance charge	72,748,409	57,321,674
Amortisation of discounts or premium of debentures payable	2,146,686	1,588,413
Less: Interest income	(76,249,292)	(66,836,652)
Exchange (gains)/losses - net	(4,639,497)	1,353,572
Bank charges and others	3,014,810	6,251,130
	<u>1,108,522,064</u>	<u>1,230,315,841</u>

(47) 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:

	2020	2019
Consumed fuel, low value consumables, etc.	16,398,401,070	17,891,273,988
Depreciation and amortisation expenses	3,419,945,900	3,783,767,872
Employee benefits	1,947,050,790	1,886,271,386
Repair charges	1,013,009,894	1,006,918,706
Electricity transaction expenses and pricing adjustment settlement fee	118,013,556	45,683,532
Insurance expenses	116,651,499	103,594,103
Outsourcing fees for maintenance projects	78,046,018	59,053,078
Fire safety expenses	51,886,907	48,396,661
Sewage and sanitary charges	34,478,326	61,671,728
Property management expenses	33,634,676	33,041,303
Traffic expenses	26,820,001	25,677,325
Tug service fees	25,174,339	11,495,094
Rental expenses	23,730,021	21,478,872
Office expenses	30,692,829	26,894,609
Management fees for frequency modulation and energy storage	12,561,832	-
Production preparation cost	-	150,664,439
Others	301,900,468	252,954,408
	<u>23,631,998,126</u>	<u>25,408,837,104</u>

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

(48) Asset impairment losses

	2020	2019
Impairment losses on fixed assets (Note 4(13)(a)(vi))	391,721,793	54,133,177
Impairment losses on construction in progress (Note 4(14)(a)(ii))	81,835,540	35,211,238
Losses on decline in the value of inventories (Note 4(5)(b))	13,985,244	530,152
Impairment losses on long-term equity investments (Note 4(10)(b))	-	71,317,168
Impairment losses on construction materials (Note 4(14)(b))	-	729,603
Reversal of impairment of advances to suppliers (Note 4(3)(b))	-	(190,000)
	<u>487,542,577</u>	<u>161,731,338</u>

(49) Losses on/(Reversal of) credit impairment losses

	2020	2019
Losses on bad debts of other receivables (Note 4(4)(b))	250,238	2,301,051
Losses on/(Reversal of) bad debts of accounts receivable (Note 4(2)(c))	37,906	(2,288)
Impairment losses on contract assets	12,512	—
Recovery of written off other receivables	-	(48,647,647)
	<u>300,656</u>	<u>(46,348,884)</u>

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

(50) Other income

	2020	2019	Assets related/ Income related
Revenue from VAT refund upon collection	9,240,948	8,787,584	Income related
Compensation for relocation and renovation of Shajiao A Zhenkou pump house	5,561,358	5,561,358	Assets related
Refund of unemployment insurance benefits	4,195,314	-	Income related
Tax refund for PRC-made equipment	2,296,208	2,296,208	Assets related
Subsidies for employment stabilisation provided by unemployment insurance	2,061,084	241,510	Income related
Incentives for energy efficiency of power plant by Dongguan	1,647,687	1,647,687	Assets related
Energy saving grants	1,479,870	1,479,871	Assets related
Subsidies for employees' job training	1,321,500	-	Income related
Special funds for 1-3# generators' desulfurisation project	1,303,568	742,131	Assets related
Subsidy for steady growth	1,000,000	-	Income related
Refund of service fee for withholding individual income tax	456,821	1,083,959	-
Enterprise economic contribution rewards for Nansha headquarters	-	3,777,300	Income related
Other government grants related to assets	7,315,832	14,196,922	Assets related
Other government grants related to income	1,817,956	2,257,123	Income related
	<u>39,698,146</u>	<u>42,071,653</u>	

(51) Investment income

	2020	2019
Investment income from long-term equity investments under the equity method	235,387,197	64,909,255
Dividend income earned during the holding period of investments in other equity instruments (Note 4(11))	65,087,539	58,580,379
Recovery of interest income from written off other receivables	-	1,224,342
Others	361,286	827,264
	<u>300,836,022</u>	<u>125,541,240</u>

The Group obtains returns from investment without any significant restrictions.

(52) Gains on disposal of assets

2020	2019	Amount recognised in non-recurring profit or loss in 2020
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GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

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Gains from disposal of other current assets (Note 4(13)(a)(v))	340,936,718	-	340,936,718
Gains on disposal of intangible assets	157,963	29,476,253	157,963
Losses on disposal of fixed assets	(118,320)	(10,576)	(118,320)
Losses on disposal of construction in progress	-	(8,962,253)	-
	<u>340,976,361</u>	<u>20,503,424</u>	<u>340,976,361</u>

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

(53) Non-operating income

	2020	2019	Amount recognised in non-recurring profit or loss in 2020
Gains on scrapping of fixed assets	21,381,516	6,789,851	21,381,516
Liquidation balance of enterprises with diversified businesses (Note 4(32)(b)(iii))	15,128,380	-	15,128,380
Compensation for electricity charges during the demolition and construction period (Note 4(13)(a)(iv))	11,315,659	-	11,315,659
Negative goodwill gains from associates (Note 4(10)(b)(ii))	8,549,071	-	8,549,071
Payables unnecessary to be repaid	8,145,556	6,441,146	8,145,556
Claims and compensation income	7,055,408	4,375,102	7,055,408
Income from penalty and fine	4,348,916	6,329,626	4,348,916
Negative goodwill gains from business combination involving enterprises not under common control (Note 5(2))	1,235,720	-	1,235,720
Others	9,759,980	9,300,994	9,759,980
	<u>86,920,206</u>	<u>33,236,719</u>	<u>86,920,206</u>

(54) Non-operating expenses

	2020	2019	Amount recognised in non-recurring profit or loss in 2020
Carbon emission quota used to fulfil the emission reduction obligation (a)	57,470,471	-	-
Losses on scrapping of non-current assets	23,719,197	14,970,579	23,719,197
Losses on scrapping of waste materials	6,066,525	3,360,365	6,066,525
Penalties and overdue fines	3,976,455	4,449,214	3,976,455
Donation expenses	707,460	643,072	707,460
Expenses borne by enterprises under the "supply of water, electricity and heat and property management" renovation project	-	7,885,758	-
Others	1,340,300	702,139	1,340,300
	<u>93,280,408</u>	<u>32,011,127</u>	<u>35,809,937</u>

(a) In accordance with the *Interim Provisions on the Accounting Treatment Regarding Carbon Emissions Right Trading* and the *Interim Measures for the Administration of Trading of Carbon Emission Rights* (Cai Kuai [2019] No. 22), companies within the Group that were identified as key emission units recognised the purchase of carbon emission quotas used in 2020 as non-operating expenses on an accrual basis, and included relate provision for carbon emission quota payable in other payables.

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

(55) Income tax expenses

	2020	2019
Current income tax calculated based on tax law and related regulations	885,076,351	673,284,479
Deferred income tax	1,929,052	64,780,530
	<u>887,005,403</u>	<u>738,065,009</u>

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:

	2020	2019
Total profit	<u>3,522,266,910</u>	<u>2,545,239,899</u>
Income tax calculated at applicable tax rates	880,566,728	636,309,975
Effect of preferential tax rates of subsidiaries	(52,401,964)	(58,231,083)
Income not subject to tax	(75,465,498)	(32,184,480)
Costs, expenses and losses not deductible for tax purposes	43,410,525	25,250,185
Deductible losses for which no deferred tax asset was recognised in the current period	122,010,354	38,808,803
Transfer-out of deductible losses for which deferred tax asset was recognised	31,862,492	47,877,267
Deductible temporary differences for which no deferred tax asset was recognised in the current period	70,114,810	91,854,715
Utilisation of deductible losses for which no deferred tax asset was recognised in previous periods	(2,081,301)	(197,303)
Utilisation of deductible temporary differences for which no deferred tax asset was recognised in previous periods	(134,262,143)	(8,146,091)
Effect of other deductible expenses	(498,256)	(484,255)
Income tax filing difference from previous years	3,749,656	(2,792,724)
Income tax expenses	<u>887,005,403</u>	<u>738,065,009</u>

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

(56) 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:

	2020	2019
Consolidated net profit attributable to ordinary shareholders of the parent company	1,746,280,132	1,146,767,033
Weighted average number of outstanding ordinary shares of the Company	5,250,283,986	5,250,283,986
Basic earnings per share	<u>0.33</u>	<u>0.22</u>
Including:		
- Basic earnings per share from continuing operations:	0.33	0.22
- Basic earnings per share for 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 2020, there were no dilutive potential ordinary shares (2019: Nil), and hence diluted earnings per share is equal to basic earnings per share.

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

(57) Notes to the cash flow statement

(a) Cash received relating to other operating activities

	2020	2019
Interest income	69,813,793	64,827,152
Rental income	26,513,095	25,092,388
Government grants	25,848,275	34,698,782
Claims and compensation income	11,404,324	11,704,759
Liquidation balance of enterprises with diversified businesses	-	15,128,380
Others	31,822,683	43,877,306
	165,402,170	195,328,767

(b) Cash paid relating to other operating activities

	2020	2019
Insurance expenses	151,796,162	103,594,103
Electricity transaction expenses	72,977,090	45,683,532
Fire safety expenses	51,886,907	48,396,661
Utility fees	35,508,739	39,491,941
Property management expenses	33,135,162	33,041,303
Sewage and sanitary charges	36,105,213	61,671,728
Expenses relating to supply of water, power and heat and property management	31,001,152	42,207,199
Office expenses	30,692,829	26,894,609
Traffic expenses	25,889,098	25,677,325
Rental expenses	23,730,021	21,478,872
Expenses on carbon emission quotas used to fulfil the emission reduction obligation	21,458,600	26,502,649
Administrative penalties and overdue fines	3,400,418	176,593,564
Others	206,117,688	140,545,635
	723,699,079	791,779,121

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

(57) Notes to the cash flow statement (Cont'd)

(c) Cash received relating to other investing activities

	2020	2019
Net income from trial operation	18,734,619	-
Advances from compensations for demolition	15,000,000	-
	<u>33,734,619</u>	<u>-</u>

(d) Cash paid relating to other investing activities

	2020	2019
Deposits prepaid for equity acquisition	80,000,000	-
Net expense on trial operation	44,658,936	-
Deposits for ecological protection	10,043,160	-
Deposits for rehabilitation	7,090,400	-
	<u>141,792,496</u>	<u>-</u>

(e) Cash received relating to other financing activities

	2020	2019
Cash received from financing sales and leaseback	<u>-</u>	<u>100,000,000</u>

(f) Cash paid relating to other financing activities

	2020	2019
Cash paid for finance leases	176,769,015	293,244,563
Agency fee for debenture issuance	3,376,906	971,697
	<u>180,145,921</u>	<u>294,216,260</u>

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

(58) 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

	2020	2019
Net profit	2,635,261,507	1,807,174,890
Add: Losses on provision for asset impairment	487,542,577	161,731,338
Provision for/(Reversal of) credit impairment losses	300,656	(46,348,884)
Depreciation of fixed assets	3,354,543,196	3,726,076,512
Depreciation of investment properties	2,550,812	2,085,161
Amortisation of intangible assets	59,888,045	52,313,721
Amortisation of long-term prepaid expenses	2,963,847	3,292,478
Amortisation of deferred income	(19,604,523)	(25,924,177)
Gains on disposal of fixed assets, intangible assets and other long-term assets	(340,976,361)	(20,503,424)
Losses on scrapping of fixed assets	2,337,681	8,180,728
Financial expenses	1,182,880,054	1,290,901,363
Investment income	(300,836,022)	(125,541,240)
Decrease in deferred tax items	1,929,052	64,780,530
Decrease/(Increase) in inventories	213,210,688	(335,772,151)
(Increase)/Decrease in operating receivables	(1,345,127,766)	609,828,991
Increase in operating payables	352,110,407	1,098,407,276
Increase/(Decrease) in restricted cash	(8,192,681)	2,000,000
Net cash flows from operating activities	6,280,781,169	8,272,683,112

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

(58) 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

	2020	2019
Long-term assets held under finance leases	1,000,444,757	425,283,800
Long-term assets of finance lease through sales and leaseback	-	100,000,000
	<u>1,000,444,757</u>	<u>525,283,800</u>

Net increase/(decrease) in cash and cash equivalents

	2020	2019
Cash at the end of the year	5,763,619,876	5,079,641,969
Less: Cash at the beginning of the year	<u>(5,079,641,969)</u>	<u>(5,570,382,892)</u>
Net increase/(decrease) in cash and cash equivalents	<u>683,977,907</u>	<u>(490,740,923)</u>

(b) Acquisition of the subsidiary – Huaguoquan Company

	2020
Cash and cash equivalents paid in the current year for business combination incurred in the current year (Note 5(2))	49,680,900
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	<u>(8,800,684)</u>
Net cash outflow on acquisition of the subsidiary	<u>40,880,216</u>

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

(58) Supplementary information to the cash flow statement (Cont'd)

(b) Acquisition of the subsidiary - Huaguoquan Company (Cont'd)

Considerations for acquisition of subsidiaries in 2020

2020

Huaguoquan Company (Note 5(2))		49,680,900
		49,680,900

Net assets of subsidiaries acquired in 2020 at the acquisition date

2020

Current assets		8,943,450
Non-current assets		58,004,732
Current liabilities		(677,733)
Non-current liabilities		(15,353,829)
		50,916,620

(c) Cash and cash equivalents

31 December 2020

31 December 2019

Cash at bank and on hand	5,790,946,117	5,081,641,969
Less: Restricted cash at bank	(27,326,241)	(2,000,000)
Cash and cash equivalents at the end of the year (i)	5,763,619,876	5,079,641,969

(i) Cash and cash equivalents at the end of the year

31 December 2020

31 December 2019

Cash on hand	26,993	25,114
Cash at bank that can be readily drawn on demand	5,763,592,883	5,079,616,855
	5,763,619,876	5,079,641,969

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

(59) Monetary items denominated in foreign currency

		31 December 2020		
		Balance in foreign currencies	Exchange rate	Balance in RMB
Cash at bank and on hand -				
USD	190		6.5249	1,233
HKD	12,884		0.8416	10,844
				12,077
Long-term borrowings -				
USD	7,971,450		6.5249	52,012,914
Current portion of non-current liabilities -				
USD	1,043,635		6.5249	6,809,614
EUR	135,792		8.0250	1,089,727
				7,899,341

5 Changes in consolidation scope

(1) Subsidiaries established during the year:

Subsidiaries	Major business location	Place of registration	Nature of business	Registered capital	Shareholding (%)	Acquisition method
Guangdong Yuedian Daya Bay Integrated Energy Co., Ltd. ("Daya Bay Company")	Huizhou, Guangdong Province	Huizhou, Guangdong Province	Electricity generation	RMB 22,000,000	80.00%	Investment
Guangdong Yuedian Qiming Energy Co., Ltd. ("Qiming Company")	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Electricity generation	RMB 20,000,000	100.00%	Investment
Huaguoquan Company	Shenzhen, Guangdong Province	Shenzhen, Guangdong Province	Leases	RMB 2,650,000	100.00%	Business combinations involving enterprises not under common control
Shaoguan Nanxiong Yuefeng New Energy Co., Ltd. ("Nanxiong New Energy")	Shaoguan, Guangdong Province	Shaoguan, Guangdong Province	Electricity generation	RMB 5,000,000	100.00%	Investment

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5 Changes of consolidation scope (Cont'd)

(2) Business combinations involving enterprises not under common control

(a) Business combinations involving enterprises not under common control in the current year

Acquiree	Timing of acquisition	Acquisition cost	Interest acquired (%)	Acquisition method	Acquisition date	Basis for determining the acquisition date	Revenue of the acquiree from the acquisition date to the end of the year	Net profit of the acquiree from the acquisition date to the end of the period	Cash flows from operating activities of the acquiree from the acquisition date to the end of the year	Net cash flows of the acquiree from the acquisition date to the end of the year
Huaguoquan Company	25 September 2020	49,680,900	100.00%	Equity transfer	25 September 2020	Completion of equity delivery	1,028,594	1,017,465	143,392	140,912

On 25 September 2020, the Company acquired 95% equity of Huaguoquan Company held by the headquarters of Dongguan Humen Jinfan Industrial Corporation and 5% equity of Huaguoquan Company held by the Labour Union of Shenzhen Huaguoquan Electric Service Co., Ltd. at a consideration of RMB 47,196,900 and RMB 2,484,000 respectively. This transaction is classified as a business combination involving enterprises under common control as Huaguoquan Company and the Company were not controlled by the same ultimate controlling party.

5 Changes of consolidation scope (Cont'd)

(2) Business combinations involving enterprises not under common control (Cont'd)

(b) Details of the costs of combination and goodwill recognised are as follows:

	Huaguoquan Company
Costs of combination -	
Cash paid	49,680,900
Less: Fair value of the share of identifiable net assets obtained	(50,916,620)
Amount recognised in profit or loss for the current period	<u>(1,235,720)</u>

(c) The assets and liabilities of the acquiree at the acquisition date are as follows:

(i) Huaguoquan Company

	Acquisition date Fair value	Acquisition date Carrying amount	31 December 2019 Carrying amount
Cash at bank and on hand	8,800,684	8,800,684	8,204,823
Receivables	19,647	19,647	5,311
Other receivables	104,427	104,427	3,000
Inventories	18,692	18,692	11,838
Investment properties	189,849	189,849	386,600
Fixed assets	57,814,883	279,683	400,862
Less: Advances from customers	(6,254)	(6,254)	(11,899)
Employee benefits payable	(1,935)	(1,935)	-
Taxes payable	(36,680)	(36,680)	(86,852)
Other payables	(632,864)	(632,864)	(522,158)
Deferred tax liabilities	(14,383,800)	-	-
Other non-current liabilities	(970,029)	(970,029)	(970,029)
Net assets	<u>50,916,620</u>	<u>7,765,220</u>	<u>7,421,496</u>
Net assets obtained	<u>50,916,620</u>		

SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS

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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	
Energy Thermal (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 Energy	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 Thermal Power Co., Ltd. ("Huadu Natural Gas")	Guangzhou	Guangzhou	Electricity generation	65.00%	-	Investment
Guangdong Yuedian Dapu Power Generation Co Ltd. ("Dapu Power Generation")	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
Power Sales	Guangzhou	Guangzhou	Electricity generation	100.00%	-	Investment

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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) Constitution 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 Company	Huaihua, Hunan Province	Huaihua	Electricity generation	100.00%	-	Investment
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 city	Jieyang city	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
Huizhou Pingdian Comprehensive Energy Co., Ltd. ("Pingdian Comprehensive") (ii)	Huizhou	Huizhou	Electricity generation	-	45.00%	Investment
Zhuhai Wind Power	Zhuhai	Zhuhai	Electricity generation	-	100.00%	Investment
Zhencheng Comprehensive (i)	Maoming	Maoming	Electricity generation	-	37.23%	Investment

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Guangdong Yudean Binhai Bay Energy Co., Ltd. ("Binhai Bay Company")	Dongguan	Dongguan	Electricity generation	100.00%	-	Investment
Daya Bay	Huizhou	Huizhou	Electricity generation	80.00%	-	Investment
Qiming	Shenzhen	Shenzhen	Electricity generation	100.00%	-	Investment
Huaguoquan	Shenzhen	Shenzhen	Leases	100.00%	-	Business combinations involving enterprises not under common control
Nanxiong New Energy	Shaoguan	Shaoguan	Electricity generation	-	100.00%	Investment

6 Interests in other entities (Cont'd)

(1) Interests in subsidiaries (Cont'd)

(a) Constitution of the Group (Cont'd)

- (i) On 30 November 2018, Energy Thermal merged Guangdong Energy Maoming Thermal Power Station Co., Ltd., wholly-owned by GEGC. After the merger, GEGC held 30.12% equity of Energy Thermal. 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 Energy Thermal. Therefore, the Company owns control power over Energy Thermal. 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 Energy Thermal. Therefore, the Company owns control power over Zhencheng Comprehensive.
- (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.

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6 Interests in other entities (Cont'd)

(1) Interests in subsidiaries (Cont'd)

(b) Subsidiaries with significant minority interests

Subsidiaries	Shareholding of minority shareholders (%)	Gains or losses attributable to minority shareholders in 2020	Dividends distributed to minority shareholders in 2020	Minority interests as at 31 December 2020
Bohe Energy	33.00%	(69,610,199)	-	1,371,330,255
Zhanjiang Electric	24.00%	65,554,950	68,878,466	1,357,105,686
Jinghai Power	35.00%	158,524,503	123,470,774	1,295,125,226
Red Bay Power	35.00%	101,340,817	129,115,169	1,150,268,404
Huizhou Natural Gas	33.00%	234,486,299	95,094,144	834,988,451
Pinghai Power	55.00%	151,357,730	71,997,437	718,375,999
Energy Thermal	53.46%	8,697,818	-	450,886,728

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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 2020						31 December 2019						
	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 Energy	767,050,262	9,643,376,566	10,410,426,828	3,764,791,895	2,490,088,705	6,254,880,600	406,450,976	8,090,725,274	8,497,176,250	1,243,204,501	2,887,485,525	4,130,690,026	
Zhanjiang Electric	3,046,263,179	1,262,920,735	4,309,183,914	175,539,000	21,203,440	196,742,440	2,933,345,468	1,360,939,980	4,294,285,448	149,489,138	22,283,574	171,772,712	
Jinghai Power	1,169,487,442	6,990,897,776	8,160,385,218	2,449,512,187	1,786,251,133	4,235,763,320	944,179,710	7,485,923,562	8,430,103,272	1,944,115,146	2,667,589,649	4,611,704,795	
Red Bay Power	972,859,321	5,062,032,390	6,034,891,711	1,796,971,724	752,258,158	2,549,229,882	790,682,866	5,336,542,066	6,127,224,932	1,388,119,251	1,169,279,149	2,557,398,400	
Huizhou Natural Gas	710,651,111	3,115,192,544	3,825,843,655	635,175,623	660,400,000	1,295,575,623	765,719,152	3,212,271,662	3,977,990,814	825,563,251	1,044,560,000	1,870,123,251	
Pinghai Power	1,254,897,337	3,768,541,657	5,023,438,994	1,570,145,027	1,276,397,000	2,846,542,027	1,025,618,654	4,139,133,331	5,164,751,985	1,038,669,288	2,189,671,466	3,228,340,754	
Energy Thermal	549,240,963	2,288,389,730	2,837,630,693	1,124,331,591	346,975,685	1,471,307,276	520,526,431	2,397,789,805	2,918,316,236	1,155,015,192	423,304,075	1,578,319,267	
	2020				2019								
	Revenue	Net (loss)/profit	Total comprehensive income	Cash flows from operating activities	Revenue	Net (loss)/profit	Total comprehensive income	Cash flows from operating activities					
Bohe Energy	190,228,324	(210,939,996)	(210,939,996)	1,028,367	773,421	(127,816,410)	(127,816,410)	(55,199,499)					
Zhanjiang Electric	1,697,051,516	198,651,363	198,651,363	380,388,728	1,860,318,943	283,160,720	283,160,720	341,541,041					
Jinghai Power	4,860,526,733	480,377,283	480,377,283	1,227,452,922	4,796,679,483	415,726,514	415,726,514	1,641,051,136					
Red Bay Power	3,655,108,574	307,093,385	307,093,385	852,369,607	3,841,846,212	434,731,209	434,731,209	1,066,208,056					
Huizhou Natural Gas	3,928,517,091	710,564,542	710,564,542	964,252,990	4,234,691,640	320,182,303	320,182,303	1,008,784,069					
Pinghai Power	3,243,260,761	458,659,788	458,659,788	601,318,982	3,029,136,753	210,705,126	210,705,126	1,125,527,395					
Energy Thermal	1,522,024,465	26,357,024	26,357,024	313,073,164	1,566,406,325	29,568,156	29,568,156	376,262,049					

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

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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%	-
Energy Financial Leasing Company	Guangzhou, Guangdong	Guangzhou, Guangdong	Finance leases	Yes	25.00%	-

Investments in associates are accounted for using the equity method.

(b) Summarised financial information of significant joint ventures

	31 December 2020	31 December 2019
	Industry Fuel	Industry Fuel
Current assets	3,394,974,695	2,525,548,290
Non-current assets	919,752,240	236,455,032
Total assets	4,314,726,935	2,762,003,322
Current liabilities	2,677,965,708	1,523,551,251
Non-current liabilities	505,894,435	795,464
Total liabilities	3,183,860,143	1,524,346,715
Minority interests	67,010,550	5,990,551
Attributable to shareholders of the parent company	1,063,856,242	1,231,666,056
Shares of net assets in proportion to shareholding (i)	531,928,121	615,833,028
Adjustments	(614,728)	(614,728)
Carrying amount of equity investment in joint ventures	531,313,393	615,218,300
Revenue	17,245,296,639	18,542,018,582
Net profit	148,992,812	161,363,606

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Including: Attributable to the parent company	148,992,812	161,373,052
Other comprehensive income	-	-
Including: Attributable to the parent company	-	-
Total comprehensive income	148,992,812	161,363,606
 Dividends received from joint ventures by the Group for the current year	 69,090,435	 68,053,122

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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 2020		31 December 2019	
	Shanxi Yudean Energy	Yudean Shipping	Shanxi Yudean Energy	Yudean Shipping
Current assets	359,511,675	610,941,062	493,527,957	677,384,957
Non-current assets	4,862,121,461	1,526,832,468	4,018,816,040	2,301,371,982
Total assets	5,221,633,136	2,137,773,530	4,512,343,997	2,978,756,939
Current liabilities	272,974,916	1,447,093,206	227,879,801	1,486,497,588
Non-current liabilities	394,482,950	-	167,617,393	209,774,800
Total liabilities	667,457,866	1,447,093,206	395,497,194	1,696,272,388
Minority interests	6,344,280	-	6,337,937	-
Attributable to shareholders of the parent company	4,547,830,990	690,680,324	4,110,508,866	1,282,484,551
Shares of net assets in proportion to shareholding (i)	1,819,132,396	241,738,113	1,644,203,546	448,869,593
Adjustments				
- Goodwill	-	-	-	-
Carrying amount of equity investment in associates	1,819,132,396	241,738,113	1,644,203,546	448,869,593
Revenue	8,899,732	1,326,615,620	7,251,090	1,525,757,019
Net profit/(loss)	487,328,469	(579,173,585)	610,019,213	(1,360,556,144)
Including: Attributable to the parent company	487,322,126	(579,173,585)	610,034,351	(1,360,556,144)
Other comprehensive income	-	(991,382)	-	615,287
Including: Attributable to the parent company	-	(991,382)	-	615,287
Total comprehensive income	487,328,469	(580,164,967)	610,019,213	(1,359,940,857)
Dividends received from associates by the Group for the current year	20,000,000	-	40,000,000	-

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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 2020		31 December 2019	
	Energy Group Finance Company	Taishan Electric	Energy Group Finance Company	Taishan Electric
Current assets	4,029,448,613	1,394,060,235	5,476,170,472	992,068,417
Non-current assets	16,236,897,512	10,151,763,274	14,966,723,063	11,150,344,536
Total assets	20,266,346,125	11,545,823,509	20,442,893,535	12,142,412,953
Current liabilities	16,186,047,689	2,099,513,156	16,528,663,938	1,324,769,339
Non-current liabilities	24,771,788	-	-	390,000,000
Total liabilities	16,210,819,477	2,099,513,156	16,528,663,938	1,714,769,339
Minority interests	-	1,177,413	-	863,919
Attributable to shareholders of the parent company	4,055,526,648	9,445,132,940	3,914,229,597	10,426,779,695
Shares of net assets in proportion to shareholding (i)	1,013,881,662	1,889,026,588	978,557,399	2,085,355,939
Adjustments				
- Goodwill	13,325,000	-	13,325,000	-
Carrying amount of equity investment in associates	1,027,206,662	1,889,026,588	991,882,399	2,085,355,939
Revenue	692,417,185	6,349,201,814	713,981,963	6,549,854,533
Net profit	359,629,301	398,456,650	308,292,609	580,521,643
Including: Attributable to the parent company	359,629,301	398,026,651	308,292,609	580,709,129
Other comprehensive income	74,315,364	(388,346)	-	25,585
Including: Attributable to the parent company	74,315,364	(271,842)	-	25,585
Total comprehensive income	433,944,665	398,068,304	308,292,609	580,547,228
Dividends received from associates by the Group for the current year	73,161,903	275,880,313	64,106,710	-

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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 2020 Energy Financial Leasing Company	31 December 2019 Energy Financial Leasing Company
Current assets	913,688,722	N/A
Non-current assets	4,333,088,521	N/A
Total assets	<u>5,246,777,243</u>	<u>N/A</u>
Current liabilities	1,457,308,158	N/A
Non-current liabilities	1,699,534,931	N/A
Total liabilities	<u>3,156,843,089</u>	<u>N/A</u>
Minority interests	-	N/A
Attributable to shareholders of the parent company	2,089,934,154	N/A
Shares of net assets in proportion to shareholding (i)	<u>522,483,539</u>	<u>N/A</u>
Adjustments		
- Goodwill	-	N/A
Carrying amount of equity investment in associates	<u>522,483,539</u>	<u>N/A</u>
Revenue	17,960,469	N/A
Net profit	3,904,742	N/A
Including: Attributable to the parent company	<u>3,904,742</u>	<u>N/A</u>
Other comprehensive income	-	N/A
Including: Attributable to the parent company	<u>-</u>	<u>N/A</u>
Total comprehensive income	<u>3,904,742</u>	<u>N/A</u>
Dividends received from associates by the Group for the current year	<u>-</u>	<u>N/A</u>

(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 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

	2020	2019
Associates:		
Aggregated carrying amount of investments	656,356,923	670,254,785
Aggregate for the following items in proportion to the shareholding		
Net (loss)/profit (i)	(1,816,145)	23,188,661
Other comprehensive income (i)	(1,269,641)	2,110,342
Total comprehensive income	<u>(3,085,786)</u>	<u>25,299,003</u>

(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 upon the acquisition of investment 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 2020, the revenue earned by the Group's power plants from Southern Power Grid Company amounted to RMB 27,651,253,496 (2019: RMB 28,811,365,634), which took up 97.61% of the Group's operating income (2019: 98.13%).

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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 2019	Increase in the current year	Decrease in the current year	31 December 2020
GEGC	23,000,000,000	-	-	23,000,000,000

(c) The percentage of shareholding and voting rights in the Company held by the parent company

	31 December 2020		31 December 2019	
	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
GEG Property 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
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 Changtan Power Generation Co., Ltd. ("Changtan Power")	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
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
Guangdong Port of Shaoguan Co., Ltd. ("Port of Shaoguan")	Controlled by GEGC
Guangdong Yudean Deqing New Energy Co., Ltd. ("Deqing New Energy")	Controlled by GEGC
Zhuhai Special Economic Zone Guangzhu Power Generation Co., Ltd. ("Guangzhu Power")	Controlled by GEGC
Yunfu Power Plant (B Power Plant) Co., Ltd. ("Yunfu B")	Associate controlled by GEGC
Guoneng Port of Zhuhai Harbour Service Co., Ltd. ("Port of Zhuhai")	Associate controlled by GEGC

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8 Related parties and related party transactions (Cont'd)

(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 policies of related party transactions	2020	2019
Industry Fuel	Purchase of fuel	Agreement price	11,237,469,319	12,572,055,713
Guangdong Energy Natural Gas	Purchase of fuel	Agreement price	1,435,308,622	2,244,739,292
Yudean Environmental	Purchase of materials	Agreement price	162,133,424	170,610,784
GEG Insurance	Receipt of insurance services	Agreement price	46,895,248	41,085,804
Yudean PM	Receipt of property services	Agreement price	34,811,439	32,994,779
Yudean Shipping	Receipt of tug services	Agreement price	25,154,340	25,634,906
Huangpu Power Engineering	Receipt of maintenance and repair services	Agreement price	16,908,327	23,488,279
Yudean PI	Receipt of management service	Agreement price	7,806,417	823,550
Zhuhai Jinwan Electric	Purchase of carbon emission quota	Agreement price	5,660,377	-
Yudean Technology	Receipt of management service	Agreement price	4,668,552	3,476,417
Zhuhai Port	Receipt of tug services	Agreement price	3,153,040	-
Yudean Environmental	Purchase of carbon emission quota	Agreement price	1,667,400	-
Port of Yangjiang	Receipt of tug services	Agreement price	1,479,405	6,862,044
Changtan Power	Receipt of management service	Agreement price	226,415	452,830
Zhongshan Thermal	Receipt of management services	Agreement price	179,811	-
Yuehua Power	Receipt of training services	Agreement price	37,800	-
Huangpu Yuehua Human Resources	Receipt of training services	Agreement price	-	503,322
Yuehua Power	Purchase of goods	Agreement price	-	672,348
			12,983,559,936	15,123,400,068

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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 policies of related party transactions	2020	2019
Yudean Environmental	Revenue from sales of by-products	Agreement price	285,359,248	216,576,868
Shajiao C	Provision of maintenance and repair services	Agreement price	40,896,696	37,070,262
Xinhui Power	Provision of maintenance and repair services	Agreement price	16,455,650	8,212,669
Yunhe Power	Provision of maintenance and repair services	Agreement price	15,811,810	8,502,922
Zhongshan Thermal	Provision of maintenance and repair services	Agreement price	8,936,678	4,856,637
Yunhe Power	Income from transferring coal	Agreement price	7,492,247	12,285,018
Liquefied Natural Gas	Provision of management services	Agreement price	5,308,777	336,826
Yuehua Power	Sales of carbon emission quota	Agreement price	4,680,226	-
Qujiang Yudean New Energy	Provision of maintenance and repair services	Agreement price	4,073,378	2,925,656
GEGC	Provision of emergency rescue services	Agreement price	3,773,585	-
GEGC	Provision of custody services	Agreement price	2,311,321	2,311,321
Yudean New Energy	Provision of maintenance and repair services	Agreement price	2,118,186	1,662,684
Port of Shaoguan	Provision of labour sharing services	Agreement price	1,221,342	-
Huizhou New Energy	Provision of maintenance and repair services	Agreement price	666,331	589,224
Deqing New Energy	Provision of maintenance and repair services	Agreement price	557,677	-
Environmental Protection Materials	Provision of maintenance and repair services	Agreement price	263,931	188,522
Zhongshan Thermal	Provision of labour sharing services	Agreement price	46,045	-
Zhuhai Jinwan Electric	Provision of maintenance and repair services	Agreement price	-	928,889
Zhongshan Thermal	Provision of training services	Agreement price	-	55,175
Xinhui Power	Provision of training services	Agreement price	-	20,806
			399,973,128	296,523,479

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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	2020	2019
Guanghe Power	149,370,796	3,357,310
Guangzhu Power	122,451,327	-
Zhuhai Jinwan Electric	117,292,035	101,801,931
Zhongshan Thermal	85,318,584	-
Yuehua Power	64,530,973	14,242,042
Xinhui Power	54,472,212	-
Yunhe Power	54,407,080	89,787,026
Yuelong Power	27,212,389	20,526,897
Yunfu B	24,406,903	-
	<u>699,462,299</u>	<u>229,715,206</u>

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 2020	Leasing payment recognised in 2019
Yudean PI	Housing rental	2,478,539	7,847,192
Yudean PM	Housing rental	812,937	2,814,448
Yudean PI	Billboard rental	760,686	760,686
Port of Yangjiang	Land lease	354,667	-
		<u>4,406,829</u>	<u>11,422,326</u>

Lease income recognised by the Group as the lessor:

Name of lessee	Type of the leased assets	Lease income recognised in 2020	Lease income recognised in 2019
Yudean PM	Housing rental	669,793	228,986
Yudean Shipping	Housing rental	647,706	572,844
Port of Shaoguan	Housing rental	255,954	-
Shajiao C	Housing rental	85,714	-
Qujiang Yudean New Energy	Housing rental	31,905	31,615
		<u>1,691,072</u>	<u>833,445</u>

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(d) Guarantees

The Group as the guaranteed party:

Guarantor	Guaranteed amount	Starting date	Maturity date	Whether the guarantee has been fulfilled or not
GEGC	-	14/08/2013	13/08/2022	Yes

The Group as the guarantor

Guaranteed party	Guaranteed amount	Starting date	Maturity date	Whether the guarantee has been fulfilled or not
GEGC (i)	323,062,987	03/12/2019	15/09/2043	No

(i) In order to perform the *Loan Agreement* for the Guangdong Yudean Yangjiang Shapa offshore wind power project signed between the People's Republic of China ("PRC") and New Development Bank ("NDB") ("*Loan Agreement with NDB*") on 3 December 2019, *Project Agreement* signed between NDB and People's Government of Guangdong Province ("provincial government") ("*Project Agreement with NDB*"), *Loan Transfer Agreement* signed between the Ministry of Finance and the provincial government ("*Loan Transfer Agreement with the Ministry of Finance*") and *Loan Transfer Agreement* signed between the Department of Finance of Guangdong Province and GEGC ("*Loan Transfer Agreement with the Department of Finance of Guangdong Province*"), Yangjiang Wind Power signed *Loan Transfer Agreement* with GEGC (*Loan Transfer Agreement with GEGC*) in 2020, specifying that GEGC shall transfer loans of RMB 2,000,000,000 ("*Project Loan*") to Yangjiang Wind Power; meanwhile, the Company signed a joint liability guarantee contract with GEGC, specifying that the Company provides joint liability guarantee for all liabilities of Yangjiang Wind Power under the *Loan Transfer Agreement* with GEGC on behalf of GEGC to the Department of Finance of Guangdong Province from 3 December 2019 to 15 September 2043, and the guarantee scope includes but not limited to principal and interest. As at 31 December 2020, Yangjiang Wind Power borrowed credit loan of RMB 322,804,259 from NDB, with interests payable of RMB 258,728.

The above Project Loan was transferred to the provincial government by the Ministry of Finance under the country's authorisation according to the same loan conditions, then transferred to GEGC by the Department of Finance of Guangdong Province under the provincial government's authorisation, and finally transferred to Yangjiang Wind Power by GEGC. The above Project Loan was actually provided in entrusted payment. The cash would not flow through the bank accounts of the Ministry of Finance, Department of Finance of Guangdong Province and GEGC, and Yangjiang Wind Power, the actual debtor of the Project Loan, directly withdrew and repaid the loan through its account of NDB. The Project Loan was guaranteed by the Company for GEGC, and actually the Company provided guarantee for the Project Loan obtained by Yangjiang Wind Power from NDB. Therefore, after consulting the Company's legal adviser, management considered that joint liability guarantee provided by the Group for GEGC would not constitute GEGC's occupation of the Group's funds.

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(e) Lending among related parties

(i) According to the *2020 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 2020. In 2020, the Group borrowed a total of RMB 10,080,730,830 (2019: RMB 8,214,032,898) from Energy Group Finance Company based on actual capital requirement. The Group paid an interest of RMB 319,343,819 (2019: RMB 333,661,466) for such borrowings (Note 8(5)(h)).

(ii) In 2020, the net increase of the Group's deposits in Energy Group Finance Company was RMB 307,671,883 (2019: a net decrease of RMB 510,103,873), and the net increase of the Group's other cash balances deposited in Energy Group Finance Company was RMB 592,681 (2019: Nil). Interest due from Energy Group Finance Company amounted to RMB 72,142,386 (2019: RMB 63,274,596) (Note 8(5)(g)). 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), 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 2020, the net amount of Energy Group Finance Company's discounting of acceptance notes issued by the Group to Industry Fuel decreased by RMB 257,007,454 (31 December 2019: the net amount increased by RMB 216,838,893). In 2020, the discounting interest charged by Energy Group Finance Company and borne by the Group which was included in the discounting interest expenses in the current year amounted to RMB 25,427,149 (2019: RMB 28,961,757) (Note 8(5)(h)).

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(e) Lending among related parties (Cont'd)

(iv) Based on the *Framework Agreement on Financial Lease* between the Company and Energy Finance Leasing company in 2020, Energy Finance Leasing company is committed to offering the Group a credit line of no more than RMB 10 billion, which is reusable during the one-year agreement period. In 2020, the balance of the Group's long-term payables of finance lease through leaseback was RMB 1,000,444,757 (2019: RMB 537,407,741), and the finance lease payment was RMB 120,828,010 (2019: RMB 111,825,155) (Note 8(5)(i)).

(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 2020, the common expenses received by the Group from Shajiao C was RMB 4,296,622 (2019: RMB 1,945,185).

(g) Interest income

Related parties	Type of related transactions	2020	2019
Energy Group Finance Company	Interest on deposits	72,142,386	63,274,596

(h) Interest expenses

Related parties	Type of related transactions	2020	2019
Energy Group Finance Company	Interest on borrowings	319,343,819	333,661,466
Energy Group Finance Company	Notes discount charges	25,427,149	28,961,757
		<u>344,770,968</u>	<u>362,623,223</u>

(i) Interest payments

Related parties	Type of related transactions	2020	2019
Energy Financial Leasing Company	Finance lease interest	120,828,010	111,825,155

In 2020, the loans provided by Energy Group Finance Company to the Group carried an annual interest rate from 3.05% to 4.41% (2019: from 3.92% to 4.90%).

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8 Related parties and related party transactions (Cont'd)

(5) Related party transactions (Cont'd)

(j) Joint investment

As at 31 December 2020, subsidiaries, joint ventures and associates jointly invested by the Group and GEGC were listed below:

Percentage of equity attributable to GEGC

Energy Thermal	30.12%
Bohe Energy	33.00%
Energy Group Finance Company	65.00%
Industry Fuel	50.00%
Shanxi Yudean Energy	60.00%
GEG Property Insurance	51.00%
Western Investment	35.00%
Energy Financial Leasing Company	50.00%

(k) Remuneration of key management

	2020	2019
Remuneration of key management	<u>5,314,399</u>	<u>4,558,580</u>

(6) Receivables from and payables to related parties

Receivables from related parties:

	31 December 2020	31 December 2019
Cash at bank and on hand	<u>4,776,279,403</u>	<u>4,468,014,839</u>
Energy Group Finance Company		
Accounts receivable		
Shajiao C	8,344,661	901,427
Xinhui Power	6,361,157	1,706,822
Yunhe Power	3,282,711	3,123,537
Zhongshan Thermal	2,036,029	846,660
Qujiang Yudean New Energy	1,282,820	1,699,980
Yudean New Energy	1,316,666	941,609
Huizhou New Energy	438,382	577,717
Port of Shaoguan	1,542	-
	<u>23,063,968</u>	<u>9,797,752</u>

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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 2020	31 December 2019
Contract assets	Qujiang Yudean New Energy	566,660	—
	Xinhui Power	549,950	—
	Zhongshan Thermal	482,939	—
	Huizhou New Energy	255,311	—
	Shajiao C	331,627	—
		<u>2,186,487</u>	<u>—</u>
Other receivables	Yudean Environmental	76,071,143	69,568,758
	Energy Group Finance Company	27,301,568	20,866,069
	GEGC	2,311,321	2,311,321
	Yudean PI	1,715,273	1,536,942
	Shajiao C	1,580,829	1,371,603
	Yudean PM	1,006,188	466,572
	Yudean Shipping	110,400	576,400
	Zhongshan Thermal	46,045	-
	Liquefied Natural Gas	-	329,096
		<u>110,142,767</u>	<u>97,026,761</u>
Advances to suppliers	Industry Fuel	555,574,836	455,412,330
	Zhuhai Port	4,118,339	-
	Shenzhen Tianxin	45,487	-
	<u>559,738,662</u>	<u>455,412,330</u>	
Other non-current assets	Yudean Technology	<u>700,000</u>	<u>700,000</u>

As at 31 December 2020 and 31 December 2019, the Group made no provision for bad debts of receivables from related parties.

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

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8 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

Payables to related parties:

		31 December 2020	31 December 2019
Notes payable	Energy Group Finance Company	612,992,546	870,000,000
Accounts payable	Industry Fuel	2,003,569,440	1,638,254,539
	Guangdong Energy Natural Gas	63,883,147	222,256,982
	Yudean Environmental	43,445,926	28,147,157
	Yudean Shipping	2,300,000	2,300,000
	Yudean PM	1,675,376	8,044,985
	Xinhui Power	128,964	-
	Yudean Technology	-	92,000
		2,115,002,853	1,899,095,663
Other payables	Huangpu Power Engineering	5,696,988	8,327,106
	Yudean PM	757,262	1,568,761
	Yudean Technology	433,460	959,440
	Port of Yangjiang	372,400	-
	Zhongshan Thermal	345,486	-
	Yudean Shipping	200,000	-
	Yudean Environmental	132,864	766,080
	Changtan Power	120,000	-
	Shenzhen Tianxin	70,000	-
	Qujiang Yudean New Energy	9,000	9,000
	Yudean PI	2,305	-
		8,139,765	11,630,387

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8 Related parties and related party transactions (Cont'd)

(6) Receivables from and payables to related parties (Cont'd)

Payables to related parties (Cont'd):

	31 December 2020	31 December 2019
Short-term borrowings		
Energy Group Finance Company		
- Principal	4,583,000,000	4,115,000,000
- Interest	4,920,173	4,893,053
	<u>4,587,920,173</u>	<u>4,119,893,053</u>
Current portion of non-current liabilities		
Energy Group Finance Company		
- Principal	181,449,280	249,872,476
- Interest	4,503,373	4,153,303
	<u>185,952,653</u>	<u>254,025,779</u>
Energy Financial Leasing Company	<u>11,337,912</u>	<u>-</u>
Long-term borrowings		
Energy Group Finance Company		
- Principal	<u>3,381,849,374</u>	<u>2,765,740,493</u>
	31 December 2020	31 December 2019
Long-term payables		
Energy Financial Leasing Company	2,643,768,496	1,667,026,669
GEGC	-	12,217,551
	<u>2,643,768,496</u>	<u>1,679,244,220</u>

Part of information on short-term borrowings and long-term borrowings obtained from related parties is disclosed in Notes 4(21), 4(28) and 4(30); details on notes payable discounted by Energy Group Finance Company is disclosed in Note 4(22); details on long-term payables provided by Energy Financial Leasing Company is disclosed in Note 4(32)(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.

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8 Related parties and related party transactions (Cont'd)

(7) Commitments in relation to related parties

Leases

		31 December 2020	31 December 2019
- As lessee			
	Yudean PI	36,129,730	11,465,806
	Yudean PM	1,256,363	1,286,668
		<u>37,386,093</u>	<u>12,752,474</u>

(8) Investment commitments

Pursuant to the *Proposal on Capital Increase in Guangdong Power Industry Fuel Co., Ltd.* approved by the Board of Directors on 21 December 2020, the Company was permitted to make a capital increase of RMB 180,000,000 to Industry Fuel at its original proportion of shareholding. As at 31 December 2020, the capital increase had not been paid (Note 10(3)(s)).

9 Contingencies

(1) As at 31 December 2020, the Company provided joint guarantee for bank borrowings amounting to RMB 60,320,000 for Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd., of which the liability relief procedure is being handled.

(2) On 31 December 2014, in response to the occupation of 15.0202 hectares of paddy fields during the construction of Dapu Electric's engineering project (Phrase I), Dapu Power Plant had paid paddy fields cultivation fund of RMB 3,965,332 in full as required by the Ministry of Land and Resources and Guangdong Provincial Department of Natural Resources. However, on 29 June 2020, the Department of Natural Resources of Dapu County issued a letter to Dapu Electric, requiring Dapu Electric to pay additional fields cultivation fund of RMB 10,679,362 according to relevant regulations of paddy fields cultivation in 2016. However, according to the suggestion of legal adviser, Dapu Electric considered that the above relevant regulations were not applicable. As at the issuance date of the report, the two parties were still negotiating on that matter. According to the suggestion of legal adviser, management of the Group could not estimate the negotiation result, thus no expenses related to the occupation of paddy fields were presented in the financial statements for the year ended 31 December 2020.

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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 2020	31 December 2019
Buildings and power generation equipment	15,285,913,171	13,735,070,950

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 2020	31 December 2019
Within 1 year	37,385,858	24,818,237
1 to 2 years	17,091,790	5,159,843
2 to 3 years	5,412,749	1,681,275
Over 3 years	7,187,809	6,578,799
	67,078,206	38,238,154

(3) Investment commitments

- (a) The Ninth Session of the Board approved the *Proposal on the Investment in and Construction of Dongguan Ningzhou Site Alternative Power Project* during its 3rd communication meeting on 10 April 2020. The Board gave permission to Binhai Bay Company (the main part of investment) for investment in and construction of Dongguan Ningzhou Site Alternative Power Project, and the installation capacity of the project was gas-steam cooling thermal and power cogeneration unit of 3×700MW. The dynamic investment for the project amounted to RMB 5,927,600,000, including a capital fund of RMB 1,185,520,000. As at 31 December 2020, the Company had made a capital contribution of RMB 570,000,000 to Binhai Bay Company, including a contribution of 300,000,000 made in the current year.

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10 Commitments (Cont'd)

(3) Investment commitments (Cont'd)

- (b) The Ninth Session of the Board approved the *Proposal on Investment in and Construction 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. In 2020, the Company made a capital contribution of RMB 350,000,000 to the project, with a total capital contribution of RMB 615,000,000.
- (c) The Ninth Session of the Board approved the *Proposal of Investment in and Construction of Zhanjiang Wailuo Offshore Wind Power Project (Phase I)* during its 1st communication meeting on 23 March 2018. 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%. As at 31 December 2020, the Company made a total capital contribution of RMB 600,000,000 to the project and in 2020 the Company did not increase capital.
- (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 Energy and meet the capital requirements of the protective resumption of Bohe Energy, the Board agreed the capital injection to the Company's wholly-owned subsidiary, Bohe Energy. The Company and GEGC should make capital injection to Bohe Energy with a total amount of RMB 3,980,000,000 in targeted proportion of 67% and 33% of the shareholding. As at 31 December 2020, the Company had increased a total capital of RMB 938,000,000 to Bohe Energy, and in 2020 the Company did not increase capital.
- (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. 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. In 2020, the Company made a capital increase of RMB 130,000,000. As at 31 December 2020, the Company had made a total capital increase of RMB 178,000,000 to the project.

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10 Commitments (Cont'd)

(3) Investment 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 total dynamic investment was RMB 5,963,270,000, and the capital fund was calculated as RMB 1,192,660,000 at a proportion of 20%. As at 31 December 2020, the Company had made a total capital contribution of RMB 505,000,000 to the project, including a supplementary contribution of RMB 50,000,000 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, RMB 78,162,240 and RMB 69,736,560 have been injected in 2018, 2019 and 2020 respectively. As at 31 December 2020, the Company had made a total capital contribution of RMB 213,034,000 and completed its capital increase commitment.
- (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 2020, the Company had injected a total capital fund of RMB 227,782,800, with no contribution made in the current year.
- (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. 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 total dynamic investment of RMB 3,698,880,000. The capital fund was recorded as RMB 739,776,000 at a proportion of 20%. In 2020, the Company injected RMB 230,000,000. As at 31 December 2020, the Company made a total capital contribution of RMB 270,000,000.

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10 Commitments (Cont'd)

- (3) Investment commitments (Cont'd)
- (j) The Ninth Session of the Board approved the *Proposal on Accelerating Guangdong Yudean Dapu Power Plant Project (Phrase II)* during its 15th meeting on 12 October 2020. The Board gave permission to the subsidiary Dapu Electric for part of substantive work of the project. The project investment in 2020 was limited to RMB 317,100,000, which was provided to Dapu Electric by the Company through capital increase based on actual construction progress. In 2020, no contribution was made to Dapu Electric.
- (k) The Eighth Session of the Board approved the *Proposal on the Establishment of Hunan Tongdao Dong Autonomous County Dagaoshan Wind Power Project Company* during its 14th meeting on 25 October 2016 and the *Proposal on the Construction of Hunan Tongdao Dagaoshan Wind Power Plant Project* during its 3rd communication meeting on 10 April 2020. The Board gave permission to the Company's subsidiary Tongdao Company for the investment in and construction of the Tongdao Dagaoshan wind power project and the installation capacity of the project was 50MW. The total dynamic investment was RMB 531,740,000, including a capital fund of RMB 106,348,000 (accounting for 20% of the total dynamic investment). In 2020, the Company injected RMB 50,000,000. As at 31 December 2020, the Company made a total capital contribution of RMB 60,000,000.
- (l) The Ninth Session of the Board approved the *Proposal on the Investment in and Construction of Guangxi Wuxuan Wind Power Plant Project (Phrase I)* during its 6th communication meeting on 28 November 2019. The total investments of the project hit RMB 482,580,000 (including investment in self-construction of outgoing circuit), including a capital fund of RMB 96,516,000. In 2020, the Company injected RMB 50,000,000 to Guangdong Wind Power.
- (m) The Ninth Session of the Board approved the *Proposal on Investment in and Construction of Hunan Xupu Sun Mountain Wind Power Plant Project* during its 3rd communication meeting on 10 April 2020. The Board gave permission to Guangdong Wind Power for the investment in and construction of the project. The installation capacity of the project was 50MW, and the total dynamic investment was RMB 524,532,900 (including investment in self-construction of outgoing circuit), including a capital fund of RMB 104,906,580 (accounting for 20% of the total dynamic investment). In 2020, the Company injected RMB 50,000,000 to Guangdong Wind Power. As at 31 December 2020, the Company made a total capital contribution of RMB 50,000,000.
- (n) The Ninth Session of the Board approved the *Proposal of Capital Increase in Guangdong Province Wind Power Generation Co., Ltd.* during its 14th meeting on 26 August 2020. The Board gave permission to the Company's wholly-owned subsidiary Guangdong Wind Power for the acquisition of 100% equity of Dunan New Energy in the form of pre-acquisition in principle. The total investments in the acquisition should be no more than RMB 800,000,000. The deposit for the equity acquisition amounted to RMB 80,000,000, which was paid by the Company for Guangdong Wind Power in the form of capital injection. In 2020, the Company injected RMB 80,000,000 to Guangdong Wind Power, and Guangdong Wind Power had paid the deposit of RMB 80,000,000 for the equity acquisition (Note 4(19)(c)).

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10 Commitments (Cont'd)

(3) Investment commitments (Cont'd)

- (o) The Ninth Session of the Board approved the *Proposal on the Investment in and Construction of Zhaoqing Dinghu Natural Gas Thermal Power Cogeneration Project* during its 15th meeting on 12 October 2020. The Board gave permission to the Company's holding subsidiary Yongan Natural Gas (as the main part of the investment in the project) for the investment in and construction of Zhaoqing Dinghu natural gas thermal power cogeneration project. The capital fund of the project was calculated as RMB 600,000,000 at 20% of the project's total investments. The initial registered capital of Yongan Natural Gas was RMB 100,000,000, and the Company contributed RMB 90,000,000 based on its shareholding proportion of 90% in 2016. The remaining capital fund of RMB 500,000,000 for the project would be provided by the Company according to its shareholding proportion of 90% in batches based on actual construction progress and capital demand. In 2020, the Company didn't increase registered capital. As at 31 December 2020, the Company made a total capital contribution of RMB 100,000,000.
- (p) The Ninth Session of the Board approved the *Proposal on Acquisition of Equity of Guangdong Guangye Nanhua New Energy Co., Ltd. and Other Companies by Guangdong Wind Power* during its 17th meeting on 4 December 2020. The Board gave permission to the Company's subsidiary Guangdong Wind Power for acquisition of 10% equity of South Sea Wind Electricity with a transfer payment of RMB 70,500,870, 51% equity of Nanhua New Energy with a transfer payment of RMB 93,381,000, and 51% equity of Datang Renewable Power not exceeding the limit granted by the Board of the Company with a transfer payment of RMB 161,858,100, which would be provided to Guangdong Wind Power by the Company through capital increase. In 2020, the Company had made a capital increase of RMB 163,881,870 for the acquisition of 10% equity of South Sea Wind Electricity and 51% equity of Nanhua New Energy, and Guangdong Wind Power had paid the equity transfer price of RMB 93,381,000 for the acquisition of 51% equity of Nanhua New Energy and the equity trading margin of RMB 20,000,000 for the acquisition of 51% equity of Datang Renewable Power (Note 4(19)(b)).
- (q) The Ninth Session of the Board approved the *Proposal on Investment in and Construction of Guangdong Yudean Nanxiong Zhu'an Village Wind Power Plant Project* during its 17th meeting on 4 December 2020. The Board gave permission to the Company's wholly-owned subsidiary Guangdong Wind Power for the investment in Guangdong Yudean Nanxiong Zhu'an Village wind power plant project (49,900 KW) as a shareholder. The total dynamic investment of the project was RMB 451,810,000, including a capital fund of RMB 90,362,000, and the remaining capital fund would be provided through bank loan financing etc. In 2020, the Company made a capital injection of RMB 10,000,000.
- (r) The Ninth Session of the Board approved the *Proposal on Investment in and Construction of Guangdong Yudean Pingyuan Sishui Wind Power Plant Project* during its 17th meeting on 4 December 2020. The Board gave permission to the Company's wholly-owned subsidiary Guangdong Wind Power for the investment in Guangdong Yudean Pingyuan Sishui wind power plant project (40,000 KW) as a shareholder. The total dynamic investment of the project was RMB 339,480,000, including a capital fund of RMB 67,900,000. In 2020, the Company made a capital injection of RMB 40,000,000.

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10 Commitments (Cont'd)

(3) Investment commitments (Cont'd)

- (s) The Ninth Session of the Board approved the *Proposal on Involvement in Capital of Guangdong Electric Power Industry Fuel Co., Ltd.* during its 18th meeting on 21 December 2020. The Company and GEGC were allowed to increase capital of RMB 360,000,000 to Industry Fuel at the shareholding proportion for the subscription of the new registered capital of Guangdong Yudean Faneng Investment Co., Ltd. at the corresponding shareholding proportion of 20%, and the remaining capital would be raised through self-finance by Industry Fuel. The Company needed to make a capital injection of RMB 180,000,000 based on the shareholding proportion of 50%, and no capital injection was made in 2020.

11 Events after the balance sheet date

(1) Statement of dividend distribution

According to the resolution at the Board of Directors' meeting dated 8 April 2021, the Board suggested the Company appropriate 10% and 25% of net profit, amounting to RMB 110,901,285 and RMB 277,253,212 to the statutory surplus reserves and the discretionary surplus reserve respectively (2019: the Company appropriated RMB 77,026,584 to statutory surplus reserves and RMB 192,566,461 to discretionary surplus reserve). Meanwhile, the Board also suggested the Company distribute cash dividends of RMB 630,034,078 to its shareholders at RMB 1.2 per 10 shares (2019: the Company distributed cash dividends of RMB 630,034,078 to the shareholders at RMB 1.2 per 10 shares). The proposal is still pending for the approval of the shareholders' meeting. The distribution of cash dividends proposed subsequent to the balance sheet date was not recognised as liabilities at the balance sheet date.

(2) Cooperation with Tumshuq City, the Third Division of Xinjiang Production and Construction Corps

On 23 February 2021, the Company entered into the *Cooperation Framework Agreement for the Investment in 1.5 Million KW Photovoltaic Power Generation Project* and *Cooperation Framework Agreement for the Investment in 0.5 Million KW Wind Power Generation Project* with Tumshuq City, the Third Division of Xinjiang Production and Construction Corps in Dongguan. The Company proposed to invest in and construct a photovoltaic power generation project in Tumshuq City, with a planned gross installation capacity of 1.5 million KW and an estimated total investment of RMB 6,750 million, and a wind power generation project, with a planned gross installation capacity of 0.5 million KW and an estimated total investment of RMB 3,750 million. The Company will start the project site selection within 3 months after the agreements take effect, and select its preferred site for development in phases based on resources and site conditions. The final scope of cooperation and the scale of the project construction are subject to the approval of the department with the authority to approve the renewable energy administrative license. The above-mentioned agreements enter into force from the signing date and are effective for 3 years. Within 3 months before the expiration, the validity period can be extended for another 2 years after mutual agreement. As at the date on which the financial statements were authorised for issue, the matters related to the aforementioned investments were still in discussion.

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11 Events after the balance sheet date (Cont'd)

(3) Assessment on the impact of adopting the new lease standard

In 2018, the Ministry of Finance revised and issued the *Accounting Standard for Business Enterprises No. 21 - Lease* ("new lease standard"). The Group adopted the standard from 1 January 2021.

Under the new lease standard, for a lessee, no classification of an operating lease or a finance lease should be made, and almost all leases should be recognised in the balance sheet except low-value or short-term leases. As a lessee, the Group measures lease liabilities at the value of the remaining lease payments discounted using the Group's incremental borrowing rate as of 1 January 2021 at the initial application date and recognises right-of-use assets at the amount equal to lease liabilities, with no effect on net assets of the Group. Upon evaluation, management expects that the new lease standard will not have a significant influence on the Group's financial position and performance.

(4) Significant equity acquisitions

(i) On 29 December 2020, Guangdong Wind Power, a subsidiary of the Group, entered into an equity transfer agreement with Guangye Investment Group. Guangdong Wind Power intended to acquire 51% equity of Nanhua New Energy held by Guangye Investment Group, at a consideration of RMB 93,381,000. As at 31 December 2020, Guangdong Wind Power had paid the equity acquisition of RMB 93,381,000 in full amount, but the equity transaction had not been completed (Note 4(19)(b)). In January 2021, as the registration for changes of business license of Nanhua New Energy had been completed and Guangdong Wind Power had obtained substantive control over Nanhua New Energy, Nanhua New Energy became a subsidiary of Guangdong Wind Power after the business combination involving enterprises not under common control.

(ii) On 31 December 2020, Guangdong Wind Power, a subsidiary of the Group, entered into an equity transfer agreement with Guangye Investment Group, intending to acquire 51% equity of Datang Renewable Power held by Guangye Investment Group, at a consideration of RMB 161,858,100. As at 31 December 2020, Guangdong Wind Power had paid the equity acquisition of RMB 20,000,000, but the equity transaction had not been completed (Note 4(19)(b)). In January 2021, Guangdong Wind Power paid the left equity acquisition of RMB 141,858,100. In March 2021, as the registration for changes of business license of Datang Renewable Power had been completed and Guangdong Wind Power had obtained substantive control over Datang Renewable Power, Datang Renewable Power became a subsidiary of Guangdong Wind Power after the business combination involving enterprises not under common control.

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12 Financial risk

The Group's activities expose it to a variety of financial risks: market risk (primarily including foreign exchange risk and interest rate 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 as appropriate. During 2020 and 2019, the Group did not enter into any forward exchange contracts or currency swap contracts.

As at 31 December 2020 and 2019, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies are summarised below:

	31 December 2020			
	USD	EUR	HKD	Total
Financial assets denominated in foreign currency -				
Cash at bank and on hand	1,233	-	10,844	12,077
Financial liabilities denominated in foreign currency -				
Long-term borrowings	52,012,914	-	-	52,012,914
Current portion of non-current liabilities	6,809,614	1,089,727	-	7,899,341
	58,822,528	1,089,727	-	59,912,255
	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

As at 31 December 2020, 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 4,411,597 (31 December 2019: approximately RMB 5,251,215) higher/lower for various financial assets and liabilities denominated in USD.

As at 31 December 2020, as the Group's financial assets and liabilities denominated in other foreign currencies were not significant, the changes in exchange rate of other foreign currencies had no significant influence on the Group.

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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. The Group's interest bearing debts were mainly bank borrowings, debentures payable and long-term payables with fixed and floating interest rates, and the amounts of respective interest are as follows:

	31 December 2020	31 December 2019
Short-term borrowings		
- Fixed interest rate	1,810,300,000	750,000,000
- Floating interest rate	5,804,570,202	5,144,026,790
	<u>7,614,870,202</u>	<u>5,894,026,790</u>
	31 December 2020	31 December 2019
Long-term borrowings and long-term borrowings due within one year		
- Floating interest rate	20,362,134,972	19,345,443,393
	<u>20,362,134,972</u>	<u>19,345,443,393</u>
	31 December 2020	31 December 2019
Debentures payable and debentures payable due within one year		
- Fixed interest rate	2,998,243,652	1,536,931,768
	<u>2,998,243,652</u>	<u>1,536,931,768</u>

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12 Financial risk (Cont'd)

(1) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

	31 December 2020	31 December 2019
Long-term payables and long-term payables due within one year		
- Fixed interest rate	90,000,000	90,000,000
- Floating interest rate	3,301,499,964	2,657,339,603
	<u>3,391,499,964</u>	<u>2,747,339,603</u>

As at 31 December 2020, the Group's fixed interest bearing borrowings amounted to RMB 4,898,543,652 and floating interest bearing borrowings amounted to RMB 29,468,205,138 (31 December 2019: fixed interest bearing borrowings RMB 2,376,931,768, floating rate bearing borrowings RMB 27,146,809,786).

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 2020 and 2019, the Group did not hedge the interest rate risk with derivative financial instruments.

As at 31 December 2020, 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 29,468,205 (31 December 2019: approximately RMB 27,146,810).

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12 Financial risk (Cont'd)

(2) Credit risk

Credit risk of the Group mainly arises from cash at bank and on hand, accounts receivable, contract assets, 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, contract assets, 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 2020, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2019: Nil).

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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. 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 date below at their undiscounted contractual cash flows:

	31 December 2020					Total	Carrying amount on balance sheet
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years			
Short-term borrowings	7,769,745,442	-	-	-	7,769,745,442	7,622,427,916	
Notes payable	1,092,292,546	-	-	-	1,092,292,546	1,092,292,546	
Accounts payable	2,666,180,513	-	-	-	2,666,180,513	2,666,180,513	
Other payables	6,775,700,584	-	-	-	6,775,700,584	6,775,700,584	
Other current liabilities	3,233,675,155	-	-	-	3,233,675,155	3,217,523,576	
Current portion of non-current liabilities	3,390,293,312	-	-	-	3,390,293,312	3,180,551,951	
Long-term borrowings	776,041,889	2,033,431,263	6,016,134,980	14,530,856,178	23,356,464,310	18,998,555,568	
Debentures payable	36,750,000	36,750,000	1,587,791,667	-	1,661,291,667	1,499,542,911	
Long-term payables (excluding payables for specific projects)	141,996,270	638,514,120	1,401,964,107	1,361,383,052	3,543,857,549	3,147,011,127	
	<u>25,882,675,711</u>	<u>2,708,695,383</u>	<u>9,005,890,754</u>	<u>15,892,239,230</u>	<u>53,489,501,078</u>	<u>48,199,786,692</u>	

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12 Financial risk (Cont'd)

(3) Liquidity risk (Cont'd)

	31 December 2019					Carrying amount on balance sheet
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	
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
Current portion of non-current liabilities	3,258,096,240	-	-	-	3,258,096,240	3,182,980,482
Long-term borrowings	713,509,561	2,365,490,761	5,697,789,922	12,879,252,180	21,656,042,424	16,587,103,380
Debentures payable	84,123,350	1,544,056,328	-	-	1,628,179,678	1,496,631,799
Long-term payables (excluding payables for specific projects)	53,373,448	331,964,412	1,613,203,370	915,876,405	2,914,417,635	2,413,902,547
	<u>19,926,665,156</u>	<u>4,241,511,501</u>	<u>7,310,993,292</u>	<u>13,795,128,585</u>	<u>45,274,298,534</u>	<u>39,368,541,100</u>

The Group's available financing credit lines under agreement with the financial institutions as at balance sheet date are as follows:

	31 December 2020	31 December 2019
Available financing credit lines under agreement with the financing institutions	<u>49,672,680,096</u>	<u>31,903,008,891</u>

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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 2020, 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 investments	393,587,145	-	3,154,500,870	3,548,088,015

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 investments	408,070,373	-	2,734,301,000	3,142,371,373

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 Group adopts such valuation models as comparable company model in the market to evaluate the fair value of the other equity instrument of Level 3 financial assets. The Group adopts average price to book value ratio (PB), average price to earnings ratio (PE) and discounts for lack of marketability (DLOM) as major unobservable inputs for SCG, average p/e ratio, PB and DLOM.

The changes in Level 3 financial assets are analysed below:

	31 December 2019	Additions in the current year	Gains recognised in other comprehensive income	31 December 2020
Investments in other equity instruments	-			
Other equity investments	2,734,301,000	69,736,560	350,463,310	3,154,500,870

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13 Fair value estimates (Cont'd)

(2) Assets and liabilities not measured at fair value but 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 2020 and 31 December 2019, the Group's gearing ratio was as follows:

	31 December 2020	31 December 2019
Gearing ratio	58.42%	54.70%

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15 Notes to the company financial statements

(1) Accounts receivable

	31 December 2020	31 December 2019
Accounts receivable	173,029,247	209,270,013
Less: Provision for bad debts	-	(20,911)
	173,029,247	209,249,102

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

	31 December 2020	31 December 2019
Within 1 year	173,029,247	209,270,013

(b) As at 31 December 2020, the five largest amounts of accounts receivable aggregated by debtors were summarised and analysed as follows:

	Amount	Provision for bad debts	% of total balance
Total balance of the five largest accounts receivable	173,029,247	-	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.

From 1 January 2020, the Company's recognition standards and accrual methods for provision for bad debts of accounts receivable are detailed in Note 2(9).

(i) As at 31 December 2020, 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 2020, the Company's receivables from sales of electricity amounted to RMB 173,029,247, 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 2020, there was no accounts receivable categorised in Grouping 2 and 3.

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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)

(ii) In 2020, the amount of provision for bad debts of accounts receivable was RMB 0, and the amount of reversed provision for bad debts of accounts receivable was RMB 20,911, with corresponding carrying amount of RMB 2,091,149. There was no provision for bad debts of accounts receivable written off.

(2) Other receivables

	31 December 2020	31 December 2019
Entrusted loans receivable	240,000,000	66,460,000
Supplementary medical insurance fund receivable	34,393,478	18,333,314
Dividends receivable	31,500,000	2,652,502
Receivables from sales of by-products	9,318,678	8,282,082
Advances receivable	3,136,509	7,809,969
Interest receivable	1,038,206	689,092
Others	9,047,525	4,073,484
	<u>328,434,396</u>	<u>108,300,443</u>
Less: Provision for bad debts	<u>(209,539)</u>	<u>(151,165)</u>
	<u>328,224,857</u>	<u>108,149,278</u>

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

	31 December 2020	31 December 2019
Within 1 year	309,724,263	89,961,420
1 to 2 years	1,846,749	18,219,316
2 to 3 years	16,743,677	-
Over 3 years	119,707	119,707
	<u>328,434,396</u>	<u>108,300,443</u>

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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		Total
	ECLs in the following 12 months (grouping)		ECLs in the following 12 months (individual)		Lifetime ECLs (Credit impaired)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts	
31 December 2019	3,287,332	(151,165)	105,013,111	-	(151,165)	-	(151,165)
Increase in the current year	4,827,746	(87,720)	221,100,164	-	(87,720)	-	(87,720)
Reversal in the current year	(2,934,574)	29,346	(2,859,383)	-	29,346	-	29,346
31 December 2020	5,180,504	(209,539)	323,253,892	-	(209,539)	-	(209,539)

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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 (Cont'd)

As at 31 December 2020 and 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 2020, other receivables at Stage 1 with provision for bad debts on individual basis were analysed as follows:

	Book balance	12-month ECL rate	Provision for bad debts	Reason
Entrusted loans receivable	240,000,000	0.00%	-	The counterparty is the Company's subsidiary with a historical loss rate of 0%; therefore, the expected credit loss risk is extremely low.
Supplementary medical insurance fund receivable	34,393,478	0.00%	-	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.
Dividends receivable	31,500,000	0.00%	-	The counterparty has good credit, with a historical loss rate of 0%, and the risk of ECLs is extremely low.
Receivables from related parties	17,360,414	0.00%	-	The counterparty is a related party, with a historical loss rate of 0%, and the risk of ECLs is extremely low.
	<u>323,253,892</u>		<u>-</u>	

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

	Book balance	12-month ECL rate	Provision for bad debts	Reason
Entrusted loans receivable	66,460,000	0.00%	-	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	0.00%	-	The counterparty is a related party, with a historical loss rate of 0%, and the risk of ECLs is extremely low.
Supplementary medical insurance fund receivable	18,333,314	0.00%	-	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.
	<u>105,013,111</u>		<u>-</u>	

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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 (Cont'd)

(ii) As at 31 December 2020, other receivables at Stage 1 with provision for bad debts on grouping basis were analysed as follows:

	31 December 2020		
	Book balance	Loss provision	
	Amount	Amount	Percentages
Grouping 1			
Within 1 year	4,827,746	(48,276)	1.00%
1 to 2 years	141,798	(14,180)	10.00%
2 to 3 years	91,253	(27,376)	30.00%
Over 3 years	119,707	(119,707)	100.00%
	<u>5,180,504</u>	<u>(209,539)</u>	<u>4.04%</u>

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%
	<u>3,287,332</u>	<u>(151,165)</u>	<u>4.60%</u>

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15 Notes to the company financial statements (Cont'd)

(2) Other receivables (Cont'd)

(c) In 2020, the amount of provision for bad debts of other receivables was RMB 87,720 (2019: RMB 138,281), and the amount of reversed provision for bad debts of other receivables in the current year was RMB 29,346 (2019: RMB 102,476), with corresponding ending balance of RMB 2,934,574 (2019: RMB 4,433,850). There was no provision for bad debts of other receivables written off (2019: Nil).

(d) As at 31 December 2020, 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
Yuejiang Power	Entrusted loans receivable	200,000,000	Within 1 year	60.89%	-
Lincang Energy	Entrusted loans receivable	40,000,000	Within 1 year	12.18%	-
Taikang Pension	Supplementary medical insurance fund receivable	34,393,478	Within 3 years	10.47%	-
Sunshine Insurance	Dividends receivable	31,500,000	Within 1 year	9.59%	-
Yudean Environmental	Receivables from sales of by-products	9,318,678	Within 1 year	2.84%	-
		<u>315,212,156</u>		<u>95.97%</u>	<u>-</u>

(3) Long-term equity investments

	31 December 2020	31 December 2019
Subsidiaries (a)	23,169,002,222	21,366,889,333
Joint ventures (b)	531,313,393	615,218,300
Associates (c)	<u>6,197,179,173</u>	<u>5,880,150,813</u>
Less: Long-term equity investments - provision for impairment of subsidiary (a)	(1,348,124,079)	(1,251,824,079)
Long-term equity investments - provision for impairment of associates (c)	<u>(96,327,854)</u>	<u>(96,327,854)</u>
	<u>28,453,042,855</u>	<u>26,514,106,513</u>

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

15 Notes to the company financial statements (Cont'd)

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

(a) Subsidiaries

	31 December 2019	Increase in investment	Provision for impairment	31 December 2020	Ending balance of provision for impairment loss	Declared cash dividends during the year
Zhanjiang Electric	2,185,334,400	-	-	2,185,334,400	-	158,629,195
Yuejia Electric	-	-	-	-	(455,584,267)	-
Energy Thermal	687,458,978	-	-	687,458,978	-	-
Jinghai Power	1,930,395,668	-	-	1,930,395,668	-	243,200,011
Zhanjiang Wind Power	242,277,000	-	-	242,277,000	-	26,667,752
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	-	5,220,782
Bohe Energy	3,167,000,000	-	-	3,167,000,000	-	-
Pinghai Power	720,311,347	-	-	720,311,347	-	98,178,323
Red Bay Power	2,220,023,386	-	-	2,220,023,386	-	254,317,757
Huizhou Natural Gas	1,205,199,446	-	-	1,205,199,446	-	193,069,929
Guangqian Electric	1,353,153,223	-	-	1,353,153,223	-	197,181,824
Yuejiang Power	745,200,000	147,650,119	-	892,850,119	(408,494,674)	-
Huadu Natural Gas	186,550,000	-	-	186,550,000	-	-
Dapu Electric	1,040,000,000	-	-	1,040,000,000	-	-
Sub-total for next page	<u>16,669,095,864</u>	<u>147,650,119</u>	<u>-</u>	<u>16,816,745,983</u>	<u>(1,138,134,640)</u>	<u>1,176,465,573</u>

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

15 Notes to the company financial statements (Cont'd)

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

(a) Subsidiaries (Cont'd)

	31 December 2019	Increase in investment	Provision for impairment	31 December 2020	Ending balance of provision for impairment loss	Declared cash dividends during the year
Subtotal brought forward	16,669,095,864	147,650,119	-	16,816,745,983	(1,138,134,640)	1,176,465,573
Guangdong Wind Power	1,531,419,390	793,881,870	-	2,325,301,260	-	-
Leizhou Wind Power	80,800,000	-	-	80,800,000	-	13,664,526
Qujie Wind Power	919,750,000	360,000,000	-	1,279,750,000	-	49,824,892
Power Sales	230,000,000	-	-	230,000,000	-	17,294,844
Lincang Energy	314,000,000	63,300,000	(96,300,000)	281,000,000	(209,989,439)	-
Yongan Natural Gas	90,000,000	-	-	90,000,000	-	-
Tongdao Company	10,000,000	50,000,000	-	60,000,000	-	-
Binhai Bay Company	270,000,000	300,000,000	-	570,000,000	-	-
Daya Bay	-	17,600,000	-	17,600,000	-	-
Qiming	-	20,000,000	-	20,000,000	-	-
Huaguoquan	-	49,680,900	-	49,680,900	-	-
Total	20,115,065,254	1,802,112,889	(96,300,000)	21,820,878,143	(1,348,124,079)	1,257,249,835

Relevant information of the Company's subsidiaries is set out in Note 6.

NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

15 Notes to the company financial statements (Cont'd)

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

(b) Joint ventures

	Movements for the current year					31 December 2020	Ending balance of provision for impairment loss
	31 December 2019	Increase in investment	Share of net profit/(loss) under equity method	Other changes in equity	Cash dividends declared		
Industry Fuel	615,218,300	100,000,000	74,496,406	(189,310,878)	(69,090,435)	531,313,393	-

(c) Associates

	Movements for the current year							31 December 2020	Ending balance of provision for impairment loss
	31 December 2019	Increase in investment	Share of net profit/(loss) under equity method	Share of other comprehensive income	Other changes in equity	Cash dividends declared	Provision for impairment		
Taishan Electric	2,085,355,939	-	79,605,330	(54,368)	-	(275,880,313)	-	1,889,026,588	-
Shanxi Yudean Energy Group	1,644,203,546	-	194,928,850	-	-	(20,000,000)	-	1,819,132,396	-
Finance Company	991,882,399	-	89,907,325	18,578,841	-	(73,161,903)	-	1,027,206,662	-
Yudean Shipping	448,869,593	-	(202,710,755)	(346,984)	(4,073,741)	-	-	241,738,113	-
GEG Property Insurance	261,404,011	-	8,638,204	-	-	(1,573,262)	-	268,468,953	-
Western Investment	142,443,282	-	2,845,271	-	(1,269,641)	-	-	144,018,912	-
Yangshan Zhongxinkeng Electric	8,043,666	-	948,652	-	-	(1,399,026)	-	7,593,292	-
Jiangkeng Hydropower	5,397,723	-	997,030	-	-	(804,107)	-	5,590,646	-
Weixin Yuntou Energy Financial Leasing Company	196,222,800	-	(20,630,582)	-	-	-	-	175,592,218	(96,327,854)
	-	521,507,353	976,186	-	-	-	-	522,483,539	-
	5,783,822,959	521,507,353	155,505,511	18,177,489	(5,343,382)	(372,818,611)	-	6,100,851,319	(96,327,854)

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

15 Notes to the company financial statements (Cont'd)

(4) Revenue and cost of sales

	2020	2019
Revenue from main operations	1,130,337,474	2,143,735,733
Revenue from other operations	91,259,553	66,034,845
	<u>1,221,597,027</u>	<u>2,209,770,578</u>

	2020	2019
Cost of sales from main operations	1,159,450,238	2,091,084,312
Cost of sales from other operations	2,176,800	1,730,508
	<u>1,161,627,038</u>	<u>2,092,814,820</u>

(a) Revenue and cost of sales from main operations

	2020		2019	
	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	1,130,337,474	1,159,450,238	2,119,577,250	2,076,001,460
Revenue from steam	-	-	24,158,483	15,082,852
	<u>1,130,337,474</u>	<u>1,159,450,238</u>	<u>2,143,735,733</u>	<u>2,091,084,312</u>

(b) Revenue and cost of sales from other operations

	2020		2019	
	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	35,423,067	5,311	27,522,105	158,629
Rental income	9,706,568	1,010,171	10,246,319	1,126,277
Others	46,129,918	1,161,318	28,266,421	445,602
	<u>91,259,553</u>	<u>2,176,800</u>	<u>66,034,845</u>	<u>1,730,508</u>

(c) The breakdown of revenue earned in 2020 are as follows:

	2020			
	Sales of electricity and coal ash	Rental expenses	Others	Total
Revenue from main operations				
Including: Recognised at a point	1,130,337,474	-	-	1,130,337,474
Recognised over a period	-	-	-	-
Revenue from other operations				
Including: Recognised at a point	35,423,067	-	41,562,703	76,985,770
Recognised over a period	-	9,706,568	4,567,215	14,273,783
	<u>1,165,760,541</u>	<u>9,706,568</u>	<u>46,129,918</u>	<u>1,221,597,027</u>

As at 31 December 2020, the Company had no performance obligation that had been contracted but not yet fulfilled.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**
(All amounts in RMB Yuan unless otherwise stated)
[English translation for reference only]

15 Notes to the company financial statements (Cont'd)

(5) Investment income	2020	2019
Income from long-term equity investments under cost method	1,257,249,835	936,949,527
Investment income from long-term equity investment under equity method	230,001,917	58,731,138
Investment income earned during the holding period of other equity instruments	65,087,539	58,580,379
Interest income from entrusted loans	24,163,550	18,164,293
Recovery of interest income from written off other receivables	-	1,224,342
Others	361,286	827,264
	<u>1,576,864,127</u>	<u>1,074,476,943</u>

There is no significant restriction on the remittance of investment income to the Company.

(6) Losses on/(Reversal of) credit impairment losses	2020	2019
Losses on bad debts of other receivables	58,374	35,805
Reversal of losses on bad debts of accounts receivable	(20,911)	(5,895)
Recovery of written off other receivables	-	(48,647,647)
	<u>37,463</u>	<u>(48,617,737)</u>

(7) Asset impairment losses	2020	2019
Impairment losses on long-term equity investments	96,300,000	71,317,168
Impairment losses on fixed assets	52,051,098	-
Impairment losses on inventories	13,985,244	-
	<u>162,336,342</u>	<u>71,317,168</u>

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

1 Statement of non-recurring profit or loss

	2020	2019
Gains on disposal of non-current assets	340,976,361	20,503,424
Government grants recognised in profit or loss for the current period	30,457,198	33,284,069
Gains on scrapping of non-current assets	21,381,516	6,789,851
Liquidation balance of enterprises with diversified businesses	15,128,380	-
Compensation for electricity charges during the demolition and construction period	11,315,659	-
Income generated where investment cost of enterprises' acquisition of associates is less than the share of the fair value of the investee's identifiable net assets at the time of acquisition of investment	8,549,071	-
Payables unnecessary to be repaid	8,145,556	6,441,146
Income generated where investment cost of the acquisition of subsidiaries in a business combination involving enterprise not under common control is less than the share of the fair value of the investee's identifiable net assets at the time of acquisition of investment	1,235,720	-
Losses on scrapping of non-current assets	(23,719,197)	(14,970,579)
Penalties and overdue fines	(3,976,455)	(4,449,214)
Recovery of written off other receivables	-	48,647,647
Other non-operating income and expenses other than aforesaid items	13,050,019	7,414,388
	<u>422,543,828</u>	<u>103,660,732</u>
Effect of income tax	(106,618,392)	(26,385,663)
Impact on minority interests (after tax)	(100,093,497)	95,768
	<u>215,831,939</u>	<u>77,370,837</u>

Basis for preparation of statement of non-recurring profit or loss

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
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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.

Non-recurring profit or loss items defined according to the definition of non-recurring profit or loss and non-recurring profit and loss items listed which are defined as recurring profit or loss items are as follows:

	Amount of 2020	Reasons for regarding as recurring profit or loss
VAT refund upon collection	9,240,948	Constant occurrence, conforming to national policies and regulations
Carbon emission quota used to fulfil the emission reduction obligation	(57,470,471)	Constant occurrence, conforming to national policies and regulations

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

2 Return on net assets and earnings per share

	Return on weighted average rate net assets (%)		Earnings per share			
			Basic earnings per share		Diluted earnings per share	
	2020	2019	2020	2019	2020	2019
Net profit attributable to ordinary shareholders of the Company	6.54%	4.77%	0.33	0.22	0.33	0.22
Net profit attributable to ordinary shareholders of the Company after deducting non-recurring profit or loss	5.73%	4.45%	0.29	0.20	0.29	0.20

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	
	2020	2019	31 December 2020	31 December 2019
Under the CASs	1,746,280,132	1,146,767,033	27,369,995,422	26,178,241,077
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	38,638,777
Difference in recognition of land use value upon business combination (a)	(630,000)	(630,000)	16,340,000	16,970,000

**SUPPLEMENTARY INFORMATION TO THE FINANCIAL STATEMENTS
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Impact on minority interests (b)	54,120	54,120	4,918,459	4,864,339
Under the IFRSs	<u>1,745,704,252</u>	<u>1,120,206,930</u>	<u>27,429,892,658</u>	<u>26,238,714,193</u>

- (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

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.

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).