



Guangdong Electric Power Development Co., Ltd.

2021 Annual Report

April 2022

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	Position of absent director	Reason	The name of director who was authorized
Li Fangje	Director	Due to business	Li Baobing
Mao Qinghan	Director	Due to business	Wang Jin
Yin Zhongyu	Independent director	Due to business	Ma Xiaoqian

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's main business is the investment, construction and operation management of electric power projects and new energy projects. Please refer to the section "XI. Outlook of the Company's Future Development" in Section III Management Discussion & Analysis for possible risks and countermeasures of the Company's future development.

The Company Will not distribute cash dividend or bonus shares, neither capitalizing of common reserves.

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Documents available for inspection

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 China Securities Daily, Shanghai Securities News, Securities Times, Securities Daily and Hong Kong Commercial Daily (overseas newspaper for English 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).

Definition

Terms to be defined	Refers to	Definition
Guangdong Energy Group	Refers to	Guangdong Energy Group Co., Ltd.
Sha A Power plant	Refers to	Guangdong Electric Power Development Co., Ltd. Sha A Power plant
Tumu Branch	Refers to	Guangdong Electric Power Development Co., Ltd. Tumushuke Branch
Qinghai Branch	Refers to	Guangdong Electric Power Development Co., Ltd. Qinghai Branch
Zhanjiang Electric Power	Refers to	Zhanjiang Electric Power Co., Ltd.
Yuejia Company	Refers to	Guangdong Yuejia Electric Power Co., Ltd.
Yuejiang Company	Refers to	Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.
Zhenneng Company	Refers to	Maoming Zhenneng Thermal Power Co., Ltd.
Jinghai Company	Refers to	Guangdong Yudean Jinghai Power Co., Ltd.
Humen Power Company	Refers to	Guangdong Yudean Humen Power Co., Ltd.
Anxin Company	Refers to	Guangdong Yudean Anxin Electric Inspection & Installation Co., Ltd.
Zhanjiang Zhongyue	Refers to	Zhanjiang Zhongyue Energy Co., Ltd.
Bohe Company	Refers to	Guangdong Yudean Energy Co., Ltd.
Huadu Company	Refers to	Guangdong Huadu Natural Gas Thermal Power Co., Ltd.
Dapu Power Plant	Refers to	Guangdong Dapu Power Generation Co., Ltd.
Wind Power Company	Refers to	Guangdong Wind Power Co., Ltd.
Guangqian Company	Refers to	Shenzhen Guangqian Electric Power Co., Ltd.
Electric Power Sales Company	Refers to	Guangdong Yudean Electric Power Sales Co., Ltd.
Huizhou Natural Gas Company	Refers to	Guangdong Huizhou Natural Gas Power Co., Ltd.
Red Bay Company	Refers to	Guangdong Red Bay Power Co., Ltd.
Pinghai Power Plant	Refers to	Guangdong Huizhou Pinghai Power Co., Ltd.
Lincang Company	Refers to	Lincang Yudean Energy Co., Ltd.
Yongan Company	Refers to	Guangdong Yudean Yongan Natural Gas Thermal Power Co., Ltd.
Binhaiwan Energy Company	Refers to	Guangdong Yudean Binhaiwan Energy Co., Ltd.
Dayawan Energy	Refers to	Guangdong Yudean Dayawan Integrated Energy Co., Ltd.
Qiming Energy	Refers to	Guangdong Yudean Qiming Energy Co., Ltd.
Huaguoquan Company	Refers to	Shenzhen Huaguoquan Electric Industry Service Co., Ltd.
Dananhai Company	Refers to	Guangdong Yudean Dananhai Intelligence Energy Co., Ltd.
Yudean Baihua	Refers to	Guangdong Yudean Baihua Integrated Energy Co., Ltd.
Bijie Energy	Refers to	Guangdong Bijie New Energy Co., Ltd.
Shaoguan Energy	Refers to	Guangdong Shaoguan Yuedianli New Energy Co., Ltd.

Henan Energy	Refers to	Henan Yudean New Energy Co., Ltd.
Sha C Company	Refers to	Guangdong Shajiao(plant C) Power Generation Co., Ltd.
Yuehua Power Generation	Refers to	Guangdong Yuehua Power Generation Co., Ltd.
Yunhe Power Generation	Refers to	Guangdong Yudean Yunhe Power Generation Co., Ltd.
Tumu Thermal Power	Refers to	Tumushuke Thermal Power Co.,Ltd.
Shibeishan Wind Power	Refers to	Guangdong Yudean Shibeishan Wind Energy Development Co., Ltd.
Dianbai Wind Power Company	Refers to	Guangdong Yudean Dianbai Wind Power Co., Ltd.
Huilai Wind Power Company	Refers to	Huilai Wind Power Generation 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.
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.
Pingdian Integrated Energy Company	Refers to	Huizhou Pingdian Integrated Energy Co., Ltd.
Zhuhai Wind Power Company	Refers to	Guangdong Yudean Zhuhai Offshore Wind Power Co., Ltd.
Zhanjiang Wind Power Company	Refers to	Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.
Qujie Wind Power Company	Refers to	Guangdong Yudean Qujie Wind Power Generation Co., Ltd.
Leizhou Wind Power Company	Refers to	Guangdong Yudean Leizhou Wind Power Generation Co., Ltd.
Tongdao Wind Power Company	Refers to	Tongdao Yuexin Wind Power Generation Co., Ltd.
Yudean 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.
Energy Financial Leasing Company	Refers to	Guangdong Energy Financial Leasing 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. Company Profile & Financial Highlights.

1. Company Profile

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(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		
Historical change of the company's registered address	No		
Office Address	33-36/F, South Tower, Yudean Plaza, No.2 Tianhe Road East, Guangzhou,Guangdong Province		
Postal code of the office address	510630		
Internet Web Site	http://www.ged.com.cn		
E-mail	ged@ged.com.cn		

2. 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	22/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

3. Information disclosure and placed

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

4. Changes in Registration

Organization Code	91440000617419493W
Changes in principal business activities since listing (if any)	On August 25, 2021, The Company's main business consists of " investment, construction and operation management of power projects, production and sales of power, technical consulting and services in the power industry, leasing of terminal facilities, general cargo warehousing, loading and unloading, and transportation services. (Projects subject to approval according to law, Business activities can only be carried out after being approved by the relevant departments)" is changed to "investment, construction and operation management of power projects and new energy projects; production and sales of electric power; technical consulting and services in the power industry; leasing of terminal facilities; general cargo storage, loading and unloading, shipment service. (Projects subject to approval according to law, Business activities can only be carried out after being approved by the relevant departments)" .
Changes in the controlling shareholder in the past (is any)	No change

5. 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	Chen Junjun, Li Xiaolei

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

Applicable Not Applicable

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

Applicable Not Applicable

6.Summary of Accounting data and Financial index

Whether it has retroactive adjustment or re-statement on previous accounting data

√Yes □ No

Retroactive adjustment or restatement of causes

Merger of enterprises under the same control

	2021	2020		Changes of this period over same period of Last year(%)	2019	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Operating income (Yuan)	44,167,223,887	28,329,065,391	33,602,895,865	31.44%	29,360,155,150	35,832,090,286
Net profit attributable to the shareholders of the listed company (Yuan)	-3,147,754,234	1,746,280,132	2,053,909,956	-253.26%	1,146,767,033	1,038,130,240
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (Yuan)	-2,905,313,714	1,530,448,193	1,551,209,648	-287.29%	1,069,396,196	1,150,486,132
Cash flow generated by business operation, net (Yuan)	-40,304,011	6,280,781,169	7,754,798,636	-100.52%	8,272,683,112	9,475,552,022
Basic earning per share(Yuan/Share)	-0.5995	0.3326	0.3912	-253.25%	0.2184	0.1977
Diluted gains per share(Yuan/Share)	-0.5995	0.3326	0.3912	-253.25%	0.2184	0.1977
Weighted average ROE(%)	-10.72%	6.54%	6.95%	-17.67%	4.77%	3.11%
	End of 2021	End of 2020		Changed over last year (%)	End of 2019	
		Before adjustment	After adjustment		After adjustment	Before adjustment
Gross assets (Yuan)	114,271,451,479	85,970,818,168	99,479,773,162	14.87%	75,472,027,123	88,690,163,330
Net assets attributable to shareholders of the listed company (Yuan)	23,185,079,805	27,369,995,422	31,820,079,621	-27.14%	26,178,241,077	33,392,176,103

The lower of the company's net profit before and after the deduction of non-recurring gains and losses in the last three fiscal years is negative, and the auditor's report of the previous year shows that the Company's going concern ability is uncertain.

Yes No

The lower of the net profit before and after the deduction of the non-recurring gains and losses is negative.

Yes No

Items	2021	2020	Remark
Operating income (Yuan)	44,167,223,887	33,602,895,865	Including electricity sales income, steam income, labor service income and a few other business income unrelated to the main business.
Operating income deduction amount (Yuan)	4,784,789,933	5,817,935,297	It mainly refers to the income from the beginning of the period to the combination date of the subsidiaries of the business combination under the same control and other business income unrelated to the main business
Amount of operating income after deduction (Yuan)	39,382,433,954	27,784,960,568	Including electricity sales income, steam income and labor service income

7.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

During the reporting period, there is no difference between net profit and net assets in the financial reports disclosed in accordance with international accounting standards and those disclosed in accordance with Chinese accounting standards.

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

8. Main Financial Index by Quarters

In RMB

	First quarter	Second quarter	Third quarter	Fourth quarter
Operating income	8,846,102,827	11,180,158,938	12,320,101,729	11,820,860,393
Net profit attributable to the shareholders of the listed company	-45,317,768	202,270,769	-256,348,664	-3,048,358,571
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company	-75,788,974	187,572,768	-707,662,412	-2,314,970,584
Net Cash flow generated by business operation	697,961,911	2,715,988,228	763,374,449	-4,217,628,600

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

In November this year, under the same control, the Company merged Shajiao C Company, Yuehua Power Generation Company and Yunhe Company, and restated the figures of the previous year and this year. As a result, the above financial indicators are different from those in the disclosed quarterly reports and semi-annual reports.

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

Applicable Not applicable

In RMB

Items	Amount (2021)	Amount (2020)	Amount (2019)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	82,842,178	340,976,361	20,503,424	This year, Shajiao C Company sold Mingyuan assets, Bohe Coal and Electricity stripped the wharf assets, and Yunhe Company sold Yundian Energy, which along with Yuejia company Liquidation all increased the project income.
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	37,606,578	30,457,198	33,284,069	It refers to various government funds received by branches and subsidies.
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		9,784,791		

investments				
Net gain and loss of the subsidiary under the common control and produced from enterprise consolidation from the beginning of the period to the consolidation date	-658,714,842	559,324,501	-92,777,150	This year, three newly controlled companies, Yunhe, Yuehua and Shajiao C, increased their net losses from the beginning to the merger date
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	
Net amount of non-operating income and expense except the aforesaid items	16,979,172	36,323,955	5,674,806	It is mainly the loss of asset retirement, claim settlement and compensation income of branches and subsidiaries
Less :Influenced amount of income tax		5,001,523		
Income tax impact	55,885,342	106,635,578	26,385,663	
Influenced amount of minor shareholders' equity (after tax)	-252,056,993	372,532,443	96,853,811	
Total	-242,440,520	502,700,308	-112,355,892	--

Details of other profit and loss items that meet the non-recurring profit and loss definition

Applicable Not applicable

None

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(RMB)	Reason
Value-added tax will be refunded immediately	28,991,960	According to the VAT refund policy, the company and its controlled subsidiaries are in compliance with relevant regulations and continue to enjoy the VAT refund immediately.
Carbon emission quota used to fulfill the emission reduction obligation	-135,013,051	Comply with national policies and regulations, and continue to occur. Meanwhile, this year, the Company's coal-fired on-grid electricity consumption increased greatly year on year, and the free carbon emission quota was insufficient, so it was necessary to purchase additional quota.

III. Management Discussion & Analysis

I. Industry information of the Company during the reporting period

In 2021, due to the complicated and unstable global pandemic, China's economic development faced triple pressures of demand contraction, supply shock and expected weakening, which had not been witnessed for many years, the external environment became more complicated, severe and uncertain, the energy and power industry was faced with the arduous test of balancing multiple objectives of ensuring supply, adjusting structure and stabilizing growth, and company's business development faced severe and complicated risk challenges.

In terms of power demand, according to the statistics of the national power industry in 2021 released by the National Energy Administration, the electricity consumption of the whole society in China in 2021 was 8.31 trillion kWh, with a year-on-year increase of 10.3%. The substantial increase in electricity consumption was mainly influenced by factors such as the sustained recovery and development of the domestic economy, the low base in the same period of the previous period, and the rapid growth of foreign trade exports. Including, the electricity consumption of the primary industry was 102.3 billion kWh, with a year-on-year increase of 16.4%; The electricity consumption of the secondary industry was 5.61 trillion kWh, with a year-on-year increase of 9.1%; The electricity consumption of the tertiary industry was 1.42 trillion kWh, with a year-on-year increase of 17.8%; The domestic electricity consumption of urban and rural residents was 1.17 trillion kWh, with a year-on-year increase of 7.3%.

In terms of power supply side, with the in-depth promotion of emission peak and carbon neutrality, China has comprehensively promoted the large-scale and high-quality development of wind power and solar power generation, accelerated the growth rate of new energy installed capacity, and continuously increased the proportion of total installed capacity of power generation in China. By the end of 2021, the installed capacity of wind power in China was 328 million kilowatts, with a year-on-year increase of 16.6%; The installed capacity of solar power generation was 306 million kilowatts, with a year-on-year increase of 20.9%; The installed capacity of coal was 1.11 billion kilowatts, with a year-on-year increase of 2.8%. In addition, the wind power generated 652.6 billion kWh, with a year-on-year increase of 40.5%; The solar energy generated 325.9 billion kWh, with a year-on-year increase of 25.1%; The coal-fired power generation was 5.03 trillion kWh, with a year-on-year increase of 8.6%, accounting for 60.0% of full power generation, with a year-on-year decrease of 0.7%. Considering the installed capacity and power generation, coal-fired power is still the most important power supply in China at present, and it is also the basic power supply to ensure the safe and stable power supply in China.

In 2021, due to safety inspection, environmental protection supervision, limited quota of imported coal and other factors, the supply and demand of coal were out of balance, and the coal supply continued to be tight, which led to the price of thermal coal hitting record highs. Thermal power enterprises as a whole were affected by the rising fuel cost, and their operating performance continued to be under pressure. Relevant national authorities have successively issued policies to ease the operating pressure of power generation enterprises, ensure the coal supply and stabilize the coal price. On October 11, 2021, the National Development and Reform Commission issued the Notice on Further Deepening the Marketization Reform of On-grid Electricity Price of Coal-fired Power Generation, according to which the floating range of coal-fired power generation market transaction price changed from no more than 10% by increase and 15% by decrease to no more than 20% by both increase and decrease, and the trading price of high-efficiency enterprise market was not subject to the restriction of 20%. In addition, the National Development and Reform Commission has issued a series of policies, such as the Notice on Further Improving the

Price Formation Mechanism of Coal Market, to strengthen the coal supply guarantee and reasonable price intervention, and to improve the price transmission mechanism of electricity market.

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

The Company shall comply with the disclosure requirements of power-related industries in the Guideline No.3 for Self-regulation of Listed Companies of Shenzhen Stock Exchange-Industry Information Disclosure.

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 29.9426 million kilowatts, including holding installed capacity of 28.2292 million kilowatts and equity participation installed capacity of 1.7134 million kilowatts. Including: The holding installed capacity for coal-fired power generation was 20.55 million kilowatts, accounting for 72.8%; the holding installed capacity for gas and electricity of 5.472 million kilowatts, accounting for 19.4%; and renewable energy generation like wind power and hydropower of 2.2072 million kilowatts, accounting for 7.8% . In addition, the company is entrusted with managing the installed capacity of 8.854 million kilowatts . The above controllable installed capacity and entrusted management installed capacity totaled 38,796,600 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 104.951 billion kilowatt-hours ,an increase of 32.49% YOY; average price stated in the consolidated statements is 465.70 Yuan/ thousands kilowatt-hours(tax included ,the same below), an increase of 18.43 yuan/ thousands kilowatt-hours or an increase of 4.12% YOY;the total operating income was RMB 44,167.22million, an increase of RMB 10,564.33 million or an increase of 31.44% YOY.

The company's business is dominated by coal-fired power generation, and the fuel costs account for a large portion of operating costs, thus the fluctuations in coal prices have a significant impact on the company's operating performance. During the reporting period, affected by the increase in power generation and the continuous increase in coal prices, the company’s fuel costs were 38,663.70 million yuan, which accounted for 82.59% of the main business costs; Affected by the sharp increase of power generation and coal price, the fuel cost increased by RMB 19,370,110 year on year. an increase of 100.4% .

During the reporting period, due to the stable and positive economic growth and other factors, the demand for social electricity in Guangdong Province increased at a higher speed than expected, and the power supply continued to be tight. The Company made every effort to ensure the safe production and stable supply of electricity, and the on-grid electricity increased by 32.49% year on year. However, due to the high price of coal and gas, the on-grid electricity price seriously dropped away from the power generation cost, and the power plant suffers a large loss. The gross

profit margin of the Company's main business and the net profit attributable to its parent company decreased year on year, and the net profit attributable to its parent company was RMB -3,147.75 million, with a year-on-year decrease of 253.26%.

Main Production and Operation Information

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	2,822.92	2604.8
Installed capacity of units that are newly put into production ('0,000 kW)	218.12	220.4
Planned installed capacity of approved projects ('0,000 kW)	778.8	706.1
Planned installed capacity of projects under construction ('0,000 kW)	684.8	566.1
Power generation ('00,000,000 kWh)	1,107.03	835.66
On-grid electricity or electricity sales ('00,000,000 kWh)	1,049.51	792.12
Average on-grid price or selling price (RMB/'00,000,000 kWh , including tax)	0.47	0.45
Average power consumption rate of power plant (%)	5.23%	5.28%
Power plant utilization hours (h)	4,219	3,332

(1) Operation Information of thermal power

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	2602.2	2520.2
Installed capacity of units that are newly put into production ('0,000 kW)	82	200
Planned installed capacity of approved projects ('0,000 kW)	664.8	435.5
Planned installed capacity of projects under construction ('0,000 kW)	570.8	435.5
Power generation ('00,000,000 kWh)	1077.46	810.76
On-grid electricity or electricity sales ('00,000,000 kWh)	1021.45	768.25
Average on-grid price or selling price (RMB/'00,000,000 kWh , including tax)	0.459	0.442
Average power consumption rate of power plant (%)	5.23	5.24
Power plant utilization hours (h)	4606	3679

(2) Operation Information of wind power

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	197.04	60.92
Installed capacity of units that are newly put into production ('0,000 kW)	136.12	20.4
Planned installed capacity of approved projects ('0,000 kW)	0	270.6
Planned installed capacity of projects under construction ('0,000 kW)	104	130.6
Power generation ('00,000,000 kWh)	18.32	12.79
On-grid electricity or electricity sales ('00,000,000 kWh)	17.42	12.27
Average on-grid price or selling price (RMB/'00,000,000 kWh , including tax)	0.682	0.657
Average power consumption rate of power plant (%)	4.61	4.33
Power plant utilization hours (h)	2044	2033

(3) Operation Information of water power

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	13.28	13.28
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)	3.44	4.80
On-grid electricity or electricity sales ('00,000,000 kWh)	3.39	4.72
Average on-grid price or selling price (RMB/'00,000,000 kWh , including tax)	0.210	0.169
Average power consumption rate of power plant (%)	1.44	1.81
Power plant utilization hours (h)	2589	3617

(4) Operation Information of Biomass business

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	10	10

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)	7.89	7.31
On-grid electricity or electricity sales ('00,000,000 kWh)	7.25	6.88
Average on-grid price or selling price (RMB/'00,000,000 kWh , including tax)	0.745	0.743
Average power consumption rate of power plant (%)	8.11	5.88
Power plant utilization hours (h)	7890	7313

(5) Operation Information of photovoltaic business

Items	This reporting period	Same period last year
Total installed capacity ('0,000 kW)	0.4	0.4
Installed capacity of units that are newly put into production ('0,000 kW)	0	0
Planned installed capacity of approved projects ('0,000 kW)	260.428	30
Planned installed capacity of projects under construction ('0,000 kW)	22	0

1. The total installed capacity is the holding installed capacity; 2. In 2021, under the same control, the Company combined Yuehua Power Generation Company, Shajiao C Company and Yunhe Power Generation Company, so the data of total installed capacity in the same period last year are restated. 3. During the reporting period, the Company's photovoltaic power generation was only used in the factory.

Electricity sales business of the Company

Applicable Not applicable

Guangdong Yudean Electric Power Sales Co., Ltd. ("Sales Company"), a wholly-owned subsidiary of the Company, founded in July 2015, is the first power sales company in Guangdong Province, and its power sales qualification code is SD01. Based on the business of purchasing and selling electricity, the company focuses on improving electricity efficiency, provides customers with services such as demand response strategy, energy saving renovation, energy consumption strategy consultation, contracted energy management, power energy storage, etc., and carries out comprehensive energy service projects (smart energy management, carbon asset management, energy trusteeship, energy audit, etc.) in vertical (industry) fields, large group enterprises and large parks.

In 2021, the electricity consumption of the Power Marketing Company was 45.302 billion kWh, with a year-on-year decrease of 8.01%, in which the electricity of the holding subsidiary of the agency company is 14.823 billion kWh, accounting for 14.12% of the Company's on-grid electricity.

Reasons for the significant changes in the relevant data

Applicable Not applicable

Related new energy power generation business

In 2021, guided by the "30 60" double-carbon strategic goal, the Company adhered to the clean, low-carbon, safe and efficient energy development strategy, and continuously optimized the power supply structure and asset structure. By the end of the reporting period, the Company had put into operation a total of 22 new energy power generation projects with a holding installed capacity of 1,974,400 kilowatts; There was 4 new energy projects under construction, with a holding installed capacity of 1.26 million kilowatts. In addition, the Company has signed cooperation framework agreements with Tumushuke City of the third division of Xinjiang Production and Construction Corps, Dafang County, Hezhou City, Gangcha County and other local governments and in the future, it will make full use of the existing resource advantages of local solar energy and wind energy, and cooperate in the development of centralized and decentralized photovoltaic power generation and wind power projects, industrial integration, carbon neutrality, etc., which is conducive to changing resource advantages into industrial advantages and economic advantages, promoting the development of green energy and green economy, and promoting the clean and low-carbon transformation of the Company's energy.

1. As of December 31, 2021, the new energy power generation projects controlled by the Company that have been put into production are as follows:

Project type	Project name	Installed capacity ('0,000 kilowatts)	Shareholding ratio
Wind Power	Zhanjiang Xuwen Yangqian	4.95	70%
Wind Power	Zhanjiang Xuwen Yongshi	4.95	70%
Wind Power	Jieyang Huilai Shibeishan	10.0	70%
Wind Power	Jieyang Huilai Haiwanshi	1.4	90%
Wind Power	Maoming Dianbai Hot Water	4.95	100%
Wind Power	Zhanjiang Leizhou Hongxinlou	4.95	94%
Wind Power	Zhanjiang Xuwen Shibaling	4.95	100%
Wind Power	Zhanjiang Xuwen Qujie	4.95	100%
Wind Power	Wailuo I offshore wind power	19.8	100%
Wind Power	Xuwen Wutushan Wind Power	4.95	51%
Wind Power	Xuwen Dengjiaolou Wind Power	4.95	51%
Wind Power	Pingyuan Maoping	4.8	100%

Wind Power	Zhuhai Jinwan offshore Wind power	30	85.91%
Wind Power	Zhanjiang Xuwen Wailuo II Offshore Wind Power	20	100%
Wind Power	Zhanjiang Xuwen Xinliao offshore wind power	20.35	100%
Wind Power	Yangjiang Shapa offshore wind power	30	91.41%
Wind Power	Guangxi Wuxuan	5	100%
Wind Power	Hunan Xupu Taiyangshan	5	100%
Wind Power	Hunan Tongdao Dagaoshan	5	100%
Wind Power	Decentralized Wind Power in Shanwei Power Plant	1.08	65%
Wind Power	Nanxiong Zhuan village	4.99	100%
Biomass Power	Photovoltaic in Zhanjiang Biomass Plant	0.4	51%
Total		197.44	

2. As of December 31, 2021, the new energy power generation projects under construction of the Company are as follows:

Project type	Project name	Installed capacity (‘0,000 kilowatts)	Shareholding ratio	Planned production time
Wind Power	Pingyuan Sishui	4	100%	June 2022
Wind Power	Yangjiang Qingzhou I	40	100%	December 2023
Wind Power	Yangjiang Qingzhou II	60	100%	December 2024
Photovoltaic	Zhanjiang Potou Qiantang	22	100%	December 2022
Total		126		

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 114.271 billion. It is the largest listed company of power in Guangdong Province. It is the only listed company with over 100 billion assets controlled by state-owned holdings in Guangdong province. As of December 31, 2021, The company's controllable installed capacity and entrusted managed installed capacity totaled 38.7966 million kilowatts, accounting for 24.4% of the total installed capacity of Guangdong Province.

2. Strong background and resource advantages

Guangdong Energy Group, the controlling shareholder of the company, as a provincial key energy enterprise, has been actively supporting listed companies to become better and stronger by using the advantages of its resources, technology and asset scale. As the only listed company and main force of Guangdong Energy Group, the company has always been subordinated to serving the overall situation of the reform and development of Guangdong Province and Guangdong Yudean Group. It has deeply cultivated the main power industry, actively 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

During the 14th five-year period, Guided by the national energy development strategy, the Company is implementing the "1+2+3+X" strategy - 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 broad development prospects; With clear main business, reasonable structure, outstanding industrial position and market share, it has strong comprehensive strength and broad development prospects.

4. Competitive advantage in electricity market

The company's generator set has high parameters, large capacity, high operation efficiency, low coal consumption, stable operation, superior environmental protection performance and strong market competitive advantage. In 2021, the company completed a total of 84.261 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, thus realizing the transformation from a power generation enterprise to an energy comprehensive service enterprise.

5. Advantage of financial resources

As of December 31, 2021, the company's total assets were 114.571 billion yuan, net assets were 32.746 billion yuan, net assets attributable to the parent were 23.185 billion yuan.; Net cash inflow from operating activities was 89 million yuan, net cash outflow from investment activities was 10.263 billion yuan, and net cash outflow from financing activities was 8.981 billion yuan. At present, the Company's total assets reach 100 billion, and the cash flow of its stock business is abundant, which provides a good support for the Company's sustainable development. The Company has a good asset-liability ratio and rich financing channels, and it can make full use of internal and external financial resources, thus providing a strong financial guarantee for its production and operation, key project construction and the rapid development of new energy industry.

6. Regional development advantages

As the main energy source in Guangdong Province, the company shoulders the important task of helping Guangdong Province to build a clean, low-carbon, safe and efficient modern energy system. The company will actively integrate into the construction of Guangdong-Hong Kong-Macao Greater Bay Area, Shenzhen's advanced demonstration zone and the development of Guangdong's "one core, one belt and one area". It will steadily push forward the construction of key energy projects and the development of new energy resources in the province and actively seek to expand into regions with better resource conditions and higher power demand, Help the "30 60"

target to be implemented.

IV. Main business analysis

I. General

In 2021, thanks to the sustained and steady recovery of China's economy, the demand for electricity in the whole society of Guangdong Province increased at a higher speed than expected, reaching 786.663 billion kWh, a year-on-year increase of 13.58%. In 2021, Guangdong received 189.385 billion kWh of electricity from the west part of China, with a year-on-year decrease of 7.97%; In terms of installed capacity, the newly put-into-operation nuclear power and thermal power units in the province had a capacity of 5.79 million kilowatts, and the newly added installed capacity of unified regulation accounted for 3.65% of the unified regulation capacity. Affected by factors such as the reduction of power transmission from the west, the shortage of steam turbine caused by the high price of natural gas, and the synchronous increase of peak shaving demand caused by the substantial increase of renewable energy in Guangdong Province, the utilization hours of coal-fired power generation in Guangdong Province have increased significantly. During the reporting period, the power consumption of the Company's coal-fired units was 85.519 billion kWh, with a year-on-year increase of 51.43%; The electricity consumption of the steam turbines was 16.627 billion kWh, with a year-on-year increase of 42.27%; The wind power on-grid electricity consumption was 1.742 billion kWh, with a year-on-year increase of 41.97%.

In 2021, the Company's market-oriented transaction scale continued to expand, and the discount rate was further increased. The average on-grid electricity price of the consolidated statement was RMB 465.70/thousand kWh (including tax, the same below), with a year-on-year decrease of RMB 2.08/thousand kWh, or 0.44%. As the price of coal and gas continues to rise, the on-grid electricity price is greatly dropped away from the cost of power generation fuel, resulting in a loss in the Company's power generation business. By the end of 2021, according to the consolidated statements, the total assets of the Company were RMB 114.271 billion, with a year-on-year increase of 14.87%; The equity attributable to shareholders of the parent company was RMB 23.185 billion, with a year-on-year decrease of 27.14%. According to the consolidated statements, the Company's revenue was RMB 44.167 billion, with a year-on-year increase of 31.44%; The net profit attributable to shareholders of the parent company was RMB -3.148 billion, with a year-on-year decrease of 253.26%; And the earnings per share was RMB -0.6 (compared to RMB 0.39 in the same period last year). The total liabilities of the Company according to the consolidated statements were 81.526 billion, and the asset-liability ratio was 71.34%.

In 2021, the Company actively implemented the decision-making and deployment of the national strategic objectives of emission peak and carbon neutrality, closely focused on the clean, low-carbon, safe and efficient energy development strategy, comprehensively promoted the Company's "1+2+3+X" strategic layout, and continuously optimized the power supply structure and asset structure. In 2021, all new energy projects such as Zhuhai Jinwan, Yangjiang Shaba, Wailuo Phase II and Xinliao Offshore Wind Power were officially put into production. Meanwhile, the Company actively promoted Yongan Thermal Power, Dongguan Ningzhou Gas Power, Pingyuan Sishui Wind Power, Zhanjiang Potou Photovoltaic, Yangjiang Qingzhou Offshore Wind Power and other projects to accelerate the pace of green and low-carbon transformation. By the end of 2021, the Company had a controllable installed capacity of 29,942,600 kilowatts, with a year-on-year increase of 28.66%, of which the proportion of clean energy increased to 27.2%. In the future, the Company will continue to adhere to the concept of green development, continuously promote the optimization and adjustment of the power supply structure, actively integrate into the construction of Guangdong-Hong Kong-Macao Greater Bay Area and the Shenzhen pilot demonstration zone and the development of "one core, one belt and one area" in Guangdong, and make due contributions to accelerating the construction of a clean, low-carbon, safe and efficient energy system and achieving

the goal of emission peak and carbon neutrality.

2. Revenue and cost

(1)Component of Business Income

In RMB

	2021		2020		Increase /decrease
	Amount	Proportion	Amount	Proportion	
Total operating revenue	44,167,223,887	100%	33,602,895,865	100%	31.44%
On Industry					
Electric power , Steam sales and labor income	43,574,329,958	98.66%	33,115,496,875	98.55%	31.58%
Other	592,893,929	1.34%	487,398,990	1.45%	21.64%
On products					
Sales Electric Power	43,278,023,920	97.99%	32,810,398,651	97.64%	31.90%
Steam income	167,971,843	0.38%	138,114,070	0.41%	21.62%
Labor income	128,334,195	0.29%	166,984,154	0.50%	-23.15%
Comprehensive utilization of fly ash	495,095,811	1.12%	380,944,621	1.13%	29.97%
Lease revenue	48,557,619	0.11%	44,103,472	0.13%	10.10%
Other	49,240,499	0.11%	62,350,897	0.19%	-21.03%
Area					
Guangdong	44,042,541,802	99.72%	33,530,640,110	99.78%	31.35%
Yunnan	64,581,623	0.15%	72,255,755	0.22%	-10.62%
Xingjiang	60,100,462	0.14%			
Sub-sale model					
Direct selling	44,167,223,887	100%	33,602,895,865	100%	31.44%

(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 power-related industries in the Guideline No.3 for Self-regulation of Listed Companies of Shenzhen Stock Exchange-Industry Information Disclosure.

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 products						
Electricity sales income	43,278,023,920	46,541,774,902	-7.54%	31.90%	7%	-27.14%
Of which:						
Coal-fired power generation	35,283,584,475	39,459,402,833	-11.84%	44%	92.84%	-28.33%
Gas power generation	6,373,234,192	6,083,234,210	4.55%	-9.33%	17.72%	-21.93%
Wind Power generation	1,078,426,815	570,951,289	47.06%	42.68%	73.98%	-9.52%
Biomass power generation	478,196,815	372,045,928	22.20%	5.84%	3.50%	1.76%
Hydropower generation	64,581,623	56,140,642	13.07%	-10.53%	-8.95%	-1.50%
Area						
Guangdong	44,042,541,802	46,665,941,467	-5.96%	31.35%	75.55%	-26.68%

Reasons for great changes in related financial indicators

Applicable Not applicable

As the overall epidemic prevention and control and economic and social development in Guangdong Province continued to show results, combined with the influence of factors such as reduction of power transmission from the west and frequent hot weather, the electricity consumption of the whole society in Guangdong Province showed a historically high increase, and the power supply situation was tight. The Company actively implemented the requirements of the special meeting on ensuring power supply in Guangdong Province, and successfully completed the power protection tasks of several important nodes, resulting in a large year-on-year increase in electricity consumption and electricity sales revenue.

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

Yes No

Classification	Items	Unit	2021	2020	Changes
Electric power, thermal production and supply	Sales volume	'00,000,000 kWh	1,049.51	792.12	32.49%
	Production	'00,000,000 kWh	1,107.03	835.66	32.47%

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

Applicable Not applicable

In 2021, due to the stable and positive economic growth and other factors, the electricity demand of the whole society in Guangdong Province increased at a higher speed than expected, and the electricity supply continued to be tight. The Company made every effort to ensure the safe production and stable supply of electricity, and the electricity generation capacity and the on-grid electricity according to the consolidated statements increased greatly year on year.

(4) Performance of the major sales contract, major procurement contract signed by the Company till end of the Period

Applicable Not applicable

Implementation of Signed Major Sales Contracts as of this Reporting Period

Applicable Not applicable

In '0,000RMB

Contract object	Counterparty	Total contract amount	Total fulfilled amount	Amount fulfilled during the reporting period	Amount to be fulfilled	Whether fulfilled properly	Description of the failure to fulfill the contract properly
Quantity of electricity	CHINA SOUTHERN POWER GRID			4,297,109.71		Yes	

Implementation of Signed Major Purchase Contracts as of this Reporting Period

Applicable Not applicable

(5) Component of business cost

Industry classification

In RMB

Industry	Items	2021		2020		Increase/Decrease
		Amount	Proportion in the operating costs (%)	Amount	Proportion in the operating costs (%)	
Electric power, thermal production and supply	Fuel cost	38,663,701,630	82.59%	19,293,583,315	72.41%	100.40%
Electric power, thermal production and supply	Depreciation expense	4,100,777,693	8.76%	3,784,024,124	14.20%	8.37%
Electric power, thermal production and supply	Labor cost	1,812,303,566	3.87%	1,621,796,477	6.09%	11.75%
Electric power, thermal production and supply	Other	2,238,017,793	4.78%	1,945,478,686	7.30%	15.04%

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 82.59% of total cost. Mainly affected by the continuous increase in fuel prices, due to the fuel costs risen sharply year on year.

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

Yes No

Name	Nature	New investment amount in this period (Yuan)	Paid-in capital at the end of period(Yuan)	Proportion (%)	Acquired
Guangdong Shajiao (Plant C) Power Generation Co., Ltd.	Electric Power	1,559,120,782	2,500,000,000	51%	Business merger under the same control
Guangdong Yudean Yunhe Power Generation Co., Ltd	Electric Power	1,066,562,327	755,733,258	90%	Business merger under the same control
Tumushuke Thermal Power Co., Ltd.	Electric Power	800,000,000	1,006,523,900	79.48%	Business merger not under the same control
Guangdong Yuehua Power Generation Co., Ltd.	Electric Power	541,247,838	1,004,714,000	51%	Business merger under the same control
Guangdong Yudean Dananhai Intelligence Energy Co., Ltd.	Electric Power	15,000,000	15,000,000	100%	Invested
Guangdong Yudean Bijie New Energy Co., Ltd.	Electric Power	5,000,000	5,000,000	100%	Invested
Guangdong Yudean Baihua Integrated Energy Co., Ltd.	Electric Power	3,000,000	3,000,000	100%	Invested

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

Applicable Not applicable

(8) Situation of Main Customers and Main Supplier

Information of the Company's top 5 sales customers

Total sales amount to top 5 customers (Yuan)	43,545,115,382
Proportion of sales to top 5 customers in the annual sales(%)	98.60%
Proportion of the sales volume to the top five customers in the total sales to the related parties in the year	0.87%

Information of the Company's top 5 customers

No	Name	Amount (RMB)	Proportion
1	GPGC	42,971,097,121	97.29%
2	Guangdong Yudean Environmental Protection Co., Ltd	378,769,439	0.86%
3	Zhuhai Bingxing Construction Materials Co., Ltd	79,138,402	0.18%
4	Yunnan Power Grid Co., Ltd.	64,581,623	0.15%
5	State Grid Xinjiang Electric Power Co., Ltd.	51,528,797	0.12%
Total	--	43,545,115,382	98.60%

Other explanation :

√Applicable □Not applicable

Guangdong Yudean Environmental Protection Co., Ltd. is a wholly-owned subsidiary of Guangdong Electric Power Industrial Fuel Co., Ltd., a joint venture company of the Company. Therefore, Guangdong Yudean Environmental Protection Co., Ltd. is related to the Company.

Principal suppliers

Total purchase of top 5 Suppliers (Yuan)	40,109,894,524
Percentage of total purchase of top 5 suppliers In total annual purchase(%)	89.66%
Proportion of purchase amount from the top 5 suppliers in the total purchase amount from the related parties in the year	75.63%

Information about the top 5 suppliers

No	Name	Amount (Yuan)	Proportion
1	Guangdong Energy Group Co., Ltd	33,831,983,322	75.63%
2	Guangdong Zhujiang Investment Electric Fuel Co., Ltd.	2,010,234,422	4.49%
3	Guangdong Dapeng ING Co., Ltd	1,786,609,453	3.99%
4	Jiangsu Longyuan Zhenhua Marine Engineering Co., Ltd.	1,491,067,326	3.33%
5	Harbin Electric Corporation	990,000,000	2.21%
Total	--	40,109,894,524	89.66%

Other explanation :

√Applicable □Not applicable

Guangdong Energy Group Co., Ltd. (hereinafter referred to as "Energy Group") is the controlling shareholder of the Company, and has an associated relationship with the Company. The amount of related suppliers between the Company and Energy Group listed here covers all related transactions between the Company and Energy Group and its subsidiaries.

3. Expenses

In RMB

	2021	2020	Increase/Decrease(%)	Notes
Sale expenses	65,407,040	58,905,940	11.04%	Mainly due to the company's added full-time sales staff and increased business costs caused by the deepening of electricity market.
Administration expenses	1,101,123,287	1,019,221,183	8.04%	
Financial expenses	1,371,365,945	1,240,992,920	10.51%	It is mainly affected by the expense of interest of units newly put into production and the increase of capital demand for new projects.

R & Development expenses	584,714,979	324,923,064	79.95%	It was mainly due to the company's collection and recognition of R&D expenses in accordance with the new standards this year, and the substantial increase in R&D investment of subordinate units.
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4.R& D Expenses

√ Applicable □ Not applicable

Name of main R&D project	Project purpose	Project progress	Goal to be achieved	Expected impact on the future development of the Company
Study on adaptability of DCS coordinated control system to multiple coal types for burning	The adaptability of the coordinated control system, the amount of coal, the matching of primary air and secondary air with the steam turbine are studied when the 300MW fluidized bed unit burns a number of coals with different calorific values and ash contents so as to realize the stable and rapid load change	Completed	To design a coal type adaptive control function based on standard coal, which is suitable for the coordinated control system of circulating fluidized bed unit. The sliding pressure control principle is deeply studied, and the control function is optimized. While ensuring the unit efficiency, the frequency of manual intervention by operators is reduced.	It ensures the Company to implement the strategy of coal diversification, and DCS can quickly adapt to the combustion regulation of different coal types
R&D of stable and efficient boiler pulverizing system	Reduce powder pipe blockage and uneven distribution	Completed	Improve the boiler combustion economy	Improve unit safety and economy
Research and application of zero discharge of wastewater in gas-steam combined cycle power plant	Study the zero discharge treatment process and application of waste based on the composition analysis of industrial wastewater of gas-steam combined cycle unit	Completed	Realize the recycling of production and domestic water in island power plants, and build green environmental protection	Improve the recycling level of production and domestic water in power plants
Feasibility Study on Black Start of Single-shaft M701F Combined Cycle Gas Unit	The Project is based on the feasibility study of Mitsubishi M701F single-shaft gas-steam combined cycle unit, which can recover the system operation independently when the system is not powered by power grid in case of large-scale outage in power grid.	Completed	Strengthen the start-up mode of the unit, realize the isolated island operation capability of the power plant, and improve the power plant production and the safe operation capability of the power grid.	Realize the isolated island operation ability of power plant, and improve the power plant production and safe operation ability of power grid
Research and application of energy	Energy storage system is a third-party auxiliary service provider for	Completed	The 20MW/9.953MWh grid-level energy storage system based on	Improve the FM performance of the unit,

storage frequency modulation (FM) of Unit 3 and Unit 4 in Shanwei Power Plant	Guangdong FM market access, which is characterized by quick adjustment and accurate response, and can greatly improve the FM performance of the unit, increase the bid winning probability, FM mileage and revenue of the unit.		lithium iron phosphate cell is built on the side of #3 and #4 generator sets, and the energy storage system adopts the "one-for-two" mode, which is used for the combined units to participate in AGC FM of power grid.	increase the FM mileage and compensation income, and meanwhile reduce equipment wear, reduce coal consumption, increase operation safety, etc., so as to strive for the priority of generating electricity on grid in the electricity market.
Research and application of deep water saving technology and terminal wastewater solidification technology in thermal power plant	Analyze the problems still existing in the drainage system of the whole plant, further optimize the water flow so as to realize the cascade utilization of wastewater, and solidify the terminal wastewater, so as to eventually realize the zero discharge of wastewater in the whole plant and completely eliminate the hidden dangers of environmental protection.	Completed	Achieve zero discharge of wastewater in the whole plant	Reduce environmental hazards.
Research and application of advanced control technology in ultra-low emission control and energy saving of units	Through advanced control technologies (MPC adaptive, ADRC active disturbance rejection, IFC internal feedback, self-learning control, etc.), the automatic control of the reheat flue gas temperature, denitration and ammonia injection control of a unit (temporarily No.4 unit) is optimized, and the reheater desuperheating water and ammonia injection amount are reduced by accurately controlling the reheat steam temperature and NOx concentration, so as to achieve the effect of energy saving and consumption reduction of the unit, and ensure the maximum economic benefit of the unit.	Completed	Improve the thermal automation level of the corresponding control system of the unit.	Improve the stability and reliability of the unit control system, save energy and reduce emissions.
Research and application of control technology for 210KW high-temperature fuel cell power generation system	Cooperate with group research institute to develop fuel cell research.	In operation	Cooperate with the research institute to carry out fuel cell research and implement the application of technology.	Improve the company's research ability and promote the company's new energy development business.
Research on	Through the application of new	Completed	By improving the construction	Make the electric

high-voltage insulation technology of electric precipitator for generator sets	waterproof and anticorrosive materials and processes, the service life of the top plate and the waterproof and moisture proof performance of the whole structure of the electric precipitator can be prolonged, the internal environment of the electric precipitator can be further improved, the insulation performance of high-voltage insulators can be prevented from decreasing or even being broken down, and the safety, reliability and stability of the electric precipitator system can be effectively improved.		technology, improve the service life of the top plate of the electric precipitator and the rain-proof and moisture-proof performance of the whole structure. Improve the internal environment of the electric precipitator, avoid the breakdown of high-voltage insulators due to the degradation of insulation performance, and improve the overall safety, reliability and stability of the electric precipitator system.	precipitator system run safely and stably, and the environmental protection indexes meet the requirements.
Research and application of one-key start-stop of intelligent control system for gas-steam combined cycle cogeneration unit	Realize automatic control of unit start and stop, reduce manpower input and achieve energy saving and emission reduction	In operation	Realize "one-key start-stop" at the thermal system level, which is the first time in China to adopt the strategy of "self-intelligent and automatic equipment" as the basic logic.	The realization of highly intelligent control of the unit provides important technical support for the subsequent construction of smart power plants.

Company's research and development personnel situation

	2021	2020	Increase /decrease
Number of Research and Development persons (persons)	1,097	1,027	6.82%
Proportion of Research and Development persons	11.65%	11.08%	0.57%
Academic structure of R&D personnel	---	---	---
Bachelor	755	717	5.30%
Master	104	83	25.30%
Doctor	2	0	
Age composition of R&D personnel	---	---	---
Under 30 years old	84	81	3.70%
30-40 years old	371	337	10.09%
Over 40 years old	620	582	6.53%

The Company's R & D investment situation

	2021	2020	Increase /decrease
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Amount of Research and Development Investment (Yuan)	584,714,979	324,923,064	79.95%
Proportion of Research and Development Investment of Operation Revenue	1.32%	0.97%	0.35%
Amount of Research and Development Investment Capitalization (Yuan)	27,538,100	24,918,912	10.51%
Proportion of Capitalization Research and Development Investment of Research and Development Investment	4.71%	7.67%	-2.96%

Reasons and influence of significant changes in R&D personnel composition of the Company

Applicable Not applicable

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

Applicable Not applicable

Reasons for the drastic change of capitalization rate of R&D investment and its rationality explanation

Applicable Not applicable

5.Cash Flow

In RMB

Items	2021	2020	Increase/Decrease(%)
Subtotal of cash inflow received from operation activities	48,771,834,057	37,258,352,141	30.90%
Subtotal of cash outflow received from operation activities	48,812,138,068	29,503,553,505	65.44%
Net cash flow arising from operating activities	-40,304,011	7,754,798,636	-100.52%
Subtotal of cash inflow received from investing activities	2,210,405,687	897,824,041	146.20%
Subtotal of cash outflow for investment activities	11,341,567,109	9,334,014,914	21.51%
Net cash flow arising from investment activities	-9,131,161,422	-8,436,190,873	7.48%
Subtotal cash inflow received from financing activities	39,504,863,355	25,608,186,337	54.27%
Subtotal cash outflow for financing activities	31,715,363,283	23,868,583,548	32.87%
Net cash flow arising from financing activities	7,789,500,072	1,739,602,789	347.77%
Net increase in cash and cash equivalents	-1,381,965,670	1,058,210,525	-230.59%

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

Applicable Not applicable

(1) Cash inflow from operating activities increased by 30.9%, mainly due to the year-on-year increase in on-grid electricity this year.

(2) Cash outflow from operating activities increased by 65.44%, mainly due to the increase in fuel cost caused by

the increase in on-grid electricity and the increase in coal and gas prices this year.

(3) Net cash flow from operating activities decreased by 100.52%, mainly due to the fact that the revenue growth this year was much lower than the cost growth.

(4) Cash inflow from investment activities increased by 146.20%, mainly due to the sale of wharf assets by Bohe Company this year.

(5) Cash outflow from investment activities increased by 21.51%, mainly due to the year-on-year increase in fixed assets and intangible assets purchased and built by infrastructure units such as provincial wind power and marina bay energy companies.

(6) Cash inflow from fund-raising activities increased by 54.27%, mainly due to the fact that more cash was received for obtaining loans caused by ensuring the completion of the power supply guarantee task and development this year.

(7) Net cash flow from financing activities increased by 347.77%, mainly due to the increase of cash inflow from financing activities.

(8) Net increase of cash and cash equivalents decreased by 230.59%, mainly due to the large cash outflow from operating activities this year.

Reasons for the significant difference between the net cash flow generated by the Company's operating activities during the reporting period and the net profit of this year

Applicable Not applicable

V. Analysis of Non-core Business

Applicable Not applicable

VI. Condition of Asset and Liabilities

1. Condition of Asset Causing Significant Change

In RMB

	End of 2021		End of 2020		Proportion increase/decrease	Notes to the significant change
	Amount	Proportion in the total assets(%)	Amount	Proportion in the total assets(%)		
Monetary fund	8,105,320,953	7.09%	9,438,414,350	9.49%	-2.40%	
Accounts receivable	7,030,685,357	6.15%	5,287,149,592	5.31%	0.84%	
Contract assets	4,754,820	0%	3,342,276	0.01%	-0.01%	
Inventories	2,998,894,539	2.62%	1,683,995,018	1.69%	0.93%	
Investment real estate	378,796,932	0.33%	131,191,258	0.13%	0.20%	
Long-term equity investment	8,072,208,350	7.06%	7,297,733,122	7.34%	-0.28%	
Fixed assets	56,943,126,256	49.83%	51,695,843,548	51.97%	-2.14%	
Construction in process	8,634,727,069	7.56%	8,341,336,277	8.38%	-0.82%	
Use right assets	5,256,124,979	4.60%	3,710,066,727	3.73%	0.87%	

Short-term loans	12,360,296,429	10.82%	7,916,440,888	7.96%	2.86%	
Contract liabilities	5,864,811	0.01%	8,424,399	0.01%	0%	
Long-term borrowing	28,940,577,856	25.33%	21,922,680,540	22.04%	3.29%	
Lease liabilities	4,728,167,142	4.14%	3,303,235,225	3.32%	0.82%	

Overseas assets account for a relatively high proportion.

Applicable Not applicable

2. Asset and Liabilities Measured by Fair Value

Applicable Not applicable

In RMB

Items	Opening amount	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	Closing amount
Financial assets								
Other equity Instrument Investment	3,548,888,015	-246,859,333	2,291,866,066				-70,000,000	3,232,028,682
Subtotal of financial assets	3,548,888,015	-246,859,333	2,291,866,066				-70,000,000	3,232,028,682
Total	3,548,888,015	-246,859,333	2,291,866,066				-70,000,000	3,232,028,682
Financial Liability	0							0

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

Asset pledge situation

On December 31, 2021, individual subsidiaries of the Group pledged the right to impose electricity charges to banks to obtain long-term loans of RMB 6,002,119,898, of which: the balance of long-term loans due within one year was 386,056,214 yuan (as of December 31, 2020: 4,193,207,913 yuan). including: the long-term borrowings due within one year amounted to RMB 298,558,767.

VII. Investment situation

1. General

√ Applicable □ Not applicable

Investment of the period	Investment of same period of last year	Scale of change
4,542,474,730.60	2,337,157,612	138.46%

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	Anticipated Income	Gain or Loss or the Current Investment	Whether to Involve in Lawsuit	Date of Disclosure (if any)	Disclosure Index (if any)
Guangdong Wind Power Generation Co., Ltd.	Wind Power Generation	Capital increase	1,828,810,000	100%	Self Funds	No	Long-term	Electric Power	In normal operation		196,412,857	No	January 26, 2019, November 29, 2019, April 11, 2020, August 28, 2020, December 5, 2020	Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn (Announcement No.: 2019-40, 2019-59, 2018-45, 2019-05, 2019-58, 2020-13).

Guangdong Shajiao (Plant C) Power Generation Co., Ltd.	Thermal power	Purchase	658,475,586	51%	Self Funds	Guangdong Energy Group (Share Proportion: 49%)	Long-term	Electric Power	In normal operation		-273,438,892	No	October 8, 2021	Announcement No.2021-64 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Yudean Yunhe Power Generation Co., Ltd..	Thermal power	Purchase	354,276,477	90%	Self Funds	Yunfu Yunda Investment Holdings Co., Ltd. (Share Proportion: 10%)	Long-term	Electric Power	In normal operation		-102,742,252	No	October 8, 2021	Announcement No.2021-64 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Tumushuke Thermal Power Co., Ltd.	Thermal power	Purchase	800,000,000	79.48%	Self Funds	Xinjiang Jintai Electric Power Co., Ltd. (Share Proportion: 20.52%)	Long-term	Electric Power	In normal operation		-182,091,355	No	November 9, 2021	Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Yuehua Power	Thermal power	Purchase	229,412,667.60	51%	Self Funds	China Huaneng Group	Long-term	Electric Power	In normal operation		-189,201,075	No	October 8, 2021	Announcement No.2021-64 Published in

Generation Co., Ltd.						Co., Ltd. (Share Proportion: 49%)								China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Electric Power Industry Fuel Co., Ltd.	Coal sales	Capital increase	180,000,000	50%	Self Funds	Guangdong Energy Group (Share Proportion: 50%)	Long-term	Coal sales	In normal operation		115,205,500	No	December 25, 2020	Announcement No. 2020-69 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Yudean Huadu Natural Gas Thermal power Co., Ltd.	Cogeneration	Capital increase	136,500,000	65%	Self Funds	Guangdong Guokun New Energy Co., Ltd. (Share Proportion: 35%)	Long-term	Electric Power	In normal operation		-5,727,287	No	April 26, 2017	Announcement No. 2017-14 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Yudean Dananhai Intelligence Energy Co., Ltd.	Cogeneration	Capital increase	128,000,000	80%	Self Funds	Huizhou Dayawan Petrification Industry Zone Investment Co.,	Long-term	Electric Power	In normal operation		-5,508,146	No	May 21, 2021	Announcement No. 2021-34 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn

						Ltd. (Share Proportion: 20%)								
Guangdong Yudean Yongan Natural Gas Thermal power Co., Ltd.	Cogeneration	Capital increase	90,000,000	90%	Self Funds	Zhaoqing Hejiang Electric Power Development Co., Ltd. (Share Proportion: 10%)	Long-term	Electric Power	In normal operation		-6,740,613	No	March 26,2016	Announcement No.2016-07 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Shanxi Yudean Energy Co., Ltd.	Coal sales	Capital increase	64,000,000	40%	Self Funds	Guangdong Energy Group (Share Proportion: 60%)	Long-term	Coal sales	In normal operation		480,044,857	No	April 28,2021	Announcement No.2021-23 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
Guangdong Yudean Binhaiwan Energy Co., Ltd.	Cogeneration	Capital increase	50,000,000	100%	Self Funds	No	Long-term	Electric Power	In normal operation		-10,928,770	No	April 10,2020	Announcement No.2020-13 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn

Guangdong Yudean Dananhai Intelligence Energy Co., Ltd.	Cogeneration	New establishment	15,000,000	100%	Self Funds	No	Long-term	Electric Power	In normal operation		-495,320	No	January 29,2021	Announcement No.2021-01 Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Guangdong Yudean Bijie New Energy Co., Ltd.	Solar power generation	New establishment	5,000,000	100%	Self Funds	No	Long-term	Electric Power	In normal operation		-93,023	No		
Guangdong Yudean Baihua Intelligence Energy Co., Ltd.	Cogeneration	New establishment	3,000,000	100%	Self Funds	No	Long-term	Electric Power	In normal operation		-18,072	No	June 10,2021	Announcement No.2021-36 Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
Total	--	--	4,542,474,730.60	--	--	--	--	--	--	0	14,678,409	--	--	--

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	92,080,800	30,391,200	106,581,372				122,472,000	Other equity instrument Investment	Self funds
Domestic and foreign stocks	600642	Shenergy	235,837,988	FVM	289,878,345	119,394,337	173,434,694				409,272,682	Other equity instrument Investment	Self funds
Domestic and foreign stocks	831039	NEEQ	3,600,000	FVM	11,628,000	4,356,000	12,384,000				15,984,000	Other equity instrument Investment	Self funds
Total			255,328,616	--	393,587,145	154,141,537	292,400,066	0	0	0	547,728,682	--	--
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

The Company had no investment in derivatives in the reporting period.

5.Application of the raised capital

Applicable Not applicable

The Company had no application of the raised capital in the reporting period.

VIII. Sales of major assets and equity

1.Situation of Significant Asset Sale

Applicable Not applicable

Counterparty	Sold assets	Date of sale	Transaction price (RMB '0,000)	Net profit contributed by this asset to the listed company from the beginning of this period to the date of sale (RMB '0,000)	Impact of the sale on the Company (Note 3)	Ratio of net profit contributed by the sale of assets to the total net profit of the listed company	Pricing principle for asset sales	Whether it is a related party transaction	Relationship with the counterparty (applicable to related parties)	Whether all the property rights of the assets involved have been transferred	Whether all the creditor's rights and debts involved have been transferred	Whether it is implemented as planned, if not, the reasons and measures taken by the Company shall be elaborated.	Disclosure date	Disclosure index
Guangdong	Bohe	Aug	280,032.7	5,888	This asset	-	According	Yes	The	NO	NO	Yes	August	Announcement

Electric Power Industry Fuel Co., Ltd.	Coal Wharf	31,2021			sale does not affect the Company's business continuity and management stability, and increases the Company's current net profit by about RMB 58.88 million.		to evaluation results of state-owned assets filed by the competent authority		Company is a subsidiary with a 67.39% shareholding by Guangdong Energy Group Co., Ltd., and thus is company's related party.			14,2021	<i>on Related Party Transactions of Guangdong Yudean Bohe Energy Co., Ltd. Selling Terminal Assets (2021-53) was published in China Securities Journal, Securities Times and CNINF</i>
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2.Sales of major equity

□ Applicable √ Not applicable

IX. 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
Bohe Energy Company	Subsidiary	Power generation and power station construction.	6,200,891,390	9,502,337,223	4,134,623,594	2,782,274,837	26,050,041	-20,922,634
Zhanjiang Electric Power Company	Subsidiary	Power generation and power station construction.	2,875,440,000	3,917,310,215	3,704,967,935	2,244,415,610	373,119,711	-304,090,266
Jinghai Power Generation Company	Subsidiary	Power generation and power station construction.	2,919,272,000	8,355,804,109	2,982,926,166	6,657,485,630	-2,640,674,340	-509,356,177
Red Bay Power Generation Company	Subsidiary	Power generation and power station construction.	2,749,750,000	6,462,999,626	2,720,782,057	5,009,175,976	609,255,573	-488,495,726
Huizhou Natural Gas Company	Subsidiary	Power generation and power station construction.	1,499,347,500	3,269,713,548	1,975,522,903	3,639,314,264	-117,742,041	84,762,958
Pinghai Power Generation Company	Subsidiary	Power generation and power station construction.	1,370,000,000	4,999,248,013	1,890,993,411	4,877,581,551	30,763,423	30,499,657
Shajiao C	Subsidiary	Power	2,500,000,000	6,916,322,968	2,986,022,873	1,999,829,883	-652,537,414	-568,004,644

Company		generation and power station construction.							
Maoming Thermal power Plant	Subsidiary	Power generation and power station construction.	1,437,985,100	2,799,651,949	814,047,099	2,072,867,826	-535,823,992	-534,404,739	
Zhongyue Energy Company	Subsidiary	Power generation and power station construction.	1,454,300,000	3,536,197,372	492,625,956	2,024,912,205	-454,273,396	-469,617,490	
Shaoguan Yuejiang Company	Subsidiary	Power generation and power station construction.	1,564,055,690	5,526,129,604	-168,796,245	3,170,945,774	-862,937,835	-879,443,743	
Dapu Power Generation Company	Subsidiary	Power generation and power station construction.	1,040,000,000	4,146,587,931	346,910,021	2,498,375,991	-512,302,579	-526,539,763	
Guangdong Wind Power Generation Company	Subsidiary	Power generation and power station construction.	3,513,202,870	28,103,342,894	6,807,899,651	1,080,046,636	171,931,312	224,225,625	
Shanxi Yudean Energy	Shareholding Company	Investment in electric power, mining, new energy and other projects	1,160,000,000	6,627,921,355	5,978,182,597	100,199,753	1,200,176,191	1,200,222,313	
Energy Financial Leasing Company	Shareholding Company	Provide financial leasing services	2,000,000,000	7,913,153,817	2,128,409,423	259,494,775	119,312,905	89,599,668	
Energy Group Finance Company	Shareholding Company	Provide Finance services	3,000,000,000	24,792,312,677	4,131,339,145	752,537,763	459,334,806	364,396,202	

Taishan Power Generation	Shareholding Company	Power generation and power station construction	4,669,500,000	7,844,207,002	7,363,770,542	6,349,201,814	746,088,411	544,447,583
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Acquirement and disposal of subsidiaries in the Reporting period

√ Applicable □ Not applicable

Company name	Way of acquiring and disposing of subsidiary corporations within the reporting period	Impact on the whole producing operation and performance
Guangdong Yudean Dananhai Intelligence Energy Co., Ltd.	Invested	During the reporting period, the Great South China Sea Smart Energy Project was in the preliminary stage, and the construction was not commenced.
Guangdong Yudean Baihua Integrated Energy Co., Ltd.	Invested	During the reporting period, Baihua Integrated Energy Project was in the preliminary stage, and the construction was not commenced.
Guangdong Yudean Bijie New Energy Co., Ltd.	Invested	During the reporting period, Bijie New Energy Project was in the preliminary stage, and the construction was not commenced.
Tumushuke Company	Business merger not under the same control	During the reporting period, Tumushuke Project had suffered a net loss of RMB 39,677,914, with a net asset of RMB 770,988,573 from the date of purchase to the end of the year.
Shajiao(Plant C) Power Generation Company	Business merger under the same control	During the reporting period, Shajiao (Plant C) Power Generation Project Suffered a net loss of RMB 568,004,644 this year, with a net asset of RMB 2,986,022,873 .
Guangdong Yudean Yunhe Power Generation Co.,Ltd.	Business merger under the same control	During the reporting period, Yunhe Power Generation Project Suffered a net loss of RMB 113,761,370 this year, with a net asset of RMB 1,167,270,828.
Guangdong Yuehua Power Generation Co., Ltd.	Business merger under the same control	During the reporting period, Yuehua Power Generation Project Suffered a net loss of RMB 366,848,863 this year, with a net asset of RMB 981,909,386.

Note

1. During the reporting period, due to the high price of coal and gas, the cost of power generation increased substantially, and the Company's thermal power suffered a loss compared with the same period of last year;
2. In 2021, the Company's Zhuhai, Pingyuan, Xinliao and Wailuo Phase II projects were put into operation, and the wind power revenue increased year on year. However, the Company's wind power profit was basically the same as that of the previous year due to the year-on-year increase in depreciation and period expenses;
3. Investment income from affiliated companies of the Company increased year on year, mainly due to the rising coal price, and investment income from Shanxi Energy and Fuel Company increased greatly year on year.

X. Structured vehicle controlled by the Company

Applicable Not applicable

XI. Prospect for future development of the Company

(I) The Development Trend of the Industry

Currently, China's power generation industry continues to present a diversified competition pattern. The main generator sets of the Company are mainly in Guangdong Province, where there are many other power producers, which are greatly affected by the power transmission from west to east. China's power supply structure is mainly featured by thermal power generation. In recent years, with the proposal of "double carbon" goal and the deepening of power supply reform, new and renewable energy sources such as wind power, photovoltaic power, nuclear power, hydropower and biomass power generation have developed rapidly, and thermal power has gradually changed from the main power source to the basic power source of peak regulation and frequency modulation. In 2021, the Central Economic Work Conference proposed that the gradual withdrawal of traditional energy shall be based on the safe and reliable substitution of new energy, and established in the basic national conditions of coal as the mainstay, focusing on the clean and efficient utilization of coal, and promoting the optimal combination of coal and new energy. With the further promotion of energy-saving and consumption-reducing transformation, flexibility transformation and heating transformation of coal-fired units in the future, coal-fired generating units with large capacity, high parameters and advanced energy saving will still be important power support. In addition, the clean and efficient gas generator set is conducive to enhancing the peak-shaving capacity and safety reliability of the new power system with new energy as the main body, and to building a clean, low-carbon, safe and efficient energy system, with certain development space. To sum up, in the future, the thermal power industry will mainly rely on developing coal power with large capacity, high parameters, advanced energy-saving, and accelerating the development of gas power to optimize the power supply structure, promote the quality improvement and efficiency increase by enhancing the technical R&D strength, strive for high electricity quantity and price by active marketing, and reduce the cost by refined management; Meanwhile, the Company will actively grasp the development trend of accelerating energy transformation under the goal of "emission peak" and "carbon neutrality", actively expand the resources of new energy projects through multiple forms such as self-construction and acquisition, fully promote the leap-forward development of new energy, and promote the clean and low-carbon transformation of the Company's energy.

(II) Corporate development strategy

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 2022, the company's consolidated statement has a budget target value of 109.212 billion kilowatt hours of on-grid electricity, which is 4.06% higher than the actual on-grid power in 2021; The budgetary target value of the main business revenue is RMB 50.889 billion, and an increase of 137 million yuan compared to the actual amount of main business operating revenue of RMB 44.167 billion; The annual planned investment budget of the parent company is RMB 6.473 billion, with an increase of RMB 5.209 billion compared with the actual investment of RMB 4.542 billion in 2021.

(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 changes in the electricity market and coal market conditions, thus there is considerable uncertainty, and investors should pay special attention to it.)

(IV) Possible risks and countermeasures

1. Competition in electricity market is increasingly fierce. With the acceleration of the construction of the national unified electricity market, all industrial and commercial users entering the electricity market, the cancellation of the base electricity of coal-fired power plants, and the continuous settlement and trial operation of the electricity spot market throughout the year, cross-regional multi-competition will not only create a broader market space for the Company, but also bring a sharp increase in the number of market entities, an expansion of the floating range of coal electricity prices, a continuous increase in the market transaction scale, and a more diversified trading mode, which will further increase the competition intensity of power enterprises.

Countermeasures: First, fully expand the market. Strengthen the management of power generation process, optimize the operation mode of units, ensure that all kinds of power contracts of thermal power units are implemented in place, and new energy units are frequently and fully generated, and strive to achieve the Company's annual power target. Second, strengthen the research and judgment of the electricity market, dynamically optimize the market competition strategy, continuously improve and strengthen the construction of the electricity marketing system, strive for the electricity price of market-oriented transactions to be higher than the market average level, further improve the cooperative operation mechanism of the spot electricity market, and scientifically formulate trading strategies. Third, focus on cost control. Firmly adhere to the principle of "frugality", strictly control general management expenses and unproductive expenses, strive to control power generation costs and operating costs, and improve the Company's market competitiveness.

2. Fuel prices are hovering at a high level. Affected by safety inspection, environmental protection supervision, limited import quotas and other factors, the fuel supply continues to be tight, resulting in fuel prices hitting record highs, plus geopolitical uncertainties and other factors, therefore, the uncertainty in the future trend of fuel prices increases, and the Company's operating performance may continue to be under pressure.

Countermeasures: First, continuously follow up the dynamic situation of the Company's coal supply and consumption, strengthen cooperation with fuel companies, establish an analysis model of fuel supply and consumption and an inventory structure model, scientifically optimize power generation and fuel procurement strategies, control fuel procurement costs, reduce fuel capital occupation, and form an inventory strategy that takes into account both supply guarantee tasks and economic benefits. Second, solidly promote new achievements in benchmarking world-class work. By benchmarking the implementation plan and work list through dynamically updating, learn from the valuable practical experience of industry and business benchmarking, promote the improvement of management innovation, and promote the Company's cost reduction and efficiency increase with more refined and advanced management.

3. The work safety situation is complicated. Some thermal power units in the Company have been running for many years, and the aging problem of the unit is prominent. Some contractors' safety management is not in place, on-site operators' safety awareness is insufficient, and illegal operations sometimes occur.

Countermeasures: First, thoroughly implement the responsibility system for work safety, organize personnel at all levels to sign the responsibility form for work safety, decompose and implement all work safety objectives level by level. Second, strengthen the equipment O&M management, earnestly well ensure the inspection and defect elimination of equipment points, strengthen the analysis and investigation of hidden defects, eliminate common hidden dangers of power plant equipment, and properly guarantee the closed-loop rectification of safety inspection. Third, strengthen the safety education and training of all employees and contractors, popularize the new *Work Safety Law* in an all-round way, enhance employees' safety awareness, and meanwhile, strengthen emergency rescue and fire drills, and strive to prevent and resolve the risk of heavy casualties and property losses.

4. The structural adjustment of power supply has been strengthened. With the gradual implementation of China's dual-carbon goal, energy production and consumption are accelerating the transition to green and low-carbon, a new power system with new energy as the core is accelerating, and thermal power will gradually change from the main power source to the basic power source. By the end of 2021, the installed capacity of the Company's coal-fired power accounted for 72.8%, which is a high proportion; The Company's main power generation assets are located in Guangdong Province, and the competition among power units inside the province is intensifying. The newly installed nuclear power and the growth of renewable energy will further squeeze the on-grid power of thermal power units, plus the influence by factors such as "West-to-East Power Transmission", accelerated electricity market reform and carbon emission, as a result, the Company needs to vigorously promote the investment and construction of new energy projects, continuously optimize and adjust the power supply structure, and accelerate the clean and low-carbon energy transformation.

Countermeasures; First, the Company will actively increase investment in new energy projects and accelerate the progress of new energy projects according to the national double-carbon goal and the relevant requirements of new energy development planning. Third, deeply explore the distributed energy supply of cold, heat, electricity and gas, as well as the infrastructure construction such as electricity exchange, charging piles and energy storage as well as the development and utilization of hydrogen energy. Fourthly, continuously optimize the management of carbon assets, make full use of internal and external resources, utilize the advantages of group operations, strengthen the management of carbon emission data and management of carbon asset operation, enhance internal coordination, promote energy conservation and carbon reduction, and realize the increment and profit of carbon assets.

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

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

√ Applicable □ Not applicable

Reception time	Place of reception	Way of reception	Types of visitors	Visitors received	Main contents discussed and information provided	Basic index
March 4,2021	Meeting room on the 36th floor of the Company	Field research	Organization	Haitong securities, Southern Media Asset Management	Please refer to the investor activity record form for details of the discussion. No information is provided by the Company	For details, please refer to the "Record Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd." disclosed by the interactive platform (2021001)
April 20,2021	The panoramic	Other	Other	Investors who	Please refer to the	For details, please refer to the "Re

	network			participated in the Company's performance briefing through the panoramic network platform	investor activity record form for details of the discussion. No information is provided by the Company	cord Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd."disclosed by the interactive platform (2021002)
September 14,2021	Meeting room on the 36th floor of the Company	Field research	Organization	First State Cinda Fund Management Co.,Ltd	Please refer to the investor activity record form for details of the discussion. No information is provided by the Company	For details, please refer to the "Record Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd."disclosed by the interactive platform (2021003)
November 3,2021	Meeting room on the 35th floor of the Company	Field research	Organization	Industrial Securities, Boshi Fund	Please refer to the investor activity record form for details of the discussion. No information is provided by the Company	For details, please refer to the "Record Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd."disclosed by the interactive platform (2021004)
November 9,2021	Meeting room on the 35th floor of the Company	Field research	Organization	Boshi Fund, Southern Fund	Please refer to the investor activity record form for details of the discussion. No information is provided by the Company	For details, please refer to the "Record Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd."disclosed by the interactive platform (2021005)
November 24,2021	Meeting room on the 36th floor of the Company	Field research	Organization	Chasing Securities	Please refer to the investor activity record form for details of the discussion. No information is provided by the Company	For details, please refer to the "Record Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd."disclosed by the interactive platform (2021006)
November 14,2021	Meeting room on the 35th floor of the Company	Field research	Organization	Shenwan Hongyuan Securities	Please refer to the investor activity record form for details of the discussion. No information is provided by the Company	For details, please refer to the "Record Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd."disclosed by the interactive platform (2021007)
December 30,2021	Meeting room on the 35 th , 36th floor of the Company	Field research	Organization	Haitong Securities, Maxwealth Fund	Please refer to the investor activity record form for details of the discussion. No	For details, please refer to the "Record Form of Investor Relations Activities of Guangdong Electric Power Development Co., Ltd."disclo

				Management Co., Ltd., Shenzhen black stone Asset Management Limited	information is provided by the Company	sed by the interactive platform (2021008)
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IV. Corporate Governance

I. General situation

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

In 2021, the Company implemented the Guidelines for Corporate Governance of Listed Companies and the relevant requirements of China Securities Regulatory Commission on improving the quality of listed companies, and earnestly achieved a steady and prudent management, abided by laws and regulations, highlighted and refined its main business, respected investors, and constantly improved the corporate governance level and the development quality of listed companies. The Board of Directors organized 8 on-site meetings and 8 communication meetings, and completed the examination and approval of 84 proposals of the Board of Directors, including regular reports, internal control evaluation, comprehensive risk management, profit distribution plan, major investment and financing, major related party transactions, etc., all of which were passed and effectively implemented. The Board of Directors also convened 7 general meeting of shareholders, and all 31 proposals submitted at the general meeting of shareholders were passed and effectively implemented. The Company successfully completed the preparation and disclosure of regular reports and temporary announcements, and issued 160 announcements throughout the year. The information disclosure has been assessed as "A" by Shenzhen Stock Exchange for eight consecutive years.

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	Types of relationship with listed companies	Name of the Controlling Shareholders	Property of the Controlling Shareholders	Problems and Causes	Countermeasures	Time Schedule of Works and Follow-up Program
Horizontal competitions	Controlling shareholder	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. It is the largest and most powerful power generation enterprise in Guangdong Province. Yudean Power is the only listed company under the Energy Group and is engaged in power production business. At present, Energy Group still has some remaining power generation assets that have not been included in Yudean Power temporarily. Considering the situation of these power generation assets, it is temporarily not in line with the listing conditions, and it is difficult to solve these	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 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	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 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,

				problems in the short term. Therefore, there is a certain degree of horizontal competition.	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.	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
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The first provisional shareholders' General meeting in 2021	Provisional shareholders' General Meeting	72.57%	February 25,2021	February 26,2021	Announcement of Resolution of the first Provisional shareholders' general meeting in 2021, Announcement No.:2021-09, Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
2020 Shareholders' general meeting	Annual General Meeting	72.58%	May 20,2021	May 21,2021	Announcement of Resolution of 2020 shareholders' general meeting , Announcement No.:2021-33. Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Second provisional shareholders' General meeting in 2021	Provisional shareholders' General Meeting	72.60%	August 2,2021	August 3,2021	Announcement of Resolution of the Second Provisional shareholders' general meeting in 2021, Announcement No.:2021-48, Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Third provisional shareholders' General meeting in 2021	Provisional shareholders' General Meeting	73.25%	August 30,2021	August 31,2021	Announcement of Resolution of the Third Provisional shareholders' general meeting in 2021, Announcement No.:2021-59 Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Fourth provisional shareholders' General meeting in 2021	Provisional shareholders' General Meeting	73.72%	October 25,2021	October 26,2021	Announcement of Resolution of the Fourth Provisional shareholders' general meeting in 2021, Announcement No.:2021-73 Published in China Securities Daily, Securities Times and http//.www.cninfo.com.cn
The Fifth provisional shareholders' General meeting in 2021	Provisional shareholders' General Meeting	72.62%	November 25,2021	November 26,2021	Announcement of Resolution of the Fifth Provisional shareholders' general meeting in 2021, Announcement

										No.:2021-89 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
The Sixth provisional shareholders' General meeting in 2021	Provisional shareholders' General Meeting	72.74%	December 29,2021	December 30,2021						Announcement of Resolution of the Sixth Provisional shareholders' general meeting in 2021, Announcement No.:2021-94 Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn

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

Applicable Not applicable

V. Information about 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(in(share))	Amount of shares increased at the reporting period(share)	Amount of shares decreased at the reporting period(share)	Other changes(share(s))	Number of shares held at the end of the period(share)	Reasons for increase or decrease of shares
Wang Jin	Board chairman	In office	Male	58	August 2,2021	August 1,2024						
Wang Jin	Director	In office	Male	58	August 2,2021	August 1,2024						
Zheng Yunpeng	Vice Board chairman	In office	Male	53	August 2,2021	August 1,2024						
Zheng Yunpeng	Director	In office	Male	53	August 2,2021	August 1,2024						
Zheng Yunpeng	General Manager	In office	Male	53	August 2,2021	August 1,2024						
Li Fangji	Director	In office	Male	54	August 2,2021	August 1,2024						
Li Baobing	Director	In office	Male	47	August 2,2021	August 1,2024						
Chen Yanzhi	Director	In office	Male	46	August 2,2021	August 1,2024						

Mao Qinghan	Director	In office	Male	47	August 2,2021	August 1,2024						
Shen Hongtao	Independent director	In office	Female	54	August 2,2021	August 1,2024						
Wang Xi	Independent director	In office	Male	51	August 2,2021	August 1,2024						
Ma Xiaoqian	Independent director	In office	Male	57	August 2,2021	August 1,2024						
Yin Zhongyu	Independent director	In office	Male	52	August 2,2021	August 1,2024						
Zhou Zhijian	Chairman of the Supervisory Committee	In office	Male	49	August 2,2021	August 1,2024						
Li Ruiming	Employee supervisor	In office	Male	58	August 2,2021	August 1,2024						
Shi Yan	Supervisor	In office	Female	44	August 2,2021	August 1,2024						
Li Qing	Employee supervisor	In office	Male	44	August 2,2021	August 1,2024						
Sha Qilin	Independent director	In office	Male	61	August 2,2021	August 1,2024						
Tang Yongguang	Deputy GM	In office	Male	59	August 2,2021	August 1,2024						
Guo Yongxiong	Deputy GM	In office	Male	47	August 2,2021	August 1,2024						
Liu Wei	Deputy GM, Finance manager	In office	Male	42	August 2,2021	August 1,2024						
Liu Wei	Board secretary	In office	Male	42	August 2,2021	August 1,2024						
Rao Subo	Director	Dismission	Male	57	September 18,2017	August 2,2021						
Wen Lianhe	Director	Dismission	Male	53	September 18,2017	August 2,2021	2,830				2,830	
Chen Ze	Director	Dismission	Male	52	September 18,2017	September 23,2021						
Yan Ming	Director	Dismission	Male	50	February 21,2019	August 2,2021						

Liang Peilu	Employee supervisor	Dismission	Male	57	August 2,2019	August 2,2021						
Sha Qilin	Independent director	Dismission	Male	60	May 20,2014	August 2,2021						
Zhang Dewei	Chairman of the Supervisory Committee	Dismission	Male	60	August 14,2012	August 2,2021						
Zhu Weiping	Independent Supervisor	Dismission	Male	64	May 20,2014	August 2,2021						
Jiang Jinsou	Independent Supervisor	Dismission	Male	53	May 20,2014	August 2,2021						
Hu Jinpei	Employee supervisor	Dismission	Male	58	December 23,2020	August 2,2021						
Total	--	--	--	--	--	--	2,830	0	0	0	2,830	--

1.Basic situation

Indicate whether any director, supervisor or senior management resigned before the expiry of their tenure during the Reporting Period

Yes No

Changes of directors, supervisors and senior executives

Applicable Not applicable

Name	Positions	Types	Date	Reason
Rao Subo	Director	Left for term expiration	August 2,2021	
Wen Lianhe	Director	Left for term expiration	August 2,2021	
Chen Ze	Director	Dismission	September 23,2021	Job change
Yan Ming	Director	Left for term expiration	August 2,2021	
Liang Peilu	Employee director	Left for term expiration	August 2,2021	
Sha Qilin	Independent director	Left for term expiration	August 2,2021	
Zhang Dewei	Chairman of the Supervisory Committee	Left for term expiration	August 2,2021	
Zhu Weiping	Independent Supervisor	Left for term expiration	August 2,2021	
Jiang Jinsuo	Independent Supervisor	Left for term expiration	August 2,2021	
Hu Jinpei	Employee supervisor	Dismission	August 2,2021	Job change

2. 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 Guangzhou 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 Guangzhou 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. 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. 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. 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. Mao Qinghan, born in October 1974. Bachelor Degree of Engineering from Hunan University, Master Degree of Engineering from South China University of Technology. Engineer He is currently the Assistant General

Manager of Guangzhou Development Group Co., Ltd., the Party Secretary and Executive Director (Legal Representative) of Guangzhou Development Electric Power Group Co., Ltd. He used to be the Secretary and Director of the Party General Branch of Xicun Thermal Power Plant of Guangzhou Power Plant, the Deputy General Manager of Guangzhou Power Plant, the Secretary of the Party General Branch of Guangzhou Power Plant Co., Ltd., the Secretary and General Manager of the Party General Branch of Guangzhou Wanglong Thermal Power Co., Ltd., the Safety Director of Guangzhou Development Group Co., Ltd. and the General Manager of Safety, Health and Environmental Management Department, and the Party Secretary and General Manager of Guangzhou Development Electric Power Group Co., Ltd.

Mr. Chen Yanzhi, born in July 1975, graduated from Guangdong University of Technology with a bachelor's degree, Senior Political Engineer. He is currently the Deputy Secretary of the Party Committee and Chairman of the Trade Union of Guangdong Electric Power Development Co., Ltd. He used to be the Assistant Engineer of the Technical Improvement Company of Guangdong Electric Power Industry Bureau, the special person in charge of the Labor and Wage Division, the special person in charge of the personnel of Tianshengqiao First-class Hydropower Development Co., Ltd., the special person in charge of the Human Resources Department and the Manager and Deputy Head of the Personnel Division of Guangdong Yudean Group Co., Ltd.

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, She is also an Independent directors of Guangzhou Grandbuy Co., Ltd., Guangzhou Yuexiu Financial Holdings Group Co., Ltd., Rongjie Co., Ltd., Guangdong Electric Power Development Co., Ltd., and Guangxi Dongcheng Hotel Management Group 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 Economic Research of Yat-sen University, He is also an independent director of Guangdong Electric Power Development Co.,Ltd., Guangzhou Yuexiu Financial Holdings Group Co., Ltd., Zhuhai Rural Commercial Bank,Cnfinance Holdings Limited and BYHEALTH Co., Ltd. and External director of Guangzhou Public Transport Group Co., Ltd..

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. Zhou Zhijian, was born in October 1972, with bachelor of Economics from Zhongnan University of Finance and Economics and Master of Business Administration from Jinan University, and he is senior accountant. He is

currently the Chief Auditor, General Manager and Secretary of the Party Branch of the Audit Department of Guangdong Energy Group Co., Ltd. He served as Manager of the Asset Operation Division of the Strategic Development Department of Guangdong Yudean Asset Management Co., Ltd, Deputy Minister of the Finance Department of Guangdong Yudean Asset Management Co., Ltd, Deputy Minister and Minister of the Finance Department of Guangdong Yudean Group Co., Ltd, and Deputy Secretary and General Manager of the General Party Branch of Guangdong Energy Group Finance 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. Sha Qilin, currently a partner of Guangdong Nanguo Desai Law Firm, and a warehousing expert of external directors of enterprises supervised by Guangzhou SASAC; Member of the Ministry of Justice's "National Talent Pool of 1,000 Lawyers Handling Foreign-related Matters" and Guangdong Province's Foreign-related Leading Talent Pool; Arbitrator of Hainan International Arbitration Court and Zhaoqing Arbitration Commission; Member of Foreign-related Legal Professional Committee of Guangzhou Lawyers Association, and concurrently an Independent Director of Guangdong Electric Power Development Co., Ltd. He used to be a major administrative decision-making expert of Guangzhou Municipal People's Government (financial group) and 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.

Mr. Li Ruiming, born in December 1963. Bachelor degree from Guangdong Administration College, Master of Power Engineering from Zhejiang University, Professor-level Senior Engineer. He is currently the Deputy Secretary of the Party Committee and Secretary of Committee for Discipline Inspection of Guangdong Electric Power Development Co., Ltd. He used to be Operation Workshop Director and Branch Secretary, Assistant to Plant Manager and Director of Coal Water Slurry Project Office of Maoming Thermal Power Plant, Deputy Secretary of Party Committee, Secretary of Committee for Discipline Inspection, Chairman of Trade Union of Maoming Thermal Power Plant, Plant Manager, Secretary of Party Committee, Secretary of Committee for Discipline Inspection and Chairman of Trade Union of Maoming Thermal Power Plant, Head of Preparatory Group of Bohe Coal and Electricity Company, Plant Manager and Secretary of Party Committee of Yunfu Power Plant, General Manager and Secretary of Party Committee of Yunhe Power Plant, Secretary of Party Committee, Secretary of Party Committee, Secretary of Committee for Discipline Inspection and Chairman of Trade Union of Shajiao C 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.

Mr. Guo Yongxiong, born in January 1974, Bachelor of Engineering from Hehai University, Master of Engineering from South China University of Technology, is Senior Engineer. Currently, he is deputy general manager of Guangdong Electric Power Development Co., Ltd. He used to be in charge for the production preparation department of Zhuhai Guangzhu Power Generation Co., Ltd, specially in charge of Engineering Department for steam turbines of Guangdong Zhuhai Power Generation Co., Ltd as a loaned staff borrowed by Zhuhai Power Plant, and used to be team leader and planning supervisor of Zhuhai Power Plant Maintenance Department, Engineer of Zhuhai Guangzhu Power Generation Co., Ltd, Planning Director of Planning and Contract Department and Planning Director of Zhuhai Power Plant Unit 3 and 4 Extension Office, Deputy Manager of Planning and Contract Department and Planning Director of Jinwan Power Generation Company, Manager of Human Resources Department, Manager of Equipment Department, Party Committee Member, Chief Engineer of Guangdong Zhuhai Jinwan Power Generation Co., Ltd, and served as Deputy General Manager of Guangdong Red Bay Power Generation Co., Ltd.

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
Li Fangji	Guangdong Energy Group Co., Ltd.	Vice chief engineer	April 1,2018		Yes
Li Fangji	Guangdong Energy Group Co., Ltd.	General Manager of Operating Management Dept and Secretary of Party Branch	February 1,2021		Yes
Li Baobing	Guangdong Energy Group Co., Ltd.	Minister of Finance and secretary of Party Branch	September 1,2019		Yes
Zhou Zhijian	Guangdong Energy Group Co., Ltd.	General Manager of the Audit Department, secretary of Party Branch, General Auditor	January 11,2021		Yes
Shi Yan	Guangdong Energy Group Co., Ltd.	Deputy GM of Finance Dept	June 1,2020		Yes
Mao Qinghan	Guangzhou Development Group Co., Ltd.	Assistant general manager	July 1,2021		No
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	April 1,2019		No
Wang Jin	Guangdong Red Bay Power Generation Co., Ltd.	Board chairman	December 1,2020		No
Wang Jin	Guangdong Yudean Jinghai Power Generation Co., Ltd.	Board chairman	December 1,2021		No
Wang Jin	Guangdong Huizhou Natural Gas Power Generation Co., Ltd.	Board chairman	May 1,2021		No
Wang Jin	Guizhou Yueqian Electric Power Co., Ltd.	Board chairman	March 1,2021		No
Wang Jin	Zhuhai Special Economic Zone Guangzhu Power Generation Co., Ltd.	Board chairman	July 1,2020		No
Wang Jin	Guangdong Huizhou Pinghai Power Generation Co., Ltd.	Board chairman	April 1,2021		No
Wang Jin	Guangdong Zhuhai Jinwan Power Generation Co., Ltd.	Board chairman	July 1,2020		No
Zheng Yunpeng	Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.	Board chairman	June 1,2021		No
Zheng Yunpeng	Guangdong Yudean Bohe Coal Power Co.,Ltd.	Board chairman	June 1,2021		No
Zheng Yunpeng	Guangdong Yudean Binhaiwan Energy Co., Ltd.	Executive director	June 1,2019		No
Zheng Yunpeng	Guangdong Yudean Dayawan Integrated Energy Co., Ltd	Board chairman	February 1,2020		No
Zheng Yunpeng	Guangdong Yudean Dananhai Intelligent Energy Co., Ltd.	Executive director	January 1,2021		No
Zheng Yunpeng	Guangdong Yudean Baihua Integrated Energy Co., Ltd	Executive director	February 1,2021		No
Zheng Yunpeng	Guangdong Yudean Qiming Energy Co., Ltd.	Executive director	April 1,2021		No
Li Baobing	CSPG Energy Co., Ltd.	Supervisor	June 1,2018		No
Li Baobing	Guangdong Yudean Finance Lease Co., Ltd.	Board chairman	September 1,2020		No
Li Baobing	Guangdong Energy Group Finance Co., Ltd.	Director	April 1,2020		No
Chen Yanzhi	Shanxi Yudean Energy Co., Ltd.	Vice Board chairman	April 1,2021		No
Chen Yanzhi	Guangdong Yudean Shipping Co., Ltd.	Director	April 1,2021		No

Zhou Zhijian	Yangjiang Nuclear Power Co., Ltd.	Chairman of the Supervisory Committee	February 1,2020		No
Mao Qinghan	Guangzhou Development Electric Power Enterprise Co., Ltd.	Executive director (legal representative) , secretary of the party committee	December 1,2017		Yes
Mao Qinghan	Guangzhou Development Electric Power Enterprise Co., Ltd.	Executive director,General Manager (legal representative)	April 1,2018		No
Mao Qinghan	Guangzhou Guangneng Investment Co., Ltd.	Executive director, General Manager (legal representative)	April 1,2018		No
Shen Hongtao	Accounting dept , Jinan University	Professor	April 1,2012		Yes
Shen Hongtao	Guangzhou Yuexiu Finance Holding Group Co., Ltd.	Independent Director	November 1,2017		Yes
Shen Hongtao	Guangzhou Store Co., Ltd.	Independent Director	September 1,2016		Yes
Shen Hongtao	Rongjie Co., Ltd.	Independent Director	October 1,2017		Yes
Shen Hongtao	Guangxi Dongcheng Hotel Management Group Co., Ltd.	Independent Director	June 1,2021		Yes
Wang Xi	Lingnan College, Sun Yat-sen University	Professor	July 1,2006		Yes
Wang Xi	Cnfinance Holdings Limited	Independent Director	March 1,2019		Yes
Wang Xi	BYHEALTH CO., LTD.	Independent Director	September 1,2020		Yes
Wang xi	Guangzhou Yuexiu Finance Holding Group Co., Ltd.	Independent Director	January 1,2019		Yes
Wang Xi	Zhuhai Rural Commercial Bank Co., Ltd.	Independent Director	July 1,2014		Yes
Wang Xi	Guangzhou Public Traffic Group Co., Ltd.	External director	August 1,2018		Yes
Ma Xiaoqian	Provincial Key Laboratory, School of Electric	Director	July 1,2014		Yes

	Power, South China University of Technology				
Ma Xiaoqian	Guangzhou Environmental protection Investment Group Co., Ltd.	External director	September 1,2016		Yes
Ma Xiaoqian	Guangzhou Development Group Co., Ltd.	Independent Director	June 1,2016		Yes
Ma Xiaoqian	Guangzhou Hengyun Enterprise Group Co., Ltd.	Independent Director	March 1,2021		Yes
Ma Xiaoqian	Guangzhou Steel Gas Energy Co., Ltd	Independent Director	July 1,2021		Yes
Yin Zhongyu	LC Securities	Assistant president	September 1,2019		Yes
Sha Qilin	Guangdong Nanguo Desai Law firm	A lawyer, Partner	March 1,2007		Yes
Zhou Zhijian	Taishan Nuclear power Industry Investment Co., Ltd.	Supervisor	February 1,2021		No
Zhou Zhijian	Guangdong Energy Group Finance Co., Ltd.	Director	January 1,2020		No
Shi Yan	Guangdong Electric Power Development Corporation	Chairman of the Supervisory Committee	February 1,2021		No
Shi Yan	Guangdong Energy Group Guizhou Co., Ltd.	Director	August 1,2020		No
Li Qing	Guangdong Yudean Bohe Coal Power Co.,Ltd.	Chairman of the Supervisory Committee	June 1,2021		No
Li Qing	Guangdong Yudean Yongan Natural Gas thermal Power Co., Ltd.	Chairman of the Supervisory Committee	March 1,2022		No
Li Qing	Yunnan Nengtou Weixin Energy Co., Ltd.	Convenor of the Board of Supervisors	March 1,2019		No
Li Qing	Shenzhen Guangqian Electric Power Co., Ltd.	Chairman of the Supervisory Committee	December 1,2018		No
Li Qing	Zhanjiang Zhongyue Energy Co., Ltd.	Chairman of the Supervisory Committee	August 1,2019		No
Li Qing	Guangdong Yudean Baihua Integrated Energy Co., Ltd	Supervisor	February 1,2021		No
Li Qing	Guangdong Yudean Shipping Co., Ltd.	Convenor of the Board of Supervisors	April 1,2021		No

Li Qing	Guangdong Energy Finance lease Co., Ltd.	Supervisor	November 1,2020		No
Tang Yongguang	Guangdong Electric Industry Fuel Co., Ltd.	Director	March 1,2020		No
Tang Yongguang	Zhanjiang Electric Power Co., Ltd.	Director	December 1,2021		No
Tang Yongguang	Zhanjiang Zhongyue Energy Co., Ltd.	Board chairman	December 1,2019		No
Tang Yongguang	Guangdong Red Way Power Generation Co., Ltd.	Vice Board chairman	December 1,2020		No
Tang Yongguang	Guangdong Shaoguan Yuejiang Power Generation Co., ltd.	Vice Board chairman	April 1,2021		No
Tang Yongguang	Guangdong Yudean Xinhui Power Generation Co., Ltd.	Board chairman	December 1,2021		No
Tang Yongguang	Guangdong Yudean Huaqing Coal Gas Union cycle Power Generation Co., Ltd.	Board chairman	July 1,2020		No
Guo Yongxiong	Guoneng Yudean Taishan Power Generation Co., Ltd.	Director	December 1,2021		No
Guo Yongxiong	Guangdong Yuelong Power Generation Co., Ltd.	Board chairman	January 1,2022		No
Guo Yongxiong	Guangdong Yudean Yongan Natural Gas thermal Power Co., Ltd.	Board chairman	March 1,2022		No
Liu Wei	Guangdong Wind Power Generation Co., Ltd.	Director	December 1,2017		No
Liu Wei	Guangdong Yudean Finance Co., Ltd.	Director	April 1,2019		No
Liu Wei	Guangdong Yudean Electric Power Sales Co., Ltd.	Director	April 1,2020		No
Liu Wei	Shenzhen Capital Group Co., Ltd.	Supervisor	October 1,2019		No
Liu Wei	Guangdong Yuejia Electric Power Co., Ltd.	Vice Board chairman	March 1,2019		No
Liu Wei	Guangzhou Zhujiang Natural Gas Power Generation Co., Ltd.	Vice Board chairman	July 1,2020		No
Liu Wei	Guangdong Energy Finance lease Co., Ltd.	Director	November 1,2020		No
Liu Wei	Guangdong Yudean Zhongshan Thermal Power Plant Co., Ltd.	Board chairman	April 1,2021		No
Liu Wei	Tumushuke Thermal Power Co.,Ltd.	Director	December 1,2021		No
Liu Wei	Guangdong Yudean Humen Power Generation Co., Ltd.	Director	April 1,2021		No
Liu Wei	Yunnan Nengtou Weixin Energy Co., Ltd.	Vice Board chairman	April 1,2021		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

3. 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 7.7595 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	58	In office	94.93	No
Zheng Yunpeng	Director, General Manager	Male	53	In office	91.42	No
Li Fangji	Director	Male	54	In office	0	Yes
Li Baobing	Director	Male	47	In office	0	Yes
Chen Yanzhi	Director	Male	46	In office	82.04	No
Mao Qinghan	Director	Male	47	In office	0	Yes
Shen Hongtao	Independent director	Female	54	In office	10.16	No
Wang Xi	Independent director	Male	51	In office	9.09	No
Ma Xiaoqian	Independent director	Male	57	In office	10.22	No
Yin Zhongyu	Independent director	Male	52	In office	8.54	No

Zhou Zhijian	Chairman of the Supervisory Committee	Male	49	In office	0	Yes
Li Ruiming	Employee supervisor	Male	58	In office	87.32	No
Shi Yan	Supervisor	Female	44	In office	0	Yes
Li Qing	Employee supervisor	Male	44	In office	42.79	No
Sha Qilin	Independent supervisor	Male	61	In office	7.32	No
Tang Yongguang	Deputy GM	Male	59	In office	83.73	No
Guo Yongxiong	Deputy GM	Male	47	In office	43.68	No
Liu Wei	Deputy General manager, Finance Manager, Board secretary	Male	42	In office	84.47	No
Rao Subo	Director	Male	57	Dimission	0	Yes
Wen Lianhe	Director	Male	53	Dimission	0	Yes
Chen Ze	Director	Male	52	Dimission	0	Yes
Yan Ming	Director	Male	50	Dimission	0	Yes
Liang Peilu	Employee Director	Male	57	Dimission	87.37	No
Zhang Dewei	Chairman of the Supervisory Committee	Male	60	Dimission	0	Yes
Zhu Weiping	Independent Supervisor	Male	64	Dimission	2.5	No
Jiang Jinsuo	Independent Supervisor	Male	53	Dimission	2.14	No
Hu Jinpei	Employee supervisor	Male	58	Dimission	28.23	No
Total	--	--	--	--	775.95	--

VI. Performance of directors' duties during the reporting period

1. Information of the board meetings during the reporting period

Session	Convening date	Disclosure date	Meeting resolution
The 19th meeting of the Ninth Board of Directors	January 28,2021	January 29,2021	AnnouncementNo.:2021-01,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 20th meeting of the Ninth Board of Directors	April 8,2021	April 10,2021	AnnouncementNo.:2021-10,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The First Meeting of the Ninth Board of Directors by Correspondence of 2021	April 27,2021	April 28,2021	AnnouncementNo.:2021-23,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The Second Meeting of the Ninth Board of Directors by Correspondence of 2021	May 20,2021	May 21,2021	AnnouncementNo.:2021-34,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The Third Meeting of the Ninth Board of Directors by Correspondence of 2021	June 8,2021	June 10,2021	AnnouncementNo.:2021-36,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 21st meeting of the Ninth Board of Directors	July 16,2021	July 17,2021	AnnouncementNo.:2021-43,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 1st meeting of the Tenth Board of Directors	August 2,2021	August 3,2021	AnnouncementNo.:2021-49,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 1st Meeting of the Tenth Board of Directors by Correspondence of 2021	August 13,2021	August 14,2021	AnnouncementNo.:2021-52,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 2nd meeting of the Tenth Board of Directors	August 26,2021	August 28,2021	AnnouncementNo.:2021-56,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 2nd Meeting of the Tenth Board of Directors by Correspondence of 2021	September 14,2021	September 15,2021	AnnouncementNo.:2021-61,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn

The 3rd meeting of the Tenth Board of Directors	September 30,2021	October 8,2021	AnnouncementNo.:2021-63,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 3rd Meeting of the Tenth Board of Directors by Correspondence of 2021	October 28,2021	October 30,2021	AnnouncementNo.:2021-74,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 4th meeting of the Tenth Board of Directors	November 8,2021	November 9,2021	AnnouncementNo.:2021-77,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 4th Meeting of the Tenth Board of Directors by Correspondence of 2021	November 19,2021	November 20,2021	AnnouncementNo.:2021-81,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The 5th Meeting of the Tenth Board of Directors by Correspondence of 2021	December 13,2021	December 14,2021	AnnouncementNo.:2021-91,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn
The5th meeting of the Tenth Board of Directors	December 29,2021	December 30,2021	AnnouncementNo.:2021-95,Published in China Securities Daily, Securities Times and http://.www.cninfo.com.cn

2. Attendance of directors at the board meetings and the general meeting of shareholders

Attendance of directors at the board meetings and the general meeting of shareholders							
Name of director	Number of board meetings attended during the reporting period	Number of board meetings attended in person	Number of board meetings attended by means of communication	Number of board meetings attended by proxy	Number of board meetings absent from	Whether to attend the board meeting in person twice in a row	General meetings of shareholders attended
Wang Jin	16	8	8	0	0	No	7
Zheng Yunpeng	16	8	8	0	0	No	7
Li Fangji	16	5	8	3	0	No	7
Li Baobing	16	6	8	2	0	No	7
Chen Yanzhi	10	5	5	0	0	No	5
Mao Qinghan	16	4	8	4	0	No	7
Shen Hongtao	16	6	8	2	0	No	7

Wang Xi	16	8	8	0	0	No	7
Ma Xiaoqian	16	8	8	0	0	No	7
Yin Zhongyu	16	7	8	1	0	No	7
Rao Subo	6	2	3	1	0	No	2
Wen Lianhe	6	1	3	2	0	No	2
Chen Ze	10	3	5	2	0	No	4
Yan Ming	6	0	3	3	0	No	2
Liang Peilu	6	1	3	2	0	No	2
Sha Qilin	6	3	3	0	0	No	2

Explanation of failure to attend the board meeting in person twice in a row

Not applicable.

3. Directors' objections to related matters of the Company

Whether the director raises any objection to the relevant matters of the Company

Yes No

During the reporting period, the directors did not raise any objection to the relevant matters of the Company.

4. Other descriptions of directors' performance of duties

Whether the directors' suggestions on the Company have been adopted

Yes No

The director's statement on whether the relevant suggestions of the Company have been adopted or not

In 2021, the directors of the Company faithfully and diligently performed their corresponding duties in strict accordance with the Company Law, Securities Law, Listing Rules for Stocks of Shenzhen Stock Exchange and other relevant laws and regulations, as well as the Articles of Association and the Rules of Procedure of the Board of Directors, paid close attention to the Company's standardized operation, production and management, carefully reviewed the reports and related documents submitted by the Company, actively attended the Company's board meetings, special committee meetings and general meeting of shareholders, carefully considered all proposals, made professional, independent, objective and fair judgments, and put forward constructive opinions and suggestions on the Company's development strategy, corporate governance and business decisions, which played an important role in the Company's scientific decision-making and steady development. During the reporting period, the Company's directors performed their duties diligently, honestly and faithfully, ensured scientific, timely and efficient decision-making through continuous supervision and promotion of the implementation of the resolutions of the Board of Directors, and earnestly protected the overall interests of the Company and the legitimate rights and interests of minority shareholders.

VII. Situation of special committees under the Board of Directors during the reporting period

Committee name	Member information	Number of meetings	Convening date	Meeting content	Put forward important opinions and suggestions	Other information of duty performance	Details of objections (if any)

		convened					
Audit Committee of the Ninth Board of Directors	Sha Qilin, Shen Hongtao, Wang Xi, Ma Xiaoqian, Yin Zhongyu	2	January 28,2021	1. It reviewed the <i>Proposal on the 2020 Financial Final Accounts Work Plan</i> .	The Audit Committee worked in strict accordance with the <i>Company Law</i> , the regulatory rules of China Securities Regulatory Commission, the <i>Articles of Association</i> and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all proposals according to the actual situation of the Company.		
			March 25,2021	1. It reviewed the accounting statements and notes in the <i>2020 Annual Report</i> and the <i>2020 Financial Report</i> ; 2. It reviewed the <i>Proposal on the 2020 Annual Internal Control Evaluation Report</i> ; 3. It reviewed the	The Audit Committee worked in strict accordance with the <i>Company Law</i> , the regulatory rules of China Securities Regulatory Commission, the <i>Articles of Association</i> and other relevant regulations, performed its duties diligently and conscientiously,		

				<p><i>Proposal on 2021 Internal Control Self-evaluation Work Plan</i>; 4. It reviewed the <i>Proposal on 2020 Annual Risk Management Report</i>; 5. It reviewed the <i>Proposal on Provision for Impairment of Assets</i>; 6. It reviewed the <i>Proposal on Write-off of Assets</i>; 7. It reviewed the <i>Proposal on Changes of Accounting Policies</i>; 8. It reviewed the <i>Proposal on Hiring the Company's Annual Auditing Organization</i>.</p>	and unanimously passed all proposals according to the actual situation of the Company.		
Audit and Compliance Committee of the Tenth Board of Directors	Shen Hongtao, Li Baobing, Wang Xi, Yin Zhongyu	3	August 20, 2021	<p>1. It reviewed the <i>Proposal on <2021 Semi-annual Financial Report></i>; 2. It reviewed the financial statements and notes in the <i>2021 Semi-annual</i></p>	The Audit and Compliance Committee worked in strict accordance with the <i>Company Law</i> , the regulatory rules of China Securities Regulatory Commission, the <i>Articles of</i>		

				<i>Report.</i>	<i>Association</i> and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all proposals according to the actual situation of the Company.		
			October 21,2021	1. It reviewed the <i>Proposal on <Financial Report for the Third Quarter in 2021></i> ; 2. It reviewed the financial statements in the <i>Third Quarter Report in 2021</i> ; 3. It reviewed the <i>Proposal on Amending the <Administrative Measures for Internal Audit of Guangdong Electric Power Development Co., Ltd.></i> .	The Audit and Compliance Committee worked in strict accordance with the <i>Company Law</i> , the regulatory rules of China Securities Regulatory Commission, the <i>Articles of Association</i> and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all proposals according to the actual situation of the Company.		
			December 29,2021	1. It reviewed the <i>Proposal on the Work Plan of Financial Final</i>	The Audit and Compliance Committee worked in strict accordance with the <i>Company</i>		

				<p><i>Accounts in 2021; 2. It reviewed the Proposal on <Administrative Measures for Compliance of Guangdong Electric Power Development Co., Ltd.>; 3. It reviewed the 2021 Annual Audit Report.</i></p>	<p>Law, the regulatory rules of China Securities Regulatory Commission, the Articles of Association and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all proposals according to the actual situation of the Company.</p>		
Budget Committee of the Ninth Board of Directors	Wang Jin, Rao Subo, Wen Lianhe, Zheng Yunpeng, Li Baobing, Liang Peilu, Shen Hongtao	1	March 25, 2021	<p>1. It reviewed the Company's 2020 Budget Implementation Report; 2. It reviewed the Company's 2021 Budget Report.</p>	<p>The Budget Committee worked in strict accordance with the Company Law, the regulatory rules of China Securities Regulatory Commission, the Articles of Association and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all proposals according to the actual situation of the Company.</p>		

Nomination Committee of the Ninth Board of Directors	Sha Qilin, Zheng Yunpeng, Yanming, Ma Xiaoqian, Yin Zhongyu	2	April 20,2021	1. It reviewed the <i>Proposal on Recommending Guo Yongxiong as the Deputy General Manager of the Company.</i>	The Nomination Committee worked in strict accordance with the <i>Company Law</i> , the regulatory rules of China Securities Regulatory Commission, the <i>Articles of Association</i> and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all proposals according to the actual situation of the Company.	
			July 6,2021	1. It reviewed the <i>Proposal on Recommending Candidates for Non-independent Directors of the Tenth Board of Directors</i> ; 2. It reviewed the <i>Proposal on Recommending Candidates for Independent Directors of the Tenth Board of</i>	The Nomination Committee worked in strict accordance with the <i>Company Law</i> , the regulatory rules of China Securities Regulatory Commission, the <i>Articles of Association</i> and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all	

				<i>Directors; 3. It reviewed the Proposal on Recommending the Tenth Management Team and Other Senior Managers.</i>	proposals according to the actual situation of the Company.		
Remuneration and Assessment Committee of the Tenth Board of Directors	Wang Xi, Li Fangji, Mao Qinghan, Ma Xiaoqian, Yin Zhongyu	1	December 29,2021	1. It reviewed the <i>Proposal on <Working Plan of Management Tenure System and Contract Management of Guangdong Electric Power Development Co., Ltd.> and Its Supporting System</i> ; 2. It reviewed the <i>Proposal on the Administrative Measures for the Remuneration of Management Members of Guangdong Electric Power Development Co., Ltd.></i> .	The Remuneration and Assessment Committee worked in strict accordance with the <i>Company Law</i> , the regulatory rules of China Securities Regulatory Commission, the <i>Articles of Association</i> and other relevant regulations, performed its duties diligently and conscientiously, and unanimously passed all proposals according to the actual situation of the Company.		

VIII.The working status of the board of supervisors

The board of supervisors finds out whether the company has risks during the monitoring activities during the reporting period

Yes No

The Supervisory Committee has no objection to the supervision matters during the reporting period.

IX. Particulars about employees.

1.Number of staff, professional structure and educational background

Number of in-service staff of the parent company (person)	908
Number of in-service staff of the main subsidiaries (person)	7,833
Total number of the in-service staff (person)	8,741
Total number of staff receiving remuneration in the current period (person)	8,764
The number of the parent company and the main subsidiary's retired staffs who need to bear the cost (person)	3,151
Professional	
Classified according by Professions	Number of persons (person)
Production	4,987
Sales	150
Technical	1,890
Financial	230
Administrative	1,484
Total	8,741
Education	
Classified according by education background	Number of persons (person)
Doctor	2
Master	249
Universities	4,230
Colleges	2,493
Technical secondary school	402
High school and Below	1,365
Total	8,741

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. Specification of profit distribution and capitalizing of common reserves

Formulation, implementation or adjustment of the profit distribution policy, especially the cash dividend policy during the reporting period

Applicable Not applicable

During the reporting period, the Company made a profit and the profit available to shareholders of the parent company was positive, but no cash dividend distribution plan was put forward.

Applicable Not applicable

Profit distribution and capitalization of capital reserve during the reporting period

Applicable Not applicable

The Company Will not distribute cash dividend or bonus shares, neither capitalizing of common reserves.

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

Applicable Not applicable

None

XII. Construction and implementation of internal control system during the reporting period

1. Construction and implementation of internal control

(I) Organization setup and operation

The Company has established a perfect organizational structure system, and its corporate governance structure, internal organization design and operation mechanism meet the requirements of modern enterprise system. The Board of Directors of the Company shall bear the ultimate responsibility for the evaluation of internal control; The Audit and Compliance Committee shall be responsible for organizing, leading and supervising the internal control evaluation, reviewing the internal control evaluation report, and examining and approving the rectification opinions of major and important defects in internal control. The management of the Company is responsible for organizing the implementation of the internal control evaluation, proposing the business or matters that should be focused on in the internal control evaluation, and examining and approving the internal control evaluation plan and the internal control evaluation report.

As the centralized department of internal control management, the Board Affairs Department of the Company is responsible for organizing the internal control self-inspection, testing and evaluation in the Company, proposing rectification schemes and specific rectification plans for the design and operation defects found, supervising the completion of rectification, and cooperating with the internal audit department and external auditors to carry out internal control evaluation at the enterprise level.

The Board of Directors, the Audit and Compliance Committee, the management and functional departments of the Company earnestly perform their duties of internal control and management. Every year, the Company conducts a comprehensive self-evaluation on the effectiveness of the internal control system, timely corrects the internal control defects, continuously optimizes the internal control system, and effectively improves the Company's management level and risk prevention ability.

(II) Establishment and implementation of internal control system

According to the Basic Standards for Internal Control of Enterprises and its supporting guidelines, Guideline No.1 for Self-discipline Supervision of Listed Companies of Shenzhen Stock Exchange -Standardized Operation of Listed Companies on Main Board, Listing Rules for Stocks of Shenzhen Stock Exchange and relevant laws and regulations, combined with the actual situation of the Company, from the perspective of business management, function management and post management, the Company formulates basic management systems including financial accounting system, procurement system, asset management system, engineering project management system, human resource management system, administrative management system, internal audit system, guarantee management system, related party transaction system, investment and financing management system, and subsidiary management system, to make decisions and management on major issues of the Company.

(III) Overall evaluation

In 2021, the Company conscientiously implemented the national and industry laws and regulations, the latest supervision standards and the regulatory standards and normative requirements of state-owned assets, constantly improved the compliance of the standard system, and well ensured revising, improving and upgrading the internal control system; strictly implemented the "three important and one major" system, standardized major decision-making behaviors, effectively prevented decision-making risks, enhanced scientific decision-making and avoided decision-making mistakes; carried out in-depth internal control self-evaluation, continuously strengthened the rectification of internal control defects, formed an effective internal control management closed loop of "control-evaluation-improvement-control", continuously and dynamically improved the internal control management system, and ensured that the Company maintained effective internal control in all major aspects according to the requirements of the enterprise internal control standard system and relevant regulations, and no factors that affect the evaluation conclusion of internal control effectiveness would occur.

2.Details of major internal control defects found during the reporting period

□ Yes √ No

XIII. Management and control of the Company's subsidiaries during the reporting period

Company name	Integration plan	Integration progress	Problems encountered in integration	Measures taken for solution	Solution progress	Subsequent planned solution
Tumushuke Thermal Power Co., Ltd.	Realized the holding of Tumushuke Thermal Power Co., Ltd. through capital increase.	Merge completed	No	Not applicable	Not applicable	Not applicable
Guangdong Shajiao (Plant C) Power Generation Co., Ltd.	Acquired 51% equity of Guangdong Shajiao (Plant C) Power Generation Co., Ltd. in cash.	Merge completed	No	Not applicable	Not applicable	Not applicable
Guangdong Yudean Yunhe Power Generation Co., Ltd.	Acquired 90% equity of Guangdong Yudean Yunhe Power Generation Co., Ltd. in cash.	Merge completed	No	Not applicable	Not applicable	Not applicable
Guangdong Yuehua Power Generation Co., Ltd.	Acquired 51% equity of Guangdong Yuehua Power Generation Co., Ltd. in cash.	Merge completed	No	Not applicable	Not applicable	Not applicable

XIV. Internal control self-evaluation report or internal control audit report

1. Self-evaluation report on internal control

Disclosure date of appraisal report on internal control	April 22,2022	
Disclosure index of appraisal report on internal control	Juchao Website: (http://www.cninfo.com.cn) , Self-evaluation report of internal control in 2021	
The ratio of the total assets of units included in the scope of evaluation accounting for the total assets on the company's consolidated financial statements	86%	
The ratio of the operating income of units included in the scope of evaluation accounting for the operating income on the company's consolidated financial statements	89.33%	
Standards of Defects Evaluation		
Category	Financial Report	Non-financial Report
Qualitative criteria	Qualitative criteria of evaluation towards inner control deficiency of financial report made by company are as follows: I , the inner control of financial report should be considered as “significant deficiency” if the following circumstances (including but not limited to) occurred: ① the ineffective environmental control; ② irregularities appearing between company directors, supervisors and senior executives; ③ serious mistakes in the financial statements of the current period found by external audit but not the inner control in the process of operating; ④	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

	<p>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>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 deficiency if that is more than 1 percent of the total assets.</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>
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
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2. 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 2021 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 22,2022
Internal audit report's opinion	Juchao Website: (http://www.cninfo.com.cn) 2021 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

XV. Rectification of self-examination problems in special governance actions of listed companies

During the reporting period, according to the spirit of the Notice on Launching Special Actions for Corporate Governance of Listed Companies (ZJHGG [2020] No.69) issued by China Securities Regulatory Commission and other documents, the Company completed the special self-examination in an all-round way according to the list of special self-examination for corporate governance of listed companies. Through this self-examination, it is considered that the corporate governance of the Company as a whole conforms to the requirements of the Company Law, the Corporate Governance Standards for Listed Companies and other laws and regulations, and the corporate governance structure is relatively complete, with a clear division of labor and standardized operation.

The existing problems and rectification of the Company are as follows:

1. The Board of Directors of the Company has not been changed.

Rectification: The Ninth Board of Directors of the Company expired on September 18, 2020. In view of the fact that the nomination of candidates for the new Board of Directors had not been completed, and considering the stable operation of the Board of Directors and the normal development of the Company's business activities during the COVID-19, the change of the Board of Directors of the Company was postponed. The Board of Directors and the Board of Supervisors of the Company have been re-elected on August 2, 2021.

2. The meeting of the Board of Supervisors was not recorded in writing.

Rectification: Since 2021, the Company has made written minutes of all on-site meetings of the Board of Supervisors.

3. The number of times that individual directors have not attended the board meeting in person for twelve consecutive months exceeded half of the total number of board meetings during the period.

Rectification: The Company has timely reported the problems found in self-examination to the directors, and further strengthened the coordination arrangement of board meetings and other measures to improve the attendance rate of directors in person. The attendance of Company directors at the meeting in 2021 met the relevant requirements of the standard operation guidelines of listed companies.

4. Individual directors failed to attend the board meeting in person for two consecutive times.

Rectification: The Company has timely reported the problems found in self-examination to the directors, and further strengthened the coordination arrangement of board meetings and other measures to improve the attendance rate of directors in person. In 2021, the directors did not fail to attend the board meeting in person for two consecutive times.

5. Individual independent directors have served continuously for more than six years.

Rectification: The Company has completed the general election of the Board of Directors and the Board of Supervisors on August 2, 2021, and the continuous tenure of the new independent directors complies with relevant regulations.

6. The on-site working time of independent directors was less than 10 working days.

Rectification: The Company has strengthened the coordination arrangement, actively planned the on-site work of independent directors, and participated in the daily detailed management of the Company by inviting independent directors to attend performance briefings, conducting training, going to subsidiaries for survey and other measures. In 2021, the on-site working hours of independent directors of the Company have met the relevant requirements.

7. If the related party occupied or transferred the Company's funds, assets or other resources, causing losses or

possible losses to the listed company, there was no accountability mechanism for relevant personnel.

Rectification: The Company has revised the Management System for Related Party Transactions of Guangdong Electric Power Development Co., Ltd., and established the accountability mechanism for relevant personnel, which was approved and implemented by the Fourth Extraordinary General Meeting of Shareholders in 2021 held on October 25, 2021.

V. Environmental & Social Responsibility

I. Significant environmental issues

Whether the Company or any of its subsidiaries is identified as a key polluter by the environment authorities

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	1.14	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	17.84	Not approved	No
Shajiao A power plant	SO ₂	Concentrated emission through chimney	1	Within the factory	17.8	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	278.54	Not approved	No
Shajiao A power plant	NO _x	Concentrated emission through chimney	1	Within the factory	29.62	Emission Standard of Air Pollutants for Thermal Power	463.57	Not approved	No

						Plants (GB13223-2011)			
Guangdong Yudean Bohe Energy Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	2.07	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	42.69	72	No
Guangdong Yudean Bohe Energy Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	10.2	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	218.41	974	No
Guangdong Yudean Bohe Energy Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	33.45	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	699.82	1195	No
Guangdong Yudean Dapu Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1.12	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	33.348	593	No

Guangdong Yudean Dapu Power Generation Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	13.47	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	400.825	1447	No
Guangdong Yudean Dapu Power Generation Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	36.53	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	1087.3	1502	No
Guangdong Red Bay Power General Co., Ltd.	Smoke	Concentrated emission through chimney	4	Within the factory	2.13	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	98.9	Not approved	No
Guangdong Red Bay Power General Co., Ltd.	SO ₂	Concentrated emission through chimney	4	Within the factory	9.61	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	489.46	Not approved	No
Guangdong Red Bay Power	NO _x	Concentrated emission	4	Within the factory	33.28	Emission Standard of Air	1614.62	Not approved	No

General Co., Ltd.		through chimney				Pollutants for Thermal Power Plants (GB13223-2011)			
Guangdong Yudean Jinghai Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	4	Within the factory	2.6	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	173.11	1770	No
Guangdong Yudean Jinghai Power Generation Co., Ltd.	SO ₂	Concentrated emission through chimney	4	Within the factory	19.34	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	1289.35	6502	No
Guangdong Yudean Jinghai Power Generation Co., Ltd.	NO _x	Concentrated emission through chimney	4	Within the factory	35.87	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	2392.14	4687	No
Guangdong Energy Maoming thermal power plant Co.,	Smoke	Concentrated emission through chimney	2	Within the factory	1.53	Emission Standard of Air Pollutants for Thermal	32.15	168.12	No

Ltd.						Power Plants (GB13223-2011)			
Guangdong Energy Maoming thermal power plant Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	13.16	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	303.19	385.51	No
Guangdong Energy Maoming thermal power plant Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	25.93	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	609.67	689.58	No
Guangdong Huizhou Pinghai Power Generation Plant Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	2.48	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	92.87	700	No
Guangdong Huizhou Pinghai Power Generation Plant Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	22.26	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-	824.5	1670	No

						2011)			
Guangdong Huizhou Pinghai Power Generation Plant Co., Ltd.	NO _x	Concentrat ed emission through chimney	2	Within the factory	38.7	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	1375.85	2423	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	Smoke	Concentrat ed emission through chimney	2	Within the factory	1.89	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	61.58	717.78	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	SO ₂	Concentrat ed emission through chimney	2	Within the factory	18.66	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	607.84	2303.55	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	NO _x	Concentrat ed emission through chimney	2	Within the factory	36.09	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223- 2011)	1175.65	2809.07	No
Guangdong Yudean	Smoke	Concentrat ed	1	Within the factory	1.82	Emission Standard of	19.15	360	No

Power Generation Co., Ltd.		emission through chimney				Air Pollutants for Thermal Power Plants (GB13223-2011)			
Guangdong Yudean Power Generation Co., Ltd.	SO ₂	Concentrated emission through chimney	1	Within the factory	9.37	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	112.3	2400	No
Guangdong Yudean Power Generation Co., Ltd.	NO _x	Concentrated emission through chimney	1	Within the factory	35.31	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	419.93	2400	No
Zhanjiang Electric Power Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	28	28	No
Zhanjiang Electric Power Co., Ltd.	SO ₂	Concentrated emission through chimney	2	Within the factory	15	Emission Standard of Air Pollutants for	427	427	No

						Thermal Power Plants (GB13223-2011)			
Zhanjiang Electric Power Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	35	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	997	997	No
Zhanjiang Zhongyue Energy Co., Ltd.	Smoke	Concentrated emission through chimney	2	Within the factory	1.2	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	15.39	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	209.32	1200	No
Zhanjiang Zhongyue Energy Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	25.11	Emission Standard of Air Pollutants for Thermal Power Plants	373.22	1587	No

						(GB13223-2011)			
Shenzhen Guangqian Electric Power Co., Ltd.	NO _x	Concentrated emission through chimney	3	Within the factory	11.28	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	167.77	1312.5	No
Huizhou Natural Gas Power Generation Co., Ltd.	Smoke	Concentrated emission through chimney	6	Within the factory	0.28	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	9.619	242.61	No
Huizhou Natural Gas Power Generation Co., Ltd.	NO _x	Concentrated emission through chimney	6	Within the factory	25.04	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	1091	1774.98	No
Guangdong Yuehua Power Generation Co., Ltd.	NO _x	Concentrated emission through chimney	2	Within the factory	37.995	Emission Standard of Air Pollutants for Thermal Power Plants (GB13223-2011)	645.456	1367.55	No

Prevention and control of pollution facilities construction and operation

During the reporting period, firstly, the Company fulfilled its environmental responsibility according to laws and regulations, established a sound environmental management system and mechanism and an emergency management mechanism for environmental emergencies, and integrated the green and low-carbon concept into the process of power plant design, construction and operation. All emission indicators were better than the industry average. Secondly, it actively responded to the national call of "energy saving and emission reduction", actively promoted energy-saving transformation such as steam turbine through-flow transformation, comprehensively reduced energy consumption and carbon dioxide emissions, strived to fulfill the requirements of green and low-carbon development, and contributed to the response to climate change. Thirdly, it completed the clear water project in an all-round way. In 2021, the water consumption per unit of power generation decreased by 22% compared with that in 2020, with significant water-saving effect.

According to the national environmental protection plan, all the power plants affiliated to the Company actively responded to the policy documents such as the Notice on the General Division of the National Energy Administration on Decomposition and Implementation of the Target and Task of Energy Saving and Emission Reduction Upgrading and Renovation of Coal-fired Power, continued to implement the energy saving and emission reduction requirements such as the Action Plan for Energy Saving and Emission Reduction Upgrading and Renovation of Coal-fired Power (2014-2020), and actively promoted projects such as the renovation of replacing liquid ammonia by urea, through-flow renovation and zero wastewater discharge.

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%.

Administrative penalties for environmental problems during the reporting period

Company or subsidiary name	Reason of punishment	Violation of regulations	Punishment result	Impact on the production and operation of listed companies	Company's rectification measures
Lincang Yudean Energy Co., Ltd.	Dayakou Power Plant "put into operation before acceptance"	Violation of the relevant provisions of the <i>Management Regulations on Environmental Protection of Construction Projects</i>	A fine of RMB 200,000	Increase the risk of environmental supervision	In September 2022, the environmental protection acceptance of Dayakou Power Plant will complete.

Other environmental information that should be disclosed

None.

Other environmental protection related information

Applicable Not applicable

In 2021, the Company added 12 new wind power projects with a total installed capacity of 1,361,200 kilowatts, which was expected to contribute about 3,334 million kilowatt-hours of clean energy every year, saving about 1,050,500 tons of standard coal and 2,768,000 tons of carbon dioxide emissions, which was equivalent to rebuilding 7,000 hectares of forest, and was of great significance to optimize the regional energy structure and layout and promote the Company to build a clean, low-carbon, safe and efficient energy system. Meanwhile, the Company actively promoted the high-quality development of coal-fired power, actively carried out energy-saving and carbon-reducing transformation, formulated an energy-saving and efficiency-enhancing action plan, planned the through-flow transformation of 11 steam turbines of 600,000 kilowatts or above, and strove to reduce the coal consumption of coal-fired power units. In 2021, the feasibility study of the through-flow transformation of four steam turbines has been completed, and the transformation is planned to be completed by the end of 2023, and other units will be completed by the end of 2025. After the transformation, each unit is expected to save 10 g/kWh of coal.

The Company shall comply with the disclosure requirements of power-related industries in the Guideline No.3 for Self-regulation of Listed Companies of Shenzhen Stock Exchange-Industry Information Disclosure.

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 2021, 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 325.3219 million.

2. In 2021, according to the standard, the coal consumption for comprehensive power supply of the Company's thermal power plants is 303.31 g/kWh of coal, the sulfur dioxide emission performance value is 0.049g/kWh, nitrogen oxide emission performance value is 0.123g/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 99.87%, and the average denitration efficiency is 89.10%; The average operation rate of wet electric dust removal is 100%, and the average dust removal efficiency is 99.83%.

II. Social responsibilities

For details of the Company's social responsibility report, please refer to the Social Responsibility Report 2021 published by the Company on CNINF (<http://www.cninfo.com.cn>)

III. Consolidate and expand the achievements of poverty alleviation and rural revitalization

During the reporting period, the Company closely followed the spirit of Opinions of the CPC Central Committee and the State Council on Consolidating and Expanding the Achievements of Poverty Alleviation and Limited Linking with Rural Revitalization, thoroughly implemented the decision-making arrangements and work requirements of the Guangdong Provincial Party Committee and Provincial Government, and actively organized manpower, financial resources and material resources to invest in the consolidation and expansion of poverty alleviation and rural revitalization. Its subsidiaries, such as Yuejiang Company, Maoming Power Plant, Zhanjiang Company and Dabu Company, did a solid job in the linking poverty alleviation with rural revitalization, earnestly implemented the Provincial Party Committee and the provincial government, and started a new journey of helping the town and the village.

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

Yuejiang Power Generation Company closely adhered to the work target of 2021, and worked in a solid and orderly manner. First, consolidate the effectiveness of poverty alleviation. In 2020, 97 people from 39 households were lifted out of poverty in Mixiashui Village, and the withdrawal rate of poverty alleviation reached 100%, on the basis that the relatively poor villages were lifted out of poverty. In accordance with the working principle of "poverty alleviation based on policy and responsibilities", it continued to understand and track the production and living conditions of poverty-stricken households in Mixiashui Village, implemented the basic requirements of "one household, one policy", and consolidated the effect of poverty alleviation. Meanwhile, it started the early warning mechanism for the rural people with relative difficulties, timely understood and reported the production and living conditions of the people with relative difficulties, formulated targeted assistance measures, and implemented the assistance effectiveness. Second, well ensure the archiving of poverty alleviation files. According to the requirements, the household files, documents, construction and other data were sorted out and improved, which were accepted and filed by the archives in early June 2021. Third, do a good job in linking poverty alleviation with rural revitalization. According to the requirements, it sorted out and improved the relevant ledgers of poverty alleviation funds, poverty alleviation assets, industrial poverty alleviation and asset income, completed the handover and ensured effective linking of poverty alleviation with rural revitalization.

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

In 2020, the per capita disposable income of 16 households of poverty alleviation under targeted assistance of Maoming Power Plant was RMB 16,200, which exceeded the annual per capita disposable income standard of RMB 8,951 for poor households with labor in poverty-stricken villages in 2020, achieving poverty alleviation. In the first half of 2021, the annual income of the above 16 households of poverty alleviation has reached the poverty alleviation standards, with no sign of returning to poverty, which has continuously consolidated the work

achievements in 2020. In addition, Maoming Power Plant sent personnel to participate in the poverty relief team in Xinbei Village and won the honor of "Guangdong Advanced Collective for Poverty Alleviation".

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

Since the poverty relief team of Zhanjiang Company went to Waiyuan Village Committee for poverty relief in May 2016, the poverty relief team has carried out five poverty relief projects for poor households, so that poor households will have a certain stable income in the next 20 years. Currently, all the five poverty relief projects have produced benefits, and all the benefits have been distributed to poor households.

After five years' efforts, by December 2020, the per capita income of the original poor households (78 households of 219 people, including 34 households with labor ability of 153 people and 44 households without labor ability of 66 people) increased from RMB 3,200 in 2015 to RMB 12,818 in 2020. Now, 100% of all poor households in Waiyuan Village Committee have reached the poverty alleviation standard, with no sign of returning to poverty. The poverty relief team of Zhanjiang Company has left Waiyuan Village and rushed to Xilian Town, Xuwen County to carry out rural revitalization work.

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

In the first half of 2021, Dapu Power Generation Company continued to send party building instructors to help Xiamu Village, Fenglang Town, Dapu County, Meizhou City. Party building instructors played the role of "Head Goose Project", focused on solving the hot and difficult issues such as policy propaganda for benefiting the people, practical handling of people's livelihood, mediation of contradictions and disputes, effectively improved the production and living conditions of poor people, and effectively boosted Xiamu Village in poverty alleviation. They further innovated and created the characteristics of village party building, created a strong learning atmosphere for party members, always reminded the majority of party members and cadres to devote themselves to the construction of new countryside with full work enthusiasm, and contributed to the development of party building to boost rural revitalization, win the tough fight of poverty alleviation and achieve the well-off goal. By June 30, 2021, there were 67 poor households (including 41 low-income poor households, 15 poor households with five guarantees and 11 general poor households), and 138 poor people, all of whom had 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 has successfully completed the task of poverty alleviation. On June 23, at the summary and commendation meeting of poverty alleviation in Guangdong Province, the poverty relief team of Zhanjiang Wind Power Company in Houhai Village, Xinliao Town, Xuwen County won the advanced collective honor of poverty alleviation in Guangdong Province. According to the relevant arrangements of government departments for rural revitalization, Zhanjiang Wind Power Company will send two cadres to Jinhe Town, Xuwen County in July 2021 to carry out assistance work in the town, continue to shoulder corporate social responsibility and help rural revitalization.

VI). Yunhe Power Generation Company's assistance counterpart: Hebang Village, Fulin Town

The overall work of poverty alleviation in Hebang Village was successfully handed over on May 25, 2021 (8 important handover accounts), which indicated that after the Company won a major victory in helping Hebang Village resolutely win poverty alleviation battle at the end of last year, the "eight-owned" indicators of poverty alleviation households in the whole village were further improved, industrial employment was stable, and the income dividends of poverty alleviation projects were steadily increased. In 2021, all indicators rose steadily, and all

29 poverty alleviation households in the whole village achieved stable poverty alleviation, obtaining the final overall victory in the fight against poverty.

VII). Zhanjiang Electric Power Company took measures to help rural revitalization

In 2021, Zhanjiang Electric Power Company raised a total of RMB 740,000 of rural revitalization assistance funds, and purchased assistance products totaling RMB 398,000 on Guangdong Province Consumer Assistance Public Service Platform (online) and in Zhanjiang Leizhou Shuxiang Planting and Breeding Professional Cooperative (offline). Focusing on the four aspects of industrial prosperity, ecological livability, rural civilization and life affluence, the first stage of rural revitalization was carried out and completed, including the appearance renovation (renovation of the overall facade style, roads and lighting system, construction of rain and sewage separation system), construction of public cultural facilities (renovation of the party-masses service center, cultural building and fitness square), etc.

VI. Important Events

I. Commitments to fulfill the situation

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

Applicable Not applicable

There is no commitment that has not been fulfilled by actual controller, shareholders, related parties, acquirers of the Company

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

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

Applicable Not applicable

No such cases in the reporting period.

III. Illegal provision of guarantees for external parties

Applicable Not applicable

No such cases in the reporting period.

IV. Explanation of the Board of Directors on the latest "Non-standard Audit Report"

Applicable Not applicable

V. Notes for "non-standard audit report" of CPAs firm during the Reporting Period by board of directors and supervisory board

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 December 14, 2018, the Ministry of Finance issued a notice on the revision and issuance of *Accounting Standards for Business Enterprises No.21-Leasing* (hereinafter referred to as "New Leasing Standards"), which would come into effect on January 1, 2019 for enterprises listed at home and abroad and those listed overseas and using international financial reporting standards or accounting standards for business enterprises to prepare financial statement, and on January 1, 2021 for other enterprises that implement accounting standards for business

enterprises.

On May 26, 2021, the Ministry of Finance issued the Notice on Adjusting the Scope of Application of the <Accounting Regulations on Rent Concessions Related to the COVID-19> (No.9 [2021] of the Ministry of Finance) (hereinafter referred to as the "Regulations on Rent Concessions of the COVID-19"), which would come into effect on May 26, 2021, and the applicable scope of rent concession related to the COVID-19, which was allowed to adopt simplified method in Accounting Treatment Regulations for Rent Concessions Related to the COVID-19, was adjusted from "concession only for rent payable before June 30, 2021" to "concession only for rent payable before June 30, 2022", while other applicable conditions remain unchanged.

On January 26, 2021, the Ministry of Finance issued the Notice on Printing and Distributing the <Interpretation of Accounting Standards for Business Enterprises No.14> (CK [2021] No.1) and the Question and Answer on the Implementation of Accounting Standards for Business Enterprises

According to the regulations, the Company implemented the above-mentioned new leasing standards, COVID-19 rent concession regulations and enterprise regulations. Except for the new leasing standards, other standards, notices and implementation Q&As had no significant impact on the financial statements of the Group and the Company.

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

√ Applicable □ Not applicable

Name	Main business place	Registered address	Nature	New investment amount in this period (Yuan)	Paid-in capital at the end of period(Yuan)	Proportion (%)	Acquired
Guangdong Shajiao(Plant C) Power Generation Co., Ltd.	GuangzhouGuangdong	GuangzhouGuangdong	Electric Power	1,559,120,782	2,500,000,000	51%	Business merger under the same control
Guangdong Yudean Yunhe Power Generation Co., Ltd.	YunfuGuangdong	YunfuGuangdong	Electric Power	1,066,562,327	755,733,258	90%	Business merger under the same control
Tumushuke Thermal Power Co., Ltd.	TumushukeXinjiang	TumushukeXinjiang	Electric Power	800,000,000	1,006,523,900	79.48%	Business merger not under the same control
Guangdong Yuehua Power Generation Co., Ltd	GuangzhouGuangdong	GuangzhouGuangdong	Electric Power	541,247,838	1,004,714,000	51%	Business merger under the same control
Guangdong Yudean Dahanghai Intelligence Energy Co., Ltd.	JieyangGuangdong	JieyangGuangdong	Electric Power	15,000,000	15,000,000	100%	Invested
Guangdong Yudean Bijie New Energy Co., Ltd.	BijieGuizhou	Bijie Guizhou	Electric Power	5,000,000	5,000,000	100%	Invested
Guangdong Yudean Baihua Integrated Energy Co., Ltd.	HuizhouGuangdong	HuizhouGuangdong	Electric Power	3,000,000	3,000,000	100%	Invested

VIII. Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	PWC Certified Public Accountants (special general partnership)
Remuneration for domestic accounting firm (RMB 0',000)	556.5
Successive years of the domestic CPAs offering auditing services	6
Name of CPA	Chen Junjun, Li Xiaolei
Continuous years of audit services of certified public accountants of domestic public accounting firms	Chen Junjun 5 years, Li Xiaolei 1 year

Has the CPAs been changed in the current period

 Yes No

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

 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 2021. The audit remuneration was RMB 5.565 million

IX. Situation of Facing Listing Suspension and Listing Termination after the Disclosure of the Yearly Report Applicable Not applicable**X. Relevant Matters of Bankruptcy Reorganization** Applicable Not applicable

No such cases in the reporting period.

XI. Matters of Important Lawsuit and Arbitration Applicable Not applicable

No such cases in the reporting period.

XII. Situation of Punishment and Rectification Applicable Not applicable

No such cases in the reporting period.

XIII. Credit Condition of the Company and its Controlling Shareholders and Actual Controllers Applicable Not applicable**XIV. Material related transactions**

1. Related transactions in connection with daily operation

 Applicable Not applicable

Please refer to "7. Other significant related party transactions" for the related transactions related to the daily operation of the Company during the reporting period.

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

Applicable Not applicable

Please refer to "7. Other significant related transactions" for the related transactions of the acquisition and sale of assets or equity of the Company during the reporting period

3. Related party transactions of joint outbound investment

Applicable Not applicable

No such cases in the reporting period.

4. Credits and liabilities with related parties

Applicable Not applicable

No such cases in the reporting period.

5. Transactions with related finance company, especially one that is controlled by the Company

Applicable Not applicable

Deposit business

Related party	Relationship	Maximum daily deposit limit(RMB '0,000)	Deposit interest rate range	Beginning balance(RMB '0,000)	The amount of this period		Ending balance(RMB '0,000)
					Total deposit amount (RMB '0,000)	Total amount is withdrawn for this period(RMB '0,000)	
Guangdong Energy Group Finance Co., Ltd.	Controlled by Guangdong Energy Group Co., Ltd.	1,100,000	0.35%	839,406	10,226,767	10,418,691	647,482

Loan business

Related party	Relationship	Loan limit(RMB '0,000)	Loant interest rate range	Beginning balance(RMB '0,000)	The amount of this period		Ending balance(RMB '0,000)
					Total loan amount of the current period(RMB '0,000)	Total repayment amount of the current period(RMB '0,000)	
Guangdong Energy Group Finance Co., Ltd.	Controlled by Guangdong Energy Group Co., Ltd.	3,300,000	2.7%-4.41%	871,684	1,149,138	1,086,405	934,417

Credit extension or other financial services

Related party	Relationship	Business type	Total amount(RMB '0,000)	Actual amount incurred(RMB '0,000)
Guangdong Communications Group Finance Co., Ltd	Controlled by the same parent company	Credit extension	3,300,000	934,417

6. Transactions between the financial company controlled by the Company and related parties

Applicable Not applicable

There is no deposit, loan, credit or other financial business between the financial company controlled by the Company and related parties.

7. Other significant related-party transactions

Applicable Not applicable

(1) 2021 daily related transactions were carried out after examination and approval by 2021 first provisional shareholders' general meeting. Refer to (5) Related transactions of XII. Relationship between related parties and the transactions between them of the Financial Report of this report for details.

(2) On January 28, 2021, the 19th meeting of the Ninth Board of Directors of the Company reviewed and approved the Proposal on Daily Related Party Transactions between the Company and Guangdong Energy Group Co., Ltd. in 2021, the Proposal on Signing the <Financial Services Framework Agreement> between the Company and Guangdong Yudean Finance Co., Ltd., the Proposal on Signing the <Financial Leasing Cooperation Framework Agreement> between the Company and Guangdong Yudean Financial Leasing Co., Ltd., the Proposal on Signing the <Framework Agreement of Insurance and Risk Management Services Cooperation> between Guangdong Yudean Property Insurance Co., Ltd. The above related party transactions were reviewed and approved at the Company's first extraordinary general meeting of shareholders in 2021.

(3) In order to smoothly promote the construction of wind power projects and ease the financial pressure, the Ninth Board of Directors of the Company reviewed and approved the Proposal on Introducing Investors from Indirect Subsidiaries at its first communication meeting in 2021 on April 27, 2021, and agreed to introduce Zhuhai Special Economic Zone Electric Power Development Group Co., Ltd. and Guangdong Energy Group Co., Ltd. as investors of Guangdong Yudean Zhuhai Offshore Wind Power Co., Ltd. by way of capital increase and share expansion, of which Zhuhai Electric Power invested RMB 89.187 million, holding 20% equity of Zhuhai Wind Power Company, and Guangdong Energy Group invested RMB 25,500,300, holding 5.7184% equity of Zhuhai Wind Power Company. After the capital increase and share expansion, the share ratio of Zhuhai Wind Power Company held by Guangdong Wind Power Company decreased to 74.2816%, and the final share ratio of each shareholder shall be subject to the results of asset appraisal and filing; It is agreed to implement the capital increase of special funds for promoting economic development in 2018 by the State-owned Assets Supervision and Administration Commission of Guangdong Province in the form of capital increase and share expansion, and introduce Guangdong Energy Group as the shareholder of Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd., with Guangdong Energy Group contributing RMB 58,105,300, and holding 10.9594% of the shares of Yangjiang Wind Power Company. After the capital increase and share expansion, the shareholding ratio of Yangjiang Wind Power Company held by Guangdong Wind Power Company decreased to 89.0406%, and the final shareholding ratio of each shareholder shall be subject to the results of asset appraisal and filing.

(4) In order to smoothly promote the development and construction of new energy projects and ease the financial pressure of Shanxi Yudean Energy Co., Ltd., the Ninth Board of Directors of the Company reviewed and approved the Proposal on Capital Increase to Shanxi Yudean Energy Co., Ltd. at its first communication meeting in 2021 on

April 27, 2021, and agreed that the Company and Guangdong Energy Group Co., Ltd. would simultaneously increase a total capital of RMB 160 million to Shanxi Energy Company according to the equity ratio, which would be used for Shanxi Energy Company to invest in Jilin Qian'an Phase I 50MW Wind Power Project and Hebei Pingshan 100MW Photovoltaic Project, in which the Company would increase the capital of RMB 64 million according to the 40% equity ratio.

(5) In order to guarantee the project construction funds and reduce the financing cost, the Ninth Board of Directors of the Company reviewed and approved the Proposal on Some Subsidiaries Applying for Entrusted Loans to Guangdong Energy Group Corporation at its third communication meeting in 2021 on June 8, 2021, and agreed that the wholly-owned subsidiaries of the Company, Guangdong Yudean Qujie Wind Power Co., Ltd. and Guangdong Yudean Marina Bay Energy Co., Ltd., would apply for entrusted loans to Guangdong Energy Group, with the loan amount of Qujie Wind Power Company not exceeding RMB 1 billion and that of Marina Bay Company not exceeding RMB 1 billion; the loan term should not exceed 15 years; and the interest rate should be determined according to the same interest rate of green bonds issued by Guangdong Energy Group in the current period. The above-mentioned related party transactions are implemented after being reviewed and approved by the Company's second extraordinary general meeting of shareholders in 2021.

(6) In order to meet the project approval requirements of Bohe Energy Company, the Ninth Board of Directors of the Company reviewed and approved the Proposal on Some Subsidiaries Applying for Entrusted Loans to Guangdong Energy Group Corporation at its third communication meeting in 2021 on June 8, 2021, and agreed that Bohe Energy Company would purchase the shutdown capacity of Guangdong Yuehua Power Generation Co., Ltd. and Guangdong Yudean Yunhe Power Generation Co., Ltd., the holding subsidiary of Guangdong Energy Group Co., Ltd., with the shutdown capacity of 660,000 kilowatts and 250,000 kilowatts, respectively, according to the alternative shutdown capacity of Bohe Power Plant project approval document, with a transfer unit price of no more than RMB 400/kilowatt, and the total tax-included prices of the corresponding transfer agreement of no more than RMB 264 million and RMB 100 million respectively. The above-mentioned related party transactions are implemented after being reviewed and approved by the Company's second extraordinary general meeting of shareholders in 2021.

(7) In order to implement the arrangement of special governance of provincial key loss-making subsidiaries by the State-owned Assets Supervision and Administration Commission of Guangdong Province, optimize Bohe's asset structure, and promote the high-quality development of Bohe Energy Company, the Tenth Board of Directors of the Company reviewed and approved the *Proposal on Selling Wharf Assets of Guangdong Yudean Bohe Energy Co., Ltd.* at its first communication meeting in 2021 on August 13, 2021, and agreed that Bohe Energy Company would sell the wharf assets which was included in this appraisal to Guangdong Electric Power Industry Fuel Co., Ltd. at a transaction price of RMB 2,798,423,900. The above-mentioned related party transactions are implemented after being reviewed and approved by the Company's third extraordinary general meeting of shareholders in 2021.

(8) On September 28, 2021, the Tenth Board of Directors of the Company reviewed and approved the Proposal on Adjusting the Forecast of Daily Related Transactions between the Company and Guangdong Energy Group Co., Ltd. at its third meeting in 2021, and agreed that the Company and its holding subsidiaries and the controlling shareholder of the Company, Guangdong Energy Group Co., Ltd. and its subsidiaries and related parties would continue to have daily related transactions such as fuel material procurement, labor/service acceptance, lease, labor/service provision, commodity sales and public expense sharing in 2021, with the expected amount adjusted from RMB 18,185.3 million to RMB 30,936.8 million. The above-mentioned related party transactions are implemented after being reviewed and approved by the Company's fourth extraordinary general meeting of shareholders in 2021.

(9) In order to further promote the concentration of the core business assets of Guangdong Energy Group Co., Ltd. to listed companies and actively fulfill the commitment to avoid and solve horizontal competition, the Tenth Board of Directors of the Company reviewed and approved the Proposal on Acquisition of the Equity of Shajiao (C Plant) Power Generation Co., Ltd. and other Companies in Guangdong Province at its third meeting on September 28, 2021, and agreed that Guangdong Electric Power would acquire 51% equity of Guangdong Shajiao (C Plant) Power Generation Co., Ltd., 90% equity of Guangdong Yudean Yunhe Power Generation Co., Ltd. and 51% equity of Guangdong Yuehua Power Generation Co., Ltd. held by Guangdong Energy Group in cash, at a total transaction price of RMB 4,139,927,700. The above-mentioned related party transactions are implemented after being reviewed and approved by the Company's fourth extraordinary general meeting of shareholders in 2021.

(10) With the approval of the Fourth Extraordinary General Meeting of Shareholders in 2021 held on October 25, 2021, it was agreed that the Company would acquire 51% equity of Guangdong Shajiao (C Plant) Power Generation Co., Ltd., 90% equity of Guangdong Yudean Yunhe Power Generation Co., Ltd. and 51% equity of Guangdong Yuehua Power Generation Co., Ltd. (hereinafter collectively referred to as the "target companies") by cash. In order to ensure the continuous and stable operation of the power generation assets of the target companies, the Tenth Board of Directors of the Company reviewed and approved the Proposal on the Acquisition of Assets Involving New Related Party Transactions at its fourth meeting on November 8, 2021, and agreed to add new subsidiaries of listed companies to purchase fuel materials from Guangdong Energy Group, its subsidiaries and related parties, deposit and loan from financial companies, and conduct entrusted operation and other related transactions after the acquisition of assets. The above-mentioned related party transactions are implemented after being reviewed and approved by the Company's fifth extraordinary general meeting of shareholders in 2021.

Website for temporary disclosure of the connected transaction

Announcement	Date of disclosure	Website for disclosure
Estimates announcement of the Daily Related Party Transactions of 2021	January 29,2021	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 29,2021	http://www.cninfo.com.cn .
Announcement on Related Transactions of Indirect Investors Introduced by Subsidiaries	April 28,2021	http://www.cninfo.com.cn .
Announcement on Related Transactions of Capital Increase to Shanxi Yudean Energy Co., Ltd.	April 28,2021	http://www.cninfo.com.cn .
Announcement on Related Transaction of	June 10,2021	http://www.cninfo.com.cn .

Some Subsidiaries Applying Entrusted Loans from Guangdong Energy Group		
Announcement on related transaction concerning the acquisition of capacity indicators for small thermal power units of Huangpu Power Plant and Yunfu Power Plant	June 10,2021	http://www.cninfo.com.cn .
Announcement on the related transaction of the sale of terminal assets by Guangdong Yudean Bohe Energy Co., Ltd.	August 14,2021	http://www.cninfo.com.cn .
Estimates announcement of the Adjustment Daily Related Party Transactions of 2021	October 8,2021	http://www.cninfo.com.cn .
Announcement of related transaction for the acquisition of shares of Guangdong Shajiao (Plant C) Power Generation Co., Ltd and other companies	October 8,2021	http://www.cninfo.com.cn .
Announcement on New Related Transactions Involved in Assets Acquisition	November 9,2021	http://www.cninfo.com.cn .

XV. Significant contracts and execution

1. Entrustments, contracting and leasing

(1) Entrustment

√ Applicable Not applicable

Statement of Trusteeship Situation :

According to the statement of Guangdong Energy Group on fulfilling relevant matters, and to avoid the horizontal competition and fulfill the relevant commitment of the horizontal competition, the Company signed Stock Trusteeship Agreement with Guangdong Energy Group, wherein the shareholder's rights within the trusteeship range, except the ownership, right of earning and right of disposition, will be trusted to the Company, The custody fee collected from each company directly holding the first-class target of Guangdong Energy Group is RMB 100,000/year; The custody fee collected from each company indirectly holding the secondary target is RMB 50,000/year. published by the Company in China Securities Daily, Securities Times and <http://www.cninfo.com.cn>

on January 13, 2018(Announcement No.2018-04). the custody fee actually collected by the Company was RMB 2,284,200.

Gains/losses to the Company from projects that reached over 10% in total profit of the Company in 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 and billboards from Yudean Real Estate Company Yudean Property Company and Yangjiang Port , and the rental fee incurred this year was 3,673,203.

Project which generates profit or loss reaching over 10% of total profits of the Company during 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. Significant Guarantees

√Applicable □ Not applicable

In RMB 10,000

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	Guaranty (If any)	Counter-guarantee (If any)	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	580	Guaranteeing of joint liabilities.		Yunnan Baoshan Binlangjiang Hydropower Development Co., Ltd. provides joint and several liability guarantee counter-guarantee.	15 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27,2009	9,367	June 22,2009	3,567	Guaranteeing of joint liabilities.		Yunnan Baoshan Binlangjiang Hydropower Development Co., Ltd. provides joint and several liability guarantee counter-guarantee.	18 years	No	No

Guangdong Energy Group Co., Ltd.	October 29,2020	200,000	November 19,2020	164,989	Guaranteeing of joint liabilities.		Guangdong Yudean Yangjiang Offshore wind power Co., Ltd. provides joint and several liability guarantee counter-guarantee	23.9 years	No	No
Xinjiang Jintai Electric Power Co., Ltd.		3,775	December 11,2021	1,257	Guaranteeing of joint liabilities.			3 years	No	No
Total amount of approved external guarantee in the report period(A1)		0		Total actually amount of external guarantee in the report period(A2)		132,055				
Total amount of approved external guarantee at the end of the report period(A3)		425,459		Total actually amount of external guarantee at the end of the report period(A4)		170,393				
Guarantee of the company for its 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	Guaranty (If any)	Counter-guarantee (If any)	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Zhanjiang Wind Power Generation Co.,	April 29,2009	18,572	October 9,2010	5,082	Guaranteeing of joint			18 years	No	No

Ltd.					liabilities.					
Total of guarantee for subsidiaries approved in the period(B1)		0	Total of actual guarantee for subsidiaries in the period (B2)							-756
Total of guarantee for subsidiaries approved at period-end(B3)		141,536	Total of actual guarantee for subsidiaries at period-end(B4)							5,082
Guarantee of the subsidiaries for the controlling 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	Guaranty (If any)	Counter-guarantee (If any)	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)		0	Total amount of guarantee actually incurred in the reporting period (A2+B2+C2)							131,299
Total guarantee quota already approved at the end of the reporting period (A3+B3+C3)		566,995	Total balance of the actual guarantee at the end of the reporting period (A4+B4+C4)							175,475
The proportion of the total amount of actually guarantee in the net assets of the Company (that is A4+B4+C4) %										7.62%
Including:										
Amount of guarantees provided for shareholders, the actual										164,989

controller and their related parties (D)	
Amount of debt guarantees provided directly or indirectly for entities with a liability-to-asset ratio over 70% (E)	4,147
Proportion of total amount of guarantee in net assets of the company exceed 50% (F)	0
Total amount of the three kinds of guarantees above (D+E+F)	169,136
Explanations on possibly bearing joint and several liquidating responsibilities for undue guarantees (If any)	
As for the joint liability guarantee of Xinjiang Jintai Electric Power Co., Ltd. undertaken by the Company due to the acquisition of Tumushuke City Thermal Power Company, the actual date is the date when Tumushuke City Thermal Power Company completes the industrial and commercial change registration.	

3. Finance management on commission

(1) Situation of Entrusted Finance

Applicable Not applicable

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

(2) Situation of Entrusted Loans

Applicable Not applicable

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

4. Other significant contract

Applicable Not applicable

No other significant contracts for the Company in reporting period.

XVI. Explanation on other significant events

Applicable Not applicable

Summary of important matters	Name	Date of disclosure	Website for disclosure
In order to increase the Company's proportion of clean energy and further optimize the power supply structure, the 21th meeting of the Ninth board of directors agreed that the Company will invest in the construction of the integrated energy station project in Huizhou Dayawan Petrochemical District as a shareholder. The total investment of the project is 3.82 billion yuan, and the capital is set at 764 million yuan.	Announcement on the investment and construction of the integrated energy station project in Huizhou Dayawan Petrochemical Zone	July 17,2021	http://www.cninfo.com.cn .
In order to actively integrate into the construction of Guangdong-Hong Kong-Macao Greater Bay Area and grasp the new opportunities of financial development, On August 2,2021,the First meeting of the Tenth Board of Directors agrees that the Company will participate in the establishment of Guangdong Utrust Futures Co., Ltd. with its own capital of RMB 400 million and according to the equity ratio of 20% (finally subject to industrial and commercial registration, hereinafter referred to as "provincial futures company"), and sign the sponsor agreement and articles of association of the provincial futures company;	Announcement on Participating in Initiating the Establishment of Provincial Futures Companies	August 3,2021	http://www.cninfo.com.cn .
In order to accelerate the Company's new energy project investment and development, the Second Meeting of the Tenth Board of Directors by Correspondence agreed to establish the Tumshuk Branch Company and the Qinghai Branch Company of Guangdong Electric Power Development Co., Ltd for the overall promotion of the new energy resource development and investment project management in Xinjiang and Qinghai.	Announcement of Resolutions of the Second Meeting of the Tenth Board of Directors by Correspondence of 2021	September 15,2021	http://www.cninfo.com.cn .
According to the <i>Notice on Increasing the On-grid Electricity Price for</i>	Announcement on	October	http://www.cninfo.com.cn

<p><i>Natural Gas Power Generation in Guangdong Province</i> issued by Guangdong Development and Reform Commission (YFGJG [2021] No.400), the on-grid electricity price of Qianwan LNG Power Plant and Huizhou LNG Phase I natural gas generator set controlled by the Company remained unchanged, and the on-grid electricity price of Huizhou LNG Phase II natural gas generator set uniformly increased by RMB 0.05 (including VAT) per kilowatt hour from October 1, 2021 on the current basis, and the adjusted on-grid electricity price was RMB 0.6550 (including tax).</p>	<p>Adjustment of On-grid Electricity Price of Gas Power Plant</p>	<p>22,2021</p>	<p>m.cn.</p>
<p>In order to speed up the large-scale development of the Company's energy power generation projects, increase the installed proportion of clean energy and optimize the power supply structure, Upon the deliberation at the Fourth Meeting of the Tenth Board of Directors of the Company on November 8, Guangdong Wind Power Co., Ltd., a wholly-owned subsidiary of the Company, was approved as a shareholder to invest in the construction of Yudean Yangjiang Qingzhou I and Qingzhou II offshore wind farms, with a total construction scale of 1 million kilowatts, a dynamic total investment of RMB 17,107,250,000, and a capital of RMB 3,421,450,000 according to 20% of the dynamic total investment (the total investment and capital amount shall be subject to the approved change document finally), Guangdong Energy Qingzhou Offshore Wind Power Co., Ltd. (hereinafter referred to as "Qingzhou Wind Power Company"), which is wholly-owned by Guangdong Wind Power Company, is the investment subject of the project, responsible for the investment, construction and operation of the project. The capital required for the project will be increased by the Company in batches to Guangdong Wind Power Company according to the actual construction progress and capital needs of the project.</p>	<p>Announcement on Investment in Construction of Guangdong Yangjiang Qingzhou I and Qingzhou II (1 million kW) Offshore Wind Power Project</p>	<p>November 9,2021</p>	<p>http://www.cninfo.com.cn.</p>
<p>In order to support the deepening of Guangdong's assistance to Xinjiang, help the reform of state-funded and state-owned enterprises in Tumushuk City, the Third Division of Xinjiang Production and Construction Corps, and promote the multi-energy complementary and integrated development of Guangdong Power in Xinjiang, the Board of Directors of the Company agreed that the Company would participate in the capital increase project of Tumushuk Thermal Power Co., Ltd. (hereinafter referred to as "Tumushuk Thermal Power Company") by way of public quotation, with a quotation amount of no higher than RMB 800 million, and a corresponding shareholding ratio of 79.50%.</p>	<p>Announcement of Resolutions of the Fourth Meeting of the Tenth Board of Directors</p>	<p>November 9,2021</p>	<p>http://www.cninfo.com.cn.</p>
<p>In order to further promote the scale and professional development of Guangdong Wind Power Co., Ltd. (hereinafter referred to as "Guangdong Wind Power Company"), a wholly-owned subsidiary of the Company, strengthen the synergy and agglomeration effect of resources, and enhance the comprehensive strength and market competitiveness of the Company's</p>	<p>Announcement on Capital Increase of Guangdong Wind Power Generation Co., Ltd. by Holding Equity of Wind Power Company</p>	<p>December 31,2021</p>	<p>http://www.cninfo.com.cn.</p>

<p>wind power business, upon the deliberation at the Fifth Meeting of the Tenth Board of Directors of the Company on December 29, it was agreed that the Company would increase the capital of Guangdong Wind Power Company with 70% equity of Guangdong Yudean Zhanjiang Wind Power Co., Ltd., 81.79% equity of Guangdong Yudean Leizhou Wind Power Co., Ltd., 100% equity of Guangdong Yudean Qujie Wind Power Co., Ltd., 100% equity of Tongdao Yuexin Wind Power Co., Ltd. and 10% equity of Southern Offshore Wind Power Joint Development Co., Ltd., with a total capital increase of RMB 3,218,446,900.</p>			
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XIV. Significant event of subsidiary of the Company

Applicable Not applicable

VII. Change of share capital and shareholding of Principal Shareholders

I. 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	1,897,970,125	36.15%					-4,008	1,897,966,117	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	4,627,504	0.09%					-4,008	4,623,496	0.09%
Of which: Domestic legal person shares	4,620,666	0.09%						4,620,666	0.09%
Domestic natural person shares	6,838	0%					-4,008	2,830	0%
4. Foreign shares									
Of which: Foreign legal person shares									
Foreign natural person shares									
II. Shares with unconditional subscription	3,352,313,861	63.85%					4,008	3,352,317,869	63.85%
1. Common shares in RMB	2,553,905,861	48.64%					4,008	2,553,909,869	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	

Reasons for share changed

√ Applicable □ Not applicable

On February 10, 2021, the lock-up period of 4,716 restricted shares held by Mr. Lin Weifeng, a former employee supervisor of the company, expired and such shares became unrestricted shares; On August 2, 2021, Mr. Wen

Lianhe, the director of the Company, ceased to serve as the director of the Company due to the expiration of his term of office, nor did he hold other positions in the Company or its holding subsidiaries. As of the disclosure date of the resignation announcement, Mr. Wen Lianhe held 2,830 shares of the Company. According to the relevant regulations of the *Listing Rules for Stocks of Shenzhen Stock Exchange*, the directors of listed companies are not allowed to transfer their shares within six months after resignation. Therefore, the lock-up ratio of 2,830 shares held by Mr. Wen Lianhe has increased from 75% to 100%, and the restricted shares have increased by 708 shares. In summary, the number of restricted shares of the Company decreased by 4,008 shares.

Approval of Change of Shares

Applicable Not applicable

Ownership transfer of share changes

Applicable Not applicable

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

Applicable Not applicable

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	4,716	0	4,716	0	Change of employee supervisor	February 10,2021
Wen Lianhe	2,122	708	0	2,830	Change of director	February 2,2022
Total	6,838	708	4,716	2,830	--	--

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	87,039	Total shareholders at the end of the month from the date of disclosing	94,304	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	0	1,893,342,621	1,644,662,664		
Guangzhou Development Group Co., Ltd.	State-owned legal person	2.22%	116,693,602	0	0	116,693,602		
Guangdong Electric Power Development Corporation	State-owned legal person	1.80%	94,367,341	0	0	94,367,341		
China Securities Finance Co., Ltd.	State-owned legal person	0.99%	52,027,145	-78,855,757	0	52,027,145		
ICBC—First Seafront fund New Economy flexible allocation of hybrid securities investment fund	Domestic Non-State owned legal person	0.85%	44,717,918	44,717,918	0	44,717,918		
Zheng Jianxiang	Domestic Natural person	0.49%	25,514,900	710,014	0	25,514,900		
Ningbo Bank—Boshi	Domestic	0.36%	18,915,500	18,915,500	0	18,915,500		

Growth advantage hybrid securities investment fund	Non-State owned legal person							
Agricultural bank of China—Boshi Yulon flexible allocation of hybrid securities investment fund	Domestic Non-State owned legal person	0.31%	16,055,400	16,055,400	0	16,055,400		
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	Overseas Legal person	0.30%	15,855,512	0	0	15,855,512		
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LTD	Overseas Legal person	0.29%	15,216,066	0	0	15,216,066		
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)	Not applicable							
Explanation on associated relationship among the aforesaid shareholders	The Third 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							
Above shareholders entrusting or entrusted with voting rights, or waiving voting rights	Not applicable							
Top 10 shareholders including the special account for repurchase (if any) (see note 10)	Not applicable							
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					
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					
China Securities Finance Co., Ltd.	52,027,145	RMB Common shares	52,027,145					

ICBC—First Seafront fund New Economy flexible allocation of hybrid securities investment fund	44,717,918	RMB Common shares	44,717,918
Zheng Jianxiang	25,514,900	Foreign shares placed in domestic exchange	25,514,900
Ningbo Bank—Boshi Growth advantage hybrid securities investment fund	18,915,500	RMB Common shares	18,915,500
Agricultural bank of China—Boshi Yulon flexible allocation of hybrid securities investment fund	16,055,400	RMB Common shares	16,055,400
VANGUARD TOTAL INTERNATIONAL STOCK INDEX FUND	15,855,512	Foreign shares placed in domestic exchange	15,855,512
CHINA INTERNATIONAL CAPITAL CORPORATION HONG KONG SECURITIES LTD	15,216,066	Foreign shares placed in domestic exchange	15,216,066
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	The Third largest shareholder Guangdong Electric Power Development 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)	Not applicable		

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

Yes No

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

2. Controlling shareholder

Nature of Controlling Shareholders: Local state holding

Type of Controlling Shareholders: Legal person

Name of the Controlling shareholder	Legal representative/Leader	Date of incorporation	Organization code	Principal business activities
Guangdong Energy Group Co., Ltd.	Li Zhuoxian	August 3,2001	91440000730486022G	Management and sales of the electricity investment construction operation management, electricity power(Thermal Power), The industry of transportation resources environmental protection, new source of energy electricity investment; investment planning and consulting ; information consulting service; sales of production materials.

The equity of the controlling shareholder in other domestic and foreign listed companies held or partly held by it in the report period	Unknown
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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

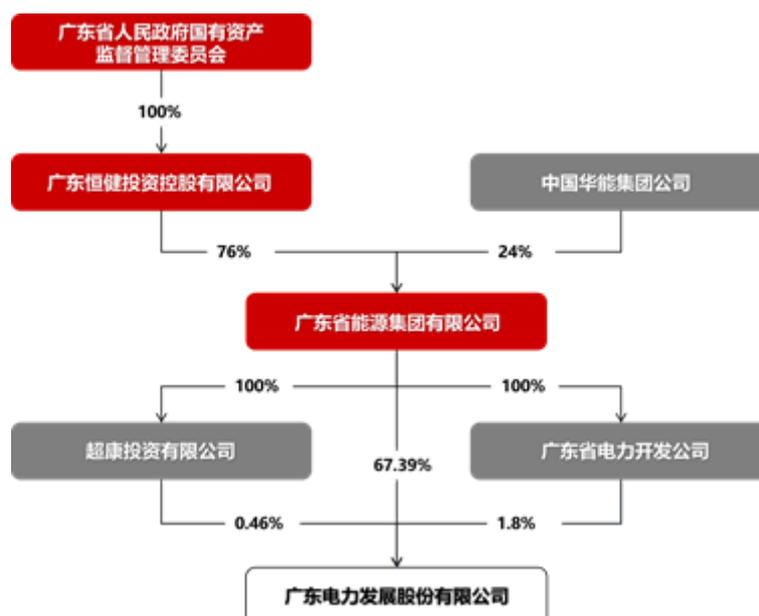
Name of the controlling shareholder	Legal representative/person in charge	Date of establishment	Organization code	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People's Government	Li Cheng	June 26,2004	114400007583361658	As the special 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.The cumulative number of shares pledged by the controlling shareholder or the largest shareholder of the company and its person acting in concert accounts for 80% of the number of shares held by the company

Applicable Not applicable

5.Particulars about other legal person shareholders with over 10% share held

Applicable Not applicable

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

Applicable Not applicable

IV. Specific implementation of share repurchase during the reporting period

Progress in implementation of share repurchase

Applicable Not applicable

Implementation progress of reducing repurchased shares by centralized bidding

Applicable Not applicable

VIII. Situation of the Preferred Shares

Applicable Not applicable

The Company had no preferred shares in the reporting period.

IX. Corporate Bond

√ Applicable □ Not applicable

I. Enterprise bond

□ Applicable √ Not applicable

No such cases in the reporting period.

II. Corporate bond

√ Applicable □ Not applicable

1). Basic information of corporate bonds

In RMB

Bond name	Bond short name	Bond code	Issue day	Value date	Due day	Bond balance (RMB '0,000)	Interest rate	Servicing way	Trading
Public Issuance of Corporate Bonds to Qualified Investors in 2020 (Phase I) of Guangdong Electric Power Development Co.,Ltd.	20 Yudean 01	149113.SZ	April 29,2020	April 29,2020	April 29,2025	1,500,000,000	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.	Shenzhen Stock Exchange
Public Issuance of Corporate Bonds to Qualified Investors in 2021 (Phase I) of Guangdong Electric	21 Yudean 01	149369.SZ	January 27,2021	January 27,2021	January 27,2024	1,000,000,000	3.57%	Using simple interest rate on a yearly basis, regardless of	Shenzhen Stock Exchange

Power Development Co.,Ltd.								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 II) of Guandong Electric Power Development Co.,Ltd.	21Yudean 02	149418.SZ	April 28,2021	April 28,2021	April 28,2026	1,500,000,000	3.50%	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.	Shenzhen Stock Exchange
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase I) of Guandong Electric Power Development Co.,Ltd.	21Yedean 03	149711.SZ	November 24,2021	November 24,2021	November 24,2026	800,000,000	3.41%	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.	Shenzhen Stock Exchange
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase I) of Guandong Huizhou Ping Power Generation Co.,Ltd.	21Pinghai 01	188197.SH	June 4,2021	June 4,2021	June 4,2023	200,000,000	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	Shanghai Stock exchange

									paid together with the principal redemption.	
During the reporting period, interest payment situation of the company bonds (If any)			20 Yudean 01, 21 Yudean 01 and 21 Yudean 02 are bonds for qualified investors, 21 Yudean 03 and 21 Pinghai 01 are bonds for professional investors.							
Applicable trading mechanism			Bidding, quotation, inquiry and agreement transaction.							
Whether there are risks and countermeasures for terminating listing transactions (If any)			No							

Overdue and unpaid bonds

Applicable Not applicable

2). Trigger and implementation of option clauses and investor protection clauses of the issuer or investor

Applicable Not applicable

3).Information of intermediary agency

Name of bond project	Name of intermediary agency	Office Address	Name of signing accountant	Contact person of intermediary agency	Tel
Public Issuance of Corporate Bonds to Qualified Investors in 2020 (Phase I) of Guangdong Electric Power Development Co.,Ltd.	China Securities Co., Ltd. (lead principal underwriter/bookkeeping manager/trustee)	2/F, Block B, Kaiheng Center, No.2 Chaoyangmennei Street, Dongcheng District, Beijing	Not applicable	Liu Renshuo	010-86451370
	CITIC Securities Co., Ltd. (joint lead underwriter)	22/F, CITIC Securities Building, No.48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Song Yilan	010-60836755
	Beijing Zhong Lun Law Firm	23/F, R&F Center, No.10 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou	Not applicable	Ling Qinghua	020-28261689
	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	18/F, PricewaterhouseCoopers Center, No.10 Zhujiang West Road, Zhujiang New Town, Tianhe District, Guangzhou, China	Wang Bin, Li Yanhua (2019); Wang Bin, Guo Biyu (2018); Wang Bin, Chen Junjun (2017)	Wang Bin	020-38192000
	China Cheng Xin International Credit Rating Co. Ltd.	Building 6, Yinhe SOHO, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Fang Zibin	010-66428877
Public Issuance of Corporate Bonds to Qualified Investors in 2021 (Phase I) of Guangdong Electric Power Development Co.,Ltd.	China Securities Co., Ltd. (lead principal underwriter/bookkeeping manager/trustee)	2/F, Block B, Kaiheng Center, No.2 Chaoyangmennei Street, Dongcheng District, Beijing	Not applicable	Liu Renshuo	010-86451370
	CITIC Securities Co., Ltd. (joint lead underwriter)	22/F, CITIC Securities Building, No.48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Song Yilan	010-60836755
	Beijing Zhong Lun Law Firm	23/F, R&F Center, No.10 Huaxia Road, Zhujiang New	Not applicable	Liang Qinghua	020-28261689

		Town, Tianhe District, Guangzhou			
	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	18/F, PricewaterhouseCoopers Center, No.10 Zhujiang West Road, Zhujiang New Town, Tianhe District, Guangzhou, China	Wang Bin, Li Yanhua (2019); Wang Bin, Guo Biyu (2018); Wang Bin, Chen Junjun (2017)	Wang Bin	020-38192000
	China Cheng Xin International Credit Rating Co. Ltd.	Building 6, Yinhe SOHO, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Fang Zibin	010-66428877
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase II) of Guangdong Electric Power Development Co.,Ltd.	China Securities Co., Ltd. (lead principal underwriter/bookkeeping manager/trustee)	2/F, Block B, Kaiheng Center, No.2 Chaoyangmennei Street, Dongcheng District, Beijing	Not applicable	Liu Renshuo	010-86451370
	CITIC Securities Co., Ltd. (joint lead underwriter)	22/F, CITIC Securities Building, No.48 Liangmaqiao Road, Chaoyang District, Beijing	Not applicable	Song Yilan	010-60836755
	Beijing Zhong Lun Law Firm	23/F, R&F Center, No.10 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou	Not applicable	Liang Qinghua	020-28261689
	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	18/F, PricewaterhouseCoopers Center, No.10 Zhujiang West Road, Zhujiang New Town, Tianhe District, Guangzhou, China	Wng Bin, Li Yanhua (2019-2020); Wang Bin, Guo Biyu (2018)	Wang Bin	020-38192000
	China Cheng Xin International Credit Rating Co. Ltd.	Building 6, Yinhe SOHO, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Fang Zibin	010-66428877
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase I) of Guangdong Electric Power Development Co.,Ltd.	China Securities Co., Ltd. (principal underwriter/bookkeeping manager/trustee)	2/F, Block B, Kaiheng Center, No.2 Chaoyangmennei Street, Dongcheng District, Beijing	Not applicable	Liu Renshuo	010-86451370
	ETR Law Firm	29/F, 10/F and 11/F (01-04 units), Chow Tai Fook Finance Centre, NO.6 Zhujiang Dong Road, Tianhe District Guangzhou City, Guangdong	Not applicable	Wang Xing	020-37181333

		Province			
	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	18/F, PricewaterhouseCoopers Center, No.10 Zhujiang West Road, Zhujiang New Town, Tianhe District, Guangzhou, China	Wang Bin, Li Yanhua (2019-2020); Wang Bin, Guo Biyu (2018)	Chin Junjun	020-38192645
	China Cheng Xin International Credit Rating Co. Ltd.	Building 5, Yinhe SOHO, No.2 Nanzhugan Hutong, Dongcheng District, Beijing	Not applicable	Sheng Lei	010-66428877
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase I) of Guangdong Huizhou Ping Power Generation Co.,Ltd.	CITIC Securities Co., Ltd	North Block, Times Square Excellence (Phase II), No.8 Zhongxin Third Road, Futian District, Shenzhen City, Guangdong Province	Not applicable	Jian Qiongwen	13539997160
	Zhongxi Certified Public Accountants (Special General Partnership)	11/F, Block A, Xincheng Culture Building, No.11 Chongwenmenwai Street, Beijing	Wei Shuzhen, Fan Fengwei	Fan Fengwei	18520643032
	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14/F, Huasheng Building, No.398, Hankou Road, Shanghai	Not applicable	Yu Liping	13641825613
	Beijing Dentons Law Offices, LLP	7/F, Block D, Qiaofufang Grassland, No.9 Dongdaqiao Road, Chaoyang District, Beijing	Not applicable	Lv Sihui	13692899924

Whether the above agency changes during the reporting period

Yes No

4). Use of raised funds

In RMB

Name of bond project	Total amount of raised funds	Used amount	Unused amount	Operation of special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements stipulated in the prospectus
Public Issuance of Corporate Bonds to Qualified Investors in 2020 (Phase I) of Guangdong Electric Power Development Co.,Ltd.	1,500,000,000	1,500,000,000	0	The special fund-raising account operates properly	No	Yes

Public Issuance of Corporate Bonds to Qualified Investors in 2021 (Phase I) of Guangdong Electric Power Development Co.,Ltd.	1,000,000,000	1,000,000,000	0	The special fund-raising account operates properly	No	Yes
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase II) of Guangdong Electric Power Development Co.,Ltd.	1,500,000,000	1,500,000,000	0	The special fund-raising account operates properly	No	Yes
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase I) of Guangdong Electric Power Development Co.,Ltd.	800,000,000	800,000,000	0	The special fund-raising account operates properly	No	Yes
Public Issuance of Corporate Bonds to Professional Investors in 2021 (Phase I) of Guangdong Huizhou Ping Power Generation Co.,Ltd.	200,000,000	200,000,000	0	The special fund-raising account operates properly	No	Yes

The raised funds are used for construction projects

Applicable Not applicable

During the reporting period, the Company changed the use of funds raised from the above bonds

Applicable Not applicable

5).Adjustment of credit rating results during the reporting period

Applicable Not applicable

6) The implementation and changes of guarantee, debt repayment plan and other debt repayment guarantee measures during the reporting period and their impact on the rights and interests of bond investors

Applicable Not applicable

(1). Credit enhancement mechanism: 20 Yudean 01, 21 Yudean 01, 21 Yudean 02, 21 Yudean 03 and 21 Pinghai Company 01 bonds are not guaranteed.

(2). Debt repayment plan and other debt repayment guarantee measures: 20 Yudean 01, 21 Yudean 01, 21 Yudean 02, 21 Yudean 03 and 21 Pinghai 01 debt repayment plans and other debt repayment guarantee measures have not changed during the reporting period, and the payment of their principal and interest will be handled by the bond registration institution and relevant institutions. The specific matters of payment will be elaborated in the announcement disclosed by the issuer in the media specified by China Securities Regulatory Commission, Shenzhen Stock Exchange, Shanghai Stock Exchange and China Securities Industry Association in accordance with relevant regulations.

III. Debt financing instruments of non-financial enterprises

√ Applicable □ Not applicable

1. Debt financing instruments of non-financial enterprises

In RMB

Bond name	Bond short name	Bond code	Issue day	Value date	Due day	Bond balance	Interest rate	Servicing way	Trading
2021 MTN (Phase I) of Guangdong Electric Power Development Co., Ltd.	21Yudean Fa MTN001	102101339.IB	July 19,2021	July 21,2021	July 21,2024	1,200,000,000	3.17%	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.	Interbank market
2021 MTN (Phase II) of Guangdong Electric Power Development Co., Ltd.	21Yudean Fa MTN002	102102318.IB	November 15,2021	November 17,2021	November 17,2024	2,200,000,000	3.13%	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.	Interbank market

Guangdong Electric Power Development Co., Ltd. 2021 second phase Ultra-short term financing bills	21Yudean Fa SCP000	012280516.IB	August, 23, 2021	August, 24, 2021	February 18,2022	1,000,000,000.00	2.21%	One time repayment of principal and interest.	Interbank market
Guangdong Electric Power Development Co., Ltd. 2022 first phase Ultra-short term financing bills	22Yudean Fa SCP001	012280516.IB	February 14,2022	February 15,2022	August 12,2022	1,200,000,000	2.01%	One time repayment of principal and interest.	Interbank market
2021 MTN (Phase I) of Guandong Huizhou Ping Power Generation Co.,Ltd	21 Ping Power MTN001	102102049.IB	October, 15, 2021	October, 15, 2021	October, 15, 2024	300,000,000.00	3.72%	Annual interest payment, one-time principal repayment	Interbank market
During the reporting period, interest payment situation of the company bonds (If any)	No								
Applicable trading mechanism	Circulation and transfer in the national inter-bank bond market, its listing and circulation will be carried out in accordance with the relevant regulations promulgated by the National Interbank Funding Center								
Whether there are risks and countermeasures for terminating listing transactions (If any)	No								

Overdue and unpaid bonds

Applicable Not applicable

2. Trigger and implementation of option clauses and investor protection clauses of the issuer or investor

Applicable Not applicable

3.Information of intermediary agency

Name of bond project	Name of intermediary agency	Office Address	Name of signing accountant	Contact person of intermediary agency	Tel
2021 MTN (Phase I) of Guangdong Electric Power Development Co., Ltd.	Industry Bank(lead principal underwriter/bookkeeping manager)	No.154, Hudong Road, Fuzhou, Fujian	Not applicable	Zhao Xinle, Liu Jingyi	010-89926570、020-38160153
	ICBC(joint lead underwriter)	No. 55, Fuxingmennei, Street , Xicheng District , Beijing	Not applicable	Sheng Xue	010-66106736
	Beijing Zhong Lun Law Firm	31,33, 36 and 37/F, SK Building, A6, Jianguomenwai Street , Chaoyang District, Beijing	Not Applicable	Liang Qinghua	020-28262689
	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	11/F, PricewaterhouseCoopers, No.2, Enterprist Building, No.202, Hubin Road, Huangpu District Shanghai	Wang Bin, Li Yanhua (2019-2020); Wang Bin, Guo Biyu (2018)	Wang Bin	021-23238888
	Shanghai Brilliance Credit Rating & Investors Service Co., Ltd.	14/f, Huasheng Building , No.398 Hankou Road, Shanghai	Not applicable	Zhang Jie	18600048666
2021 MTN (Phase II) of Guangdong Electric Power Development Co., Ltd.	Industry Bank (lead principal underwriter/bookkeeping manager)	No.154, Hudong Road, Fuzhou ,Fujian	Not applicable	Zhao Xinle, Ye Huishan	010-89926570、020-38160153
	ICBC(joint lead underwriter)	No. 55, Fuxingmennei, Street , Xicheng District , Beijing	Not applicable	Sheng Xue	010-66106736
	Beijing Zhong Lun Law Firm	31,33, 36 and 37/F, SK Building, A6, Jianguomenwai Street , Chaoyang District, Beijing	Not Applicable	Liang Qinghua	020-28262689
	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	11/F, PricewaterhouseCoopers, No.2, Enterprist Building, No.202, Hubin Road, Huangpu District Shanghai	Wang Bin , Li Yanhua (2019-2020); Wang Bin, Guo Biyu (2018)	Wang Bin	021-23238888

Guangdong Electric Power Development Co., Ltd. 2022 first phase Ultra-short term financing bills	China CITIC Bank Co., Ltd(lead principal underwriter/bookkeeping manager)	1 Building, No.10 Guanghua Road, Changyang District , Beijing	Not applicable	Shen Xiangze	010-66635910
	Huaxia Bank(joint lead underwriter)	No.22, Jianguomenmei Street , Dongcheng District , Beijing	Not applicable	Li Bailu	010-85237515
	Beijing Zhong Lun Law Firm	31,33, 36 and 37/F, SK Building, A6, Jianguomenwai Street , Chaoyang District, Beijing	Not Applicable	Liang Qinghua	020-28262689
	PricewaterhouseCoopers Zhongtian Certified Public Accountants (Special General Partnership)	11/F, PricewaterhouseCoopers, No.2, Enterprise Building, No.202, Hubin Road, Huangpu District Shanghai	Wang Bin, Li Yanhua (2019-2020); Wang Bin, Guo Biyu (2018)	Wang Bin	021-23238888

Whether the above agency changes during the reporting period

Yes No

4. Use of raised funds

In RMB

Name of bond project	Total amount of raised funds	Used amount	Unused amount	Operation of special account for raised funds (if any)	Rectification of illegal use of raised funds (if any)	Whether it is consistent with the purpose, use plan and other agreements stipulated in the prospectus
2021 MTN (Phase I) of Guangdong Electric Power Development Co., Ltd.	1,200,000,000	1,200,000,000	0	The special fund-raising account operates properly	No	Yes
2021 MTN (Phase II) of Guangdong Electric Power Development Co., Ltd.	2,200,000,000	2,000,000,000	200,000,000	Not applicable	No	Yes
Guangdong Electric Power Development Co., Ltd. Co., Ltd. 2021 second phase Ultra-short term financing bills	1,000,000,000	1,000,000,000	0	Not applicable	No	Yes
Guangdong Electric Power Development Co., Ltd. 2022	1,200,000,000	1,200,000,000	0	Not applicable	No	Yes

first phase Ultra-short term financing bills						
2021 MTN (Phase I) of Guandong Huizhou Ping Power Generation Co.,Ltd	300,000,000	300,000,000	0	Not applicable	No	Yes

The raised funds are used for construction projects

Applicable Not applicable

2Yudeanfa MTN001 raised RMB 1.2 billion, of which RMB 375 million was used to replace the increased capital of its holding subsidiaries, that is, it was finally used to replace the paid-in capital of key construction projects. RMB 250 million is used to replace the increased capital of Guangdong Yudean Marina Bay Energy Co., Ltd., and finally used for the capital of the alternative power supply project at Ningzhou plant site in Dongguan; RMB 125 million is used to replace the increased capital of Guangdong Yudean Qujie Wind Power Generation Co., Ltd., and finally used for the capital of phase II of Guangdong Yudean Zhanjiang Wailuo Offshore Wind Power Project. In the main building installation project of the alternative power supply project at Ningzhou plant site in Dongguan, the first concrete of the main plant foundation was poured in September 2021. The construction of the project is progressing as planned. It is expected that the first unit will be put into operation in March 2023, and the second and third units will be put into operation in June and September of the same year. The Phase II of Guangdong Yudean Zhanjiang Wailuo Offshore Wind Power Project was put into operation in December 2021, and the project was in good operation. From January to February 2022, it achieved an operating income of RMB 66.0778 million and an operating profit of RMB 27.3119 million.

During the reporting period, the Company changed the use of funds raised from the above bonds

Applicable Not applicable

5. Adjustment of credit rating results during the reporting period

Applicable Not applicable

6 The implementation and changes of guarantee, debt repayment plan and other debt repayment guarantee measures during the reporting period and their impact on the rights and interests of bond investors

Applicable Not applicable

1). 21Yudeanfa MTN001, 21Yudeanfa MTN002, 21Yudeanfa SCP002, 22Yudeanfa SCP001 and 21PingPower MTN001 are not guaranteed.

2). The debt repayment plan of the above-mentioned debt financing instruments and other debt repayment guarantee measures of the Company have not changed during the reporting period.

IV. Convertible bond

Applicable Not applicable

No such cases in the reporting period.

V. The loss within the scope of consolidated statements in the reporting period exceeded 10% of the net assets at the end of the previous year

Applicable Not applicable

Loss situation	Reasons for loss	Influence on the company's operation and solvency
During the reporting period, the net profit within the scope of the company's consolidated statement	Affected by the continuous rise in coal and gas prices,	With assets of 100 billion yuan and strong solvency,

was RMB -4,472,695,268, which accounted for 10.25% of the net assets at the end of the previous year.	company's power generation business suffered substantial losses.	company has abundant financing channels and sufficient credit, and can make full use of internal and external financial resources to ensure capital needs.
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VI. Overdue interest-bearing debts except bonds at the end of the reporting period

Applicable Not applicable

VII. Whether there are any violations of rules and regulations during the reporting period

Yes No

VIII. Main accounting data and financial indicators of the Company in recent two years by the end of the reporting period

Items	In RMB10,000		
	At the end of the reporting period	At the end of last year	At the same time rate of change
Current ratio	0.61	0.66	-7.58%
Debt ratio	71.34%	56.14%	15.20%
Quick ratio	0.5	0.57	-12.28%
	Amount of this period	Amount of last period	At the same time rate of change
Net profit after deducting non-recurring profit and loss	-397,819.78	232,444.14	-271.15%
EBITDA total debt ratio	0.72%	16.83%	-16.11%
Time interest earned ratio	-2.23	3.49	-163.90%
Cash interest guarantee times	-0.02	4.94	-100.40%
EBITDA/Time interest earned ratio	0.35	5.98	-94.15%
Repayment of debt (%)	100.00%	100.00%	0.00%
Payment of interest (%)	100.00%	100.00%	0.00%

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**FINANCIAL STATEMENTS AND
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

[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 2021
[English translation for reference only]

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[English Translation for Reference Only]

Auditor's Report

PwC ZT Shen Zi (2022) No. 10033
(Page 1 of 7)

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 2021;
- 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 shareholders' 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 2021, and their financial performance and cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises ("CASs").

Basis for Opinion

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

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

Key Audit Matter

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

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

- Impairment of power related fixed assets

- Recognition of deferred tax assets related to deductible losses

Key Audit Matter (Cont'd)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>(1) Impairment of power related fixed assets</p> <p>Refer to Note 2(27)(b)(i) and Note 4(12)(a)(vi) to the financial statements.</p> <p>Certain subsidiaries 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 assesses the impairment of the fixed assets of the above subsidiaries.</p> <p>As at 31 December 2021, management conducted impairment tests for the fixed assets of the aforesaid subsidiaries, and made a provision for impairment at the excess of the carrying amount of asset groups of generator units over their recoverable amount. The recoverable amount of the asset groups was the higher of the fair value, less costs to sell, of the asset groups and the present value of the future cash flows expected to be derived from them. The calculations of the present value of the future cash flows expected to be derived from them involve management's significant judgements, including the discount rate, the growth rate of the estimated on-grid electricity price, the growth rate of the estimated electricity sale and the growth rate of the estimated price of coal used in power generation.</p>	<p>Our audit procedures for the impairment of power related fixed assets mainly include:</p> <ul style="list-style-type: none"> • We understood and evaluated the internal control relevant to the impairment test of fixed assets 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 as well as the industry in which they operate, we compared with and analysed the assumptions adopted by management, including the discount rate, the growth rate of the estimated on-grid price, the growth rate of the estimated electricity sale, and the growth rate of the estimated price of coal used in power generation; we evaluated the reasonableness of the assumptions on fair value less costs to sell and the present value of the future cash flows expected to be derived from them: <ul style="list-style-type: none"> - For the discount rate, we involved internal valuers to evaluate the appropriateness in combination with industry situation; - For the growth rate of the estimated on-grid electricity price and the growth rate of the estimated price of coal used in power generation, we compared historical growth rates and industry data, and considered market trend; - For the growth rate of the estimated electricity sale, we have compared historical data, approved budgets and business plans, and checked the corresponding supporting documents;

Key Audit Matter (Cont'd)

Key Audit Matter (Cont'd)	How our audit addressed the Key Audit Matter (Cont'd)
<p>(i) Impairment of power related fixed assets (Cont'd)</p> <p>As the carrying amounts of fixed assets 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 involves management's significant estimates and judgements, impairment of power related fixed assets is identified as a key audit matter.</p>	<p>Our audit procedures for the impairment of power related fixed assets (Cont'd):</p> <ul style="list-style-type: none"> • We checked the input data and formulas used in the calculation of the present value of future cash flows expected to be derived from them, 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. <p>Based on the results of the aforesaid work, we found that management's judgements and estimates on the impairment of fixed assets are supported by appropriate evidence.</p>
<p>(ii) Recognition of deferred tax assets related to deductible losses</p> <p>Refer to Note 2(27)(b)(iii) and Note 4(18) to the financial statements.</p> <p>As at 31 December 2021, Guangdong Electric Power recognised the corresponding deferred tax assets for the deductible losses incurred by individual subsidiaries at a total of RMB 758,900,259.</p> <p>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 sale, estimated on-grid electricity price, estimated price of coal used in power generation and other operating expenses.</p>	<p>Our audit procedures for the recognition of deferred tax assets related to deductible losses mainly include:</p> <ul style="list-style-type: none"> • We obtained management's calculation sheet for the financial forecast in future periods, checked the input data and formulas used in the calculation, and evaluated the mathematic accuracy; • We obtained supporting documents such as the income tax settlement report, tax returns and accounting records of the aforesaid subsidiaries, and reviewed for the existence of deductible losses and the accuracy of the amount and period; • Based on our understanding of the businesses of the aforesaid subsidiaries and the industry in which they operate, and combined with industry development trend and historical operating performance, 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 sale, estimated on-grid electricity price, estimated fuel price, and other operating expenses;

Key Audit Matter (Cont'd)

Key Audit Matter (Cont'd)	How our audit addressed the Key Audit Matter (Cont'd)
<p>(ii) Recognition of deferred tax assets related to deductible losses (Cont'd)</p> <p>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 deductible losses is identified as a key audit matter.</p>	<p>Our audit procedures for the recognition of deferred tax assets related to deductible losses mainly include (Cont'd):</p> <ul style="list-style-type: none"> • 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. <p>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.</p>

Other Information

Management of Guangdong Electric Power is responsible for the other information. The other information comprises all of the information included in 2021 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 CSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on Guangdong Electric Power's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in these financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Guangdong Electric Power to cease to continue as a going concern.
- Evaluate the overall presentation (including the disclosures), structure and content of the financial statements, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within Guangdong Electric Power to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

Chen Junjun
(Engagement Partner)

Shanghai, the People’s Republic of China
20 April 2022

Signing CPA

Li Xiaolei

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021**

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

ASSETS	Note	31 December 2021	31 December 2020 (Restated)
Current assets			
Cash at bank and on hand	4(1)	8,105,320,953	9,438,414,350
Notes receivables		165,603	-
Accounts receivables	4(2)	7,030,685,357	5,287,149,592
Advances to suppliers	4(3)	892,771,238	784,843,451
Other receivables	4(4)	2,429,475,558	518,641,769
Inventories	4(5)	2,998,894,539	1,683,995,018
Contract assets	4(6)	4,754,820	3,342,276
Current portion of non-current assets	4(7)	-	49,785,734
Other current assets	4(8)	1,417,985,608	676,347,330
Total current assets		<u>22,880,053,676</u>	<u>18,442,519,520</u>
Non-current assets			
Long-term equity investments	4(9)	8,072,208,350	7,297,733,122
Investments in other equity instruments	4(10)	3,232,028,682	3,548,888,015
Investment properties	4(11)	378,796,932	131,191,258
Fixed assets	4(12)	56,943,126,256	54,492,626,175
Construction in progress	4(13)	8,634,727,069	9,254,620,377
Right-of-use assets	4(14)	5,256,124,979	—
Intangible assets	4(15)	2,658,726,346	2,516,305,612
Goodwill	4(16)	139,983,037	2,449,886
Long-term prepaid expenses	4(17)	30,335,301	28,344,969
Deferred tax assets	4(18)	1,235,089,217	504,657,706
Other non-current assets	4(19)	4,810,251,634	3,260,436,522
Total non-current assets		<u>91,391,397,803</u>	<u>81,037,253,642</u>
TOTAL ASSETS		<u>114,271,451,479</u>	<u>99,479,773,162</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

CONSOLIDATED BALANCE SHEET (CONT'D)

AS AT 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	31 December 2021	31 December 2020 (Restated)
Current liabilities			
Short-term borrowings	4(21)	12,360,296,429	7,916,440,888
Notes payables	4(22)	1,908,780,000	1,252,292,546
Accounts payables	4(23)	6,626,567,064	3,400,384,808
Contract liabilities	4(24)	5,864,811	8,424,399
Employee benefits payable	4(25)	422,013,230	360,196,774
Taxes payable	4(26)	502,303,075	580,900,006
Other payables	4(27)	10,569,763,778	7,814,572,869
Current portion of non-current liabilities	4(28)	3,697,619,753	3,322,121,935
Other current liabilities	4(29)	1,658,449,006	3,217,523,576
Total current liabilities		<u>37,751,657,146</u>	<u>27,872,857,801</u>
Non-current liabilities			
Long-term borrowings	4(30)	28,940,577,856	21,922,680,540
Debentures payable	4(31)	8,693,083,422	1,499,542,911
Lease liabilities	4(32)	4,728,167,142	—
Long-term payables	4(33)	121,779,223	3,266,131,306
Deferred income	4(34)	163,611,515	171,652,762
Long-term employee benefits payable	4(35)	415,480,262	278,637,302
Deferred tax liabilities	4(18)	635,754,761	638,572,671
Other non-current liabilities	4(36)	75,469,729	200,970,029
Total non-current liabilities		<u>43,773,923,910</u>	<u>27,978,187,521</u>
Total liabilities		<u>81,525,581,056</u>	<u>55,851,045,322</u>
Shareholders' equity			
Share capital	4(37)	5,250,283,986	5,250,283,986
Capital surplus	4(38)	4,295,429,055	8,014,211,278
Other comprehensive income	4(39)	1,750,011,571	1,957,175,481
Surplus reserve	4(40)	8,903,515,135	8,515,360,638
Undistributed profits	4(41)	2,985,840,058	8,083,048,238
Total equity attributable to shareholders of the Company		23,185,079,805	31,820,079,621
Minority interests		9,560,790,618	11,808,648,219
Total shareholders' equity		<u>32,745,870,423</u>	<u>43,628,727,840</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>114,271,451,479</u>	<u>99,479,773,162</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 BALANCE SHEET

AS AT 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

ASSETS	Note	31 December 2021	31 December 2020
Current assets			
Cash at bank and on hand		708,028,634	338,045,631
Accounts receivables	15(1)	192,707,778	173,029,247
Advances to suppliers		26,368,250	26,680,500
Other receivables	15(2)	415,990,566	328,224,857
Inventories		216,808,997	118,530,205
Other current assets		21,453,621	1,209,217
Total current assets		<u>1,581,357,846</u>	<u>985,719,657</u>
Non-current assets			
Long-term receivables		627,000,000	467,000,000
Long-term equity investments	15(3)	36,539,978,077	28,453,042,855
Investments in other equity instruments		3,231,228,683	3,548,088,015
Investment properties		5,754,247	6,389,845
Fixed assets		436,327,041	559,635,880
Construction in progress		1,201,126	200,574
Right-of-use assets		8,125,410	—
Intangible assets		80,670,784	81,954,649
Other non-current assets		136,500,000	208,353,879
Total non-current assets		<u>41,066,785,368</u>	<u>33,324,665,697</u>
TOTAL ASSETS		<u>42,648,143,214</u>	<u>34,310,385,354</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

COMPANY BALANCE SHEET (CONT'D)

AS AT 31 DECEMBER 2021

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

TOTAL LIABILITIES AND OWNERS' EQUITY	Note	31 December 2021	31 December 2020
Current liabilities			
Short-term borrowings		2,442,508,111	1,902,013,125
Accounts payables		214,080,378	136,723,162
Contract liabilities		1,083,950	6,343,773
Employee benefits payable		105,045,040	93,479,997
Taxes payable		8,288,884	28,112,055
Other payables		2,535,329,957	40,872,386
Current portion of non-current liabilities		125,174,953	836,189,634
Other current liabilities		1,030,040,123	3,217,281,173
Total current liabilities		<u>6,461,551,396</u>	<u>6,261,015,305</u>
Non-current liabilities			
Debentures payable		8,193,949,060	1,499,542,911
Lease liabilities		4,251,838	—
Deferred income		19,992,404	29,988,606
Long-term employee benefits payable		68,648,773	56,805,513
Deferred tax liabilities		562,112,354	621,507,946
Total non-current liabilities		<u>8,848,954,429</u>	<u>2,207,844,976</u>
Total liabilities		<u>15,310,505,825</u>	<u>8,468,860,281</u>
Shareholders' equity			
Share capital		5,250,283,986	5,250,283,986
Capital surplus		4,834,039,575	5,405,326,643
Other comprehensive income		1,764,421,309	1,946,305,595
Surplus reserve		8,903,515,135	8,515,360,638
Undistributed profits		6,585,377,384	4,724,248,211
Total shareholders' equity		<u>27,337,637,389</u>	<u>25,841,525,073</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		<u>42,648,143,214</u>	<u>34,310,385,354</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 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	2021	2020 (Restated)
Revenue	4(42)	44,167,223,887	33,602,895,865
Less: Cost of sale	4(42)	(46,814,800,682)	(26,644,882,602)
Taxes and surcharges	4(43)	(293,980,076)	(305,713,780)
Selling expenses	4(44)	(65,407,040)	(58,905,940)
General and administrative expenses	4(45)	(1,101,123,287)	(1,019,221,183)
Research and development expenses	4(46)	(584,714,979)	(324,923,064)
Financial expenses	4(47)	(1,371,365,945)	(1,240,992,920)
Including: Interest expenses		1,499,997,783	1,280,509,064
Interest income		133,800,923	133,361,021
Add: Other income	4(51)	72,653,517	55,721,750
Investment income	4(52)	834,004,341	354,858,460
Including: Share of profit of associates and joint ventures		741,825,985	289,336,338
Credit impairment (loss)/reversal	4(50)	(21,767,857)	27,827
Asset impairment losses	4(49)	(29,330,461)	(501,980,141)
Gains on disposals of assets	4(53)	184,589,025	340,951,037
Operating (loss)/profit		(5,024,019,557)	4,257,835,309
Add: Non-operating income	4(54)	139,092,875	104,562,458
Less: Non-operating expenses	4(55)	(171,458,731)	(114,974,255)
Total (loss)/profit		(5,056,385,413)	4,247,423,512
Less: Income tax expenses	4(56)	583,690,145	(1,047,749,330)
Net (loss)/profit		(4,472,695,268)	3,199,674,182
Including: Net (loss)/profit of the acquiree in a business combination under common control before the combination date	5(3)	(658,714,842)	559,324,501

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONSOLIDATED INCOME STATEMENT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Item	Note	2021	2020 (Restated)
Classified by continuity of operations			
Net (loss)/profit from continuing operations		<u>(4,472,695,268)</u>	<u>3,199,674,182</u>
Net profit from discontinued operations		<u>-</u>	<u>-</u>
Classified by ownership of the equity			
Net (loss)/profit attributable to shareholders of the Company		<u>(3,147,754,234)</u>	<u>2,053,909,956</u>
Minority interests		<u>(1,324,941,034)</u>	<u>1,145,764,226</u>
Other comprehensive income, net of tax		(222,990,915)	281,309,856
Attributable to shareholders of the Company	4(39)	<u>(206,788,258)</u>	<u>281,309,856</u>
Other comprehensive income that will not be reclassified to profit or loss			
Changes arising from remeasurement of defined benefit plans		(37,296,993)	-
Share of other comprehensive income of the investee accounted for using equity method that will not be reclassified to profit or loss		15,609,735	29,726,146
Changes in fair value of investments in other equity instruments		(184,768,848)	251,985,062
Other comprehensive income that will be reclassified to profit or loss			
Share of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss		(332,152)	(401,352)
Attributable to minority interests		<u>(16,202,657)</u>	<u>-</u>
Total comprehensive income		<u>(4,695,686,183)</u>	<u>3,480,984,038</u>
Attributable to shareholders of the Company		<u>(3,354,542,492)</u>	<u>2,335,219,812</u>
Attributable to minority interests		<u>(1,341,143,691)</u>	<u>1,145,764,226</u>
Earnings per share			
Basic earnings per share (RMB Yuan)	4(57)	<u>(0.60)</u>	<u>0.39</u>
Diluted earnings per share (RMB Yuan)	4(57)	<u>(0.60)</u>	<u>0.39</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 INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	Note	2021	2020
Revenue	15(4)	1,593,822,545	1,221,597,027
Less: Cost of sale	15(4)	(1,911,951,135)	(1,161,627,038)
Taxes and surcharges		(7,710,134)	(14,120,096)
Selling expenses		(2,842,664)	(2,949,082)
General and administrative expenses		(145,466,208)	(149,616,128)
Research and development expenses		(20,455,799)	(9,814,665)
Financial expenses		(264,631,340)	(212,937,750)
Including: Interest expenses		267,141,416	217,096,206
Interest income		6,119,603	5,070,493
Add: Other income		10,117,324	10,079,699
Investment income	15(5)	3,419,054,733	1,576,864,127
Including: Share of profit of associates and joint ventures		697,838,523	230,001,917
Credit impairment reversal/(loss)	15(6)	58,102	(37,463)
Asset impairment losses	15(7)	(29,321,084)	(162,336,342)
Gains on disposals of assets		-	157,963
Operating profit		2,640,674,340	1,095,260,252
Add: Non-operating income		242,648,802	23,324,983
Less: Non-operating expenses		(2,738,153)	(5,196,433)
Total profit		2,880,584,989	1,113,388,802
Less: Income tax expenses		(2,319,241)	(4,375,956)
Net profit		2,878,265,748	1,109,012,846
Classified by continuity of operations			
Net profit from continuing operations		2,878,265,748	1,109,012,846
Net profit from discontinued operations		-	-
Other comprehensive income, net of tax		(181,508,634)	270,162,551
Other comprehensive income that will not be reclassified to profit or loss			
Changes arising from remeasurement of defined benefit plans		(9,126,313)	-
Share of other comprehensive income of the investee accounted for using equity method that will not be reclassified to profit or loss		12,718,679	18,578,841
Changes in fair value of investments in other equity instruments		(184,768,848)	251,985,062
Other comprehensive income that will be reclassified to profit or loss			
Share of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss		(332,152)	(401,352)
Total comprehensive income		2,696,757,114	1,379,175,397

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 CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Item	Note	2021	2020 (Restated)
Cash flows from operating activities			
Cash received from sale of goods or rendering of services		48,379,830,401	36,882,332,064
Refund of taxes and surcharges		119,312,074	126,032,892
Cash received relating to other operating activities	4(58)(a)	<u>272,691,582</u>	<u>249,987,185</u>
Sub-total of cash inflows		<u>48,771,834,057</u>	<u>37,258,352,141</u>
Cash paid for goods and services		(43,630,281,266)	(23,538,607,827)
Cash paid to and on behalf of employees		(2,571,733,835)	(2,252,105,494)
Payments of taxes and surcharges		(1,699,308,834)	(2,864,098,094)
Cash paid relating to other operating activities	4(58)(b)	<u>(910,814,133)</u>	<u>(848,742,090)</u>
Sub-total of cash outflows		<u>(48,812,138,068)</u>	<u>(29,503,553,505)</u>
Net cash flows (used in)/from operating activities	4(59)(a)	<u>(40,304,011)</u>	<u>7,754,798,636</u>
Cash flows from investing activities			
Cash received from returns on investments		388,877,407	526,863,991
Net cash received from disposals of fixed assets, intangible assets and other long-term assets		1,656,570,070	337,225,431
Net cash received from disposals of subsidiaries and other business units		2,479,531	-
Cash received relating to other investing activities	4(58)(c)	<u>162,478,679</u>	<u>33,734,619</u>
Sub-total of cash inflows		<u>2,210,405,687</u>	<u>897,824,041</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets		(10,732,326,573)	(8,346,080,783)
Cash paid to acquire investments		(343,850,820)	(796,075,842)
Net cash paid to acquire subsidiaries and other business units	4(59)(b)	(76,574,154)	(40,880,216)
Cash paid relating to other investing activities	4(58)(d)	<u>(188,815,562)</u>	<u>(150,978,073)</u>
Sub-total of cash outflows		<u>(11,341,567,109)</u>	<u>(9,334,014,914)</u>
Net cash flows used in investing activities		<u>(9,131,161,422)</u>	<u>(8,436,190,873)</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONSOLIDATED CASH FLOW STATEMENT (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

Item	Note	2021	2020 (Restated)
Cash flows from financing activities			
Cash received from capital contributions		131,187,000	4,400,000
Including: Cash received from capital contributions by minority shareholders of subsidiaries		131,187,000	4,400,000
Cash received from borrowings		32,180,925,115	24,104,314,639
Cash received from issuance of debentures		7,192,751,240	1,499,471,698
Sub-total of cash inflows		<u>39,504,863,355</u>	<u>25,608,186,337</u>
Cash repayments of borrowings		(25,537,837,322)	(20,646,826,624)
Cash payments for distribution of dividends, profits or interest expenses		(4,635,028,385)	(3,017,438,398)
Including: Dividends or profits paid to minority shareholders by subsidiaries		(1,548,524,814)	(553,064,594)
Cash paid relating to other financing activities	4(58)(e)	(1,542,497,576)	(204,318,526)
Sub-total of cash outflows		<u>(31,715,363,283)</u>	<u>(23,868,583,548)</u>
Net cash flows from financing activities		<u>7,789,500,072</u>	<u>1,739,602,789</u>
Effect of foreign exchange rate changes on cash and cash equivalents			
		(309)	(27)
Net (decrease)/increase in cash and cash equivalents	4(59)(a)	(1,381,965,670)	1,058,210,525
Add: Cash and cash equivalents at the beginning of the year		9,405,082,609	8,346,872,084
Cash and cash equivalents at the end of the year	4(59)(c)	<u>8,023,116,939</u>	<u>9,405,082,609</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 CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

Item	2021	2020
Cash flows from operating activities		
Cash received from sale of goods or rendering of services	1,751,398,147	1,418,456,795
Cash received relating to other operating activities	33,327,861	37,621,882
Sub-total of cash inflows	<u>1,784,726,008</u>	<u>1,456,078,677</u>
Cash paid for goods and services	(1,815,409,475)	(920,870,342)
Cash paid to and on behalf of employees	(318,336,325)	(314,966,765)
Payments of taxes and surcharges	(38,149,853)	(81,690,906)
Cash paid relating to other operating activities	(57,513,608)	(68,583,529)
Sub-total of cash outflows	<u>(2,229,409,261)</u>	<u>(1,386,111,542)</u>
Net cash flows (used in)/from operating activities	<u>(444,683,253)</u>	<u>69,967,135</u>
Cash flows from investing activities		
Cash received from disposals of investments	240,000,000	66,460,000
Cash received from returns on investments	2,005,221,164	1,761,030,730
Net cash received from disposals of fixed assets, intangible assets and other long-term assets	1,539,098	2,420,190
Sub-total of cash inflows	<u>2,246,760,262</u>	<u>1,829,910,920</u>
Cash paid to acquire fixed assets, intangible assets and other long-term assets	(25,572,026)	(20,279,906)
Cash paid to acquire investments	(2,771,449,351)	(2,654,476,711)
Net cash paid to acquire the subsidiary	(2,042,164,731)	(49,680,900)
Sub-total of cash outflows	<u>(4,839,186,108)</u>	<u>(2,724,437,517)</u>
Net cash flows used in investing activities	<u>(2,592,425,846)</u>	<u>(894,526,597)</u>
Cash flows from financing activities		
Cash received from borrowings	4,838,375,167	7,098,860,667
Cash received from issuance of debentures	6,699,600,000	1,499,471,698
Sub-total of cash inflows	<u>11,537,975,167</u>	<u>8,598,332,365</u>
Cash repayments of borrowings	(7,300,000,001)	(6,840,306,500)
Cash payments for distribution of dividends, profits or interest expenses	(824,679,178)	(819,130,127)
Cash paid relating to other financing activities	(6,524,929)	(794,907)
Sub-total of cash outflows	<u>(8,131,204,108)</u>	<u>(7,660,231,534)</u>
Net cash flows from financing activities	<u>3,406,771,059</u>	<u>938,100,831</u>
Effect of foreign exchange rate changes on cash and cash equivalents	<u>(309)</u>	<u>(27)</u>
Net increase in cash and cash equivalents	369,661,651	113,541,342
Add: Cash and cash equivalents at the beginning of the year	<u>338,045,631</u>	<u>224,504,289</u>
Cash and cash equivalents at the end of the year	<u>707,707,282</u>	<u>338,045,631</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 SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	Attributable to shareholders of the Company					Minority interests	Total shareholders' equity
		Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits		
Balance at 1 January 2021		<u>5,250,283,986</u>	<u>8,014,211,278</u>	<u>1,957,175,481</u>	<u>8,515,360,638</u>	<u>8,083,048,238</u>	<u>11,808,648,219</u>	<u>43,628,727,840</u>
Movements for the year ended 31 December 2021								
Total comprehensive income								
Net loss		-	-	-	-	(3,147,754,234)	(1,324,941,034)	(4,472,695,268)
Other comprehensive income	4(39)	-	-	(206,788,258)	-	-	(16,202,657)	(222,990,915)
Total comprehensive income for the year		-	-	(206,788,258)	-	(3,147,754,234)	(1,341,143,691)	(4,695,686,183)
Capital contribution and withdrawal by shareholders								
Capital contribution by equity owners		-	-	-	-	-	249,001,517	249,001,517
Others		-	19,435,795	-	-	-	392,809,387	412,245,182
Business combinations involving enterprises under common control	5(3)(b)	-	(3,743,601,641)	-	-	-	-	(3,743,601,641)
Profit distribution								
Appropriation to surplus reserve	4(40)	-	-	-	388,154,497	(388,154,497)	-	-
Distribution to shareholders	4(41)(b)	-	-	-	-	(1,560,317,476)	(1,548,524,814)	(3,108,842,290)
Share of interests in associates in proportion to the shareholding	4(38)	-	5,383,623	-	-	-	-	5,383,623
Transfer within shareholders' equity								
Transfer of other comprehensive income to retained earnings		-	-	(375,652)	-	375,652	-	-
Others		-	-	-	-	(1,357,625)	-	(1,357,625)
Balance at 31 December 2021		<u>5,250,283,986</u>	<u>4,295,429,055</u>	<u>1,750,011,571</u>	<u>8,903,515,135</u>	<u>2,985,840,058</u>	<u>9,560,790,618</u>	<u>32,745,870,423</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

	Note	Attributable to shareholders of the Company					Minority interests	Total shareholders' equity
		Share capital	Capital surplus	Other comprehensive income	Surplus reserve	Undistributed profits		
Balance at 31 December 2019		5,250,283,986	5,096,918,174	1,676,143,044	8,245,767,593	5,909,128,280	8,011,444,289	34,189,685,366
Business combinations involving enterprises under common control		-	3,098,073,346	(277,419)	-	1,050,513,006	3,182,157,171	7,330,466,104
Balance at 1 January 2020		<u>5,250,283,986</u>	<u>8,194,991,520</u>	<u>1,675,865,625</u>	<u>8,245,767,593</u>	<u>6,959,641,286</u>	<u>11,193,601,460</u>	<u>41,520,151,470</u>
Movements for the year ended 31 December 2020								
Total comprehensive income								
Net profit		-	-	-	-	2,053,909,956	1,145,764,226	3,199,674,182
Other comprehensive income	4(39)	-	-	281,309,856	-	-	-	281,309,856
Total comprehensive income for the year		-	-	281,309,856	-	2,053,909,956	1,145,764,226	3,480,984,038
Capital contribution and withdrawal by shareholders								
Others		-	13,874,018	-	-	-	22,347,127	36,221,145
Profit distribution								
Appropriation to surplus reserve	4(40)	-	-	-	269,593,045	(269,593,045)	-	-
Distribution to shareholders		-	-	-	-	(660,909,959)	(553,064,594)	(1,213,974,553)
Share of interests in associates in proportion to the shareholding	4(38)	-	(194,654,260)	-	-	-	-	(194,654,260)
Balance at 31 December 2020		<u>5,250,283,986</u>	<u>8,014,211,278</u>	<u>1,957,175,481</u>	<u>8,515,360,638</u>	<u>8,083,048,238</u>	<u>11,808,648,219</u>	<u>43,628,727,840</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 SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

(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 shareholders' equity
Balance at 1 January 2021		<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>
Movements for the year ended 31 December 2021							
Total comprehensive income							
Net profit		-	-	-	-	2,878,265,748	2,878,265,748
Other comprehensive income		-	-	(181,508,634)	-	-	(181,508,634)
Total comprehensive income for the year		-	-	(181,508,634)	-	2,878,265,748	2,696,757,114
Capital contribution and withdrawal by shareholders							
Capital withdrawal by shareholders		-	(576,670,691)	-	-	-	(576,670,691)
Profit distribution							
Appropriation to surplus reserve	4(40)	-	-	-	388,154,497	(388,154,497)	-
Distribution to shareholders	4(41)(b)	-	-	-	-	(630,034,078)	(630,034,078)
Share of interests in associates in proportion to the shareholding	4(38)	-	5,383,623	-	-	-	5,383,623
Transfer within shareholders' equity							
Transfer of other comprehensive income to retained earnings		-	-	(375,652)	-	375,652	-
Others		-	-	-	-	676,348	676,348
Balance at 31 December 2021		<u>5,250,283,986</u>	<u>4,834,039,575</u>	<u>1,764,421,309</u>	<u>8,903,515,135</u>	<u>6,585,377,384</u>	<u>27,337,637,389</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (CONT'D)
FOR THE YEAR ENDED 31 DECEMBER 2021**

(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 shareholders' 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		-	-	270,162,551	-	-	270,162,551
Total comprehensive income for the year		-	-	<u>270,162,551</u>	-	<u>1,109,012,846</u>	<u>1,379,175,397</u>
Profit distribution							
Appropriation to surplus reserve	4(40)	-	-	-	269,593,045	(269,593,045)	-
Distribution to shareholders		-	-	-	-	(630,034,078)	(630,034,078)
Share of interests in associates in proportion to the shareholding	4(38)	-	(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>

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(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") 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 2021, the total share capital of the Company was RMB 5,250,283,986 with par value of RMB 1 per share.

On 8 October 2021, the Tenth Session of the Board approved the *Proposal on the Acquisition of Equity Interests in Guangdong Province Sha C Company Generation Corporation and Other Companies* during its 3rd meeting. In order to deepen the reform of mixed ownership of state-owned enterprises, enhance the Company's market competitiveness and anti-risk ability, promote the gradual resolution of horizontal competition issues, promote the capital operation and market value management of listed companies, comply with the requirements of building a new power system, and speed up the implementation of Guangdong Electric Power's "14th five-year Plan" development strategy, the Board of Directors agreed that the Company acquired 51% equity interests of Guangdong Province Sha C Company Generation Corporation ("Sha C Company"), 90% equity interests of Guangdong Yudean Yunhe Power Co., Ltd. ("Yunhe Power") and 51% equity interests of Guangdong Yuehua Power Co., Ltd. ("Yuehua Power") in cash. This equity acquisition was reviewed and approved at the Company's 2021 Fourth Extraordinary General Meeting on 25 October 2021, and the above-mentioned equities acquired had been completed on 30 November 2021. Since Sha C Company, Yunhe Power and Yuehua Power and the Company are controlled by the same ultimate controlling party GEGC before the merger, these transactions are business combinations involving enterprises under common control.

The Company and its subsidiaries (collectively referred to as "the Group") are principally engaged in the businesses of developing and operating electric power projects 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).

These financial statements were authorised for issue by the Company's Board of Directors on 20 April 2022.

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 ("ECL") of receivables and contract assets (Note 2(9)), costing of inventory (Note 2(10)), investment properties, depreciation of fixed asset and right-of-use assets and amortisation of intangible assets (Notes 2(12), 2(13), 2(25) and 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).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(All amounts in RMB Yuan unless otherwise stated)

[English translation for reference only]

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

(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 (hereinafter collectively referred to as "the Accounting Standards for Business Enterprises" or "CAS") 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.

According to the treatment principle of business combinations involving enterprises under common control, the consolidated financial statements in the financial statements are those consolidated financial statements for the year ended 31 December 2021 prepared on a recurring basis pursuant to the equity structure which has been existed after the completion of the transaction from 1 January 2020. Please refer to Note 5(3) for details on the business combinations involving enterprises under common control.

As at 31 December 2021, the Group's net current liabilities amounted to RMB 14,872 million, capital commitments amounted to RMB 23,519 million, and investment commitments amounted to RMB 1,200 million, among which the amount expected to be settled within one year was RMB 10,749 million for capital commitments and investment commitments. Therefore, the Group is to some extent exposed to liquidity risk. The reasons for net current liabilities were that a portion of the Group's capital expenditure was backed by short-term borrowings and the abnormal fluctuations of coal prices in 2021.

As the main energy supply enterprise in Guangdong province, the Group undertakes the social responsibilities of power supply to external parties. In response to decisions and arrangements issued by the National Development and Reform Commission of the People's Republic of China ("NDRC") for state-owned power generation enterprises on "ensuring adequate supply and stabilising market prices" and "generating power as much as possible", the Group continues to generate power to ensure supply on peak demand and makes contributions to the stability of society and people's livelihood. In 2021, due to the abnormal fluctuations of coal prices affecting the business operation of the Group, some subsidiaries failed to meet the requirements of gearing ratio indicators stipulated in some borrowing contracts. The event resulted in the failure of the subsidiaries to perform certain agreed terms of the relevant borrowing agreements, and could trigger cross-default clauses in the borrowing contracts with certain other banks and other financial institutions (together "non-compliance matters"). Due to such non-compliance matters, related banks and other financial institutions have the right to require such subsidiaries to repay all the principal and interest of relevant borrowings in advance. The balance of principal and interest of such borrowings as at 31 December 2021 amounted to RMB 3,569 million, among them, the amount of bank loans that failed to meet the asset-liability ratio indicators specified in the above-mentioned contracts was RMB 2,219 million, and the amount of bank loans that might trigger the cross-default clause in the loan contract was RMB 1,350 million. The bank loan contract mentioned above with a maturity date after 31 December 2022 as agreed in the original contract of RMB 1,332 million (reclassified as current portion of non-current liabilities).

In view of the above, the Board of Directors of the Company has carefully considered the Group's future working capital, operating conditions and available financing sources when assessing the Group's ability to continue as a going concern. The Group has formulated the following plans and measures to reduce pressure of working capital and improve its financial position:

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

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

(1) Basis of preparation (Cont'd)

- (i) Related subsidiaries within the Group had actively communicated with relevant banks and other financial institutions to explain and clarify the reasons for such non-compliance matters, and obtained written exemptions for the non-compliance matters from most banks in March 2022 with a corresponding bank loan amount of RMB 1,879 million. The management of the relevant subsidiaries of the Group maintained timely and smooth communication with the relevant banks on the Company's financial position, and the banks agreed to continue to maintain credit cooperation with the relevant subsidiaries. As at the date on which the financial statements were authorised for issue, related banks did not require these subsidiaries to repay relevant borrowings immediately. Management believes that these subsidiaries will not be required to prepay the borrowings early. Based on the good long-term business relationship with major cooperative banks and financial institutions, the Group will maintain active communication with relevant banks and believes that it can continue to obtain necessary credit lines from related banks and financial institutions and renew existing borrowings when necessary. As at the date on which the financial statements were authorised for issue, the Group had renewed the borrowings or obtained new borrowings, totalling about RMB 4,631 million in 2022.
- (ii) 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") and Guangdong Energy Finance Leasing Company ("Energy Finance Leasing Company")) in order to obtain sufficient financing credit lines. As at 31 December 2021, the Group's available credit line and approved debt insurance from financial institutions amounted to approximately RMB 36,078 million, with RMB 16,829 million from Energy Group Finance Company, RMB 4,957 million from Energy Finance Leasing Company, RMB 13,692 million from other commercial banks, and RMB 600 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 12,200 million is due before 31 December 2022. Management has communicated with the financial institutions and hence expected the credit line due before 31 December 2022 to renew the term for another 12 months.
- (iii) The Group will actively seek more favourable long-term electricity price and will continue to procure fuel through Guangdong Electric Power Industry Fuel Co., Ltd. ("Industry Fuel"), a 50%-owned joint venture by the Company, to give full play to its advantages in scale and seek to effectively reduce coal procurement costs. Management believes that based on the actual trend of coal and electricity prices as at the issue date of the financial statements and the expected gradual implementation of relevant national regulatory policies, the coal procurement situation is expected to improve to a certain extent and the Group's cash flows from operating activities in 2022 are expected to improve significantly as compared to 2021.

The Board of Directors of the Company has reviewed the Group's cash flow forecasting prepared by management covering a period of not less than 12 months from 31 December 2021. The cash flow forecasting is based on management's judgements and assumptions regarding a number of future events and is subject to the successful completion of a series of plans and measures planned and being implemented by the Group, including: (1) The Group will continuously monitor the financial indicators of its subsidiaries and improve the operation and financing structure of its subsidiaries through various measures, including but not limited to providing financing support and capital injection, so that the subsidiaries within the Group can continue to meet the requirements of the borrowing agreements in foreseeable future; (2) the Group can continue to meet the conditions of existing bank financing and obtain necessary borrowing renewals and new borrowings, including financing from Energy Group Finance Company and Energy Finance Leasing Company, and it can successfully conduct external financing by issuing corporate bonds, medium-term notes, and ultra-short-term financing bonds when necessary; (3) The Group will obtain more favourable long-term electricity price and effective adoption to lower fuel procurement costs; and (4) the Group's generator units under construction, especially new energy projects, have been put into operation in recent years. It is expected that the Group can obtain stable cash inflows from future business activities and various measures for improving operational cash flows can be implemented smoothly. Taking into full consideration of the above measures being implemented or planned by the Group, management believes that the Group can obtain sufficient funds to pay its operating expenses, capital commitment within one year and repay its matured debt obligations within the next 12 months from 31 December 2021. Therefore, management believes that it is appropriate to prepare these financial statements on a going

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concern basis.

2 Summary of significant accounting policies and accounting estimates

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

The financial statements of the Group and the Company for the year ended 31 December 2021 are in compliance with the Accounting Standards for Business Enterprises, and truly and completely present the consolidated and the company's financial position of the Group and the Company as at 31 December 2021 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 Company's recording currency is Renminbi (RMB).

(5) Business combinations

(a) Business combinations involving enterprises under common control

The consideration paid and net assets obtained by the 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 cost of combination 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 the combination exceeds the Group'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 Group's interest in the fair value of the acquiree's identifiable net assets, the difference is recognised in profit or loss for the current period. Costs directly attributable to the combination are included in profit or loss in the period in which they are incurred. Transaction costs associated with the issue of equity or debt securities for the business combination are included in the initially recognised amounts of the equity or debt securities.

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[English translation for reference only]

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

(6) Preparation of consolidated financial statements

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

Subsidiaries are consolidated from the date on which the Group obtains control and are de-consolidated from the date that 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 profit realised before the combination date is presented separately in the consolidated income statement.

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

All significant intra-group balances, transactions and unrealised profits are eliminated in the consolidated financial statements. The portion of subsidiaries' shareholders' equity and the portion of subsidiaries' net profits and losses and comprehensive incomes for the period not attributable to the Company are recognised as minority interests, net profit or loss attributable to minority interests and total comprehensive income attributable to minority interests, and presented separately in the consolidated financial statements under shareholders' equity, net profit and total comprehensive income respectively. When the amount of loss for the current period attributable to the minority shareholders of a subsidiary exceeds the minority shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is allocated against the balance of 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 net profit attributable to minority interests 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 net profit attributable to minority interests in accordance with the allocation proportion of the parent in the 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 Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, financial assets are classified as: (1) financial assets at amortised cost; (2) financial assets at fair value through other comprehensive income; (3) financial assets at fair value through profit or loss.

At initial recognition, the financial assets are measured at fair value. Transaction costs that are incremental and directly 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 expensed in profit or loss for the current period. Accounts receivables arising from sale 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 received 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 categories:

Measured at amortised cost:

The objective of the Group's business model is to hold the financial assets to collect the contractual cash flows, and the contractual cash flow characteristics are consistent with a basic lending arrangement, which gives rise on specified dates to the contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The interest income of such financial assets is recognised using the effective interest method. Such financial assets mainly comprise cash at bank and on hand, notes receivables, accounts receivables, other receivables, and 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, at initial recognition, 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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[English translation for reference only]

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 on the basis of the ECL for financial assets and contract assets measured at amortised cost.

Giving consideration to reasonable and supportable information that is available without undue cost or effort at the balance sheet date on past events, current conditions and forecasts of future economic conditions weighted by the probability of default, 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.

At each balance sheet date, the ECL of financial instruments at different stages is measured respectively. 12-month ECL is recognised for financial instruments in Stage 1 which don't have a significant increase in credit risk since initial recognition; lifetime ECL is recognised for financial instruments in Stage 2 which have had a significant increase in credit risk since initial recognition but are not deemed to be credit-impaired; and lifetime ECL is recognised for financial instruments in Stage 3 that are credit-impaired.

For the financial instruments with low credit risk as at the balance sheet date, the Group assumes there is no significant increase in credit risk since initial recognition. The Group determines them as the financial instruments in Stage 1 and recognises the 12-month ECL.

For the financial instruments in Stage 1 and Stage 2, the interest income is calculated by applying the effective interest rate to the book balance (before net of ECL provision). For the financial instrument in Stage 3, the interest income is calculated by applying the effective interest rate to the amortised cost (net of ECL provision).

For accounts receivables and contract assets arising from sale of goods and rendering of services in the ordinary course of operating activities, the Group recognises the lifetime ECL regardless of whether there exists a significant financing component.

In case the ECL of an individually assessed financial asset cannot be evaluated with reasonable cost, the Group classifies the receivables into certain groups on the basis of shared risk characteristics, and calculates the ECL for each group respectively. Basis for determining groups and method for provision are as follows:

Group 1 of notes receivables	Commercial notes receivable
Group 1 of accounts receivables	Receivables from sale of electricity
Group 2 of accounts receivables	Receivables from related parties
Group 3 of accounts receivables	Receivables from sale of steam and others
Group 1 of contract assets	Receivables from related parties
Group 2 of contract assets	Other contract assets
Group 1 of other receivables	Receivables from business units, 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)

For accounts receivables that are classified into groups, the Group prepares a comparison table of the overdue days of receivables and the lifetime ECL rate, and calculates ECL with reference to the historical credit loss experience, the current situation and the forecast of future economic conditions. For other receivables that are classified into groups, the Group calculates the ECL with reference to historical credit loss experience, current conditions and forecasts of future economic conditions, and based on the exposure at default and the 12-month or lifetime ECL rates.

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 one of the following criteria is satisfied: (i) the contractual rights to receive the cash flows from the financial asset are expired, (ii) 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 (iii) 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 consideration received as well as 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 measured at fair value through other comprehensive income, 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 payables, accounts payables, other payables, borrowings and 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 with maturities of no more than one year (inclusive) are presented as current liabilities, and those with maturities of over one year but due within one year (inclusive) as from the balance sheet date are presented as current portion of non-current liabilities; and others are presented as non-current liabilities.

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[English translation for reference only]

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 amount 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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[English translation for reference only]

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.

Subsidiaries are the investees 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 an investee over which the Group has significant influence on its 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. 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 initial investment cost. Cash dividend or profit distribution declared by the investees 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 amount of the long-term equity investment together with any long-term interests that, in substance, form part of the Group's net investment in the investee is 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 changes in the investee's owners' 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 amount 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 investee. 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.

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[English translation for reference only]

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

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

(c) Basis for determining existence of control, joint 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%
Land use rights	60 years	0%	1.67%

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

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

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[English translation for reference only]

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

(12) Investment properties (Cont'd)

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 sale, 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.

The carrying amount of an investment property is reduced to the recoverable amount if the recoverable amount is below the carrying amount (Note 2(18)).

(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 entity are recognised based on the evaluated amounts 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 for 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	0% to 5%	1.90% to 9.50%
Power generation equipment	5 to 35 years	0% to 5%	2.71% to 20.00%
Motor vehicles	5 to 15 years	0% to 5%	6.33% to 20.00%
Other equipment	5 to 22 years	0% to 5%	4.32% to 20.00%

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

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

(13) Fixed assets (Cont'd)

(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)).

(d) Disposals 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 its intended use. Construction in progress is transferred to fixed assets when the asset is ready for its 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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[English translation for reference only]

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 and favorable contract 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. Allotted land with undetermined useful lives is not amortised.

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

(b) Other intangible assets

Intangible 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 60 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;
- 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 right-of-use assets, and other expenditures that have been incurred but should be recognised as expenses over more than one year in the current and subsequent periods. 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, right-of-use assets, 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 the assets 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 of an asset is the higher of the fair value less costs to sell and the present value of the future cash flows expected to be derived from it. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs is determined. A group of assets is the smallest group of assets that is able to generate independent cash inflows.

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

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

(19) Employee benefits

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

(a) Short-term employee benefits

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

(b) Post-employment benefits

The Group classifies post-employment benefit plans 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 relevant local 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 the parent company, 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 uses 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 the management. The Group pays early retirement benefits to those early retired employees from the early retirement date until the normal retirement date. The Group accounts for the early retirement benefits in accordance with the treatment for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are recognised as liabilities with a corresponding charge to the profit or loss for the current period. The differences arising from the changes in the respective actuarial assumptions of the early retirement benefits and the adjustments of benefit standards are recognised in profit or loss in the period in which they occur.

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

(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 and 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.

Loss provision for financial guarantee contracts which are recognised on the basis of ECL are presented as provisions.

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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 expects to be entitled to receive when the customer obtains control over relevant goods or services.

(a) Revenue from sale of electricity and heat energy

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

(b) Revenue from sale of by-products

Revenue from the sale 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 resource utilisation enterprise confirms receipt and obtains 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 receipt 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 fulfilment.

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 receivables, and the rest is recognised as contract assets. Meanwhile, loss provisions for accounts receivables and contract assets are recognised on the basis of ECL (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 fulfilment costs and contract acquisition costs. Costs incurred for provision of maintenance services are recognised as contract fulfilment costs, which is recognised as the cost of sale of main operations based on the stage of completion when recognising revenue.

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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 and 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.

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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 a temporary difference arising 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 differences, and it is probable that the temporary differences will not be reversed 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 taxpayer within the Group and the same taxation authority; and,
- that taxpayer 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 contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as the lessee

At the lease commencement date, the Group recognises the right-of-use asset and measures the lease liability at the present value of the lease payments that are not paid at that date. Lease payments include fixed payments, the exercise price of a purchase option or termination penalty if the lessee is reasonably certain to exercise that option etc. Variable lease payments in proportion to sales are excluded from lease payments and recognised in profit or loss as incurred. Lease liabilities that are due within one year (inclusive) as from the balance sheet date are included in the current portion of non-current liabilities.

Right-of-use assets of the Group comprise leased buildings, machinery and equipment, motor vehicles, etc. Right-of-use assets are measured initially at cost which comprises the amount of the initial measurement of lease liabilities, any lease payments made at or before the commencement date and any initial direct costs, less any lease incentives received. If there is reasonable certainty that the Group will obtain ownership of the underlying asset by the end of the lease term, the asset is depreciated over its remaining useful life; otherwise, the asset is depreciated over the shorter of the lease term and its remaining useful life. The carrying amount of the right-of-use asset is reduced to the recoverable amount when the recoverable amount is below the carrying amount.

For short-term leases with a term of 12 months or less and leases of an individual asset (when new) of low value, the Group chooses to include the lease payments in the cost of the underlying assets or in the profit or loss for the current period on a straight-line basis over the lease term, instead of recognising right-of-use assets and lease liabilities.

The Group accounts for a lease modification as a separate lease if both: (1) the modification increases the scope of the lease by adding the right to use one or more underlying assets; (2) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

For a lease modification that is not accounted for as a separate lease, the Group redetermines the lease term at the effective date of the lease modification, and remeasures the lease liability by discounting the revised lease payments using a revised discount rate, except that the contract changes directly resulting from COVID-19 are accounted for by applying the practical expedient. For a lease modification which decreases the scope of the lease or shortens the lease term, the Group decreases the carrying amount of the right-of-use asset, and recognises in profit or loss any gain or loss relating to the partial or full termination of the lease. For other lease modifications which lead to the remeasurement of lease liabilities, the Group correspondingly adjusts the carrying amount of the right-of-use asset.

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

(25) Leases (Cont'd)

The Group as the lessor

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. An operating lease is a lease other than a finance lease.

(a) Operating leases

Where the Group leases out self-owned buildings under operating leases, rental income therefrom is recognised on a straight-line basis over the lease term. Variable rental that is linked to a certain percentage of sales is recognised in rental income as incurred.

For the rent concessions as a direct result of COVID-19 and for the period ended 30 June 2022 only, the Group applies the practical expedient to account for the concessions as variable lease payments and record the concessions in profit or loss during the waiving period.

Except that the above contract changes directly resulting from COVID-19 are accounted for by applying the practical expedient, for a lease modification, the Group accounts for it as a new lease from the effective date of the modification, and considers any lease payments received in advance and receivable relating to the lease before modification as receivables of the new lease.

(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: (a) the component is able to earn revenue and incur expenses from its ordinary activities; (b) 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 (c) for which the information on financial position, operating results and cash flows is available to the Group. Two or more operating segments that have similar economic characteristics and satisfy certain conditions can be 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 analysis on business models and contractual cash flow characteristics.

The Group determines the business model for financial asset management at the level of different groups, and factors to be considered include the methods of evaluation on financial asset performance and reporting of financial asset performance to key management personnel, risks affecting financial asset performance and management methods for such risks, the ways in which related business management personnel are remunerated, etc.

When assessing whether contractual cash flow characteristics of financial assets are consistent with basic lending arrangement, key judgements made by the Group include: the possibility of changes in timing or amount of the principal during the duration due to reasons such as early repayment; whether interest only include time value of money, credit risks, other basic lending risks and considerations for costs and profits. 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

Judgement of the Group for significant increase in credit risk is mainly based on whether one or more of the following indicators changed significantly: business environment of the debtor, internal and external credit rating, significant changes in actual or expected operating results, significant decrease in value of collateral or credit rate of guarantor, etc.

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 it is probable that the debtor will enter bankruptcy, 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) Timing of revenue recognition

With regard to sale of electricity to grid companies, the Group supplies electricity to grid companies in accordance with the contract. Thereafter, the grid companies have the right to sell electricity and the discretion in pricing, and take the risks of any price fluctuation or loss of the products. The Group believes that the grid companies obtain control over electric power upon the receiving of the electric power. Therefore, revenue is recognised upon the receiving of the electric power of grid companies.

(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 fixed assets

As described in Note 2(18), fixed assets, construction in progress, right-of-use assets, 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. These calculations require use of accounting estimates.

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 disposals 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 ECL

The Group calculates ECL through exposure at default and ECL rates, and determines the ECL rates based on probability of default and loss given default. In determining the ECL rates, 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 and parameters related to the estimation of ECL include the risk of economic downturn, external market environment, technological environment, changes in customer conditions, Gross Domestic Product ("GDP") and Consumer Price Index ("CPI"), etc. The Group regularly monitors and reviews assumptions and parameters related to the calculation of ECL. In 2021, the Group considered the uncertainty caused by COVID-19, and relevant assumptions and parameters were updated.

(iii) Income taxes and deferred income taxes

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

As stated in Note 3(2), some subsidiaries of the Group are high-tech enterprises. The high-tech enterprise certificate is effective for three years. Upon expiration, application for high-tech enterprise identification should be submitted again to the relevant government authorities. Based on the historical experience of reassessment for high-tech enterprise upon expiration and the actual condition of the subsidiaries, the Group considers that the subsidiaries are able to obtain the qualification for high-tech enterprises in future years, and therefore a preferential tax rate of 15% is used to calculate the corresponding deferred income tax. If some subsidiaries cannot obtain the qualification for high-tech enterprise upon expiration, then the subsidiaries are subject to a statutory tax rate of 25% for the calculation of the income tax, which further influences the recognised deferred tax assets, deferred tax liabilities and income tax expenses.

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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)

(iii) Income taxes and deferred income taxes (Cont'd)

A deferred tax asset is recognised for the carryforward of unused deductible losses to the extent that it is probable that future taxable profits will be available against which the deductible losses can be utilised. Future taxable profits include taxable profits that can be achieved through normal operations and the increase in taxable profits due to the reversal of taxable temporary differences arising from previous period in future period. The Group needs to apply estimates and judgements in determining the timing and amount of future taxable profits. If there is any difference between the actual and the estimates, adjustment may be made to the carrying amount of deferred tax assets.

(28) Significant changes in accounting policies

The Ministry of Finance released the revised *CAS 21 - Lease* (hereinafter “new lease standard”) in 2018, and released the *Notice on Adjusting the Application Scope of the Provisions on the Accounting Treatment Regarding COVID-19-Related Rent Concessions* (Cai Kuai [2021] No. 9), the *Circular on Issuing Interpretation No. 14 of Accounting Standards for Business Enterprises* (Cai Kuai [2021] No. 1) and *Q&A on Implementation of Accounting Standards for Business Enterprises* in 2021. The financial statements for the year ended 31 December 2021 have been prepared in accordance with the above standard, circular and Q&A. Other than the new lease standard, other standard, circular and Q&A have no significant impact on the Group and the Company’s financial statements. The impacts of the new lease standard on the financial statements of the Group and the Company are as follows:

(a) Leases

The Group and the Company initially adopted the new lease standard on 1 January 2021. According to new lease standard, the Group and the Company choose not to reassess the contracts that have already existed prior to the date of initial application. The Group and the Company recognised the cumulative effect of the standard as an adjustment to the opening balance of retained earnings in 2021 and relevant line items in the financial statements. The comparatives for the year ended 31 December 2020 were not restated.

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

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

(a) Leases (Cont'd)

(i) The line items affected	The amounts affected 1 January 2021	
	The Group	The Company
Right-of-use assets	22,656,355	-
Lease liabilities	14,558,389	-
Current portion of non-current liabilities	8,097,966	-

For the operating lease contracts that have already existed prior to the initial application of the new lease standard, the Group and the Company adopt different transition approaches based on the remaining lease term:

For leases with a remaining term of more than 12 months, the Group and the Company recognised lease liabilities based on the remaining lease payments and the discount of incremental borrowing rate on 1 January 2021, and recognised right-of-use assets at an amount equal to that of lease liabilities and made necessary adjustments based on prepaid rentals. The Group and the Company adopt the practical expedient to evaluate whether assets are impaired or not at the date of initial application. The adoption of the practical expedient has no significant impact on the financial statements since there are no onerous contracts for leases at the date of initial application.

The Group and the Company apply the practical expedient for leases with a remaining lease term of 12 months or less, under which the right-of-use assets and lease liabilities are not recognised. There is no significant impact on the financial statements.

The Group and the Company apply the practical expedient for operating lease contracts of low-value assets existing prior to the initial application of the new lease standard, under which the right-of-use assets and lease liabilities are not recognised. There is no significant impact on the financial statements.

In applying the new lease standard, except for prepaid rentals and lease deposit expenditures relating to the short-term leases and low-value asset leases which are still recorded in cash outflows from operating activities using practical expedient according to the new lease standard, other prepaid rentals and lease deposit expenditures are recorded in cash outflows from financing activities.

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

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

(a) Leases (Cont'd)

(i) The line items affected (Cont'd)	The amounts affected 1 January 2021		
	The Group	The Company	
Right-of-use assets	3,710,066,727		-
Fixed assets	(2,796,782,627)		-
Construction in progress	(913,284,100)		-
Long-term payables	(3,241,171,306)		-
Lease liabilities	3,303,235,225		-
Other payables	(62,063,919)		-

In applying the new lease standard, the Group and the Company reclassified fixed assets and construction in progress held under finance leases from “fixed assets and construction in progress” to “right-of-use assets”, and finance lease payables from “long-term payables” to “lease liabilities”.

For the rent concessions as a direct result of COVID-19, agreed with lessees and for the period ended 30 June 2022 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 2021 (Note 4(42), Note 15(4)), and there is no significant impact on the financial statements.

As at 1 January 2021, the Group and the Company adopted the same discount rate for lease contracts with similar characteristics to account for lease liabilities. The weighted average of incremental borrowing rates adopted was 4.65%.

(ii) As at 1 January 2021, the Group and the Company reconciled the outstanding minimum operating lease payments disclosed under the old lease standard to lease liabilities under the new lease standard as follows:

	The Group	The Company
Future minimum operating lease payments disclosed as at 31 December 2020	67,078,206	-
Present value of the above minimum operating lease payments discounted using the incremental borrowing rate	62,047,034	-
Add: Finance lease payables as at 31 December 2020	3,303,235,225	-
Less: Present value of payments for leases with a term of 12 months or less	(39,390,679)	-
Lease liabilities recognised as at 1 January 2021 (including current portion of non-current liabilities) (Note 2(28)(a)(i))	<u>3,325,891,580</u>	-

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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 sale 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%
Educational surcharge	Amount of VAT paid	2%
Enterprise income tax	Taxable income	12.5%, 15%, 20% and 25%
Property tax	Real estate's rental income or the residual value from original value less the deducting proportion	12% and 1.2%
Environmental protection tax (b)	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 the Value-added Tax Reform* (Cai Shui Haiguan [2019] No. 39) jointly issued by the Ministry of Finance, the State Taxation Administration and the General Administration of Customs and relevant regulations, the Group's revenue from sale of electricity, sale of by-products, maintenance and repair services, etc. and revenue arising from sale of heat energy is subject to VAT at the rate of 13% and 9% from 1 April 2019. The Group's revenue from entrusted loan business among companies 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 *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 sale 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 provisions including the *Circular on Enterprise Income Tax Policy concerning Deductions for Equipment and Appliances* (Cai Shui [2018] No. 54) and the *Announcement on Extending the Implementation Period of Certain Preferential Tax Policies* (Cai Shui [2021] No. 6) issued by the State Taxation Administration, during the period from 1 January 2018 to 31 December 2023, the cost of equipment with the original cost less than RMB 5,000,000 newly purchased by Guangdong Yudean Power Sales Co., Ltd. ("Power Sales"), a subsidiary of the Group, 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) 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), Guangdong Yudean Dianbai Wind Power Co., Ltd. ("Dianbai Wind Power"), Guangdong Yudean Leizhou Wind Power Co., Ltd. ("Leizhou Wind Power"), Guangdong Guangye Nanhua New Energy Co., Ltd. ("Nanhua New Energy"), Guangdong Yudean Pingyuan Wind Power Co., Ltd. ("Pingyuan Wind Power"), Guangdong Yudean Zhuhai Offshore Wind Power Co., Ltd. ("Zhuhai Wind Power"), Hunan Xupu Yuefeng New Energy Co., Ltd. ("Xupu Yuefeng"), Guangxi Wuxuan Yuefeng New Energy Co., Ltd. ("Wuxuan Yuefeng"), Guangdong Yudean Yangjiang Offshore Wind Power Co., Ltd. ("Yangjiang Wind Power"), and Shaoguan Nanxiong Yuefeng New Energy Co., Ltd. ("Nanxiong New Energy") 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. Dianbai Wind Power posted profits for the first time in 2016, Leizhou Wind Power posted profits for the first time in 2017, Nanhua New Energy posted profits for the first time in 2019, Pingyuan Wind Power and Zhuhai Wind Power posted profits for the first time in 2020, Xupu Yuefeng, Wuxuan Yuefeng, Yangjiang Wind Power and Nanxiong New Energy posted profits for the first time in 2021. Therefore, the applicable income tax rate of Dianbai Wind Power and Leizhou Wind Power in 2021 was 12.5% (2020: 12.5%), the applicable income tax rate of Nanhua New Energy, Pingyuan Wind Power, Zhuhai Wind Power, Xupu Yuefeng, Wuxuan Yuefeng, Yangjiang Wind Power and Nanxiong New Energy in 2021 was 0% (2020: 0%, 0%, 0%, 25%, 25%, 25% and 25%, respectively).

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 *List of Public Infrastructure Projects Enjoying Enterprise Income Tax Preferential*, 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 exemptions and three-year halves" when the following conditions are satisfied: (i) different batches are space-independent; (ii) each batch has its own revenue function; (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 2021, the Group's subsidiary Guangdong Yudean Qujie Wind Power Co., Ltd. ("Qujie Wind Power") met the above conditions. Therefore, Qujie Youhao wind power project (the first time for which profits were posted was 2017), Xuwen Shibianling wind power project (the first time for which profits were posted was 2016), Qujie Wailuo offshore wind power project (Phase I) (the first time for which profits were posted was 2019), Qujie Wailuo offshore wind power project (Phase II) (the first time for which profits were posted was 2021) and Xinliao offshore wind power project (the first time for which profits were posted was 2021) of Qujie Wind Power System are entitled to the tax preferential policy of "three-year exemptions and three-year halves" respectively according to each wind power project.

In addition, 50% of VAT levied on the sale 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, Huilai Wind Power Co., Ltd. ("Huilai Wind Power") and Guangdong Yueneng Wind Power Co., Ltd. ("Yueneng 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).

3 Taxation (Cont'd)

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- (2) Tax preference (Cont'd)
- (b) In 2020, Zhanjiang Electric Co., Ltd. ("Zhanjiang Electric"), a subsidiary of the Group, was granted a *High-tech Enterprise Certificate* (Certificate No. GR202044010003) by the Department of Science and Technology of Guangdong Province, Department of Finance of Guangdong Province and Guangdong Provincial Office of the State Taxation Bureau on 9 December 2020. The certificate is valid for three years. Under Article 28 of the *Enterprise Income Tax Law of the People's Republic of China*, the enterprise income tax rate applicable to Zhanjiang Electric for the year of 2021 is 15%.
- (c) In accordance with regulations of the *Notice on Implementing the Inclusive Tax Deduction and Exemption Policies for Micro and Small Enterprises* (Cai Shui [2019] No. 13) and *Announcement of the State Taxation Administration on Matters Concerning the Implementation of Preferential Income Tax Policies Supporting the Development of Small Low-Profit Enterprises and Individual Industrial and Commercial Households* (STA Announcement [2021] No. 8), for a small enterprise with low profits, for the part of the annual taxable income not exceeding RMB 1,000,000, the amount of taxable income is reduced to 12.5% of income and is subject to the enterprise income at the tax rate of 20%; for the part between RMB 1,000,000 and RMB 3,000,000, 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 aforementioned small low-profit enterprise engages in industries not restricted or prohibited by the state and concurrently meet the three conditions, that is, the annual taxable amount is not more than RMB 3,000,000, the number of its employees is not more than 300, and their total assets do not exceed RMB 50,000,000. In 2021, Shenzhen Huaguoquan Electric Power Service Co., Ltd. ("Huaguoquan Company") and Zhanjiang Wanhaowei New Energy Co., Ltd. ("Wanhaowei New Energy") were eligible for small low-profit enterprises. Therefore, in 2021, the applicable income tax rate of Huaguoquan Company and Wanhaowei New Energy was 20% (2020: 20% for Huaguoquan Company).
- (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. 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 2021, revenue from sale of coal ash from Zhanjiang Electric and Ping Hai 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 2021	31 December 2020 (Restated)
Cash on hand	83,108	83,607
Cash at bank	1,554,213,074	1,017,529,851
Deposits with Energy Group Finance Company (b)	6,468,820,757	8,387,469,151
Other cash balances (c)	42,670,394	33,331,741
Interest receivable	39,533,620	-
	<u>8,105,320,953</u>	<u>9,438,414,350</u>

(a) As at 31 December 2021, the Group had no offshore deposit (31 December 2020: 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 2021, other cash balances of RMB 42,670,394 (31 December 2020: RMB 33,331,741) mainly represented deposits for ecological protection and performance guarantees, among which other cash balances placed in Energy Group Finance Company was RMB 6,000,000 (31 December 2020: RMB 6,592,681)(Note 8(5)(e)(ii)).

(2) Accounts receivables

	31 December 2021	31 December 2020 (Restated)
Accounts receivables	7,030,948,863	5,287,441,906
Less: Provision for bad debts	(263,506)	(292,314)
	<u>7,030,685,357</u>	<u>5,287,149,592</u>

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

	31 December 2021	31 December 2020 (Restated)
Within 1 year	6,602,371,992	5,075,526,193
1 to 2 years	306,931,561	207,388,302
2 to 3 years	119,940,421	4,497,411
Over 3 years	1,704,889	30,000
	<u>7,030,948,863</u>	<u>5,287,441,906</u>

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

(2) Accounts receivables (Cont'd)

- (b) As at 31 December 2021, the five largest accounts receivables aggregated by debtors are analysed as follows:

	Balance	Provision for bad debts	% of total balance
Total balance of the five largest accounts receivable	<u>6,674,878,822</u>	<u>-</u>	<u>94.94%</u>

(c) Provision for bad debts

For accounts receivables, the Group recognises the lifetime ECL regardless of whether there exists a significant financing component.

From 31 December 2021, the Group's recognition standards and accrual methods for provision for bad debts of accounts receivable are detailed in Note 2(9).

As at 31 December 2021, provision for bad debts made on a collective basis for accounts receivables is analysed as follows:

Group 1- Receivables from sale of electricity

As at 31 December 2021, the Group's receivables from sale of electricity amounted to RMB 6,974,790,832 (31 December 2020: RMB 5,233,433,241), which mainly comprised receivables from China Southern Power Grid Co., Ltd. and its subsidiaries (collectively referred to as "China Southern Power Grid"). Considering the favourable credit history of China Southern Power Grid Co., Ltd., the Group held that there was no significant credit risk arising from receivables from sale of electricity. Since the possibility of material losses due to the default by China Southern Power Grid Co., Ltd. was extremely low, the ECL for the receivables from sale of electricity was 0% (31 December 2020: 0%).

Group 2 – Receivables from related parties

As at 31 December 2021, the Group's receivables from related parties amounted to RMB 32,237,080 (31 December 2020: RMB 28,110,387), and the historical loss rate was extremely low. Therefore, The Group held that there was no significant credit risk arising from receivables from related parties. Since the possibility of material losses due to the default by China Southern Power Grid Co., Ltd. was extremely low, the ECL for the receivables from related parties was 0% (31 December 2020: 0%).

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

(2) Accounts receivables (Cont'd)

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

Group 3 - Receivables from sale of steam and others

	31 December 2021			31 December 2020 (Restated)		
	Book balance	Provision for bad debts		Book balance	Provision for bad debts	
	Amount	Lifetime ECL rates	Amount	Amount	Lifetime ECL rates	Amount
Within 1 year	23,836,136	0.97%	(231,175)	25,837,975	1.00%	(258,380)
1 to 2 years	35,568	10.00%	(3,557)	25,790	10.00%	(2,580)
2 to 3 years	29,247	30.00%	(8,774)	4,513	30.00%	(1,354)
Over 3 years	20,000	100.00%	(20,000)	30,000	100.00%	(30,000)
	<u>23,920,951</u>		<u>(263,506)</u>	<u>25,898,278</u>		<u>(292,314)</u>

(d) In 2021, the amount of provision for bad debts of accounts receivables was RMB 263,506 (2020: RMB 292,314), and the amount of reversed provision for bad debts of accounts receivables in the current year was RMB 292,314 (2020: RMB 155,421), with corresponding book balance of RMB 23,920,951 (2020: RMB 25,898,278). There was no provision for bad debts of accounts receivables written off (2020: Nil).

(e) As at 31 December 2021, the right to collect electric charges of the Group's certain subsidiaries, were pledged to banks to obtain long-term borrowings of RMB 6,002,119,898, including current portion of long-term borrowings of RMB 386,056,214 (31 December 2020: long-term borrowings of RMB 4,193,207,913, including current portion of long-term borrowings of RMB 298,558,767).

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

(3) Advances to suppliers

	31 December 2021	31 December 2020 (Restated)
Advances to suppliers	892,886,238	785,646,468
Less: Provision for impairment	<u>(115,000)</u>	<u>(803,017)</u>
	<u>892,771,238</u>	<u>784,843,451</u>

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

	<u>31 December 2021</u>		<u>31 December 2020 (Restated)</u>	
	Amount	% of total balance	Amount	% of total balance
Within 1 year	890,361,044	99.72%	781,775,219	99.51%
1 to 2 years	1,256,263	0.14%	2,226,260	0.28%
2 to 3 years	563,276	0.06%	894,606	0.11%
Over 3 years	705,655	0.08%	750,383	0.10%
	<u>892,886,238</u>	<u>100.00%</u>	<u>785,646,468</u>	<u>100.00%</u>

As at 31 December 2021, advances to suppliers with ageing over one year amounted to RMB 2,525,194 (31 December 2020: RMB 3,871,249), mainly including prepayments for spare parts and materials.

(b) Provision for impairment accrued in the current year

	2021	2020 (Restated)
Opening balance	(803,017)	(1,052,822)
Write-off in the current year	688,017	-
Reversal in current year	-	249,805
Ending balance	<u>(115,000)</u>	<u>(803,017)</u>

(c) As at 31 December 2021, the five largest advances to suppliers aggregated by debtors are analysed as follows:

	Amount	% of total balance
Total amount of advances to five largest debtors	<u>778,271,276</u>	<u>87.16%</u>

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

(4) Other receivables

	31 December 2021	31 December 2020 (Restated)
Receivables from disposals of terminal assets and other related parties (Note 8(5)(i))	1,732,123,164	-
Land withdrawal receivable	302,530,718	166,917,613
Receivables from business units	127,046,011	18,954,769
Supplementary medical insurance fund receivable	98,784,664	96,056,921
Receivables from sale of by-products	95,418,898	92,958,555
Land deposits receivable	23,446,000	23,446,000
Compensation receivable for electricity charges during the demolition and construction period	15,824,336	11,881,442
Dividends receivable	5,633,417	31,500,000
Government grants receivable	3,646,053	795,316
Petty cash receivable	2,646,600	4,321,532
Interest receivable	-	44,988,586
Prepaid fuel receivable	-	195,747,000
Others	60,123,674	43,470,363
	<u>2,467,223,535</u>	<u>731,038,097</u>
Less: Provision for bad debts	<u>(37,747,977)</u>	<u>(212,396,328)</u>
	<u>2,429,475,558</u>	<u>518,641,769</u>

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

	31 December 2021	31 December 2020 (Restated)
Within 1 year	2,226,475,458	432,013,325
1 to 2 years	168,657,304	16,820,975
2 to 3 years	5,694,340	47,961,014
Over 3 years	66,396,433	234,242,783
	<u>2,467,223,535</u>	<u>731,038,097</u>

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

(4) Other receivables (Cont'd)

(b) Loss provision and changes in book balance

	12-month ECL (group)		Stage 1			Stage 3		Total Provision for bad debts
	Book balance	Provision for bad debts	12-month ECL (individual)		Sub-total Provision for bad debts	Lifetime ECL (credit impaired)		
			Book balance	Provision for bad debts		Book balance	Provision for bad debts	
31 December 2020 (Restated)	71,541,340	(10,969,221)	458,069,650	-	(10,969,221)	201,427,107	(201,427,107)	(212,396,328)
Increase in the current year	118,307,986	(7,964,510)	1,853,949,953	-	(7,964,510)	14,524,157	(14,524,157)	(22,488,667)
Reversal in the current year	(54,151,642)	692,002	-	-	692,002	-	-	692,002
Write-off in the current year	(110,232)	110,232	-	-	110,232	(196,334,784)	196,334,784	196,445,016
31 December 2021	135,587,452	(18,131,497)	2,312,019,603	-	(18,131,497)	19,616,480	(19,616,480)	(37,747,977)

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

(4) Other receivables (Cont'd)

(b) Loss provision and changes in book balance (Cont'd)

As at 31 December 2021 and 31 December 2020, the Group did not have other receivables at Stage 2. Other receivables at Stage 1 and Stage 3 are analysed as follows:

(i) As at 31 December 2021, other receivables for which the related provision for bad debts was provided on the individual basis are analysed as follows:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Stage 1				
Receivables from related parties	1,817,008,915	0.00%	-	The counterparty is a related party, with a historical loss rate of 0% ; therefore, the risk of ECL is extremely low.
Land withdrawal receivable	288,756,218	0.00%	-	The counterparty is a government unit and the risk of ECL is extremely low. The counterparty is Taikang Pension Co., Ltd. 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 ECL is extremely low.
Supplementary medical insurance fund receivable	98,784,664	0.00%	-	The amount has the performance guarantee issued by bank with an extremely low risk of ECL.
Receivables from business units	58,920,000	0.00%	-	The counterparty is a government unit and the risk of ECL is extremely low.
Land deposits receivable	23,446,000	0.00%	-	The demolition and construction project is initiated by the state-owned industrial park, which pays compensation expenses, and the risk of ECL is extremely low
Compensation receivable for electricity charges during the demolition and construction period	15,824,336	0.00%	-	
Dividends receivable	5,633,417	0.00%	-	The counterparty has good credit, with a historical loss rate of 0%, and the risk of ECL is extremely low.
Government grants receivable	3,646,053	0.00%	-	The counterparty is a government unit and the risk of ECL is extremely low.
	<u>2,312,019,603</u>		<u>-</u>	
	Book balance	Lifetime ECL rates	Provision for bad debts	Reason
Stage 3				
Receivables from business units	13,889,589	100.00%	(13,889,589)	Unrecoverable by estimation since the counterparty is financially difficult.
Others	5,726,891	100.00%	(5,726,891)	Unrecoverable by estimation since the counterparty is financially difficult.
	<u>19,616,480</u>		<u>(19,616,480)</u>	

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

(4) Other receivables (Cont'd)

(b) Loss provision and changes in book balance (Cont'd)

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

	Book balance	12-month ECL rate	Provision for bad debts	Reason
Stage 1				
Land withdrawal receivable	166,917,613	0.00%	-	The counterparty is a government unit and the risk of ECL is extremely low.
Receivables from related parties	127,472,358	0.00%	-	The counterparty is a related party, with a historical loss rate of 0% ; therefore, the risk of ECL is extremely low.
Supplementary medical insurance fund receivable	96,056,921	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 ECL 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 ECL is extremely low.
Land deposits receivable	23,446,000	0.00%	-	The counterparty is a government unit and the risk of ECL 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 ECL is extremely low
Government grants receivable	795,316	0.00%	-	The counterparty is a government unit and the risk of ECL is extremely low.
	<u>458,069,650</u>		<u>-</u>	
	Book balance	Lifetime ECL rates	Provision for bad debts	Reason
Stage 3				
Receivables from business units	2,394,279	100.00%	(2,394,279)	Unrecoverable by estimation due to the counterparty is in financial difficulty.
Petty cash receivable	34,676	100.00%	(34,676)	Unrecoverable by estimation due to resignation of the employee
Prepaid coal receivables	195,747,000	100.00%	(195,747,000)	Unrecoverable by estimation due to long-term pending
Others	<u>3,251,152</u>	100.00%	<u>(3,251,152)</u>	Unrecoverable by estimation since the counterparty is financially difficult.
	<u>201,427,107</u>		<u>(201,427,107)</u>	

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

(4) Other receivables (Cont'd)

(b) Loss provision and changes in book balance (Cont'd)

(ii) As at 31 December 2021 and 31 December 2020, other receivables for which the related provision for bad debts was provided on the collective basis are all within stage 1, which are analysed as follows:

	31 December 2021		
	Book balance	Loss provision	
	Amount	Amount	Provision ratio
Group 1			
Within 1 year	112,414,194	(909,472)	0.81%
1 to 2 years	6,183,553	(807,222)	13.05%
2 to 3 years	860,422	(288,519)	33.53%
Over 3 years	16,129,283	(16,126,284)	99.98%
	<u>135,587,452</u>	<u>(18,131,497)</u>	<u>13.37%</u>
	31 December 2020 (Restated)		
	Book balance	Loss provision	
	Amount	Amount	Provision ratio
Group 1			
Within 1 year	56,546,038	(565,460)	1.00%
1 to 2 years	4,468,849	(479,148)	10.72%
2 to 3 years	944,454	(342,614)	36.28%
Over 3 years	9,581,999	(9,581,999)	100.00%
	<u>71,541,340</u>	<u>(10,969,221)</u>	<u>15.33%</u>

(c) The amount of provision for bad debts of other receivables in the current year was RMB 22,488,667 (2020: RMB 2,316,369), and the amount of reversed provision for bad debts of other receivables in the current year was RMB 692,002 (2020: RMB 1,594,751), with corresponding book balance of RMB 54,151,642 (2020: RMB 212,396,328).

The balance of other receivables that were written off in the current year was RMB 196,445,016, and the provision for bad debts was RMB 196,445,016, 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
GEGC	Prepaid fuel payable	195,747,000	Transfer to Energy Group without compensation	Written off with approval	Yes
Shanwei Great Forest Culture Communication Co., Ltd.	Accident compensation receivable	587,784	The company declared bankruptcy	Written off with approval	No

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

(4) Other receivables (Cont'd)

(d) As at 31 December 2021, the five largest other receivables aggregated by debtors are analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Guangdong Electric Power Industry Fuel Co., Ltd. ("Industry Fuel")	Receivables from disposals of terminal assets	1,602,258,185	Within 1 year	64.95%	-
Meixian District People's Government of Meizhou City	Land withdrawal receivable	146,885,400	1 to 2 years	5.95%	-
Guangdong Energy Financial Leasing Co., Ltd.	Current accounts receivable	129,864,979	Within 1 year	5.26%	-
People's Government of Yamen Town, Xinhui District, Jiangmen City	Land withdrawal receivable	109,094,018	Within 1 year	4.42%	-
Taikang Pension	Supplementary medical insurance fund receivable	98,784,664	Within 4 years	4.00%	-
		<u>2,086,887,246</u>		<u>84.58%</u>	<u>-</u>

(e) As at 31 December 2021, the Group's government grants recognised at amounts receivable are the reimbursement for the immediate refund of VAT.

(5) Inventories

(a) Inventories are summarised by categories as follows:

	31 December 2021			31 December 2020 (Restated)		
	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	2,189,710,739	-	2,189,710,739	938,456,934	(219,427)	938,237,507
Spare parts	817,710,542	(34,044,608)	783,665,934	783,592,186	(55,066,705)	728,525,481
Others	25,517,866	-	25,517,866	17,232,030	-	17,232,030
	<u>3,032,939,147</u>	<u>(34,044,608)</u>	<u>2,998,894,539</u>	<u>1,739,281,150</u>	<u>(55,286,132)</u>	<u>1,683,995,018</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 2020 (Restated)	Written off in current year	31 December 2021
Spare parts	(55,066,705)	21,022,097	(34,044,608)
Fuel	(219,427)	219,427	-
	<u>(55,286,132)</u>	<u>21,241,524</u>	<u>(34,044,608)</u>

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

	Specific basis for determining net realisable value	Reason for write-off
Spare parts and fuel	The carrying amount is higher than the amount of net realisable value of the disposal proceeds less costs to sell	Disposal/use/scrap

(6) Contract assets

	31 December 2021	31 December 2020 (Restated)
Contract assets	4,776,709	3,354,788
Less: Provision for impairment of contract assets	<u>(21,889)</u>	<u>(12,512)</u>
	<u>4,754,820</u>	<u>3,342,276</u>

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

(7) Current portion of non-current assets

	31 December 2021	31 December 2020 (Restated)
Less: Current portion of finance lease deposit	-	49,785,734

As at 31 December 2021, there was no current portion of non-current assets (As at 31 December 2020, current portion of non-current assets represented the present value of the deposit of RMB 50,000,000 paid for sales and leaseback of fixed assets).

(8) Other current assets

	31 December 2021	31 December 2020 (Restated)
Input VAT to be deducted	1,238,295,329	671,309,935
Prepayment of income tax	174,867,263	4,298,155
Others	4,823,016	739,240
	<u>1,417,985,608</u>	<u>676,347,330</u>

(9) Long-term equity investments

	31 December 2021	31 December 2020 (Restated)
Joint ventures (a)	654,820,514	531,313,393
Associates (b)	7,513,715,690	6,862,747,583
	<u>8,168,536,204</u>	<u>7,394,060,976</u>
Less: Provision for impairment of long-term equity investments	(96,327,854)	(96,327,854)
	<u>8,072,208,350</u>	<u>7,297,733,122</u>

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

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

(a) Joint ventures

	31 December 2020 (Restated)	Movements in the current year					31 December 2021	Ending balance of provision for impairment loss
		Increase in investments (i)	Share of net profit/(loss) under equity method	Share of other comprehensive income (Note 4(39))	Cash dividends declared	Others (ii)		
Industry Fuel	531,313,393	180,000,000	115,205,500	7,900,250	(29,649,898)	(159,298,731)	645,470,514	-
Zhanjiang Yuexin Distributed Energy and Technique Co., Ltd. ("Yuexin Energy")	-	9,350,000	-	-	-	-	9,350,000	-
	<u>531,313,393</u>	<u>189,350,000</u>	<u>115,205,500</u>	<u>7,900,250</u>	<u>(29,649,898)</u>	<u>(159,298,731)</u>	<u>654,820,514</u>	<u>-</u>

Please refer to Note 6(2) for related information of interest in joint ventures.

- (i) As at 21 December 2020, pursuant to the *Proposal on Capital Increase in Guangdong Power Industry Fuel Co., Ltd.* approved by the Board of Directors, the Company was permitted to make a capital increase of RMB 180,000,000 to Industry Fuel at its original proportion of shareholding, which had been invested as at 25 June 2021.
- (ii) In 2021, for the purpose of optimising asset structure and promoting high-quality development, Guangdong Yudean Bohe Energy Co., Ltd. ("Bohe Energy"), a subsidiary of the Group, disposed of terminal assets to Industry Fuel with the transaction price of RMB 2,800,327,000 (excluding tax). The transaction is a downstream transaction, therefore, the long-term equity investments in Industry Fuel are adjusted according to share of unrealised internal gains or losses based on the shareholding. See Note 4(13)(a)(i) for information concerning this transaction.

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

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

(b) Associates

	31 December 2020 (Restated)	Movements in the current year					Cash dividends or profits declared	31 December 2021	Ending balance of provision for impairment loss
		Increase in investments	Decrease in investments	Share of net profit/(loss) under equity method	Share of other comprehensive income (Note 4(39))	Share of other changes in equity (v)			
Shanxi Yudean Energy Co., Ltd. ("Shanxi Yudean Energy") (i)	1,819,132,396	64,000,000	-	480,044,857	-	-	-	2,363,177,253	-
Guangdong Guohua Yudean Taishan Electric Co., Ltd. ("Taishan Electric")	1,889,026,588	-	-	(3,409,558)	-	-	(101,148,944)	1,784,468,086	-
Energy Group Finance Company	1,635,580,660	-	-	145,758,481	7,709,485	-	(122,273,962)	1,666,774,664	-
Guangdong Energy Financial Leasing Co., Ltd. ("Energy Financial Leasing Company")	522,483,539	-	-	22,399,917	-	-	(12,576,669)	532,306,787	-
GEG Property&Casualty Captive Insurance Co., Ltd. ("GEG Property Insurance")	268,468,953	-	-	9,569,443	-	-	(1,505,619)	276,532,777	-
Guangdong Yudean Shipping Co., Ltd. ("Yudean Shipping")	241,738,113	-	-	7,347,225	(330,519)	(799,924)	-	247,954,895	-
South Sea Wind Electricity Development Co., Ltd. ("South Sea Wind Electricity") (ii)	-	161,552,820	-	6,259,387	-	-	-	167,812,207	-
Guizhou Yueqian Power Co., Ltd. ("Yueqian Power") (iii)	-	144,018,912	-	11,125,044	(1,633)	6,183,547	-	161,325,870	-
Weixin Yuntou	175,592,218	-	-	(36,782,167)	-	-	-	138,810,051	(96,327,854)
Sub-total for next page	<u>6,552,022,467</u>	<u>369,571,732</u>	<u>-</u>	<u>642,312,629</u>	<u>7,377,333</u>	<u>5,383,623</u>	<u>(237,505,194)</u>	<u>7,339,162,590</u>	<u>(96,327,854)</u>

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

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

(b) Associates (Cont'd)

	Movements in the current year							31 December 2021	Ending balance of provision for impairment loss
	31 December 2020 (Restated)	Increase in investments	Decrease in investments	Share of net profit/(loss) under equity method	Share of other comprehensive income (Note 4(39))	Share of other changes in equity (v)	Cash dividends or profits declared		
Huaneng Shantou Wind Power Co., Ltd. ("Huaneng Shantou Wind Power")	55,092,902	-	-	4,722,806	-	-	(5,633,417)	54,182,291	-
Yunfu Power Plant (B Power Plant) Co., Ltd. ("Yunfu B") (iv)	-	31,256,379	-	(21,660,094)	-	-	-	9,596,285	(20,819,280)
Guangdong Yuedian Stock West Investment Co., Ltd. ("West Investment") (iii)	144,018,912	-	(144,018,912)	-	-	-	-	-	-
Others	15,285,448	-	-	1,245,144	-	-	(2,083,922)	14,446,670	-
Total	6,766,419,729	400,828,111	(144,018,912)	626,620,485	7,377,333	5,383,623	(245,222,533)	7,417,387,836	(117,147,134)

Please refer to Note 6(2) for related information of equity in associates.

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

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

(b) Associates (Cont'd)

(i) As at 27 April 2021, the Company and GEGC increased a capital of RMB 160,000,000 to Shanxi Yudean Energy in proportion of the shareholding, for the investment in Jilin Qian'an Phase I 50MW Wind Power Project and Hebei Pingshan 100MW Photovoltaic Project, among which the Company contributed RMB 64,000,000 at the shareholding proportion of 40%.

(ii) As at 14 January 2021, Guangdong Wind Power Generation Co Ltd. ("Guangdong Wind Power") acquired 10% equity of South Sea Wind Electricity at a consideration of RMB 70,500,820, which was originally held by Guangzhou Environment Protection Investment Group Co., Ltd. (formerly known as Guangdong Guangye Group Co., Ltd.). The Group held 20% equity of South Sea Wind Electricity, and participated in and influenced the company's financial and operating policy decisions, which had significant impact on South Sea Wind Electricity and changed the investment in other equity instruments previously held by the Company to long-term equity investments at the consolidated level. On 26 September 2021, the Company and Guangdong Wind Power increased their capital by RMB 10,000,000 in the same proportion to South Sea Wind Electricity.

(iii) As at 28 July 2021, Yueqian Power merged West Investment, (Western Investment was originally an associate in which the Company held 26% of its equity). After the merger, the Company's shareholding in Yueqian Power was reduced to 13% due to the capital increase by other shareholders. The Company is still able to participate in the activities and influence its financial and operating policy decisions, and can have significant impact on Yueqian Power.

(iv) As at 26 May 2021, Sha C Company, a subsidiary of the Company, accepted 15% equity of Yunfu B held by Guangdong Electric Power Development Co., Ltd. at no cost, with the corresponding original cost of RMB 52,075,659, provision for impairment of RMB 20,819,280 and carrying amount of RMB 31,256,379, and was able to have significant impact on its operating decisions and economic activities. The long-term equity investments were accounted for using the equity method.

(v) In 2021, other changes in equity from long-term equity investments in associates were changes in capital surplus of RMB 5,383,623 (2020: changes in capital surplus of RMB 5,343,382).

(10) Investments in other equity instruments

	31 December 2021	31 December 2020 (Restated)	Cash dividends in the current year
Investments in equity instrument not held for trading			
- Equity of listed companies	547,728,682	393,587,145	20,020,230
- Equity of unlisted companies	2,684,300,000	3,155,300,870	67,711,178
	3,232,028,682	3,548,888,015	87,731,408

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

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

Including:

	31 December 2020 (Restated)	Movements in the current year	31 December 2021	% 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%	3,931,200
- Shanghai Shenergy Co., Ltd. ("Shanghai Shenergy") (b)	235,837,988	-	235,837,988	1.13%	15,549,030
- GMG International Tendering Co., Ltd. ("GMG Tendering") (c)	3,600,000	-	3,600,000	1.17%	540,000
- Shenzhen Capital Group Co., Ltd. ("SCG") (d)	328,034,000	-	328,034,000	3.67%	25,711,178
- Sunshine Insurance (e)	356,000,000	-	356,000,000	3.38%	42,000,000
- South Sea Wind Electricity (f)	70,000,000	(70,000,000)	-	-	-
- Gaozhou Yawu Hydropower Co., Ltd. ("Yawu Hydropower")	800,000	-	800,000	25.00%	-
	<u>1,010,162,616</u>	<u>(70,000,000)</u>	<u>940,162,616</u>		<u>87,731,408</u>
Investments in other equity instruments - accumulated changes in fair value					
- Shenzhen Energy (a)	76,190,172	30,391,200	106,581,372		
- Shanghai Shenergy (b)	54,040,357	119,394,337	173,434,694		
- GMG Tendering (c)	8,028,000	4,356,000	12,384,000		
- SCG (d)	719,966,000	(18,000,000)	701,966,000		
- Sunshine Insurance (e)	1,680,000,000	(382,500,000)	1,297,500,000		
- South Sea Wind Electricity (f)	500,870	(500,870)	-		
	<u>2,538,725,399</u>	<u>(246,859,333)</u>	<u>2,291,866,066</u>		
Total	<u>3,548,888,015</u>	<u>(316,859,333)</u>	<u>3,232,028,682</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)

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

- (a) As at 31 December 2021, the Company held 15,120,000 tradable A shares in Shenzhen Energy with fair value of RMB 122,472,000, and the investment cost was RMB 15,890,628. The investment was stated at fair value with reference to the market price. During the year, gains on fair value amounted to RMB 30,391,200 (2020: RMB 13,834,800), and other comprehensive income was adjusted upwards accordingly.
- (b) As at 31 December 2021, the Company held 55,532,250 tradable A shares in Shanghai Shenergy with fair value of RMB 409,272,682, and the investment cost was RMB 235,837,988. The investment was stated at fair value with reference to the market price. During the year, gains on fair value amounted to RMB 119,394,337 (2020: Losses of RMB 32,764,028), and other comprehensive income was adjusted upwards accordingly.
- (c) As at 31 December 2021, the Company held 1,800,000 shares of GMG International Tendering Co., Ltd. listed at the National Equities Exchange and Quotations system with fair value of RMB 15,984,000, 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 on fair value amounted to RMB 4,356,000 (2020: RMB 4,446,000), and other comprehensive income was adjusted upwards accordingly.
- (d) As at 31 December 2021, the fair value of the equity that the Company held in SCG amounted to RMB 1,030,000,000, and the investment cost was RMB 328,034,000. During the year, losses on fair value amounted to RMB 18,000,000 (2020: Gains of RMB 82,263,440), and other comprehensive income was adjusted downwards accordingly.
- (e) As at 31 December 2021, the fair value of the equity that the Company held in Sunshine Insurance amounted to RMB 1,653,500,000, and the investment cost was RMB 356,000,000. During the year, losses on fair value amounted to RMB 382,500,000 (2020: Gains of RMB 268,000,000), and other comprehensive income was adjusted downwards accordingly.
- (f) In 2021, the proportion of equity that the Group held in South Sea Wind Electricity was increased. Thus, the Group had significant impact on South Sea Wind Electricity, and the corresponding investments were reclassified into long-term investments for subsequent measurement under the equity method from investments in other equity instruments. Please refer to Note 4(9)(b)(ii).

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

(11) Investment properties

	Buildings	Land use rights	Total
Cost			
- Opening balance (Restated)	154,786,873	46,042,801	200,829,674
- Transfer from fixed assets	353,943,904	-	353,943,904
- Ending balance	<u>508,730,777</u>	<u>46,042,801</u>	<u>554,773,578</u>
Accumulated depreciation			
- Opening balance (Restated)	(59,400,045)	(10,238,371)	(69,638,416)
- Transfer from fixed assets in the current year	(96,357,361)	-	(96,357,361)
- Increase in the current year (a)	(9,077,210)	(903,659)	(9,980,869)
- Ending balance	<u>(164,834,616)</u>	<u>(11,142,030)</u>	<u>(175,976,646)</u>
Carrying amount			
- Ending balance	<u>343,896,161</u>	<u>34,900,771</u>	<u>378,796,932</u>
- Opening balance (Restated)	<u>95,386,828</u>	<u>35,804,430</u>	<u>131,191,258</u>

(a) In 2021, depreciation charged to investment properties amounted to RMB 9,980,869 (2020: RMB 5,949,030) among which depreciation expenses charged to cost of sale, and general and administrative expenses were RMB 9,345,271 and RMB 635,598 (2020: RMB 5,179,214 and RMB 769,816) respectively.

(b) As at 31 December 2021, the Group had obtained land use right certificates for all of its lands, except for lands with carrying amount of RMB 849,072 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.

(12) Fixed assets

	31 December 2021	31 December 2020 (Restated)
Fixed assets (a)	56,845,149,633	54,407,836,423
Disposals of fixed assets (b)	97,976,623	84,789,752
	<u>56,943,126,256</u>	<u>54,492,626,175</u>

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

(12) Fixed assets (Cont'd)

(a) Fixed assets

	Buildings Self-use	Power generation equipment Self-use	Motor vehicles Self-use	Other equipment Self-use	Total
Cost					
31 December 2020 (Restated)	28,947,058,491	85,030,884,920	1,244,779,422	1,445,419,497	116,668,142,330
Changes in accounting policies (Note 2(28)(a))	-	(3,889,828,294)	-	-	(3,889,828,294)
1 January 2021	28,947,058,491	81,141,056,626	1,244,779,422	1,445,419,497	112,778,314,036
Increase in the current year					
Purchase	30,412,013	45,409,029	28,866,400	48,340,582	153,028,024
Transfers from construction in progress (ii)	3,274,405,597	6,137,970,869	338,354	32,332,660	9,445,047,480
Transfers from right-of-use assets	-	1,000,000,000	-	-	1,000,000,000
Donations received	-	46,860	220,005	-	266,865
Business combinations involving enterprises not under common control (Note 5)	508,480,599	2,291,464,170	1,773,297	2,475,051	2,804,193,117
Decrease in the current year					
Disposal and scrap (iii)	(1,836,712,000)	(967,649,047)	(612,740,961)	(49,191,253)	(3,466,293,261)
Reclassification to other current assets (iv)	(4,416,584)	-	-	-	(4,416,584)
Transfer to investment properties	(353,943,904)	-	-	-	(353,943,904)
Decrease in disposals of subsidiaries in the current year	-	-	(800,665)	(1,658,310)	(2,458,975)
Others - Bohe capacity offset (v)	(103,522,789)	(477,609,287)	-	-	(581,132,076)
31 December 2021	30,461,761,423	89,170,689,220	662,435,852	1,477,718,227	121,772,604,722

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

(12) Fixed assets (Cont'd)

(a) Fixed assets

	Buildings Self-use	Power generation equipment Self-use	Motor vehicles Self-use	Other equipment Self-use	Total
Accumulated depreciation					
31 December 2020 (Restated)	(11,401,241,163)	(48,106,419,592)	(495,324,531)	(1,037,460,071)	(61,040,445,357)
Changes in accounting policies (Note 2(28)(a))	-	1,093,045,667	-	-	1,093,045,667
1 January 2021	(11,401,241,163)	(47,013,373,925)	(495,324,531)	(1,037,460,071)	(59,947,399,690)
Increase in the current year					
Provision (i)	(694,666,739)	(3,210,784,299)	(42,640,700)	(70,370,445)	(4,018,462,183)
Transfers from right-of-use assets	-	(725,006,706)	-	-	(725,006,706)
Decrease in the current year					
Disposal and scrap (iii)	62,011,601	671,545,725	59,863,455	41,348,680	834,769,461
Transfer to investment properties	96,357,361	-	-	-	96,357,361
Decrease in disposals of subsidiaries in the current year	-	-	560,354	1,626,205	2,186,559
31 December 2021	(11,937,538,940)	(50,277,619,205)	(477,541,422)	(1,064,855,631)	(63,757,555,198)

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

(12) Fixed assets (Cont'd)

(a) Fixed assets

	Buildings Self-use	Power generation equipment Self-use	Motor vehicles Self-use	Other equipment Self-use	Total
Provision for impairment					
31 December 2020 (Restated)	(207,861,077)	(1,011,301,322)	(422,918)	(275,233)	(1,219,860,550)
Changes in accounting policies (Note 2(28)(a))	-	-	-	-	-
1 January 2021	(207,861,077)	(1,011,301,322)	(422,918)	(275,233)	(1,219,860,550)
Increase in the current year					
Provision (vi)	(29,321,084)	-	-	-	(29,321,084)
Decrease in the current year					
Disposal and scrap (iii)	654,594	78,627,149	-	-	79,281,743
31 December 2021	(236,527,567)	(932,674,173)	(422,918)	(275,233)	(1,169,899,891)
Carrying amount					
31 December 2021	18,287,694,916	37,960,395,842	184,471,512	412,587,363	56,845,149,633
31 December 2020 (Restated)	17,337,956,251	35,913,164,006	749,031,973	407,684,193	54,407,836,423

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

(12) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

As at 31 December 2020 and 31 December 2021, no power generation equipment or buildings were pledged as collateral for long-term borrowings.

- (i) In 2021, depreciation of fixed assets charged into cost of sale, general and administrative expenses, construction in progress, research and development expenses and selling expenses are set out as follows:

	2021	2020 (Restated)
Cost of sale	3,912,557,499	3,765,330,261
General and administrative expenses	63,638,815	60,760,761
Research and development expenses	36,944,538	12,701,560
Construction in progress	4,583,607	6,584,299
Selling expenses	737,724	749,453
	<u>4,018,462,183</u>	<u>3,846,126,334</u>

- (ii) The costs of fixed assets transferred from construction in progress in the current year amounted to RMB 9,445,047,480 (2020: RMB 14,882,218,996) (Note 4(13)(a)(i)).
- (iii) The fixed assets disposed of during the year were mainly those of terminals of Bohe Energy, the net fixed assets of terminals were RMB 2,365,468,792 (Note 4(13)(a)(i)), and the others were disposals of used equipment.

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

(12) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(iv) 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. In 2021, buildings of Yuejia Electric with the carrying amount of RMB 4,416,584 were transferred to other current assets.

(v) In 2020, Bohe Energy's generator units were temporarily transferred to fixed assets, corresponding to the estimated capacity as a result of "using large generator units and shutting down small generator units". In 2021, Bohe Energy signed capacity transfer agreements with Guangdong Electric Power Development Co., Ltd., Shajiao A Power Plant ("Shajiao A Power Plant"), Yuehua Power and Yunhe Power respectively, and fixed assets arising from such capacity transfer were offset at the consolidated level.

(vi) Impairment of fixed assets

In 2021, movements of provision for impairment of fixed assets were as follows:

	31 December 2020 (Restated)	Increase in the current year	Decrease in the current year	31 December 2021
Yuehua Power (Note 1)	539,689,836	-	(925,881)	538,763,955
Lincang Energy (Note 2)	200,601,657	-	-	200,601,657
Bohe Energy (Note 3)	208,000,000	-	-	208,000,000
Guangdong Red Bay Power Generation Co., Ltd. ("Red Bay Power")	48,597,529	-	(3,547,982)	45,049,547
Guangdong Shaoguan Yuejiang Electric Power Co., Ltd. ("Yuejiang Power")	40,954,755	-	(1,356,395)	39,598,360
Guangdong Energy Maoming Thermal Power Station Co., Ltd. ("Maoming Thermal")	29,751,684	-	-	29,751,684
Guangdong Yudean Jinghai Power Co., Ltd. ("Jinghai Power")	22,228,873	-	-	22,228,873
Shajiao A Power Plant (Note 4)	21,335,571	29,321,084	-	50,656,655
Zhanjiang Electric	18,822,875	-	-	18,822,875
Yunhe Power (Note 5)	81,438,657	-	(71,050,220)	10,388,437
Zhanjiang Zhongyue Energy Co., Ltd. ("Zhongyue Energy")	5,208,543	-	(2,401,265)	2,807,278
Guangdong Huizhou Natural Gas Power Co., Ltd. ("Huizhou Natural Gas")	3,230,570	-	-	3,230,570
	<u>1,219,860,550</u>	<u>29,321,084</u>	<u>(79,281,743)</u>	<u>1,169,899,891</u>

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

(12) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

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

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

In 2021 and previous years, certain subsidiaries of the Group were affected by sharp fluctuations in price of coal for 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 price of coal for power generation, macro economy and other factors, the Group continuously assessed the impairment of the above-mentioned subsidiaries' power generation asset groups (mainly including fixed assets) in 2021.

Note 1 Yuehua Power shut down 5# generator unit at the end of 2019 and 6# generator unit at the end of November 2020. The Group tested the recoverable amount of the asset groups of 5# and 6# generator units that had been shut down, and made provision for impairment accordingly. At the end of 2019, a provision for impairment of the related asset group of 5# generator unit amounting to RMB 317,686,700 and a provision for impairment of the related asset group of 6# generator unit amounting to RMB 251,426,700 were made. As at 31 December 2021, the balance of provision for impairment was RMB 538,763,955.

Note 2 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 previous years, the Group had made a provision of RMB 200,601,657 for the impairment of fixed assets for the relevant asset groups of generator units of Lincang Energy. In 2021, the Group continuously assessed the impairment of the asset groups of generator units of Lincang Energy and found no further provision for impairment was required.

Note 3 In 2020, Bohe Energy obtained approval from Guangdong Provincial 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 sale. 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. In 2021, the Group continuously assessed the impairment of the asset groups of generator units of Bohe Energy and found no further provision for impairment was required.

Note 4 Shajiao A Power Plant 1# to 3# generator have been shut down in previous years, generator 4# and 5# are expected to be shut down before the end of 2023. In previous years, the Group carried out accelerated depreciation for 1# to 5# generator, and made provision for impairment of power generation equipment related to 1# to 3#, among which the depreciation amount corresponding to the equipment that has been scrapped has been approved. Transfer out, as at December 31, 2020, the balance of provision for impairment of fixed assets was RMB 21,335,571. In 2021, the Group conducted another impairment test on the houses and buildings corresponding to 1#, 2# and 3# generator of Shajiao A Power Plant and made provision for impairment of RMB 29,321,084.

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

(12) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(vi) Accounting estimates on impairment of fixed assets (Cont'd)

Note 5 Yunhe Power's 1# and 2# generator units have been shut down on 31 January 2018. The Group made provision for impairment on the related asset for scrap and retirement of 1# and 2# generator units that had been shut down. As at 31 December 2020, the balance of provision for impairment totalled RMB 81,438,657. In 2021, Yunhe Power partly disposed of the related assets of generator units that had been shut down, the accumulated provision for impairment on such disposals amounted to RMB 71,050,220. As at 31 December 2021 the balance of provision for impairment amounted to RMB 10,388,437.

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

(12) Fixed assets (Cont'd)

(a) Fixed assets (Cont'd)

(vii) Fixed assets with pending certificates of ownership:

	Carrying amount	Reasons for not obtaining certificates of ownership
Buildings	<u>1,152,699,367</u>	Awaiting government approval

As at 31 December 2021, 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) Fixed assets pending for disposal

	31 December 2021	31 December 2020 (Restated)
Parts of power generation equipment	93,602,122	79,810,172
Other equipment	<u>4,374,501</u>	<u>4,979,580</u>
	<u>97,976,623</u>	<u>84,789,752</u>

(13) Construction in progress

	31 December 2021	31 December 2020 (Restated)
Construction in progress (a)	8,631,720,339	9,250,959,940
Construction materials	<u>3,006,730</u>	<u>3,660,437</u>
	<u>8,634,727,069</u>	<u>9,254,620,377</u>

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

(13) Construction in progress (Cont'd)

(a) Construction in progress

	31 December 2021			31 December 2020 (Restated)		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Yangjiang Shapa offshore wind power project	4,383,633,467	-	4,383,633,467	1,451,718,258	-	1,451,718,258
Huadu thermal and power cogeneration project	1,054,889,800	-	1,054,889,800	496,904,393	-	496,904,393
Wuxuan Hequn Plant Project	401,681,032	-	401,681,032	175,838,002	-	175,838,002
Xupu Wind Power Plant Project	387,948,275	-	387,948,275	104,382,440	-	104,382,440
Hunan Tongdao Dagaoshan wind power plant project	310,381,142	-	310,381,142	114,806,165	-	114,806,165
Shajiao Ningzhou gas power project	253,652,368	-	253,652,368	89,785,770	-	89,785,770
Nanxiong Zhu'an Village Project	202,119,872	-	202,119,872	943,396	-	943,396
Zhaoqing Dinghu Natural Gas Thermal Power Cogeneration Project	120,337,569	-	120,337,569	28,883,921	-	28,883,921
Zhuhai Jinwan Electric offshore wind power project	46,919,720	-	46,919,720	3,432,128,854	-	3,432,128,854
Pingyuan maoping project	-	-	-	338,524,935	-	338,524,935
Bohe Coal integration project	-	-	-	97,519,981	-	97,519,981
Qujie Wailuo offshore wind power project (Phase II)	-	-	-	896,786,215	-	896,786,215
Xinliao offshore wind power project	-	-	-	772,822,903	-	772,822,903
Other infrastructure construction projects	885,091,077	(272,760,362)	612,330,715	557,899,512	(283,142,471)	274,757,041
Other technology improvement projects	866,456,689	(8,630,310)	857,826,379	983,787,976	(8,630,310)	975,157,666

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<u>8,913,111,011</u>	<u>(281,390,672)</u>	<u>8,631,720,339</u>	<u>9,542,732,721</u>	<u>(291,772,781)</u>	<u>9,250,959,940</u>
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4 Notes to the consolidated financial statements (Cont'd)

(13) Construction in progress (Cont'd)

(a) Construction in progress (Cont'd)

(i) Movements of major construction in progress

Project name	Budget	31 December 2020 (Restated)	Changes in accounting policies	1 January 2021	Increase in the current year	Transfer to fixed assets in the current year (Note 4(12)(a)(ii))	Other movements (i)	31 December 2021	Proportion of investment to the budget (%)	Project progress	Accumulated capitalised borrowing costs	Including: Capitalised borrowing costs for the year	Capitalisation rate of borrowing cost	Source of fund
Yangjiang Shapa offshore wind power project	5,963,270,000	1,451,718,258	(149,876,657)	1,301,841,601	3,116,100,930	-	(34,309,064)	4,383,633,467	86.56%	98.20%	156,062,173	114,826,313	3.79%	Borrowings and own funds
Huadu thermal and power cogeneration project	3,593,160,000	496,904,393	-	496,904,393	557,985,407	-	-	1,054,889,800	29.85%	29.85%	38,456,114	25,245,103	3.83%	Borrowing and own funds
Wuxuan Hequn Plant Project	482,580,000	175,838,002	-	175,838,002	238,028,412	-	(12,185,382)	401,681,032	83.24%	99.50%	12,018,832	7,916,442	4.13%	Borrowings and own funds
Xupu Wind Power Plant Project	464,185,841	104,382,440	-	104,382,440	298,617,430	-	(15,051,595)	387,948,275	85.47%	78.00%	12,289,713	9,631,511	4.27%	Borrowings and own funds
Hunan Tongdao Dagaoshan wind power plant project	531,740,000	114,806,165	(42,240,044)	72,566,121	248,056,264	-	(10,241,243)	310,381,142	83.96%	95.00%	9,716,266	9,534,264	4.29%	Borrowings and own funds
Shajiao Ningzhou gas power project	5,927,600,000	89,785,770	-	89,785,770	163,866,598	-	-	253,652,368	20.84%	22.88%	7,651,592	9,620,967	2.95%	Borrowings and own funds
Nanxiong Zhu'an Village Project	451,810,000	943,396	-	943,396	205,353,888	-	(4,177,412)	202,119,872	67.57%	85.00%	2,719,293	3,870,628	4.05%	Borrowings and own funds
Zhaoqing Dinghu Natural Gas Thermal Power Cogeneration Project	2,998,180,000	28,883,921	-	28,883,921	91,453,648	-	-	120,337,569	4.54%	4.69%	4,710,321	4,586,627	3.23%	Borrowings and own funds
Zhuhai Jinwan Electric offshore wind power project	5,643,170,000	3,432,128,854	(285,812,172)	3,146,316,682	953,358,203	(3,883,470,204)	(169,284,961)	46,919,720	72.47%	72.47%	120,150,149	50,676,995	4.16%	Borrowings and own funds
Pingyuan maoping project	450,818,900	338,524,935	-	338,524,935	36,263,186	(361,379,200)	(13,408,921)	-	93.94%	93.94%	5,799,060	-	-	Borrowings and own funds
Bohe Coal integration project	11,037,075,900	97,519,981	-	97,519,981	93,063,743	-	(190,583,724)	-	82.25%	99.80%	467,317,923	594,543	4.26%	Borrowings and own funds
Qujie Wailuo offshore wind power project (Phase II)	3,789,120,000	896,786,215	(15,707,965)	881,078,250	1,689,200,452	(2,559,260,596)	(11,018,106)	-	81.48%	96.54%	62,826,480	45,889,751	4.14%	Borrowings and own funds
Xinliac offshore wind power project	3,698,880,000	772,822,903	(419,647,262)	353,175,641	1,345,587,745	(1,686,163,227)	(12,600,159)	-	93.65%	95.85%	62,349,895	45,687,739	3.88%	Borrowings and own funds
Other infrastructure construction projects	N/A	274,757,041	-	274,757,041	448,584,094	(111,010,420)	-	612,330,715			20,104,896	7,079,097	3.84%	Borrowings and own funds
Other technology improvement projects	N/A	975,157,666	-	975,157,666	743,668,529	(843,763,833)	(17,235,983)	857,826,379			1,335,162	-	-	Borrowings and own funds
		<u>9,250,959,940</u>	<u>(913,284,100)</u>	<u>8,337,675,840</u>	<u>10,229,188,529</u>	<u>(9,445,047,480)</u>	<u>(490,096,550)</u>	<u>8,631,720,339</u>			<u>983,507,869</u>	<u>335,159,980</u>		

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

(13) 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 282,276,843, terminal projects disposed of by Bohe Energy with a carrying amount of RMB 190,583,724, and construction in progress of RMB 17,235,983 that was completed and transferred to intangible assets. The increase in construction in progress in the current year includes an increase of RMB 16,306,469 in business combinations involving entities not under common control.

In 2021, in order to optimise the Company's asset structure and promote high-quality development, Bohe Energy, a subsidiary of the Group, disposed of the terminal assets to Industry Fuel at a transaction price of RMB 2,800,327,000 (excluding tax). Among them, net value of disposed fixed assets amounted to RMB 2,365,468,792, net intangible assets amounted to RMB 35,500,795 and net construction in progress mounted to RMB 190,583,724. As at 31 December 2021, book balance of receivables from disposals of terminal assets of Bohe Energy amounted to RMB 1,602,258,185, and RMB 1,600,910,823 was recovered in March 2022. The remaining unrecovered amount is the property insurance taken out on behalf of the policyholder, which is expected to be recovered in 2022.

(ii) As at 31 December 2020, construction in progress included part of power generation equipment arising from finance leases. As at 1 January 2021, in applying the new lease standard, power generation equipment with carrying amount of RMB 913,284,100 was transferred from construction in progress to right-of-use assets.

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

(13) Construction in progress (Cont'd)

(a) Construction in progress (Cont'd)

(iii) Provision for impairment of construction in progress

Item	31 December 2020 (Restated)	Decrease in the current year	31 December 2021	Reason for provision
Humen Electric 2*1000MW project (Note 1)	(137,373,040)	-	(137,373,040)	Stoppage of construction
Impairment of upfront expenses for 5# and 6# generator units of Jinghai	(55,389,093)	-	(55,389,093)	Impairment of upfront expenses for construction in progress
Impairment of upfront expenses for Guangdong Wind Power project	(50,166,211)	7,027,980	(43,138,231)	Impairment of upfront expenses for construction in progress
Impairment of upfront expenses for 5# and 6# generator units of Red Bay	(26,446,447)	-	(26,446,447)	Impairment of upfront expenses for construction in progress
Others	(22,397,990)	3,354,129	(19,043,861)	Impairment of upfront expenses for construction in progress
	<u>(291,772,781)</u>	<u>10,382,109</u>	<u>(281,390,672)</u>	

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

(14) Right-of-use assets

	Buildings	Machinery and equipment	Motor vehicles	Total
Cost				
31 December 2020	—	—	—	—
Changes in accounting policies	19,797,657	4,805,366,820	604,275	4,825,768,752
1 January 2021	19,797,657	4,805,366,820	604,275	4,825,768,752
Increase in the current year				
New lease contracts	39,928,531	1,995,183,162	7,830,270	2,042,941,963
Decrease in the current year				
Transfer to fixed assets	-	(1,000,000,000)	-	(1,000,000,000)
31 December 2021	59,726,188	5,800,549,982	8,434,545	5,868,710,715
Accumulated depreciation				
31 December 2020	—	—	—	—
Changes in accounting policies	-	(1,093,045,670)	-	(1,093,045,670)
1 January 2021	-	(1,093,045,670)	-	(1,093,045,670)
Increase in the current year				
Provision (a)	(17,358,410)	(225,035,196)	(2,153,166)	(244,546,772)
Decrease in the current year				
Transfer to fixed assets	-	725,006,706	-	725,006,706
31 December 2021	(17,358,410)	(593,074,160)	(2,153,166)	(612,585,736)
Carrying amount				
31 December 2021	42,367,778	5,207,475,822	6,281,379	5,256,124,979
31 December 2020	—	—	—	—

(a) In 2021, depreciation charged to right-of-use assets was RMB 244,546,772, among which depreciation expenses charged to cost of sale, general and administrative expenses, selling expenses and construction in progress were RMB 165,463,009, RMB 11,428,272, RMB 2,747,235 and RMB 64,908,256 respectively.

(b) Right-of-use assets arising from significant finance lease

	1 January 2021	Increase in the current year	Depreciation in the current year	Transfer to fixed assets	31 December 2021
Qujie Wind Power	1,111,138,796	1,411,660,210	(75,533,519)	-	2,447,265,487
Bohe Energy	989,315,557	-	(47,721,709)	-	941,593,848
Yuejiang Power	757,452,862	-	(48,117,354)	-	709,335,508
Yangjiang Wind Power	149,876,657	330,164,858	(18,148,605)	-	461,892,910
Zhuhai Wind Power	285,812,173	168,470,916	(11,241,440)	-	443,041,649
Guangdong Xinhui Power Generation Co., Ltd. ("Xinhui Power")	95,991,769	-	(13,899,799)	-	82,091,970
Tongdao Company	42,240,044	25,344,027	(4,053,231)	-	63,530,840
Nanxiong New Energy	-	58,886,462	(1,899,510)	-	56,986,952
Jinghai Power	278,238,869	-	(3,245,575)	(274,993,294)	-

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<u>3,710,066,727</u>	<u>1,994,526,473</u>	<u>(223,860,742)</u>	<u>(274,993,294)</u>	<u>5,205,739,164</u>
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4 Notes to the consolidated financial statements (Cont'd)

(15) Intangible assets

	Use rights of the associated projects for electricity transmission and transformation	Land use rights	Sea use rights	Software	Favorable contract	Non-patent technology and others	Total
Cost							
31 December 2020 (Restated)	260,331,315	2,894,539,357	129,906,544	182,597,453	-	38,656,100	3,506,030,769
Increase in the current year							
Purchase	-	174,876,591	-	15,116,764	-	612,549	190,605,904
Transfer from construction in progress (Note 4(13)(a)(i))	-	-	-	17,001,433	-	234,550	17,235,983
Business combinations involving enterprises not under common control	-	65,084,734	-	-	52,211,380	-	117,296,114
Decrease in the current year							
Disposal (d)	-	(68,076,209)	(40,649,765)	(663,051)	-	-	(109,389,025)
31 December 2021	260,331,315	3,066,424,473	89,256,779	214,052,599	52,211,380	39,503,199	3,721,779,745
Accumulated amortisation							
31 December 2020 (Restated)	(260,331,315)	(493,937,866)	(28,180,513)	(122,805,324)	-	(27,967,766)	(933,222,784)
Increase in the current year							
Provision (a)	-	(61,319,563)	(2,132,440)	(15,575,382)	(3,085,641)	(1,463,852)	(83,576,878)
Decrease in the current year							
Disposal (d)	-	4,783,456	5,148,970	316,210	-	-	10,248,636
31 December 2021	(260,331,315)	(550,473,973)	(25,163,983)	(138,064,496)	(3,085,641)	(29,431,618)	(1,006,551,026)
Provision for impairment							
31 December 2020 (Restated)	-	(56,502,373)	-	-	-	-	(56,502,373)
Decrease in the current year	-	-	-	-	-	-	-
31 December 2021	-	(56,502,373)	-	-	-	-	(56,502,373)
Carrying amount							
31 December 2021	-	2,459,448,127	64,092,796	75,988,103	49,125,739	10,071,581	2,658,726,346
31 December 2020 (Restated)	-	2,344,099,118	101,726,031	59,792,129	-	10,688,334	2,516,305,612

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

(15) Intangible assets (Cont'd)

- (a) In 2021, amortisation charged to intangible assets was RMB 83,576,878, with cost of sale of RMB 4,225,762, general and administrative expenses of RMB 71,354,033, construction in progress of RMB 7,581,319 and research and development expenses of RMB 415,764 respectively (In 2020, amortisation charged to intangible assets was RMB 74,722,057, with cost of sale of RMB 8,451, general and administrative expenses of RMB 68,960,533 and construction in progress of RMB 4,750,588 and research and development expenses of RMB 1,002,485 respectively).
- (b) As at 31 December 2021, the Group had obtained land use right certificates for all of its lands, except for lands with carrying amount of RMB 40,485,578 (31 December 2020: RMB 50,904,322) 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 2021, the Group's expenditures on research and development amounting to RMB 584,714,979 (2020: RMB 324,923,064) were all recognised as research and development expenses in the current period (Note 4(46)). As at 31 December 2021, there were no intangible assets arising from internal research and development of the Group.
- (d) In 2021, the disposals of intangible assets of the Group mainly represented the disposal of the sea use rights of Bohe Energy, a subsidiary of the Group (Note 4(13)(a)(i)), with a net asset value of RMB 35,500,795, and the disposals of land use rights of the Group's subsidiaries, Lincang Energy, Yunhe Power and Xinhui Power, with the net asset value of RMB 63,292,753.

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

(16) Goodwill

	31 December 2021	31 December 2020 (Restated)
Goodwill -		
Tumxuk Thermal Power Co., Ltd. ("Tumxuk") (Note 5(2)(b))	119,488,672	-
Guangdong Yueneng Datang New Energy Co., Ltd. ("Datang New Energy") (Note 5(2)(b))	11,885,484	-
Nanhua New Energy (Note 5(2)(b))	6,158,995	-
Others	27,486,780	27,486,780
	<u>165,019,931</u>	<u>27,486,780</u>
Less: Provision for impairment - Others	(25,036,894)	(25,036,894)
	<u>139,983,037</u>	<u>2,449,886</u>

(17) Long-term prepaid expenses

	31 December 2020 (Restated)	Increase in the current year	Amortisation in the current year	31 December 2021
Improvements to right-of-use assets	8,539,500	2,281,783	(2,856,162)	7,965,121
Others	19,805,469	5,538,905	(2,974,194)	22,370,180
	<u>28,344,969</u>	<u>7,820,688</u>	<u>(5,830,356)</u>	<u>30,335,301</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 2021		31 December 2020 (Restated)	
	Deductible temporary differences and deductible tax losses	Deferred tax assets	Deductible temporary differences and deductible tax losses	Deferred tax assets
Deductible losses	3,189,847,440	758,900,259	890,827,344	220,317,509
Provision for asset impairment	444,961,087	109,842,258	557,781,064	139,220,906
Net income from trial operation included in construction in progress	504,079,323	113,559,371	234,870,149	54,608,985
Unrealised profits from intra-group transactions	685,896,928	171,474,232	148,814,504	37,203,626
Employee benefits payable	305,163,061	73,089,625	183,785,307	45,946,326
Government grants	95,459,260	23,306,593	112,677,436	28,169,359
Depreciation of fixed assets	74,881,083	18,720,271	74,700,511	18,675,127
Amortisation of intangible assets	4,028,407	1,007,101	4,526,232	1,131,558
	<u>5,304,316,589</u>	<u>1,269,899,710</u>	<u>2,207,982,547</u>	<u>545,273,396</u>
Including:				
Expected to be recovered within 1 year (inclusive)		115,084,638		100,137,637
Expected to be recovered after 1 year		<u>1,154,815,072</u>		<u>445,135,759</u>
		<u>1,269,899,710</u>		<u>545,273,396</u>

(b) Deferred tax liabilities before offsetting

	31 December 2021		31 December 2020 (Restated)	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Changes in fair value of investments in other equity instruments included in other comprehensive income	(2,291,866,066)	(572,966,517)	(2,538,725,399)	(634,681,350)
Net expenses in trial operation included in construction in progress	(89,727,430)	(22,431,857)	(96,051,849)	(24,012,962)
Revaluation reserve of business combinations involving enterprises not under common control	(272,521,240)	(68,130,309)	(56,290,560)	(14,072,640)
Amortisation of land use rights	(15,685,439)	(3,921,360)	(16,068,632)	(4,017,158)
Interest receivable	(10,071,856)	(2,517,964)	(6,620,900)	(1,655,226)
Depreciation of fixed assets	(2,388,981)	(597,247)	(2,996,100)	(749,025)
	<u>(2,682,261,012)</u>	<u>(670,565,254)</u>	<u>(2,716,753,440)</u>	<u>(679,188,361)</u>
Including:				
Expected to be recovered within 1 year (inclusive)		(10,368,799)		(9,629,576)
Expected to be recovered after 1 year		<u>(660,196,455)</u>		<u>(669,558,785)</u>
		<u>(670,565,254)</u>		<u>(679,188,361)</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 2021	31 December 2020 (Restated)
Deductible temporary differences	1,839,401,194	1,726,741,514
Deductible losses	5,808,689,992	2,100,666,365
	<u>7,648,091,186</u>	<u>3,827,407,879</u>

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

	31 December 2021	31 December 2020 (Restated)
2021	-	134,978,486
2022	679,470,193	628,529,972
2023	810,630,290	670,390,708
2024	173,024,661	153,029,742
2025	598,674,880	513,737,457
2026	3,546,889,968	-
	<u>5,808,689,992</u>	<u>2,100,666,365</u>

Management believed that as at the maturity date for the above deductible losses, the relevant subject of tax payment has no sufficient taxable profits to deduct the above deductible losses; therefore, no related deferred tax asset was recognised.

(e) The net balances of deferred tax assets and deferred tax liabilities after offsetting are as follows:

	31 December 2021		31 December 2020 (Restated)	
	Offsetting amount	Balance after offsetting	Offsetting amount	Balance after offsetting
Deferred tax assets	(34,810,493)	1,235,089,217	(40,615,690)	504,657,706
Deferred tax liabilities	34,810,493	(635,754,761)	40,615,690	(638,572,671)

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

(19) Other non-current assets

	31 December 2021	31 December 2020 (Restated)
Input VAT to be deducted	2,207,784,437	886,324,321
Construction and equipment expenses prepaid	2,098,565,376	1,835,340,954
Unrealised losses on sales and leaseback (a)	196,168,230	209,580,144
Prepayment for land use rights	166,211,424	133,755,587
Deposits prepaid for equity acquisition (b)	80,000,000	80,000,000
Prepayments for purchase of buildings (c)	58,318,764	-
Prepayment for equity acquisition	-	113,381,000
Others	3,203,403	2,054,516
	<u>4,810,251,634</u>	<u>3,260,436,522</u>

- (a) Unrealised losses on sales and leaseback are the difference between the selling price of the power generation equipment and its carrying amount, and was depreciated based on the depreciation progress of the leaseback power generation equipment. In 2021, the unrealised losses on sales and leaseback, which were amortised in depreciation expenses in cost of sale, amounted to RMB 13,411,914 (2020: RMB: 13,577,182).
- (b) In July 2020, the Group's subsidiary Guangdong Wind Power and Beijing Guangdun New Energy Technology Co., Ltd. ("Guangdun New Energy") signed the *Equity Acquisition Framework Agreement of Dacheng County Dun'An New Energy Co., Ltd.* The agreement stipulated that if the Ziya River wind power plant project of Dacheng County 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 2022, 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 deposit is recoverable after the actual closing date of the equity acquisition and does not constitute a part of the acquisition, the deposit is included in other non-current assets.
- (c) In July 2021, the Group's subsidiary Guangdong Yudean Yongan Natural Gas Thermal Power Co., Ltd. ("Yongan Natural Gas") signed a contract with Zhaoqing Jingyue Technology Development Co., Ltd to purchase or sell commercial housing. As at 31 December 2021, Yongan Natural Gas prepaid a total of RMB 58,318,764 for 67 units of commercial housing. Due to outstanding final payment, the ownership of the commercial housing has not yet been transferred to Yongan Natural Gas, which were 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 2020 (Restated)	Increase in the current year	Reversal in the current year	Write-off/Charge-off in the current year	Others	31 December 2021
Provision for bad debts of accounts receivables	(292,314)	(263,506)	292,314	-	-	(263,506)
Including: Provision for bad debts on a collective basis	(292,314)	(263,506)	292,314	-	-	(263,506)
Provision for bad debts of other receivables	(212,396,328)	(22,488,667)	692,002	196,445,016	-	(37,747,977)
Sub-total	(212,688,642)	(22,752,173)	984,316	196,445,016	-	(38,011,483)
Provision for impairment of advances to suppliers	(803,017)	-	-	688,017	-	(115,000)
Provision for decline in the value of inventories	(55,286,132)	-	-	21,241,524	-	(34,044,608)
Provision for impairment of contract assets	(12,512)	(9,377)	-	-	-	(21,889)
Provision for impairment of long-term equity investments	(96,327,854)	-	-	-	(20,819,280)	(117,147,134)
Provision for impairment of fixed assets	(1,219,860,550)	(29,321,084)	-	79,281,743	-	(1,169,899,891)
Provision for impairment of construction in progress	(291,772,781)	-	-	10,382,109	-	(281,390,672)
Provision for impairment of intangible assets	(56,502,373)	-	-	-	-	(56,502,373)
Provision for impairment of goodwill	(25,036,894)	-	-	-	-	(25,036,894)
Sub-total	(1,745,602,113)	(29,330,461)	-	111,593,393	(20,819,280)	(1,684,158,461)
	(1,958,290,755)	(52,082,634)	984,316	308,038,409	(20,819,280)	(1,722,169,944)

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

(21) Short-term borrowings

	31 December 2021	31 December 2020 (Restated)
Principal		
Credit loan	12,052,146,729	7,908,670,202
Guaranteed loan	297,000,000	-
Sub-total	<u>12,349,146,729</u>	<u>7,908,670,202</u>
Interest		
Credit loan	10,801,804	7,770,686
Guaranteed loan	347,896	-
	<u>12,360,296,429</u>	<u>7,916,440,888</u>

- (a) As at 31 December 2021, the annual interest rates of the short-term borrowings ranged from 2.77% to 3.85% (31 December 2020: 2.85% to 4.35%).
- (b) As at 31 December 2021, the principal of short-term credit loan provided by related party Energy Group Finance Company amounted to RMB 4,977,136,729 (31 December 2020: RMB 4,683,000,000) (Note 8(6)). Interest payable of short-term borrowings to Energy Group Finance Company amounted to RMB 3,142,408 (31 December 2020: RMB 5,026,812).
- (c) As at 31 December 2021, bank borrowings of RMB 297,000,000 (31 December 2020: Nil) were guaranteed by Xinjiang Jintai Electric Power Co., Ltd., a minority shareholder of the subsidiary Tumxuk.

(22) Notes payables

	31 December 2021	31 December 2020 (Restated)
Bank acceptance notes	1,728,780,000	1,132,292,546
Trade acceptance notes	180,000,000	120,000,000
	<u>1,908,780,000</u>	<u>1,252,292,546</u>

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

(23) Accounts payables

	31 December 2021	31 December 2020 (Restated)
Fuel payable	4,847,384,749	2,308,693,597
Contracted operation expenses payable	1,101,296,490	472,060,383
Materials and spare parts payable	501,756,882	423,527,246
Repair expenses payable	99,748,099	59,172,241
Management fees payable for frequency modulation and energy storage	319,986	11,686,819
Settlement payable for power transactions	-	41,580,819
Others	76,060,858	83,663,703
	<u>6,626,567,064</u>	<u>3,400,384,808</u>

- (a) As at 31 December 2021, accounts payables with ageing over one year amounted RMB 51,399,876 (31 December 2020: RMB 43,388,226), mainly including unsettled fuel payable and materials payable.

(24) Contract liabilities

	31 December 2021	31 December 2020 (Restated)
Advances for services	5,146,636	7,812,895
Advances from others	718,175	611,504
	<u>5,864,811</u>	<u>8,424,399</u>

As disclosed in Note 5(2), due to business combinations involving enterprises not under common control in the current year, the amount of contract liabilities increased by RMB 829,227.

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

(25) Employee benefits payable

	31 December 2021	31 December 2020 (Restated)
Short-term employee benefits payable (a)	348,069,102	307,441,374
Defined contribution plans payable (b)	3,092,268	3,087,318
Early retirement benefits payable (c)	62,450,865	40,365,508
Defined benefit plans payable (c)	8,400,995	9,302,574
	<u>422,013,230</u>	<u>360,196,774</u>

(a) Short-term employee benefits

	31 December 2020 (Restated)	Increase in the current year	Decrease in the current year	31 December 2021
Wages and salaries, bonus, allowances and subsidies	1,298,726	1,671,548,869	(1,661,703,785)	11,143,810
Staff welfare	4,914,137	168,058,490	(167,936,983)	5,035,644
Social security contributions	160,202,319	143,910,740	(119,706,336)	184,406,723
Including: Medical insurance	160,202,319	134,610,710	(110,406,426)	184,406,603
Work injury insurance	-	1,941,286	(1,941,166)	120
Maternity insurance	-	7,358,744	(7,358,744)	-
Housing funds	-	170,202,395	(170,197,595)	4,800
Labour union funds and employee education funds	132,237,912	65,375,465	(57,216,730)	140,396,647
Other short-term employee benefits	8,788,280	96,899,782	(98,606,584)	7,081,478
	<u>307,441,374</u>	<u>2,315,995,741</u>	<u>(2,275,368,013)</u>	<u>348,069,102</u>

(b) Defined contribution plans

	31 December 2020 (Restated)	Increase in the current year	Decrease in the current year	31 December 2021
Basic pensions	-	196,652,187	(196,647,387)	4,800
Unemployment insurance	-	4,804,446	(4,804,296)	150
Enterprise annuity contribution	3,087,318	123,889,703	(123,889,703)	3,087,318
	<u>3,087,318</u>	<u>325,346,336</u>	<u>(325,341,386)</u>	<u>3,092,268</u>

(c) The remuneration for internal retirement and the expenses for retirees that are expected to be paid within one year from the date of the balance sheet are listed as the internal retirement benefits payable and the defined benefit plan payable, respectively. Please refer to Note 4(35)(a) and (b) for details.

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

(26) Taxes payable

	31 December 2021	31 December 2020 (Restated)
Unpaid VAT	145,874,436	358,082,465
Enterprise income tax payable	91,420,743	180,605,179
Land VAT payable	80,216,700	-
Property tax payable	77,307,640	78,426
Individual income tax payable	29,777,458	24,712,909
Land use tax payable	21,588,871	-
City maintenance and construction tax payable	16,340,357	4,788,360
Educational surcharge payable	12,684,138	3,952,049
Pollution discharge fee payable and environmental protection tax payable	8,946,714	2,579,765
Water resource fee payable	3,837,196	4,690,504
Others	14,308,822	1,410,349
	<u>502,303,075</u>	<u>580,900,006</u>

(27) Other payables

	31 December 2021	31 December 2020 (Restated)
Construction and equipment expenses payable	7,210,562,333	6,370,252,994
Payables for equity acquisition (b)	2,501,436,910	-
Project warranty payable	228,942,252	286,507,782
Generator unit capacity payable (c)	219,849,057	830,188,680
Carbon emission allowances	103,819,285	38,901,591
State Oceanic Administration penalty payable	11,531,700	11,531,700
Dividends payable to non-tradable owners of the Company (d)	9,771,322	9,771,322
Penalty payable	8,604,039	7,855,013
Others	275,246,880	259,563,787
	<u>10,569,763,778</u>	<u>7,814,572,869</u>

- (a) As at 31 December 2021, other payables of RMB 2,564,331,490 (31 December 2020: RMB 2,645,582,922) aged over one year mainly represented (i) construction and equipment expenses payable and 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.

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

(27) Other payables (Cont'd)

- (b) In 2021, Company acquired 51% equity of Sha C Company, 90% equity of Yunhe Power and 51% equity of Yuehua Power in cash, with the transaction price of RMB 3,743,601,641. As at 31 December 2021, there were payables for equity acquisition of RMB 2,501,436,910 that had not been paid yet. Under the equity acquisition agreement, the remaining payment for equity acquisition will be paid in 2022.
- (c) As at 31 December 2021, 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 219,849,057 based on the capacity index of thermal power generator units.
- (d) 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 2021	31 December 2020 (Restated)
Principal		
Current portion of long-term borrowings (Note 4(30))	2,647,033,789	1,482,779,404
Current portion of long-term payables (Note 4(33))	-	262,936,379
Current portion of debentures payable (Note 4(31))	-	1,498,700,741
Current portion of lease liabilities (Note 4(32))	870,864,067	—
Sub-total	<u>3,517,897,856</u>	<u>3,244,416,524</u>
Interest		
Current portion of long-term borrowings	58,195,726	31,472,412
Current portion of long-term payables	-	566,666
Current portion of debentures payable	121,526,171	45,666,333
Sub-total	<u>179,721,897</u>	<u>77,705,411</u>
	<u>3,697,619,753</u>	<u>3,322,121,935</u>

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

(29) Other current liabilities

	31 December 2021	31 December 2020 (Restated)
Short-term debentures payable	1,007,871,233	3,216,900,546
Output VAT to be written off	650,577,773	623,030
	<u>1,658,449,006</u>	<u>3,217,523,576</u>

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

	Par value	Issuance date	Maturity period	Issuance amount	31 December 2020 (Restated)	Issued in the current year	Interest at face value	Amortisation of discounts or premium	Repayments for the year	31 December 2021
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	1,611,440,000	-	2,131,507	-	(1,613,571,507)	-
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	1,605,460,546	-	13,656,166	-	(1,619,116,712)	-
First batch of super short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2021	800,000,000	25/01/2021	178 days	800,000,000	-	800,000,000	10,338,630	-	(810,338,630)	-
Second batch of super short-term financing notes issued by Guangdong Electric Power Development Co., Ltd., 2021	<u>1,000,000,000</u>	23/08/2021	178 days	<u>1,000,000,000</u>	<u>-</u>	<u>1,000,000,000</u>	<u>7,871,233</u>	<u>-</u>	<u>-</u>	<u>1,007,871,233</u>
	<u>5,000,000,000</u>			<u>5,000,000,000</u>	<u>3,216,900,546</u>	<u>1,800,000,000</u>	<u>33,997,536</u>	<u>-</u>	<u>(4,043,026,849)</u>	<u>1,007,871,233</u>

In 2021, the interest rate of super-short term financing notes issued by the Company was from 1.80% to 2.21% (2020: 1.80% to 2.45%).

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

(30) Long-term borrowings

	31 December 2021	31 December 2020 (Restated)
Principal		
Pledged loan (a)	6,002,119,898	4,193,207,913
Guaranteed loan (b)	1,726,100,000	77,500,000
Credit loan	23,859,391,747	19,134,752,031
Sub-total	<u>31,587,611,645</u>	<u>23,405,459,944</u>
Interest		
Pledged loan	5,296,939	5,273,499
Guaranteed loan	5,916,028	429,160
Credit loan	46,982,759	25,769,753
Sub-total	<u>58,195,726</u>	<u>31,472,412</u>
	<u>31,645,807,371</u>	<u>23,436,932,356</u>
Less: Current portion of long-term borrowings (Note 4(28))		
Principal		
Pledged loan	(386,056,214)	(298,558,767)
Guaranteed loan	(126,400,000)	(1,400,000)
Credit loan	(2,134,577,575)	(1,182,820,637)
Sub-total	<u>(2,647,033,789)</u>	<u>(1,482,779,404)</u>
Interest		
Pledged loan	(5,296,939)	(5,273,499)
Guaranteed loan	(5,916,028)	(429,160)
Credit loan	(46,982,759)	(25,769,753)
Sub-total	<u>(58,195,726)</u>	<u>(31,472,412)</u>
	<u>(2,705,229,515)</u>	<u>(1,514,251,816)</u>
Total	<u>28,940,577,856</u>	<u>21,922,680,540</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 2021, the charge right for electricity was treated as pledge for long-term pledged loan for some subsidiaries:

(b) Guaranteed loan

As at 31 December 2021, the balance of the Group's subsidiary Xuwen Wind Power's long-term borrowings from Energy Group Finance Company was RMB 7,100,000, including current portion of long-term borrowings of RMB 1,400,000, which was secured by Zhanjiang Wind Power (2020: RMB 8,500,000, including current portion of long-term borrowings amounting to RMB 1,400,000). The annual interest rate of the loan is 4.26% (2020: 4.26%), and the maturity date is 28 November 2031.

As at 31 December 2021, 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 (2020: 69,000,000), which was guaranteed by Energy Group Finance Company. The annual interest rate of the loan is 3.26% (2020: 3.46%), and the maturity date is 7 May 2025.

As at 31 December 2021, the Group's subsidiary Tumxuk, obtained guaranteed borrowings of RMB 1,500,000,000 (31 December 2020: Nil) from Shanghai Pudong Development Bank Co., Ltd. Kashgar Branch, China Guangfa Bank Kashgar Branch and Bank of Urumqi Kashgar Branch, including current portion of long-term borrowings amounting to RMB 125,000,000 (guaranteed by the long-term borrowings guarantor, the Third Division of Xinjiang Production and Construction Corps), with the annual interest rate of 4.90% (2020: Nil) and the maturity date of 27 June 2032.

(c) As at 31 December 2021, the annual interest rate of long-term borrowings ranged from 0.80% to 4.90% (31 December 2020: 1.30% to 4.41%).

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

(31) Debentures payable

	31 December 2020 (Restated)	Issued in the current year	Amortisation of discounts or premium	Transferred to current portion of non-current liabilities	31 December 2021
21 Pinghai Bond 01 (a)	-	200,000,000	(78,516)	-	199,921,484
21 Pinghai Power MTN001 (b)	-	300,000,000	(787,122)	-	299,212,878
20 Yudean Bond 01 (c)	1,499,542,911	-	105,661	-	1,499,648,572
21 Yudean Bond 01 (d)	-	1,000,000,000	(75,472)	-	999,924,528
21 Yudean Bond 02 (e)	-	1,500,000,000	(144,340)	-	1,499,855,660
21 Yudean Bond 03 (f)	-	800,000,000	(364,780)	-	799,635,220
21 Yudean Faneng MTN001 (g)	-	1,200,000,000	(1,703,142)	-	1,198,296,858
21 Yudean Faneng MTN002 (h)	-	2,200,000,000	(3,411,778)	-	2,196,588,222
	<u>1,499,542,911</u>	<u>7,200,000,000</u>	<u>(6,459,489)</u>	-	<u>8,693,083,422</u>

- (a) As approved by CSRC Circular SFC License [2020] No. 1771, the Group's subsidiary Pinghai Power issued 2-year book-entry corporate debentures in real-name system with face value of RMB 200,000,000 ("21 Pinghai Bond 01") to the public on 4 June 2021. The Group altogether raised RMB 199,880,000 after deducting an issue expense of RMB 120,000. The loan is subject to an annual interest rate of 3.57% starting from 4 June 2021 and should be payable annually on simple interest. As at 31 December 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 3.60%.

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

(31) Debentures payable (Cont'd)

- (b) The Group's subsidiary Pinghai Power's application for registration of middle-term notes has been accepted by the National Association of Financial Market Institutional Investors at its 118th meeting in 2020. The registered amount of RMB 800,000,000 would be valid for 2 years starting from 23 November 2020. On 15 October 2021, Pinghai Power issued 3-year middle-term notes with face value of RMB 300,000,000 in the interbank market ("21 Pinghai Power MTN001"). The Group altogether raised RMB 299,100,000 after deducting an issue expense of RMB 900,000. The loan is subject to an annual interest rate of 3.72% starting from 15 October 2021 and should be payable annually on simple interest. As at 31 December 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 3.83%.
- (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 Yudean 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 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 2.46%.
- (d) As approved by CSRC Circular SFC License [2019] No. 2477, the Company issued 3-year book-entry corporate debentures in real-name system with face value of RMB 1,000,000,000 ("21 Yudean Bond 01") to the public on 27 January 2021. The Company altogether raised RMB 999,848,386 after deducting an issue expense of RMB 151,614. The loan is subject to an annual interest rate of 3.57% starting from 27 January 2021 and should be payable annually on simple interest. As at 31 December 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 3.58%.
- (e) 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 ("21 Yudean Bond 02") to the public on 28 April 2021. The Company altogether raised RMB 1,499,791,783 after deducting an issue expense of RMB 208,217. The loan is subject to an annual interest rate of 3.50% starting from 28 April 2021 and should be payable annually on simple interest. As at 31 December 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 3.50%.
- (f) As approved by CSRC Circular SFC License [2021] No. 3142, the Company issued 5-year book-entry corporate debentures in real-name system with face value of RMB 800,000,000 ("21 Yudean Bond 03") to the public on 24 November 2021. The Company altogether raised RMB 799,565,033 after deducting an issue expense of RMB 434,967. The loan is subject to an annual interest rate of 3.41% starting from 24 November 2021 and should be payable annually on simple interest. As at 31 December 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 3.42%.

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

(31) Debentures payable (Cont'd)

(g) The Company's application for registration of middle-term notes has been accepted by the National Association of Financial Market Institutional Investors at its 51st meeting in 2021. The registered amount of RMB 4,000,000,000 would be valid for 2 years starting from 29 June 2021. On 21 July 2021, the Company issued 3-year middle-term notes with face value of RMB 1,200,000,000 in the interbank market. The Company altogether raised RMB 1,197,948,000 after deducting an issue expense of RMB 2,052,000, which should be paid in three years. As at 31 December 2021, the issue expense of RMB 684,000 was paid. The loan is subject to an annual interest rate of 3.17% starting from 21 July 2021 and should be payable annually on simple interest. As at 31 December 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 3.23%.

(h) The Company's application for registration of middle-term notes has been accepted by the National Association of Financial Market Institutional Investors at its 51st meeting in 2021. The registered amount of RMB 4,000,000,000 would be valid for 2 years starting from 29 June 2021. On 17 November 2021, the Company issued 3-year middle-term notes with face value of RMB 2,200,000,000 in the interbank market. The Company altogether raised RMB 2,196,238,000 after deducting an issue expense of RMB 3,762,000, which should be paid in three years. As at 31 December 2021, the issue expense of RMB 684,000 was paid. The loan is subject to an annual interest rate of 3.13% starting from 21 July 2021 and should be payable annually on simple interest. As at 31 December 2021, debentures payable were measured at amortised cost using effective interest method, with the effective interest rate of 3.19%.

(32) Lease liabilities

	31 December 2021	31 December 2020
Lease liabilities	5,599,031,209	—
Less: Current portion of non-current liabilities (Note 4(28))	<u>(870,864,067)</u>	<u>—</u>
	<u>4,728,167,142</u>	<u>—</u>

(a) As at 31 December 2021, future cash outflows to which the Group was potentially exposed that were not included in the lease liabilities comprised the future minimum lease payments of short-term leases and low-value asset leases adopting the practical expedient according to the new lease standard of RMB 3,339,680 and RMB 102,983 respectively, which should be paid within one year.

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

(33) Long-term payables

(a) Long-term payables

	31 December 2021	31 December 2020 (Restated)
Payables for desulphurisation project (i)	96,819,223	-
Finance lease payable (ii)	—	3,414,107,685
Payables for share repurchase	-	90,000,000
Others	24,960,000	24,960,000
Less: Current portion of long-term payables	-	(262,936,379)
	<u>121,779,223</u>	<u>3,266,131,306</u>

(i) The payables represent the amounts payable by Tumxuk to Beijing SPC Environment Protection Tech Co., Ltd. for the desulphurisation project, which are expected to be repaid starting from 2028 and will be fully repaid by 2032.

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

<u>Minimum finance lease payments</u>	31 December 2021	31 December 2020 (Restated)
Within 1 year (inclusive)	—	291,301,448
1 to 2 years (inclusive)	—	637,145,043
2 to 3 years (inclusive)	—	611,312,052
Over 3 years	—	2,783,275,275
Sub-total	<u>—</u>	<u>4,323,033,818</u>
Less: Unrecognised finance charge	—	(908,926,133)
	<u>—</u>	<u>3,414,107,685</u>

(34) Deferred income

	31 December 2020 (Restated)	Increase in the current year	Decrease in the current year	31 December 2021
Government grants (a)	<u>171,652,762</u>	<u>19,853,335</u>	<u>(27,894,582)</u>	<u>163,611,515</u>

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

(34) Deferred income (Cont'd)

(a) Government grants

	31 December 2020 (Restated)	Increase in the current year	Recognised in other income in the current year	31 December 2021	Asset related/ Income related
Government grants					
Compensation for relocation and renovation of Shajiao A Zhenkou pump house	16,684,075	-	(5,561,358)	11,122,717	Asset related
Special funds for 1-3# generators' desulfurisation project	16,410,766	-	(1,303,568)	15,107,198	Asset related
Special financial funds for energy conservation	13,790,787	-	(1,383,567)	12,407,220	Asset related
Tax refund for PRC-made equipment	10,332,936	-	(2,296,208)	8,036,728	Asset related
Environmental grants for SCR denitration project	9,324,143	-	(1,764,615)	7,559,528	Asset related
Provincial special funds for enterprises' technology improvement	8,674,936	2,030,000	(2,997,831)	7,707,105	Asset related
Comprehensive technology upgrading for the energy saving of 1&2# generator units turbine by Zhongyue Energy	7,692,307	-	(769,230)	6,923,077	Asset related
Second incentives for comprehensive and typical demonstration projects under financial policies of energy saving	6,750,000	-	(450,000)	6,300,000	Asset related
Development and competitiveness funds from SASAC	6,666,666	-	(666,666)	6,000,000	Asset related
Post rewarding subsidies for ultra-low emissions of 1&2# generators	5,645,957	-	(633,191)	5,012,766	Asset related
Grants for energy saving and consumption reduction of 6# generator flow reconstruction	5,176,911	-	(478,188)	4,698,723	Asset related
Grants for comprehensive technical transformation project for generator transformation and upgrading	4,726,801	-	(526,385)	4,200,416	Asset related
Special treasury bond-based government grants for desulfurisation projects	-	12,133,335	(54,166)	12,079,169	Asset related
Others	59,776,477	5,690,000	(9,009,609)	56,456,868	Asset related
	171,652,762	19,853,335	(27,894,582)	163,611,515	

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

(35) Long-term employee benefits payable

	31 December 2021	31 December 2020 (Restated)
Early retirement benefits payable (a)	343,077,437	217,030,425
Defined benefit plans payable (b)	100,097,967	55,569,446
Other long-term employee benefits payable (c)	55,536,676	63,920,439
Less: Payable within one year	<u>(83,231,818)</u>	<u>(57,883,008)</u>
	<u>415,480,262</u>	<u>278,637,302</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 2021, 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 3.57% (2020: 3.97%) of the same period. As at 31 December 2021, the Group accrued termination benefits of RMB 343,077,437 (31 December 2020: RMB 217,030,425) and recognised them in long-term employee benefits payable. The actual termination benefits due within one year totalling RMB 62,450,865 (31 December 2020: RMB 40,365,508) 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 2021, 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 3.57% of the same period. As at 31 December 2021, the Group accrued defined benefit plans of RMB 100,097,967 and recognised them in long-term employee benefits payable (31 December 2020: RMB 55,569,446). The actual defined benefit plans due within one year totalling RMB 8,400,995 are recognised in employee benefits payable (31 December 2020: RMB 9,302,574).

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

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

(b) (Cont'd)

Movements in net liability of defined benefit plans:

	2021	2020
Balance at 31 December 2020 (restated)	55,569,446	-
Cost of the defined benefit plan included in profit or loss for the current period		
- Service costs for the current period	-	58,459,711
Cost of the defined benefit plan included in other comprehensive income		
- Actuarial loss	53,499,650	-
Other changes		
- Benefits paid	(8,971,129)	(2,890,265)
Balance at 31 December 2021	<u>100,097,967</u>	<u>55,569,446</u>

As at 31 December 2021 and 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 2021	31 December 2020
Discount rates	3.57%	3.97%
Growth rates on military transfer subsidies	2% to 12%	2% to 12%
Estimated average lives	75	73

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 Group's net liabilities of the defined benefit plan would increase by RMB 3,796,456.

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.

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

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

(c) According to relevant regulations on social medical insurance in places where the subsidiaries of the Company and the Group locate, if individual employees participating basic medical insurance for urban residents are under their statutory ages of retirement, but their estimated contribution years fail to meet the local standards, the Group needs to make continuous contribution for the employees till the standards are met even after their retirement. The expected present values of cash flows that shall be paid for medical insurance after the retirement of employees till prescribed terms are recognised as long-term employee benefits payable and recorded in profit or loss for the current period. As at 31 December 2021, 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 3.57% (2020: 3.97%) as discount rate. As at 31 December 2021, the Group accrued other long-term employee benefits payable of RMB 55,536,676 (31 December 2020: RMB 63,920,439), with actual payment of other long-term employee benefits payable due within one year of RMB 12,379,958 (31 December 2020: RMB 8,214,926) recognised in employee benefits payable.

(d) Long-term employee benefits payable included in profit or loss for the current period in 2021 and 2020 were as follows:

	2021	2020 (Restated)
General and administrative expenses	<u>188,816,127</u>	<u>182,201,690</u>

(36) Other non-current liabilities

	31 December 2021	31 December 2020 (Restated)
Capital injection (a)	74,499,700	200,000,000
Housing working fund	<u>970,029</u>	<u>970,029</u>
	<u>75,469,729</u>	<u>200,970,029</u>

(a) 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 2021, Yangjiang Wind Power had completed the registration for changes of business license, therefore, the capital increase previously recognised in other non-current liabilities was converted to paid-in capital in the current year. As Qujie Wind Power's registration for changes of business license had not been completed, the capital increase was recognised in other non-current liabilities.

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 2021, the equity share corresponding to the capital injection amounting to RMB 25,500,300 completed the registration for changes of business license, and the equity share corresponding to the balance of RMB 24,499,700 had not completed the registration for changes of business license as at 31 December 2021, so it was recognised in other non-current liabilities.

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

(38) Capital surplus

	31 December 2020 (Restated)	Increase in the current year	Decrease in the current year	31 December 2021
Capital premium (a)	7,734,477,748	19,435,795	(3,743,601,641)	4,010,311,902
Revaluation reserve	119,593,718	-	-	119,593,718
Investment from GEGC	395,000,000	-	-	395,000,000
Share of interests in the investee in proportion to the shareholding (b)	(179,682,776)	5,383,623	-	(174,299,153)
Transfer of capital surplus recognised under the previous accounting system	20,474,592	-	-	20,474,592
Others	(75,652,004)	-	-	(75,652,004)
	<u>8,014,211,278</u>	<u>24,819,418</u>	<u>(3,743,601,641)</u>	<u>4,295,429,055</u>
	1 January 2020 (Restated)	Increase in the current year	Decrease in the current year	31 December 2020 (Restated)
Capital premium (a)	7,720,603,730	13,874,018	-	7,734,477,748
Revaluation reserve	119,593,718	-	-	119,593,718
Investment from GEGC	395,000,000	-	-	395,000,000
Share of interests in the investee in proportion to the shareholding (b)	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	(75,652,004)	-	-	(75,652,004)
	<u>8,194,991,520</u>	<u>13,874,018</u>	<u>(194,654,260)</u>	<u>8,014,211,278</u>

(a) The amounts of share capital premium as at 1 January 2020 and for the year ended 31 December 2020 have been restated as a result of business combinations involving enterprises under common control. The cash consideration for business combination under the same control this year was RMB 3,743,601,641 to offset the share premium (Note 5(3)(b)).

(b) In 2021, capital surplus of associates calculated based on proportion of equity acquired increased by RMB 5,383,623 (Note 4(9)(b)).

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

(39) Other comprehensive income

	Other comprehensive income in the balance sheet				Other comprehensive income in the income statement for the year ended 31 December 2021				
	31 December 2020 (Restated)	Attributable to the parent company after tax	Transfer of other comprehensive income to retained earnings	31 December 2021	Amount incurred before tax	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
Other comprehensive income that will not be reclassified to profit or loss									
Share of other comprehensive income of the investee accounted for using equity method that will not be reclassified to profit or loss	53,589,732	15,609,735	-	69,199,467	15,609,735	-	15,609,735	-	
Changes in fair value of investments in other equity instruments	1,903,766,633	(184,768,848)	(375,652)	1,718,622,133	(246,358,463)	61,589,615	(184,768,848)	-	
Changes arising from remeasurement of defined benefit plans		(37,296,993)	-	(37,296,993)	(53,499,650)	-	(37,296,993)	(16,202,657)	
Other comprehensive income that will be reclassified to profit or loss									
Share of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss	(180,884)	(332,152)	-	(513,036)	(332,152)	-	(332,152)	-	
	<u>1,957,175,481</u>	<u>(206,788,258)</u>	<u>(375,652)</u>	<u>1,750,011,571</u>	<u>(284,580,530)</u>	<u>61,589,615</u>	<u>(206,788,258)</u>	<u>(16,202,657)</u>	
					Other comprehensive income in the income statement for the year ended 31 December 2020 (Restated)				
	1 January 2020 (Restated)	Attributable to the parent company after tax		31 December 2020 (Restated)	Amount incurred before tax	Less: Income tax expenses	Attributable to the parent company after tax	Attributable to minority shareholders after tax	
Other comprehensive income that will not be reclassified to profit or loss									
Share of other comprehensive income of the investee accounted for using equity method that will not be reclassified to profit or loss	23,863,586	29,726,146		53,589,732	29,726,146	-	29,726,146	-	
Changes in fair value of investments in other equity instruments	1,651,781,571	251,985,062		1,903,766,633	335,980,082	(83,995,020)	251,985,062	-	
Changes arising from remeasurement of defined benefit plans									
Other comprehensive income that will be reclassified to profit or loss	<u>220,468</u>	<u>(401,352)</u>		<u>(180,884)</u>	<u>(401,352)</u>	<u>-</u>	<u>(401,352)</u>	<u>-</u>	
Share of other comprehensive income of the investee accounted for using equity method that will be reclassified to profit or loss	<u>1,675,865,625</u>	<u>281,309,856</u>		<u>1,957,175,481</u>	<u>365,304,876</u>	<u>(83,995,020)</u>	<u>281,309,856</u>	<u>-</u>	

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

(40) Surplus reserve

	31 December 2020 (Restated)	Increase in the current year	Decrease in the current year	31 December 2021
Statutory surplus reserve	2,905,992,585	110,901,285	-	3,016,893,870
Discretionary surplus reserve	5,609,368,053	277,253,212	-	5,886,621,265
	<u>8,515,360,638</u>	<u>388,154,497</u>	<u>-</u>	<u>8,903,515,135</u>
	31 December 2019	Increase in the current year	Decrease in the current year	31 December 2020 (Restated)
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>

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 accumulates 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 2021, the Company appropriated 10% of net profit for 2020, amounting to RMB 110,901,285 (2020: 10% of net profit for 2019, amounting to RMB 77,026,584) to the statutory surplus reserve. Meanwhile, the Company appropriated 25% of net profit for 2020, amounting to RMB 277,253,212 (2020: 25% of net profit for 2019, amounting to RMB 192,566,461) to the discretionary surplus reserve.

(41) Undistributed profits

	2021	2020 (Restated)
Undistributed profits at the beginning of the year (before adjustment)	8,083,048,238	5,909,128,280
Adjustments (a)	-	1,050,513,006
Undistributed profits at the beginning of the year (After adjustment)	8,083,048,238	6,959,641,286
Add: Net profit attributable to equity owners of the Company	(3,147,754,234)	2,053,909,956
Less: Appropriation to statutory surplus reserve (Note 4(40))	(110,901,285)	(77,026,584)
Appropriation to discretionary surplus reserve (Note 4(40))	(277,253,212)	(192,566,461)
Dividends payable on ordinary shares (b)	(630,034,078)	(630,034,078)
Allocated to GEGC (c)	(930,283,398)	(30,875,881)
Others	(981,973)	-
Undistributed profits at the end of the year (d)	<u>2,985,840,058</u>	<u>8,083,048,238</u>

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

(41) Undistributed profits (Cont'd)

- (a) Undistributed profits at the beginning of 2020 were adjusted by RMB 1,050,513,006 due to business combinations involving enterprises under common control (Note 5(3))
- (b) In accordance with the resolution at the shareholders' meeting dated 20 May 2021, 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.
- (c) As the business combination under common control was completed in the current year, the dividends allocated by the purchased subsidiary to GEGC in 2020 and 2021 were deemed to have been distributed by the Company to GEGC while preparing the consolidated financial statements.
- (d) Undistributed profits at the end of the year

The surplus reserve attributable to the parent company appropriated by subsidiaries of the Company this year was RMB 72,643,464 (2020: RMB 212,059,261).

As at 31 December 2021, the undistributed profits attributable to the parent company included an appropriation of RMB 3,408,046,692 (31 December 2020: RMB 3,335,403,228) to surplus reserve made by the Company's subsidiaries.

(42) Revenue and cost of sale

	2021	2020 (Restated)
Revenue from main operations	43,574,329,958	33,115,496,875
Revenue from other operations	592,893,929	487,398,990
	<u>44,167,223,887</u>	<u>33,602,895,865</u>
	2021	2020 (Restated)
Cost of sale from main operations	46,785,405,079	26,604,918,768
Cost of sale from other operations	29,395,603	39,963,834
	<u>46,814,800,682</u>	<u>26,644,882,602</u>

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

(42) Revenue and cost of sale (Cont'd)

(a) Revenue and cost of sale from main operations

	2021		2020 (Restated)	
	Revenue from main operations	Cost of sale from main operations	Revenue from main operations	Cost of sale from main operations
Revenue from sale of electricity	43,278,023,920	46,541,774,902	32,810,398,651	26,378,492,790
Revenue from steam	167,971,843	137,147,673	138,114,070	88,112,939
Rendering of services	128,334,195	106,482,504	166,984,154	138,313,039
	<u>43,574,329,958</u>	<u>46,785,405,079</u>	<u>33,115,496,875</u>	<u>26,604,918,768</u>

(b) Revenue and cost of sale from other operations

	2021		2020 (Restated)	
	Revenue from other operations	Cost of sale from other operations	Revenue from other operations	Cost of sale from other operations
Revenue from integrated utilisation of coal ash	495,095,811	7,603,191	380,944,621	5,312,072
Rental income	48,557,619	14,560,409	44,103,472	14,416,439
Others	49,240,499	7,232,003	62,350,897	20,235,323
	<u>592,893,929</u>	<u>29,395,603</u>	<u>487,398,990</u>	<u>39,963,834</u>

(i) Due to the impact of COVID-19, the Group exempted the lessee from paying the rent of RMB 611,459 for 2021, and the Group has deducted the above rental waivers against the rental income for the current period (2020: RMB 612,511).

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

(42) Revenue and cost of sale (Cont'd)

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

	2021				
	Sale of electricity, steam and coal ash	Services	Rent	Others	Total
Revenue from main operations					
Including: Recognised at a point in time	43,445,995,763	3,099,971	-	-	43,449,095,734
Recognised over a period of time	-	125,234,224	-	-	125,234,224
Revenue from other operations					
Including: Recognised at a point in time	495,095,811	-	-	46,929,178	542,024,989
Recognised over a period of time	-	-	-	2,311,321	2,311,321
Rental income	-	-	48,557,619	-	48,557,619
	<u>43,941,091,574</u>	<u>128,334,195</u>	<u>48,557,619</u>	<u>49,240,499</u>	<u>44,167,223,887</u>
	2020 (Restated)				
	Sale of electricity, steam and coal ash	Services	Rent	Others	Total
Revenue from main operations					
Including: Recognised at a point in time	32,948,512,721	2,513,942	-	-	32,951,026,663
Recognised over a period of time	-	164,470,212	-	-	164,470,212
Revenue from other operations					
Including: Recognised at a point in time	380,944,621	-	-	46,210,540	427,155,161
Recognised over a period of time	-	-	-	16,140,357	16,140,357
Rental income	-	-	44,103,472	-	44,103,472
	<u>33,329,457,342</u>	<u>166,984,154</u>	<u>44,103,472</u>	<u>62,350,897</u>	<u>33,602,895,865</u>

As at 31 December 2021, the amount of revenue corresponding to the performance obligation of the Company that has been contracted but not yet performed or not fulfilled was RMB 156,344,108, of which, RMB 78,657,513 was expected to be recognised in 2022.

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

(43) Taxes and surcharges

	2021	2020 (Restated)	Tax base
Property tax	96,327,360	100,842,584	Note 3
City maintenance and construction tax	62,927,128	74,668,696	Note 3
Educational surcharge	49,811,245	58,614,386	Note 3
Stamp tax	36,790,843	23,929,618	
Land use tax	26,564,472	31,260,674	
Environmental protection tax	21,251,165	16,000,214	Note 3
Others	307,863	397,608	
	<u>293,980,076</u>	<u>305,713,780</u>	

(44) Selling expenses

	2021	2020 (Restated)
Employee benefits	41,365,789	38,913,145
Labour insurance	8,106,497	4,525,639
Depreciation expenses	3,484,959	749,453
Entertainment expenses	2,921,288	2,976,858
Travelling expense	1,431,025	1,230,016
Others	8,097,482	10,510,829
	<u>65,407,040</u>	<u>58,905,940</u>

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

(45) General and administrative expenses

	2021	2020 (Restated)
Employee benefits	576,664,439	536,860,998
Labour insurance	93,526,218	55,599,905
Depreciation expenses	75,702,685	61,396,359
Amortisation of intangible assets	71,354,033	68,960,533
Fire safety expenses	43,910,145	51,511,199
Agency fee	41,705,254	33,745,096
Property management expenses	38,807,702	39,876,110
Office expenses	30,729,609	30,232,545
Afforestation fee	11,640,359	11,477,775
Labour costs	10,690,272	7,024,436
Traffic expenses	9,687,185	9,766,115
Rental expenses	9,419,598	16,585,150
Travelling expense	7,928,361	6,155,135
Maintenance cost	7,593,392	11,122,501
Entertainment expenses	5,888,643	5,163,230
Insurance expenses	5,281,139	4,737,667
Others	60,594,253	69,006,429
	<u>1,101,123,287</u>	<u>1,019,221,183</u>

(46) Research and development expenses

	2021	2020 (Restated)
Material expenses	332,438,285	141,597,462
Employee benefits	176,230,301	145,944,187
Depreciation and amortisation expenses	37,360,302	13,704,045
Outsourced research and development expenses	26,650,129	16,354,380
Others	12,035,962	7,322,990
	<u>584,714,979</u>	<u>324,923,064</u>

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

(47) Financial expenses

	2021	2020 (Restated)
Interest costs	1,652,673,654	1,571,131,677
Add: Interest costs on lease liabilities	182,484,109	—
Less: Amounts capitalised on qualifying assets	<u>(335,159,980)</u>	<u>(290,622,613)</u>
Subtotal of interest expenses	1,499,997,783	1,280,509,064
Amortisation of unrecognised finance charge	-	78,469,584
Amortisation of discounts or premium of debentures payable	2,202,952	2,146,686
Less: Interest income	(133,800,923)	(133,361,021)
Exchange (gains)/losses - net	(1,001,673)	8,915,164
Bank charges and others	3,967,806	4,313,443
	<u>1,371,365,945</u>	<u>1,240,992,920</u>

(48) Expenses by nature

The cost of sale, selling expenses, general and administrative expenses and research and development expenses in the income statement are listed as follows by nature:

	2021	2020 (Restated)
Consumed fuel, low value consumables, etc.	39,049,240,468	19,493,837,449
Depreciation and amortisation expenses	4,117,983,744	3,932,774,644
Employee benefits	2,718,887,082	2,410,664,787
Depreciation on right of use asset	179,638,516	—
Repair charges	1,252,557,733	1,130,964,309
Transaction costs	165,684,575	122,092,933
Insurance expenses	147,982,370	141,768,708
Utility fees	88,367,556	48,548,917
Management fees for frequency modulation and energy storage	82,235,157	34,652,460
Fire safety expenses	55,247,715	62,221,721
Outsourcing fees for maintenance projects	51,215,122	81,469,112
Sewage and sanitary charges	44,062,837	44,590,992
Property management expenses	39,830,708	40,375,624
Tug service fees	35,804,563	25,174,339
Traffic expenses	34,093,659	31,264,761
Rental expenses	17,146,349	26,605,972
Office expenses	16,907,998	15,837,622
Others	469,159,836	405,088,439
	<u>48,566,045,988</u>	<u>28,047,932,789</u>

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

(48) Expenses by nature (Cont'd)

- (i) The Group directly recognise the daily maintenance and repair expenses of fixed assets that do not meet the criteria of capitalisation as the cost of sale, and included the costs related to the research and development department, the administrative department and the sale department in research and development expenses, general and administrative expenses and selling expenses, respectively.
- (ii) As disclosed in Note 2(25), the Group directly recognises the lease payments of short-term leases and low value leases in profit or loss. In 2021, the amount was RMB 17,146,349.

(49) Asset impairment losses

	2021	2020 (Restated)
Impairment losses on fixed assets (Note 4(12)(a)(vi))	29,321,084	398,880,127
Impairment losses on contract assets	9,377	12,512
Impairment losses on construction in progress (Note 4(13)(a)(iii))	-	87,243,667
Losses on decline in the value of inventories	-	16,093,640
Reversal of impairment of advances to suppliers (Note 4(3)(b))	-	(249,805)
	<u>29,330,461</u>	<u>501,980,141</u>

(50) Credit impairment loss/(reversal)

	2021	2020 (Restated)
Losses on bad debts of other receivables (Note 4(4)(b))	21,796,665	760,848
Reversal of bad debts of accounts receivables (Note 4(2)(c))	(28,808)	(788,675)
	<u>21,767,857</u>	<u>(27,827)</u>

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

(51) Other income

	2021	2020 (Restated)	Asset related/ Income related
Revenue from VAT refund upon collection	28,991,960	15,157,053	Income related
Enterprise economic contribution rewards for Nansha headquarters	9,049,900	-	Income related
Compensation for relocation and renovation of Shajiao A Zhenkou pump house	5,561,358	5,561,358	Asset related
Provincial special funds for enterprises' technology improvement	2,997,831	-	Asset related
Tax refund for PRC-made equipment	2,296,208	2,296,208	Asset related
Subsidies for employment stabilisation provided by unemployment insurance	2,058,912	4,613,679	Income related
Environmental grants for SCR denitration project	1,764,615	1,764,615	Asset related
Incentives for energy efficiency of power plant by Dongguan	1,647,687	1,647,687	Asset related
Other government grants related to assets	13,626,883	13,172,293	Asset related
Other government grants related to income	4,658,163	11,508,857	Income related
	<u>72,653,517</u>	<u>55,721,750</u>	

(52) Investment income

	2021	2020 (Restated)
Investment income from long-term equity investments under equity method	741,825,985	289,336,338
Dividend income earned during the holding period of investments in other equity instruments (Note 4(10))	87,731,408	65,160,836
Others	4,446,948	361,286
	<u>834,004,341</u>	<u>354,858,460</u>

There was no significant restriction on remittance of investment income of the Group.

(53) Gains on disposals of assets

	2021	2020 (Restated)	Amount recognised in non-recurring profit or loss in 2021
Gains on disposals of other current assets	12,814,168	340,936,718	12,814,168
Gains on disposals of intangible assets	84,060,264	157,963	84,060,264
Gains/(losses) on disposals of fixed assets	90,856,371	(143,644)	90,856,371
Losses on disposals of construction in progress	(3,141,778)	-	(3,141,778)
	<u>184,589,025</u>	<u>340,951,037</u>	<u>184,589,025</u>

In 2021, the Group's gains on disposals of assets were mainly generated from the disposals of terminal assets by Bohe Energy (Note 4(13)(a)(i)) and the disposals of land use rights by some subsidiaries.

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

(54) Non-operating income

	2021	2020 (Restated)	Amount recognised in non-recurring profit or loss in 2021
Claims and compensation income	6,505,940	7,055,408	6,505,940
Gains on scrapping of non-current assets	95,182,637	41,773,417	95,182,637
Compensation for electricity charges during the demolition and construction period	18,040,851	11,315,659	18,040,851
Income from penalties and fines	8,005,031	6,287,786	8,005,031
Negative goodwill gains from business combination involving enterprises not under common control	-	1,235,720	-
Negative goodwill gains from associates	-	8,549,071	-
Others	11,358,416	28,345,397	11,358,416
	<u>139,092,875</u>	<u>104,562,458</u>	<u>139,092,875</u>

(55) Non-operating expenses

	2021	2020 (Restated)	Amount recognised in non-recurring profit or loss in 2021
Carbon emission quota used to fulfil the emission reduction obligation (a)	135,013,051	60,360,191	-
Losses on scrapping of non-current assets	25,804,195	24,622,721	25,804,195
Penalties and overdue fines	5,859,197	5,387,634	5,859,197
Losses on scrapping of waste materials	1,750,259	22,555,949	1,750,259
Others	3,032,029	2,047,760	3,032,029
	<u>171,458,731</u>	<u>114,974,255</u>	<u>36,445,680</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 2021 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)

(56) Income tax expenses

	2021	2020 (Restated)
Current income tax calculated based on tax law and related regulations	144,706,929	1,010,188,783
Deferred income tax	<u>(728,397,074)</u>	<u>37,560,547</u>
	<u>(583,690,145)</u>	<u>1,047,749,330</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:

	2021	2020 (Restated)
Total (loss)/profit	<u>(5,056,385,413)</u>	<u>4,247,423,512</u>
Income tax calculated at applicable tax rates	(1,264,096,353)	1,061,855,878
Effect of preferential tax rates of subsidiaries	(72,481,567)	(55,527,648)
Effect of change in the tax rates	4,530,204	-
Income not subject to tax	(210,513,261)	(88,971,108)
Costs, expenses and losses not deductible for tax purposes	53,274,007	48,634,979
Deductible losses for which no deferred tax asset was recognised	894,027,860	124,560,996
Transfer-out of deductible losses for which deferred tax asset was recognised	12,702,380	31,862,492
Deductible temporary differences for which no deferred tax asset was recognised	36,259,625	70,114,810
Utilisation of previously unrecognised deductible losses	(9,829,508)	(13,142,124)
Utilisation of previously unrecognised deductible temporary differences	(12,792,715)	(134,299,614)
Others	(14,770,817)	2,660,669
Income tax expenses	<u>(583,690,145)</u>	<u>1,047,749,330</u>

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

(57) Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing consolidated net profit attributable to ordinary shareholders of the parent company by the weighted average number of ordinary shares outstanding:

	2021	2020 (Restated)
Consolidated net (loss)/profit attributable to ordinary shareholders of the parent company	(3,147,754,234)	2,053,909,956
Weighted average number of outstanding ordinary shares of the Company	<u>5,250,283,986</u>	<u>5,250,283,986</u>
Basic earnings per share	<u>(0.60)</u>	<u>0.39</u>
Including:		
- Basic earnings per share from continuing operations:	(0.60)	0.39
- 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 2021, there were no dilutive potential ordinary shares (2020: 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)

(58) Notes to the cash flow statement

(a) Cash received relating to other operating activities

	2021	2020 (Restated)
Interest income	139,255,889	131,620,617
Rental income	48,557,619	44,103,472
Government grants	23,486,977	31,076,682
Claims and compensation income	14,510,971	11,998,940
Others	46,880,126	31,187,474
	<u>272,691,582</u>	<u>249,987,185</u>

(b) Cash paid relating to other operating activities

	2021	2020 (Restated)
Insurance expenses	153,146,648	176,913,371
Utility fees	92,086,938	48,548,917
Carbon emission quota	70,390,672	25,205,993
Fire safety expenses	55,247,715	60,765,361
Sewage and sanitary charges	44,087,589	46,217,879
Property management expenses	43,911,232	39,876,110
Agency fee	41,705,254	32,380,217
Research and development expenses	38,686,091	21,450,578
Office expenses	35,524,383	32,992,404
Traffic expenses	34,651,955	30,533,858
Travelling expenses	17,201,473	11,652,957
Rental expenses	17,146,349	26,605,972
Administrative penalties and overdue fines	5,859,197	21,446,366
Expenses relating to supply of water, power and heat and property management	-	31,001,152
Others	261,168,637	243,150,955
	<u>910,814,133</u>	<u>848,742,090</u>

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

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

(c) Cash received relating to other investing activities

	2021	2020 (Restated)
Net income from trial operation	162,478,679	18,734,619
Advances from compensations for demolition	-	15,000,000
	<u>162,478,679</u>	<u>33,734,619</u>

(d) Cash paid relating to other investing activities

	2021	2020 (Restated)
Advances for business units	188,784,979	-
Deposits for ecological protection	30,583	10,043,160
Deposits prepaid for equity acquisition	-	80,000,000
Net expense on trial operation	-	53,844,513
Deposits for rehabilitation	-	7,090,400
	<u>188,815,562</u>	<u>150,978,073</u>

(e) Cash paid relating to other financing activities

	2021	2020 (Restated)
Consideration paid for business combinations involving enterprises under common control (i)	1,242,164,731	-
Repayments of lease liabilities	300,181,939	—
Agency fee for debenture issuance	150,906	3,376,906
Cash paid for finance leases	-	200,941,620
	<u>1,542,497,576</u>	<u>204,318,526</u>

In 2021, total cash outflows for leases paid by the Group amounted to RMB 317,328,288, except for the repayments of lease liabilities classified as cash paid relating to financing activities, the remaining was classified as cash paid relating to operating activities.

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

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

(e) Cash paid relating to other financing activities (Cont'd)

(i) Subsidiaries acquired from business combinations involving enterprises under common control

2021

Cash and cash equivalents paid in the current year for
business combinations incurred in the current year

Including: Sha C Company	658,475,586
Yunhe Power	354,276,477
Yuehua Power	229,412,668
Net cash paid to acquire the subsidiary	<u>1,242,164,731</u>

Considerations for acquisition of subsidiaries in 2021

Sha C Company	1,934,041,438
Yunhe Power	1,139,513,152
Yuehua Power	670,047,051
	<u>3,743,601,641</u>

Net assets of subsidiaries acquired in 2021 at the acquisition date

	Sha C Company	Yunhe Power	Yuehua Power
Current assets	3,506,977,846	574,880,620	709,151,957
Non-current assets	3,677,033,014	1,493,654,787	2,849,206,154
Current liabilities	(2,635,470,885)	(856,838,128)	(757,297,111)
Non-current liabilities	(1,451,075,088)	(10,208,620)	(1,738,748,674)
	<u>3,097,464,887</u>	<u>1,201,488,659</u>	<u>1,062,312,326</u>

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

(59) 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

	2021	2020 (Restated)
Net (loss)/profit	(4,472,695,268)	3,199,674,182
Add: Losses on provision for asset impairment	29,330,461	501,980,141
Provision for credit impairment loss	21,767,857	(27,827)
Depreciation of right-of-use assets	179,638,516	—
Depreciation of fixed assets	4,027,290,490	3,853,119,217
Depreciation of investment properties	9,980,869	5,752,279
Amortisation of intangible assets	75,995,559	69,971,469
Amortisation of long-term prepaid expenses	4,716,826	3,931,679
Amortisation of deferred income	(27,894,582)	(23,457,161)
Gains on disposals of fixed assets, intangible assets and other long-term assets	(184,589,025)	(340,951,037)
(Gains)/Losses on scrapping of non-current assets	(69,378,442)	(17,150,696)
Financial expenses	1,501,349,968	1,368,397,560
Investment income	(834,004,341)	(354,858,460)
(Increase)/Decrease in deferred income taxes	(728,397,074)	37,560,547
(Increase)/Decrease in inventories	(1,283,963,976)	407,267,712
Increase in operating receivables	(1,558,636,449)	(1,361,129,581)
Increase in operating payables	3,278,492,670	418,911,293
Decrease in restricted cash	(9,308,070)	(14,192,681)
Net cash flows (used in)/from operating activities	<u>(40,304,011)</u>	<u>7,754,798,636</u>

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

(59) 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

	2021	2020 (Restated)
Right-of-use assets increased in the current period	2,042,941,963	—
Inventory procurement payment made by acceptance notes	1,680,000,000	1,051,992,546
Equity investments increased in the current period	245,776,161	-
Project payment made by acceptance notes	228,780,000	40,300,000
Long-term assets held under finance lease	-	1,124,236,124
	<u>4,197,498,124</u>	<u>2,216,528,670</u>

Net increase/(decrease) in cash and cash equivalents

	2021	2020 (Restated)
Cash at the end of the year	8,023,116,939	9,405,082,609
Less: Cash at the beginning of the year	<u>(9,405,082,609)</u>	<u>(8,346,872,084)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,381,965,670)</u>	<u>1,058,210,525</u>

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

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

(b) Acquisition of the subsidiaries

(i) Subsidiaries acquired from business combinations involving enterprises not under common control

	2021	2020
Cash and cash equivalents paid in the current year for business combinations incurred in the current year	941,858,100	49,680,900
Including: Nanhua New Energy (Note 1)	-	-
Datang New Energy (Note 1)	141,858,100	-
Tumxuk	800,000,000	-
Huaguoquan Company	-	49,680,900
Less: Cash and cash equivalents held by subsidiaries at the acquisition date	(865,283,946)	(8,800,684)
Including: Nanhua New Energy	(61,762)	-
Datang New Energy	(20,018,966)	-
Tumxuk	(845,203,218)	-
Huaguoquan Company	-	(8,800,684)
Net cash paid to acquire the subsidiaries	76,574,154	40,880,216

Note 1 In 2020, Guangdong Wind Power, a subsidiary of the Group, entered into an equity transfer agreement with Guangdong Guangye Investment Group Co., Ltd. ("Guangye Investment") to acquire 51% equity in Nanhua New Energy and 51% equity in Datang New Energy held by Guangye Investment for a consideration of RMB 93,381,000 and RMB 161,858,100 respectively, of which Guangdong Wind Power has paid in full the purchase price of RMB 93,381,000 for the equity in Nanhua New Energy and part of the purchase price of RMB 20,000,000 for the equity in Datang New Energy during the year. In 2020, this portion of the equity acquisition was included in cash paid for investments.

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

- (59) Supplementary information to the cash flow statement (Cont'd)
- (b) Acquisition of the subsidiaries (Cont'd)
- (i) Subsidiaries acquired from business combinations involving enterprises not under common control (Cont'd)

Considerations for acquisition of subsidiaries in 2021

Nanhua New Energy	93,381,000
Datang New Energy	161,858,100
Tumxuk	800,000,000
	<u>1,055,239,100</u>

Net assets of subsidiaries acquired in 2021 at the acquisition date

	Nanhua New Energy	Datang New Energy	Tumxuk
Current assets	31,144,274	72,878,225	1,089,368,167
Non-current assets	437,935,585	388,676,246	2,145,324,482
Current liabilities	(51,957,363)	(30,648,956)	(754,355,828)
Non-current liabilities	<u>(246,098,958)</u>	<u>(162,988,627)</u>	<u>(1,624,132,331)</u>
	<u>171,023,538</u>	<u>267,916,888</u>	<u>856,204,490</u>

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

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

(c) Cash and cash equivalents

	31 December 2021	31 December 2020 (Restated)
Cash at bank and on hand	8,105,320,953	9,438,414,350
Less: Restricted cash at bank	(42,670,394)	(33,331,741)
Less: Interest receivable	(39,533,620)	-
Cash and cash equivalents at the end of the year (i)	<u>8,023,116,939</u>	<u>9,405,082,609</u>

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

	31 December 2021	31 December 2020 (Restated)
Cash on hand	83,108	83,607
Cash at bank that can be readily drawn on demand	<u>8,023,033,831</u>	<u>9,404,999,002</u>
	<u>8,023,116,939</u>	<u>9,405,082,609</u>

(60) Monetary items denominated in foreign currency

	31 December 2021		
	Balance in foreign currencies	Exchange rate	Balance in RMB
Cash at bank and on hand -			
USD	34,618	6.3757	220,713
HKD	724	0.8176	592
			<u>221,305</u>
Long-term borrowings -			
USD	6,980,673	6.3757	<u>44,506,676</u>
Current portion of non-current liabilities -			
USD	1,026,085	6.3757	<u>6,542,011</u>

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5 Changes of consolidation scope

(1) Subsidiaries established during the year:

Subsidiaries	Major business location	Place of registration	Business nature	Registered capital	Shareholding (%)		Acquisition method
					Direct	Indirect	
Guangdong Yudean Dananhai Smart Energy Co., Ltd. ("Dananhai Company")	Jieyang	Jieyang	Electricity generation	RMB 5,000,000	100.00%	-	Investment
Guangdong Yudean Baihua Integrated Energy Co., Ltd. ("Baihua Company")	Huizhou	Huizhou	Electricity generation	RMB 5,000,000	100.00%	-	Investment
Guangdong Energy Qingzhou Offshore Wind Power Co., Ltd. ("Qingzhou Offshore Wind Power")	Yangjiang	Yangjiang	Electricity generation	RMB 185,000,000	-	100.00%	Investment
Wanhaowei New Energy Zhanjiang Wanchuang Hengwei New Energy Co., Ltd. ("Wanchuang Hengwei New Energy")	Zhanjiang	Zhanjiang	Electricity generation	RMB 5,000,000	-	100.00%	Investment
Guangdong Yuedian Bijie New Energy Co. Ltd. ("Bijie New Energy")	Bijie	Bijie	Electricity generation	RMB 5,000,000	100.00%	-	Business combinations involving enterprises not under common control
Nanhua New Energy	Zhanjiang	Zhanjiang	Electricity generation	RMB 135,234,900	-	51.00%	Business combinations involving enterprises not under common control
Datang New Energy	Guangzhou	Guangzhou	Electricity generation	RMB 145,938,900	-	51.00%	Business combinations involving enterprises not under common control
Yueneng Wind Power	Zhanjiang	Zhanjiang	Electricity generation	RMB 130,000,000	-	51.00%	Business combinations involving enterprises not under common control
Tumxuk	Tumxuk	Tumxuk	Electricity generation	RMB 1,006,523,900	79.48%	-	Business combinations involving enterprises not under common control
Sha C Company	Guangzhou	Guangzhou	Electricity generation	RMB 2,500,000,000	51.00%	-	Business combinations involving enterprises under common control
Guangdong Guanghe Power Co., Ltd. ("Guanghe Power")	Guangzhou	Guangzhou	Electricity generation	RMB 2,240,816,893	-	51.00%	Business combinations involving enterprises under common control
Guangdong Yudean Zhanjiang Biomass Power Generation Co., Ltd. ("Biomass Power Generation")	Zhanjiang	Zhanjiang	Electricity generation	RMB 621,040,000	-	51.00%	Business combinations involving enterprises under common control
Xinhui Power	Jiangmen	Jiangmen	Electricity generation	RMB 613,902,062	-	45.90%	Business combinations involving enterprises under common control
Guangdong Yudean Huaqing Gas Joint Cycle Power Generation Co., Ltd. ("Huaqing Power")	Jiangmen	Jiangmen	Electricity generation	RMB 10,000,000	-	33.15%	Business combinations involving enterprises under common control
Yunhe Power	Yunfu	Yunfu	Electricity generation	RMB 755,733,258	90.00%	-	Business combinations involving enterprises under common control
Yunfu Yundian Energy Co., Ltd. ("Yundian Energy")	Yunfu	Yunfu	Electricity generation	RMB 40,000,000	-	56.25%	Business combinations involving enterprises under common control
Yuehua Power	Guangzhou	Guangzhou	Electricity generation	RMB 1,004,714,000	51.00%	-	Business combinations involving enterprises under common control
Guangdong Yudean Yuehua Integrated Energy Co., Ltd. ("Yuehua Integrated Energy")	Guangzhou	Guangzhou	Electricity generation	RMB 60,000,000	-	51.00%	Business combinations involving enterprises under common control
Guangzhou Huangpu Guangdong Petroleum Store & Transport Co., Ltd. ("Guangdian Petroleum Store & Transport")	Guangzhou	Guangzhou	Storage and transportation	RMB 24,000,000	-	51.00%	Business combinations involving enterprises under common control
Guangzhou Huangpu Power Engineering Co., Ltd. ("Huangpu Power Engineering")	Guangzhou	Guangzhou	Electricity generation	RMB 13,000,000	-	51.00%	Business combinations involving enterprises under common control
Guangzhou Huangdian Training Centre Co., Ltd. (Huangdian Training Centre)	Guangzhou	Guangzhou	Training	RMB 500,000	-	51.00%	Business combinations involving enterprises under common control
Guangzhou Huangpu Suishen Power Technology Engineering Co., Ltd. ("Suishen Power Engineering")	Guangzhou	Guangzhou	Electricity generation	RMB 3,000,000	-	35.70%	Business combinations involving enterprises under common control

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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 (loss)/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
Nanhua New Energy	7 January 2021	93,381,000	51.00%	Equity transfer	7 January 2021	Completion of equity delivery	42,920,265	9,730,736	38,779,601	5,457,329
Datang New Energy	31 March 2021	161,858,100	51.00%	Equity transfer	31 March 2021	Completion of equity delivery	37,494,859	4,879,536	54,494,513	27,051,139
Tumxuk	10 December 2021	800,000,000	79.48%	Capital increase	December 10 2021	Completion of capital increase	60,100,462	(39,676,591)	(134,560,246)	(228,723,029)

On 7 January 2021, the Company's wholly-owned subsidiary Guangdong Wind Power acquired 51% equity in Nanhua New Energy held by Guangye Investment at a consideration of RMB 93,381,000. On 31 March 2021, the Company's wholly-owned subsidiary Guangdong Wind Power acquired 51% equity in Datang New Energy held by Guangye Investment at a consideration of RMB 161,858,100. On 10 December 2021, the Company increased its capital to Tumxuk by RMB 800,000,000. The transaction was agreed by the original shareholder Xinjiang Jintai Electric Power Co., Ltd. The shareholding percentage of the Company in Tumxuk after the capital increase is 79.48%. Those transactions are classified as business combinations involving enterprises not under common control as Nanhua New Energy, Datang New Energy, Tumxuk and the Company were not controlled by the same ultimate controlling party prior to combinations.

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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:

	Nanhua New Energy	Datang New Energy	Tumxuk
Costs of combination -			
Cash consideration	93,381,000	161,858,100	800,000,000
Less: Fair value of the share of identifiable net assets obtained	<u>(87,222,005)</u>	<u>(149,972,616)</u>	<u>(680,511,328)</u>
Goodwill	<u>6,158,995</u>	<u>11,885,484</u>	<u>119,488,672</u>

The Group uses valuation techniques to determine the fair value of non-cash assets transferred and the fair value of liabilities incurred.

(c) The assets and liabilities of the acquiree at the acquisition date and 31 December 2020 are as follows:

(i) Nanhua New Energy

	Fair value at the acquisition date	Carrying amount at the acquisition date	Carrying amount at 31 December 2020
Cash at bank and on hand	61,762	61,762	10,184,412
Accounts receivables	15,207,374	15,207,374	18,413,871
Advances to suppliers	209,642	209,642	4,150,115
Other receivables	10,337,282	10,337,282	191,912
Other current assets	5,328,214	5,328,214	32,264,103
Fixed assets	407,064,244	343,239,844	343,239,844
Other non-current assets	30,871,341	30,871,341	-
Less: Other payables	(35,199,051)	(35,199,051)	(35,585,208)
Current portion of non-current liabilities	(15,000,000)	(15,000,000)	(15,000,000)
Other current liabilities	(1,758,312)	(1,758,312)	(1,758,312)
Long-term borrowings	(230,142,858)	(230,142,858)	(230,142,858)
Deferred tax liabilities	(15,956,100)	-	-
Net assets	<u>171,023,538</u>	<u>123,155,238</u>	<u>125,957,879</u>
Less: Minority interests	<u>(83,801,533)</u>		
Net assets obtained	<u>87,222,005</u>		

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5 Changes of consolidation scope (Cont'd)

- (2) Business combinations involving enterprises not under common control (Cont'd)
- (c) The assets and liabilities of the acquiree at the acquisition date and 31 December 2020 are as follows (Cont'd):
- (ii) Datang New Energy

	Fair value at the acquisition date	Carrying amount at the acquisition date	Carrying amount at 31 December 2020
Cash at bank and on hand	20,018,966	20,018,966	1,640,217
Accounts receivables	49,853,464	49,853,464	37,247,749
Advances to suppliers	25,637	25,637	22,044
Other receivables	2,980,158	2,980,158	26,850,142
Fixed assets	309,422,832	260,850,925	265,849,224
Intangible assets	79,253,414	24,918,879	25,163,400
Less: Accounts payables	(2,131,853)	(2,131,853)	-
Taxes payable	(7,793,644)	(7,793,644)	(8,060,549)
Interest payable	(624,992)	(624,992)	-
Other payables	(2,945,141)	(2,945,141)	(2,154,361)
Current portion of non-current liabilities	(16,021,139)	(16,021,139)	(167,200,821)
Other current liabilities	(1,132,187)	(1,132,187)	-
Long-term borrowings	(137,262,016)	(137,262,016)	-
Deferred tax liabilities	(25,726,611)	-	-
Net assets	<u>267,916,888</u>	<u>190,737,057</u>	<u>179,357,045</u>
Less: Minority interests	<u>(117,944,272)</u>		
Net assets obtained	<u>149,972,616</u>		

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5 Changes of consolidation scope (Cont'd)

- (2) Business combinations involving enterprises not under common control (Cont'd)
- (c) The assets and liabilities of the acquiree at the acquisition date and 31 December 2020 are as follows (Cont'd):
- (iii) Tumxuk

	Fair value at the acquisition date	Carrying amount at the acquisition date	Carrying amount at 31 December 2020
Cash at bank and on hand	845,203,218	845,203,218	19,184,016
Accounts receivables	66,809,696	66,809,696	96,191,373
Advances to suppliers	10,591,792	10,591,792	29,081,717
Other receivables	40,690,034	40,690,034	720,294,064
Inventories	30,935,545	30,935,545	36,097,059
Other current assets	95,137,882	95,137,882	120,715,928
Fixed assets	2,087,706,041	2,034,678,517	2,149,978,824
Construction in progress	16,306,469	16,306,469	2,394,396
Intangible assets	38,042,700	30,351,123	31,035,963
Long-term prepaid expenses	2,438,482	2,438,482	3,411,277
Other non-current assets	830,790	830,790	-
Less: Short-term borrowings	(326,009,263)	(326,009,263)	(352,000,000)
Notes payables	-	-	(10,000,000)
Advances from customers	-	-	(1,637,750)
Accounts payables	(116,206,193)	(116,206,193)	(43,622,579)
Contract liabilities	(829,227)	(829,227)	-
Employee benefits payable	(343,323)	(343,323)	(4,053,616)
Taxes payable	(858,673)	(858,673)	(356,897)
Other payables	(236,638,250)	(236,638,250)	(830,811,214)
Current portion of non-current liabilities	(73,470,899)	(73,470,899)	(120,000,000)
Long-term borrowings	(1,500,000,000)	(1,500,000,000)	(1,500,000,000)
Long-term payables	(96,819,223)	(96,819,223)	(92,000,000)
Deferred income	(12,133,333)	(12,133,333)	(12,729,167)
Deferred tax liabilities	(15,179,775)	-	-
Other non-current liabilities	-	-	(41,500)
Net assets	<u>856,204,490</u>	<u>810,665,164</u>	<u>241,131,894</u>
Less: Minority interests	<u>(175,693,162)</u>		
Net assets obtained	<u>680,511,328</u>		

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5 Changes of consolidation scope (Cont'd)

- (2) Business combinations involving enterprises not under common control (Cont'd)
- (d) Determination of fair value at the acquisition date
- (i) The fair value of the assets and liabilities of the underlying company at the acquisition date are determined by the Group using valuation techniques. The valuation method and critical assumptions applied are as follows:

The valuation method used for fixed assets is the replacement cost method. The valuation of an asset is based on the current replacement cost of the asset under valuation minus the value of each of its losses, the basic formula for which is an appraised value equals to the full replacement cost multiplied by the composite rate of replacement.

Intangible assets are mainly land use rights and favorable contract, and land use rights are mainly assessed by the coefficient modification method of land base price: use the benchmark land price set by the local government to correct the coefficients of the transfer period, regional factors, individual factors, market transfer and other factors, so as to obtain the land use right price of the parcel land; favorable contract are assessed primarily by the discounted cash flow method. In order to calculate the present value of future cash flows, management forecasts and estimates wind power revenue, wind power costs, operating expenses and applicable discount rates in the next several years.

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5 Changes of consolidation scope (Cont'd)

(3) Business combinations involving enterprises under common control

(a) Business combinations involving enterprises under common control in the current year

Acquiree	Interest acquired (%)	Basis for business combinations involving enterprises under common control	Combination date	Basis for determining the combination date	Revenue of the acquiree from 1 January 2021 to the combination date	Net loss of the acquiree from 1 January 2021 to the combination date	Revenue of the acquiree in 2020	Net profit of the acquiree in 2020	Cash flows from operating activities of the acquiree from 1 January 2021 to the combination date	Net cash flows of the acquiree from 1 January 2021 to the combination date
Sha C Company	51%	Both the original parent company and the Company are ultimately controlled by GEGC prior and subsequent to the combination	30 November 2021	Completion of equity delivery	1,704,887,278	(283,339,552)	2,434,704,819	458,572,508	311,579,200	(1,239,743,297)
Yunhe Power	90%	Both the original parent company and the Company are ultimately controlled by GEGC prior and subsequent to the combination	30 November 2021	Completion of equity delivery	1,101,375,696	(79,543,538)	1,030,042,135	60,094,163	88,048,355	9,650,228
Yuehua Power	51%	Both the original parent company and the Company are ultimately controlled by GEGC prior and subsequent to the combination	30 November 2021	Completion of equity delivery	1,385,633,090	(295,831,752)	1,865,789,353	40,657,830	(31,869,794)	(151,311,605)

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5 Changes of consolidation scope (Cont'd)

- (3) Business combinations involving enterprises under common control (Cont'd)
- (a) Business combinations involving enterprises under common control in the current year (Cont'd)

On 8 October 2021, the Tenth Session of the Board of Directors of the Company reviewed and approved the *Proposal on the Acquisition of Equity Interests in Guangdong Province Sha C Company Generation Corporation and Other Companies* during its 3rd meeting. The Board of Directors agreed that the Company acquired, in cash, 51% equity interests in Sha C Company, 90% equity interests in Yunhe Power and 51% equity interests in Yuehua Power, which were held by GEGC. Such equity acquisition was reviewed and approved at the Company's 2021 Fourth Extraordinary General Meeting on 25 October 2021, and the above equity transaction was completed on 30 November 2021.

These transactions are classified as business combinations involving enterprises under common control as Sha C Company, Yunhe Power and Yuehua Power and the Company are controlled by the same ultimate controlling party GEGC prior and subsequent to the combinations.

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5 Changes of consolidation scope (Cont'd)

(3) Business combinations involving enterprises under common control (Cont'd)

(b) Cost of combination is listed below:

	Sha C Company	Yunhe Power	Yuehua Power	Total
Cost of combination -Cash consideration	<u>1,934,041,438</u>	<u>1,139,513,152</u>	<u>670,047,051</u>	<u>3,743,601,641</u>

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5 Changes of consolidation scope (Cont'd)

- (3) Business combinations involving enterprises under common control (Cont'd)
- (c) The carrying amounts of assets and liabilities of the acquiree at the combination date and 31 December 2020 are as follows:
- (i) Sha C Company

	Carrying amount at the combination date	Carrying amount at 31 December 2020
Cash at bank and on hand	1,820,771,924	3,043,819,331
Accounts receivables	832,843,405	734,136,097
Advances to suppliers	624,856	2,371,354
Other receivables	112,010,511	21,750,082
Inventories	518,147,663	146,614,692
Other current assets	222,579,487	83,079,411
Investments in other equity instruments	548,693,945	529,013,225
Investment properties	285,872,170	34,520,200
Fixed assets	2,598,131,821	3,037,738,869
Construction in progress	25,543,317	17,257,466
Right-of-use assets	3,094,002	—
Intangible assets	86,687,715	133,729,851
Deferred tax assets	62,453,257	3,868,175
Other non-current assets	66,556,787	60,496,004
Less: Short-term borrowings	(355,850,990)	(100,106,333)
Advances from customers	(317,461)	-
Accounts payables	(2,030,283,066)	(705,241,337)
Contract liabilities	-	(356,553)
Employee benefits payable	(23,568,236)	(10,146,653)
Taxes payable	(82,541,202)	(58,595,545)
Other payables	(57,261,718)	(363,923,482)
Current portion of non-current liabilities	(27,856,018)	(70,197,243)
Other current liabilities	(57,792,194)	-
Long-term borrowings	(1,354,649,027)	(1,324,124,972)
Lease liabilities	(95,545,900)	—
Long-term payables	-	(94,160,179)
Long-term employee benefits payable	(880,161)	(955,111)
Net assets	<u>3,097,464,887</u>	<u>5,120,587,349</u>
Less: Minority interests	(1,538,344,104)	(2,540,843,910)
Net assets obtained	1,559,120,783	2,579,743,439

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5 Changes of consolidation scope (Cont'd)

(3) Business combinations involving enterprises under common control (Cont'd)

(c) The carrying amounts of assets and liabilities of the acquiree at the combination date and 31 December 2020 were as follows: (Cont'd)

(ii) Yunhe Power

	Combination date Carrying amount	31 December 2020 Carrying amount
Cash at bank and on hand	98,041,055	88,170,352
Accounts receivables	148,252,883	99,735,691
Advances to suppliers	10,300,404	3,331,840
Other receivables	98,589,689	4,020,143
Inventories	209,185,255	63,520,096
Other current assets	10,511,334	-
Investment properties	46,365,296	46,938,390
Fixed assets	1,199,475,010	1,336,395,314
Construction in progress	11,513,018	6,025,881
Right-of-use assets	1,319,805	—
Intangible assets	182,119,104	200,890,509
Deferred tax assets	52,862,554	23,981,225
Less: Short-term borrowings	(241,103,889)	(100,106,639)
Notes payables	(260,000,000)	(160,000,000)
Advances from customers	(95,328)	-
Accounts payables	(251,639,786)	(80,668,465)
Contract liabilities	(145,522)	-
Employee benefits payable	(68,133,516)	(18,821,164)
Taxes payable	(6,715,914)	(18,551,449)
Other payables	(13,614,387)	(84,834,711)
Current portion of non-current liabilities	(227,323)	(69,290,075)
Other current liabilities	(15,162,463)	-
Lease liabilities	(1,305,354)	—
Deferred income	(877,660)	(947,115)
Long-term employee benefits payable	(8,025,606)	(6,549,184)
Net assets	<u>1,201,488,659</u>	<u>1,333,240,639</u>
Less: Minority interests	(134,926,331)	(148,102,528)
Net assets obtained	1,066,562,328	1,185,138,111

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5 Changes of consolidation scope (Cont'd)

(3) Business combinations involving enterprises under common control (Cont'd)

(c) The carrying amounts of assets and liabilities of the acquiree at the combination date and 31 December 2020 were as follows: (Cont'd)

(iii) Yuehua Power

	Combination date Carrying amount	31 December 2020 Carrying amount
Cash at bank and on hand	366,953,888	515,478,550
Accounts receivables	52,846,692	134,580,923
Advances to suppliers	2,430,174	12,268,427
Other receivables	268,991,439	33,978,813
Inventories	15,033,629	7,769,568
Contract assets	2,896,135	2,067,485
Other current assets	-	46,582,283
Investments in other equity instruments	800,000	800,000
Long-term equity investments	2,105,709	2,101,510
Fixed assets	2,669,321,415	2,827,267,144
Construction in progress	86,016,723	77,751,825
Right-of-use assets	219,860	—
Intangible assets	38,180,697	40,059,869
Long-term prepaid expenses	1,048,485	1,935,664
Deferred tax assets	50,920,537	30,220,656
Other non-current assets	592,728	811,428
Less: Short-term borrowings	(80,000,000)	(93,800,000)
Advances from customers	-	(1,493,934)
Accounts payables	(497,813,841)	(65,155,228)
Contract liabilities	(6,213,690)	-
Employee benefits payable	(72,348,034)	(26,680,584)
Taxes payable	(25,195,339)	(4,951,932)
Other payables	(10,931,809)	(489,273,126)
Current portion of non-current liabilities	(64,541,367)	(2,082,667)
Other current liabilities	(253,031)	-
Long-term borrowings	(1,550,000,000)	(1,600,000,000)
Lease liabilities	(223,073)	—
Deferred income	(31,828,284)	(36,058,057)
Long-term employee benefits payable	(156,696,556)	(52,589,265)
Deferred tax liabilities	(761)	(761)
Net assets	<u>1,062,312,326</u>	<u>1,361,588,591</u>
Less: Minority interests	(521,064,488)	(667,711,033)
Net assets obtained	541,247,838	693,877,558

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6 Interests in other entities

(1) Interests in subsidiaries

(a) Constitution of the Group

Subsidiaries	Major business location	Place of registration	Nature of business	Shareholding (%)		Acquisition method
				Direct	Indirect	
Maoming 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
Zhanjiang Yuheng Power Maintenance Installation Co., Ltd. ("Yuheng Power") (Deregistered) (iii)	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	-	94.00%	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 Power Sales	Zhanjiang	Zhanjiang	Electricity generation	90.00%	-	Business combinations involving enterprises under common control
Qujie Wind Power	Guangzhou	Guangzhou	Electricity generation	100.00%	-	Investment
Yangjiang Wind Power	Zhanjiang	Zhanjiang	Electricity generation	-	100.00%	Investment
	Yangjiang	Yangjiang	Electricity generation	-	91.41%	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	Jieyang	Electricity generation	-	89.83%	Business combinations involving enterprises not under common control
Guangdong Yuejiang Hongrui Power Technology Development Co., Ltd. ("Hongrui Technology")	Shaoguan	Shaoguan	Electricity generation	-	90.00%	Investment
Yongan Natural Gas	Zhaoqing	Zhaoqing	Electricity generation	90.00%	-	Investment
Xupu Yuefeng	Huaihua, Hunan Province	Xupu County, Huaihua, Hunan Province	Electricity generation	-	100.00%	Investment
Wuxuan Yuefeng	Guangxi Zhuang Autonomous Region	Wuxuan, Guangxi Zhuang Autonomous Region	Electricity generation	-	100.00%	Investment
Huizhou Pingdian Comprehensive Energy Co., Ltd. ("Pingdian Comprehensive")	Huizhou	Huizhou	Electricity generation	-	45.00%	Investment
Zuhai Wind Power	Zuhai	Zuhai	Electricity generation	-	85.91%	Investment
Guangdong Yudean Zhencheng Comprehensive Energy Co., Ltd. ("Zhencheng Comprehensive") (Deregistered) (iv)	Maoming	Maoming	Electricity generation	-	37.23%	Investment
Guangdong Yudean Binhai Bay Energy Co., Ltd. ("Binhai Bay Company")	Dongguan	Dongguan	Electricity generation	100.00%	-	Investment
Guangdong Yuedian Daya Bay Integrated Energy Co., Ltd. ("Daya Bay Company")	Huizhou	Huizhou	Electricity generation	80.00%	-	Investment
Guangdong Yuedian Qiming Energy Co., Ltd. ("Qiming Company")	Shenzhen	Shenzhen	Electricity generation	100.00%	-	Investment
Huaguoquan Company	Shenzhen	Shenzhen	Leases	100.00%	-	Business combinations involving enterprises not under common control
Nanxiong New Energy	Shaoguan	Shaoguan	Electricity generation	-	100.00%	Investment
Dananhai Company	Jieyang	Jieyang	Electricity generation	100.00%	-	Investment
Baihua Company	Huizhou	Huizhou	Electricity generation	100.00%	-	Investment

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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	
Bijie New Energy	Bijie	Bijie	Electricity generation	100.00%	-	Investment
Qingzhou Offshore Wind Power	Yangjiang	Yangjiang	Electricity generation	-	100.00%	Investment
Wanhaowei New Energy	Zhanjiang	Zhanjiang	Electricity generation	-	100.00%	Investment
Wanchuang Hengwei New Energy	Zhanjiang	Zhanjiang	Electricity generation	-	100.00%	Investment
Nanhua New Energy	Zhanjiang	Zhanjiang	Electricity generation	-	51.00%	Business combinations involving enterprises not under common control
Datang New Energy	Guangzhou	Guangzhou	Electricity generation	-	51.00%	Business combinations involving enterprises not under common control
Yueneng Wind Power	Zhanjiang	Zhanjiang	Electricity generation	-	51.00%	Business combinations involving enterprises not under common control
Tumxuk	Tumxuk	Tumxuk	Electricity generation	79.48%	-	Business combinations involving enterprises not under common control
Sha C Company	Guangzhou	Guangzhou	Electricity generation	51.00%	-	Business combinations involving enterprises under common control
Guanghe Power	Guangzhou	Guangzhou	Electricity generation	-	51.00%	Business combinations involving enterprises under common control
Biomass Power Generation	Zhanjiang	Zhanjiang	Electricity generation	-	51.00%	Business combinations involving enterprises under common control
Xinhui Power (v)	Jiangmen	Jiangmen	Electricity generation	-	45.90%	Business combinations involving enterprises under common control
Huaqing Power (v)	Jiangmen	Jiangmen	Electricity generation	-	33.15%	Business combinations involving enterprises under common control
Yunhe Power	Yunfu	Yunfu	Electricity generation	90.00%	-	Business combinations involving enterprises under common control
Yundian Energy	Yunfu	Yunfu	Electricity generation	-	56.25%	Business combinations involving enterprises under common control
Yuehua Power	Guangzhou	Guangzhou	Electricity generation	51.00%	-	Business combinations involving enterprises under common control
Yuehua Integrated Energy	Guangzhou	Guangzhou	Electricity generation	-	51.00%	Business combinations involving enterprises under common control
Guangdian Petroleum Store & Transport	Guangzhou	Guangzhou	Storage and transportation	-	51.00%	Business combinations involving enterprises under common control
Huangpu Power Engineering	Guangzhou	Guangzhou	Electricity generation	-	51.00%	Business combinations involving enterprises under common control
Huangdian Training Centre	Guangzhou	Guangzhou	Training	-	51.00%	Business combinations involving enterprises under common control
Huishen Power Engineering (v)	Guangzhou	Guangzhou	Electricity generation	-	35.70%	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)
- (i) On 30 November 2018, Maoming Thermal merged Guangdong Energy Maoming Thermal Power Station Co., Ltd., wholly-owned by GEGC. After the merger, GEGC held 30.12% equity of Maoming 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 Maoming Thermal. Therefore, the Company owns control power over Maoming Thermal.
- (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.
- (iii) Zhanjiang Electric, a subsidiary of the Company, held a shareholders' meeting on 26 October 2021, and passed the *Proposal of the Shareholders' Meeting on Liquidation and Cancellation of Zhanjiang Yuheng Power Maintenance Installation Co., Ltd.*, and decided to complete the liquidation and cancellation of Yuheng Power, a wholly-owned subsidiary of Zhanjiang Electric, by the end of 2021. The liquidation and cancellation of Yuheng Power will correspondingly change the scope of the Company's consolidated financial statements. However, it will not have a significant impact on the Company's existing business and operating results, and will not harm the interests of the Company and its shareholders. As at 31 December 2021, the liquidation and cancellation of Yuheng Power had been completed.
- (iv) On 30 June 2021, the shareholder's meeting passed the resolution to liquidate and cancel Zhencheng Comprehensive, a subsidiary of the Company. The liquidation and cancellation of Zhencheng Comprehensive will correspondingly change the scope of the Company's consolidated financial statements. However, it will not have a significant impact on the Company's existing business and operating results, and will not harm the interests of the Company and its shareholders. As at 31 December 2021, the liquidation and cancellation of Zhencheng Comprehensive had been completed.
- (v) Xinhui Power and Huaqing Power are non-wholly-owned subsidiaries of Sha C Company, with shareholding ratios of 90% and 65%, respectively. Suishen Power Engineering is a non-wholly-owned subsidiary of Yuehua Power Generation, with shareholding ratios of 90% and 65% respectively. 70%. The Company indirectly controls these companies by controlling Sha C Company and Yuehua Power Generation.

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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 2021	Dividends distributed to minority shareholders in 2021	Minority interests as at 31 December 2021
Bohe Energy	33.00%	(6,904,469)	-	1,364,425,786
Zhanjiang Electric	24.00%	(72,981,664)	23,197,930	889,192,304
Jinghai Power	35.00%	(178,274,662)	151,318,844	1,044,024,158
Red Bay Power	35.00%	(170,973,504)	96,734,416	952,273,720
Huizhou Natural Gas	33.00%	27,971,776	211,037,669	651,922,558
Pinghai Power	55.00%	16,774,811	174,021,767	1,040,046,376
Sha C Company	49.00%	(278,322,276)	861,242,583	1,463,151,208

(i) Dividends distributed to minority shareholders in 2021 had all been paid off in the current year.

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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)

Major financial information of material non-wholly-owned subsidiaries of the Group is listed below:

	31 December 2021						31 December 2020					
	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	2,609,681,761	6,892,655,462	9,502,337,223	3,008,450,314	2,359,263,315	5,367,713,629	767,050,262	9,643,376,566	10,410,426,828	3,764,791,895	2,490,088,705	6,254,880,600
Zhanjiang Electric	2,650,321,842	1,266,988,373	3,917,310,215	183,009,639	29,332,641	212,342,280	3,046,263,179	1,262,920,735	4,309,183,914	175,539,000	21,203,440	196,742,440
Jinghai Power	1,526,571,272	6,829,232,837	8,355,804,109	4,033,650,563	1,339,227,380	5,372,877,943	1,169,487,442	6,990,897,776	8,160,385,218	2,449,512,187	1,786,251,133	4,235,763,320
Red Bay Power	1,409,063,788	5,053,935,838	6,462,999,626	3,167,753,333	574,464,236	3,742,217,569	972,859,321	5,062,032,390	6,034,891,711	1,796,971,724	752,258,158	2,549,229,882
Huizhou Natural Gas	339,090,166	2,930,623,382	3,269,713,548	726,965,377	567,225,268	1,294,190,645	710,651,111	3,115,192,544	3,825,843,655	635,175,623	660,400,000	1,295,575,623
Pinghai Power	1,588,057,850	3,411,190,163	4,999,248,013	1,230,761,702	1,877,492,900	3,108,254,602	1,254,897,337	3,768,541,657	5,023,438,994	1,570,145,027	1,276,397,000	2,846,542,027
Sha C Company	2,916,866,925	3,999,456,043	6,916,322,968	2,657,111,340	1,273,188,755	3,930,300,095	4,031,770,967	3,816,623,790	7,848,394,757	1,308,567,146	1,419,240,262	2,727,807,408

	2021				2020			
	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	2,782,274,837	(20,922,634)	(20,922,634)	437,918,482	190,228,324	(210,939,996)	(210,939,996)	1,028,367
Zhanjiang Electric	2,244,415,610	(304,090,266)	(310,815,500)	(404,758,842)	1,697,051,516	198,651,363	198,651,363	380,388,728
Jinghai Power	6,657,485,630	(509,356,177)	(509,356,177)	334,454,084	4,860,526,733	480,377,283	480,377,283	1,227,452,922
Red Bay Power	5,009,175,976	(488,495,726)	(488,495,726)	(442,766,950)	3,655,108,574	307,093,385	307,093,385	852,369,607
Huizhou Natural Gas	3,639,314,264	84,762,958	84,762,958	559,716,915	3,928,517,091	710,564,542	710,564,542	964,252,990
Pinghai Power	4,877,581,551	30,499,657	30,499,657	344,245,399	3,243,260,761	458,659,788	458,659,788	601,318,982
Sha C Company	1,999,829,883	(568,004,644)	(407,654,995)	48,454,458	2,434,704,819	458,572,508	458,572,508	723,397,079

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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%	-
Energy Group Finance Company	Guangzhou, Guangdong	Guangzhou, Guangdong	Finance	Yes	40.00%	-
Taishan Electric	Guangdong	Guangdong	Power generation	Yes	20.00%	-
Energy Financial Leasing Company	Guangzhou, Guangdong	Guangzhou, Guangdong	Finance leases	Yes	25.00%	-

The equity investments are accounted for using the equity method by the Group.

(b) Summarised financial information of significant joint ventures

	31 December 2021	31 December 2020
	Industry Fuel	Industry Fuel
Current assets	8,607,437,424	3,394,974,695
Non-current assets	3,981,342,190	919,752,240
Total assets	<u>12,588,779,614</u>	<u>4,314,726,935</u>
Current liabilities	9,741,803,372	2,677,965,708
Non-current liabilities	1,169,197,748	505,894,435
Total liabilities	<u>10,911,001,120</u>	<u>3,183,860,143</u>
Minority interests	67,010,551	67,010,550
Attributable to shareholders of the parent company	1,610,767,943	1,063,856,242
Shares of net assets in proportion to shareholding (i)	<u>805,383,972</u>	<u>531,928,121</u>
Adjustments - Unrealised profits from intra-group transactions	(159,913,458)	(614,728)
Carrying amount of equity investment in joint ventures	<u>645,470,514</u>	<u>531,313,393</u>
Revenue	40,287,196,338	17,245,296,639
Net profit	230,410,999	148,992,812
Including: Attributable to the parent company	<u>230,410,999</u>	<u>148,992,812</u>
Other comprehensive income	15,800,500	-
Including: Attributable to the parent company	<u>15,800,500</u>	<u>-</u>
Total comprehensive income	<u>246,211,499</u>	<u>148,992,812</u>
Dividends received from joint ventures by the Group for the current year	<u>29,649,898</u>	<u>69,090,435</u>

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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. The assets involved in the transactions between the Group and joint ventures do not constitute a business.

(c) Summarised financial information of significant associates

	31 December 2021		31 December 2020	
	Shanxi Yudean Energy	Energy Financial Leasing Company	Shanxi Yudean Energy	Energy Financial Leasing Company
Current assets	1,074,073,055	632,968,295	359,511,675	913,688,722
Non-current assets	6,627,921,355	7,281,003,242	4,862,121,461	4,333,088,521
Total assets	7,701,994,410	7,913,971,537	5,221,633,136	5,246,777,243
Current liabilities	493,070,520	1,840,650,722	272,974,916	1,457,308,158
Non-current liabilities	1,230,741,592	3,944,093,673	394,482,950	1,699,534,931
Total liabilities	1,723,812,112	5,784,744,395	667,457,866	3,156,843,089
Minority interests	70,239,165	-	6,344,280	-
Attributable to shareholders of the parent company	5,907,943,133	2,129,227,142	4,547,830,990	2,089,934,154
Share of net assets based on shareholding (i)	2,363,177,253	532,306,787	1,819,132,396	522,483,539
Carrying amount of equity investment in associates	2,363,177,253	532,306,787	1,819,132,396	522,483,539
Revenue	100,199,753	259,494,775	8,899,732	17,960,469
Investment income	1,229,294,936	1,540,565	506,171,897	(2,005,462)
Net profit/(loss)	1,200,222,015	89,599,668	487,328,469	3,904,742
Including: Attributable to the parent company	1,200,112,143	89,599,668	487,322,126	3,904,742
Other comprehensive income	-	-	-	-
Including: Attributable to the parent company	-	-	-	-
Total comprehensive income	1,200,222,015	89,599,668	487,328,469	3,904,742
Dividends received from associates by the Group for the current year	-	12,576,669	20,000,000	-

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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 2021		31 December 2020	
	Energy Group Finance Company	Taishan Electric	Energy Group Finance Company	Taishan Electric
Current assets	7,694,411,383	2,930,161,081	4,029,448,613	1,394,060,235
Non-current assets	17,101,010,480	9,406,287,125	16,237,010,014	10,151,763,274
Total assets	24,795,421,863	12,336,448,206	20,266,458,627	11,545,823,509
Current liabilities	20,630,423,850	3,414,107,776	16,186,047,689	2,099,513,156
Non-current liabilities	31,373,853	-	24,771,788	-
Total liabilities	20,661,797,703	3,414,107,776	16,210,819,477	2,099,513,156
Minority interests	-	-	-	1,177,413
Attributable to shareholders of the parent company	4,133,624,160	8,922,340,430	4,055,639,150	9,445,132,940
Share of net assets based on shareholding (i) (ii)	1,653,449,664	1,784,468,086	1,622,255,660	1,889,026,588
Adjustments				
- Goodwill	13,325,000	-	13,325,000	-
Carrying amount of equity investment in associates (ii)	1,666,774,664	1,784,468,086	1,635,580,660	1,889,026,588
Revenue	752,537,763	10,287,027,972	692,417,185	6,349,201,814
Net profit/(loss)	364,396,199	(17,047,790)	359,629,301	398,456,650
Including: Attributable to the parent company	364,396,199	(17,047,790)	359,629,301	398,026,651
Other comprehensive income	19,273,714	-	74,315,364	(388,346)
Including: Attributable to the parent company	19,273,714	-	74,315,364	(271,842)
Total comprehensive income	383,669,913	(17,047,790)	433,944,665	398,068,304
Dividends received from associates by the Group for the current year	122,273,962	101,148,944	73,161,903	275,880,313

- (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. The assets involved in the transactions between the Group and associates do not constitute a business.
- (ii) In 2021, the Group's shareholding in the Energy Group Finance Company increased from 25% to 40% as a result of business combinations involving enterprises under common control, thus restating the shares of net assets in proportion to shareholding and the carrying amount of the equity investment in the associates in 2020.

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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

	2021	2020 (Restated)
Joint ventures:		
Aggregated carrying amount of investments	9,350,000	-
Aggregate of the following items in proportion		
Net loss (i)	-	-
Other comprehensive income(i)	-	-
Total comprehensive income	-	-
Associates:		
Aggregated carrying amount of investments	1,070,661,046	900,196,546
Aggregate of the following items in proportion		
Net loss (i)	(18,173,212)	(204,526,900)
Other comprehensive income(i)	(332,152)	(1,616,625)
Total comprehensive income	(18,505,364)	(206,143,525)

(i) The net loss 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 income and expenses, assets and liabilities are primarily associated with sale of electric power and other related products, the Group's management, taking the sale 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 revenue from main operations derives from the development and operation of electric plants in China and all assets are within China.

In 2021, the revenue earned by the Group's power plants from Southern Power Grid Company amounted to RMB 43,278,023,920 (2020: RMB 32,810,398,651), which took up 97.99% of the Group's operating income (2020: 97.64%).

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8 Related parties and related party transactions

(1) General 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 sale 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 2020	Increase in the current year	Decrease in the current year	31 December 2021
GEGC	<u>23,000,000,000</u>	<u>-</u>	<u>-</u>	<u>23,000,000,000</u>

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

	31 December 2021		31 December 2020	
	Shareholding (%)	Voting rights (%)	Shareholding (%)	Voting rights (%)
GEGC	<u>67.39%</u>	<u>67.39%</u>	<u>67.39%</u>	<u>67.39%</u>

(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
Yudean Shipping	Associate
Yunfu B	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
Guangdong Yudean Environmental Protection Co., Ltd. ("Yudean Environmental")	Controlled by GEGC
Guangdong Yudean Environmental Protection Materials Co., Ltd. ("Environmental Protection Materials")	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 Energy Group Natural Gas Co., Ltd. ("Guangdong Energy Natural Gas")	Controlled by GEGC
Zhuhai Special Economic Zone Guangzhu Power Generation Co., Ltd. ("Guangzhu Power")	Controlled by GEGC
Guangdong Energy Group Co., Ltd., Zhuhai Power Plant ("Zhuhai Power")	Controlled by GEGC
Inner Mongolia Yudean Menghua New Energy Co., Ltd. ("Menghua New Energy")	Controlled by GEGC

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

(5) Related party transactions

(a) Purchase and sale 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	2021	2020 (Restated)
Industry Fuel	Purchase of fuel	Agreement price	29,734,481,375	11,393,268,770
Guangdong Energy Natural Gas	Purchase of fuel	Agreement price	3,732,802,782	3,405,356,446
Yudean Environmental	Purchase of materials	Agreement price	156,679,116	166,385,504
Environmental Protection Materials	Purchase of materials	Agreement price	64,389,931	-
GEG Property Insurance	Receipt of insurance services	Agreement price	59,136,449	50,174,026
Yudean Shipping	Receipt of tug services	Agreement price	24,226,415	25,154,340
Yudean PM	Receipt of property services	Agreement price	23,959,792	34,811,439
Port of Yangjiang	Receipt of tug services	Agreement price	16,431,191	1,479,405
Others	Purchase of carbon emission quota and receipt of services	Agreement price	19,876,271	23,439,370
			<u>33,831,983,322</u>	<u>15,100,069,300</u>

Sale of goods and rendering of services:

Related parties	Type of related party transaction	Pricing policies of related party transactions	2021	2020 (Restated)
Yudean Environmental	Revenue from sale of by-products	Agreement price	340,736,159	301,499,704
Shajiao C	Provision of maintenance and repair services	Agreement price	39,394,206	40,896,696
Zhongshan Thermal	Provision of maintenance and repair services	Agreement price	14,057,773	8,936,678
Environmental Protection Materials	Revenue from sale of by-products	Agreement price	12,305,470	391,184
Zhuhai Power	Provision of maintenance and repair services	Agreement price	10,799,140	14,398,394
Others	Provision of services	Agreement price	24,419,684	27,611,047
			<u>441,712,432</u>	<u>393,733,703</u>

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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	2021	2020 (Restated)
Guangzhu Power	130,127,530	122,451,327
Zhuhai Jinwan Electric	121,954,252	117,292,035
Zhongshan Thermal	96,302,800	85,318,584
Yuelong Power	31,152,000	27,212,389
Yunfu B	16,203,000	24,406,903
Others	-	144,243
	<u>395,739,582</u>	<u>376,825,481</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

Right-of-use assets increased in the current year with the Group as the lessee:

Name of the lessor	Type of the leased asset	2021	2020
Energy Financial Leasing Company	Lease of machinery and equipment	4,496,403,656	—
Others	Housing rental	3,673,203	—
		<u>4,500,076,859</u>	<u>—</u>

Interest costs on lease liabilities in the current year with the Group as the lessee:

	2021	2020
Energy Financial Leasing Company	152,418,557	—
Others	383,203	—
	<u>152,801,760</u>	<u>—</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 guarantor

Guaranteed party	Guaranteed amount	Starting date	Maturity date	Whether the guarantee has been fulfilled or not
GEGC (i)	1,649,894,414	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 2021, Yangjiang Wind Power borrowed pledged loan of RMB 1,649,894,414 from NDB.

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 *2021 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 33,000,000,000 in 2021. In 2021, the Group borrowed a total of RMB 11,491,375,497 (2020: RMB 10,180,730,830) from Energy Group Finance Company based on actual capital requirement. The Group paid an interest of RMB 343,902,443 (2020: RMB 347,738,192) for such borrowings (Note 8(5)(h) for details).

(ii) In 2021, the net decrease of the Group's deposits in Energy Group Finance Company was RMB 1,918,648,394 (2020: a net increase of RMB 719,000,785), and the net decrease of the Group's other cash balances deposited in Energy Group Finance Company was RMB 592,681 (2020: a net increase of RMB 592,681). Interest due from Energy Group Finance Company amounted to RMB 126,350,608 (2020: RMB 93,386,968) (Note 8(5)(g)). In light of the frequent deposits and withdrawals, the Group only disclosed the amount of net change in deposits.

(iii) 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 2021, the net amount of Energy Group Finance Company's discounting of acceptance notes issued by the Group to Industry Fuel increased by RMB 37,007,454. In 2021, 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 20,074,125 (2020: RMB 29,018,674)(Note 8(5)(h)).

(iv) Based on the *Framework Agreement on Financial Lease* between the Company and Energy Finance Leasing Company in 2021, 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 2021, the new lease liabilities incurred in the transaction between the Group and Energy Finance Leasing Company were RMB 1,271,198,318 (2020: RMB 1,000,444,757), and the finance lease payment was RMB 175,247,298 (2020: RMB 145,120,068).

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

(5) Related party transactions (Cont'd)

(f) Allocation of common expenses

The Company's branches Shajiao A Power Plant and Shajiao C agreed to share common expenses based on their agreed allocation percentage. In 2021, the common expenses received by the Group from Shajiao C was RMB 5,580,411 (2020: RMB 4,296,622).

(g) Interest income

Related parties	Type of related party transaction	2021	2020 (Restated)
Energy Group Finance Company	Interest on deposits	126,350,608	93,386,968

(h) Interest costs

Related parties	Type of related party transaction	2021	2020 (Restated)
Energy Group Finance Company	Interest on borrowings	343,902,443	347,738,192
Energy Group Finance Company	Notes discount charges	20,074,125	29,018,674
		<u>363,976,568</u>	<u>376,756,866</u>

In 2021, the loans provided by Energy Group Finance Company to the Group carried an annual interest rate from 2.70% to 4.90% (2020: from 3.05% to 4.41%).

(i) Interest payments

Related parties	Type of related party transaction	2021	2020 (Restated)
Energy Financial Leasing Company	Finance lease interest	152,418,557	122,392,935

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

(5) Related party transactions (Cont'd)

- (j) In 2021, in order to optimise the Company's asset structure and promote high-quality development, Bohe Energy, a subsidiary of the Group, disposed of the terminal assets to Industry Fuel at a transaction price of RMB 2,800,327,000 (excluding tax).

As at 31 December 2021, receivables of terminal asset restructuring from Bohe Energy amounted to RMB 1,602,258,185, and RMB 1,600,910,823 had been recovered in March 2022. The remaining unrecovered amount is the property insurance taken out on behalf of the policyholder, which is expected to be recovered in 2022.

- (k) Joint investment

As at 31 December 2021, subsidiaries, joint ventures and associates jointly invested by the Group and GEGC were listed below:

Percentage of equity attributable to GEGC

Maoming Thermal	30.12%
Bohe Energy	33.00%
Sha C Company	49.00%
Guanghe Power	49.00%
Biomass Power Generation	49.00%
Xinhui Power	44.10%
Huaqing Power	31.85%
Energy Group Finance Company	60.00%
Industry Fuel	50.00%
Shanxi Yudean Energy	60.00%
GEG Property Insurance	51.00%
Energy Financial Leasing Company	50.00%
Yudean Shipping	45.00%
Yueqian Power	17.48%

- (l) Remuneration of key management

	2021	2020 (Restated)
Remuneration of key management	5,677,057	5,314,399

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

(6) Receivables from and payables to related parties

Receivables from related parties:

		31 December 2021	31 December 2020 (Restated)
Cash at bank and on hand – Cash at bank	Energy Group Finance Company	6,468,820,757	8,387,469,151
Cash at bank and on hand – Other cash balances	Energy Group Finance Company	6,000,000	6,592,681
Cash at bank and on hand – Interest receivable	Energy Group Finance Company	39,533,620	-
Accounts receivables	Shajiao C	8,500,800	8,344,661
	Zhuhai Power	6,820,689	9,440,854
	Yudean New Energy	5,272,364	5,134,919
	Others	11,643,227	5,189,953
		<u>32,237,080</u>	<u>28,110,387</u>
Contract assets	Shajiao C	3,132,201	331,627
	Others	56,083	1,326,638
		<u>3,188,284</u>	<u>1,658,265</u>
		31 December 2021	31 December 2020 (Restated)
Other receivables	Industry Fuel	1,602,258,185	-
	Energy Financial Leasing Company	129,864,979	-
	Yudean Environmental	76,772,719	77,122,953
	Others	8,113,032	50,349,405
		<u>1,817,008,915</u>	<u>127,472,358</u>
Advances to suppliers	Industry Fuel	481,701,342	566,884,836
	Others	3,707,618	4,163,826
		<u>485,408,960</u>	<u>571,048,662</u>
Other non-current assets	Yudean Technology	250,000	700,000

As at 31 December 2021 and 31 December 2020, the Group made no provision for bad debts of receivables from related parties.

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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 2021	31 December 2020 (Restated)
Notes payables	Energy Group Finance Company	<u>866,000,000</u>	<u>780,000,000</u>
Accounts payables	Industry Fuel	4,251,347,098	2,032,026,571
	GEGC	1,101,296,490	472,060,383
	Guangdong Energy Natural Gas	390,755,352	151,765,125
	Yudean Environmental Environmental Protection Materials	35,115,820	44,446,507
	Others	24,316,381	-
		<u>3,511,517</u>	<u>3,983,376</u>
		<u>5,806,342,658</u>	<u>2,704,281,962</u>
Contract liabilities	GEGC	2,606,132	1,419,811
Other payables	GEGC	2,501,436,910	5,000
	Energy Financial Leasing Company	42,722,792	-
	Menghua New Energy	5,276,682	-
	Others	<u>6,780,239</u>	<u>25,101,873</u>
		<u>2,556,216,623</u>	<u>25,106,873</u>
Lease liabilities	Energy Financial Leasing Company	<u>3,801,408,039</u>	<u>—</u>

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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 2021	31 December 2020 (Restated)
Short-term borrowings		
Energy Group Finance Company		
- Principal	4,977,136,729	4,683,000,000
- Interest	3,142,408	5,026,812
	<u>4,980,279,137</u>	<u>4,688,026,812</u>
Current portion of non-current liabilities		
Energy Group Finance Company		
- Principal	191,911,238	301,049,280
- Interest	6,612,663	5,090,349
GEGC		
- Principal	82,000,000	-
- Interest	368,958	-
	<u>280,892,859</u>	<u>306,139,629</u>
Energy Financial Leasing Company	<u>33,630,163</u>	<u>11,337,912</u>
Long-term borrowings		
Energy Group Finance Company		
- Principal	4,175,122,351	3,732,790,825
GEGC		
- Principal	268,000,000	-
	<u>4,443,122,351</u>	<u>3,732,790,825</u>
	31 December 2021	31 December 2020 (Restated)
Long-term payables	Energy Financial Leasing Company	-
	<u>-</u>	<u>2,643,768,496</u>

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

(7) Commitments in relation to related parties

The commitments in relation to related parties contracted for by the Group but not yet necessary to be recognised on the balance sheet as at the balance sheet date are as follows:

Leases

	31 December 2021	31 December 2020 (Restated)
- As lessee		
Yudean PI	—	36,129,730
Yudean PM	—	1,256,363
	<u>—</u>	<u>37,386,093</u>

9 Contingencies

- (1) As at 31 December 2021, the Company provided joint guarantee for bank borrowings amounting to RMB 41,470,000 for Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd., of which the liability relief procedure is being handled.

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 2021	31 December 2020 (Restated)
Buildings and power generation equipment	23,518,696,981	15,365,182,246

The above capital commitments will be primarily used for the construction of new electric plants and the purchase of new generator units.

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10 Commitments (Cont'd)

(2) Investment commitments

- (a) 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 Dacheng County Dun'An New Energy Co., Ltd. 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.
- (b) The Tenth Session of the Board approved the *Proposal on the Participation in the Initiation and Establishment of A Provincial Futures Company* during its meeting on 2 August 2021. The Board gave permission to the Company's participation in the initiation and establishment of Guangdong Utrust Futures Co., Ltd. with self-owned fund of RMB 400 million at the shareholding proportion of 20% and signing of the Initiator Agreement and Articles of Association of the provincial futures company. It also agreed the Company's first capital contribution of RMB 10 million at the shareholding proportion of 20% with one month after the reply on preparation of the provincial futures company was issued by the China Securities Regulatory Commission, and the Company's contribution of the remaining capital of RMB 390 million within the term as required by the China Securities Regulatory Commission, which would depend on the notice from the provincial futures company's preparation team or the announcement of the China Securities Regulatory Commission. In 2021, no capital injection was made.

11 Operating lease proceeds after the balance sheet date

As the lessor, the Group's undiscounted lease proceeds receivable after the balance sheet date are as follows:

	31 December 2021
Within 1 year	43,244,349
1 to 2 years	32,229,710
2 to 3 years	19,313,219
3 to 4 years	7,076,799
4 to 5 years	6,751,880
Over 5 years	4,198,003
	<hr/>
	112,813,960

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12 Financial instrument and 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 USD. 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 2021 and 2020, the Group did not enter into any forward exchange contracts or currency swap contracts.

As at 31 December 2021 and 31 December 2020, the carrying amounts in RMB equivalent of the Group's assets and liabilities denominated in foreign currencies were summarised below:

	31 December 2021			Total
	USD	EUR	HKD	
Financial assets denominated in foreign currency -				
Cash at bank and on hand	220,713	-	592	221,305
Financial liabilities denominated in foreign currency -				
Long-term borrowings	44,506,676	-	-	44,506,676
Current portion of non-current liabilities	6,542,011	-	-	6,542,011
	<u>51,048,687</u>	<u>-</u>	<u>-</u>	<u>51,048,687</u>
	31 December 2020 (Restated)			
	USD	EUR	HKD	Total
Financial assets denominated in foreign currency -				
Cash at bank and on hand	225,856	-	84,676	310,532
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
	<u>58,822,528</u>	<u>1,089,727</u>	<u>-</u>	<u>59,912,255</u>

As at 31 December 2021, 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 3,812,098 (31 December 2020: approximately RMB 4,411,596) higher/lower for various financial assets and liabilities denominated in USD, whose recording currency was RMB.

As at 31 December 2021, 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 instrument and 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 bank 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 continuously monitors its interest rate position. 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 makes adjustments timely with reference to the latest market conditions and may enter into interest rate swap agreements to mitigate its exposure to interest rate risk. During 2021 and 2020, the Group did not enter into any interest rate swap agreements.

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 2021	31 December 2020 (Restated)
Short-term borrowings		
- Fixed interest rate	9,242,146,729	1,904,100,000
- Floating interest rate	<u>3,107,000,000</u>	<u>6,004,570,202</u>
	<u>12,349,146,729</u>	<u>7,908,670,202</u>
	31 December 2021	31 December 2020 (Restated)
Long-term borrowings and current portion of long-term borrowings		
- Floating interest rate	<u>31,587,611,645</u>	<u>23,405,459,944</u>

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12 Financial instrument and risk (Cont'd)

(1) Market risk (Cont'd)

(b) Interest rate risk (Cont'd)

	31 December 2021	31 December 2020 (Restated)
Debentures payable and debentures payable due within one year		
- Fixed interest rate	<u>8,693,083,422</u>	<u>2,998,243,652</u>
	31 December 2021	31 December 2020 (Restated)
Long-term payables and current portion of long-term payables		
- Fixed interest rate	24,960,000	114,960,000
- Floating interest rate	<u>96,819,223</u>	<u>3,414,107,685</u>
	<u>121,779,223</u>	<u>3,529,067,685</u>
	31 December 2021	31 December 2020 (Restated)
Lease liabilities and current portion of lease liabilities		
- Fixed interest rate	52,036,473	—
- Floating interest rate	<u>5,546,994,736</u>	—
	<u>5,599,031,209</u>	—

As at 31 December 2021, the Group's fixed interest bearing borrowings amounted to RMB 18,012,226,624 and floating interest bearing borrowings amounted to RMB 40,338,425,604 (31 December 2020: fixed interest bearing borrowings of RMB 5,017,303,652, floating rate bearing borrowings of RMB 32,824,137,831).

As at 31 December 2021, 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 costs would have increased/decreased by approximately RMB 40,345,191 (31 December 2020: approximately RMB 32,824,138).

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12 Financial instrument and risk (Cont'd)

(2) Credit risk

Credit risk of the Group mainly arises from cash at bank and on hand, accounts receivables, contract assets, other receivables, long-term receivables, etc. The carrying amount of the Group's financial assets reflects 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 receivables, 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 2021, the Group had no significant collateral or other credit enhancements held as a result of the debtor's mortgage (31 December 2020: Nil).

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12 Financial instrument and risk (Cont'd)

(3) Liquidity risk

Cash flow forecasting is performed by each subsidiary of the Group and aggregated by the Group's finance department in its headquarters. The Group's finance department at its headquarters monitors rolling forecasts of the Group's short-term and long-term liquidity requirements to ensure it has sufficient cash and securities that are readily convertible to cash to meet operational needs, while maintaining sufficient headroom on its undrawn committed borrowing facilities from major financial institutions so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities to meet the short-term and long-term liquidity requirements.

The financial liabilities of the Group at the balance sheet date are analysed by their maturity date below at their undiscounted contractual cash flows:

	31 December 2021					Total	Carrying amount on balance sheet
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years			
Short-term borrowings	12,562,159,932	-	-	-	12,562,159,932	12,360,296,429	
Notes payables	1,908,780,000	-	-	-	1,908,780,000	1,908,780,000	
Accounts payables	6,626,567,064	-	-	-	6,626,567,064	6,626,567,064	
Other payables	10,569,763,778	-	-	-	10,569,763,778	10,569,763,778	
Other current liabilities	1,981,058,957	-	-	-	1,981,058,957	1,658,449,006	
Current portion of non-current liabilities	4,045,277,512	-	-	-	4,045,277,512	3,697,619,753	
Long-term borrowings	1,255,490,613	2,864,007,167	9,130,610,877	24,125,559,315	37,375,667,972	28,940,577,856	
Debentures payable	259,130,000	459,051,484	8,954,652,878	-	9,672,834,362	8,693,083,422	
Lease liabilities	-	581,556,623	1,310,762,376	3,969,525,034	5,861,844,033	4,728,167,142	
Long-term payables (excluding payables for specific projects)	-	-	-	96,819,223	96,819,223	96,819,223	
	<u>39,208,227,856</u>	<u>3,904,615,274</u>	<u>19,396,026,131</u>	<u>28,191,903,572</u>	<u>90,700,772,833</u>	<u>79,280,123,673</u>	

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12 Financial instrument and risk (Cont'd)

(3) Liquidity risk (Cont'd)

	31 December 2020 (Restated)					Carrying amount on balance sheet
	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total	
Short-term borrowings	7,965,109,917	-	-	-	7,965,109,917	7,916,440,888
Notes payables	1,252,292,546	-	-	-	1,252,292,546	1,252,292,546
Accounts payables	3,400,384,808	-	-	-	3,400,384,808	3,400,384,808
Other payables	7,814,572,869	-	-	-	7,814,572,869	7,814,572,869
Other current liabilities	3,233,432,752	-	-	-	3,233,432,752	3,217,523,576
Current portion of non-current liabilities	3,623,068,929	-	-	-	3,623,068,929	3,322,121,935
Long-term borrowings	916,888,015	2,305,767,192	6,894,083,716	17,765,369,269	27,882,108,192	21,922,680,540
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)	-	638,514,120	1,401,964,107	1,361,383,052	3,401,861,279	3,241,171,306
	<u>28,242,499,836</u>	<u>2,981,031,312</u>	<u>9,883,839,490</u>	<u>19,126,752,321</u>	<u>60,234,122,959</u>	<u>53,586,731,379</u>

The Group's available financing credit lines under agreement with the financial institutions as at balance sheet date are as follows:

	31 December 2021	31 December 2020 (Restated)
Available financing credit lines under agreement with the financing institutions	<u>36,078,452,111</u>	<u>49,672,680,096</u>

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12 Financial instrument and risk (Cont'd)

(3) Liquidity risk (Cont'd)

As stated in Note 2(1) to the financial statements, as at 31 December 2021, certain subsidiaries of the Group had non-compliance matters. Due to such non-compliance matters, relevant banks and other financial institutions have the right to require such subsidiaries to repay all the principal and interest of relevant borrowings in advance. The balance of the principal and interest of such borrowings as at 31 December 2021 amounted to RMB 3,568,583,282, including the principal and interest of the short-term borrowing of RMB 2,020,441,166, the principal and interest of non-current liabilities due within one year of RMB 216,102,245 and the principal of the long-term borrowings with original contractual maturity dates after 31 December 2022 and lease liabilities of RMB 1,332,039,871. The long-term borrowing and lease liabilities of RMB 1,332,039,871 have been presented in the financial statements for the current year as the current portion of non-current liabilities. As at the issue date of these financial statements, these subsidiaries had obtained the exemptions of most banks from non-compliance matters.

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 non-recurring basis

As at 31 December 2021, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Investments in other equity instruments -				
Other equity instruments	<u>547,728,682</u>	<u>-</u>	<u>2,684,300,000</u>	<u>3,232,028,682</u>

As at 31 December 2020, the assets measured at fair value on a recurring basis by the above three levels were analysed below:

	Level 1	Level 2	Level 3	Total
Investments in other equity instruments -				
Other equity instruments	<u>393,587,145</u>	<u>-</u>	<u>3,155,300,870</u>	<u>3,548,888,015</u>

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13 Fair value estimates (Cont'd)

(1) Assets measured at fair value on a recurring basis (Cont'd)

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 techniques. The Group adopt such valuation models as cash flow discounting model and comparable company in the market to evaluate the fair value of the other equity instrument of Level 3 financial assets. The Group adopts average price to book value ratio (PB) and discounts for lack of marketability (DLOM) as major unobservable inputs for SCG, adopts average price to earnings ratio (PE), PB and DLOM as major unobservable inputs for Sunshine Insurance.

The changes in Level 3 financial assets are analysed below:

	31 December 2020 (Restated)	Decrease in the current year	Gains recognised in other comprehensive income	31 December 2021
Investments in other equity instruments - Other equity instruments	<u>3,155,300,870</u>	<u>(70,500,870)</u>	<u>(400,500,000)</u>	<u>2,684,300,000</u>

(2) Assets and liabilities not measured at fair value but for which the fair value is disclosed

Financial assets and liabilities measured at amortised cost mainly include accounts receivables, other receivables, long-term receivables, short-term borrowings, payables, lease liabilities, 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 2021 and 31 December 2020, the Group's gearing ratio was as follows:

	31 December 2021	31 December 2020 (Restated)
Gearing ratio	<u>71.34%</u>	<u>56.14%</u>

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15 Notes to the Company's financial statements

(1) Accounts receivables

	31 December 2021	31 December 2020
Accounts receivables	192,707,778	173,029,247
Less: Provision for bad debts	-	-
	<u>192,707,778</u>	<u>173,029,247</u>

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

	31 December 2021	31 December 2020
Within 1 year	<u>192,707,778</u>	<u>173,029,247</u>

(b) As at 31 December 2021, the five largest amounts of accounts receivables aggregated by debtors were summarised and analysed as follows:

	Balance	Provision for bad debts	% of total balance
Total balance of the five largest accounts receivables	<u>192,707,778</u>	-	<u>100%</u>

(c) Provision for bad debts

For accounts receivables, the Company recognises the lifetime ECL regardless of whether there exists a significant financing component.

From 1 January 2020, the Company's recognition standards and accrual methods for provision for bad debts of accounts receivables are detailed in Note 2(9).

(i) As at 31 December 2021, provision for bad debts made on a collective basis for accounts receivables was analysed as follows:

Group 1

As at 31 December 2021, the Company's receivables from sale of electricity amounted to RMB 192,707,778, 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 sale of electricity. Since the possibility of material losses due to the default by Southern Power Grid Company was extremely low, the ECL for the receivables from sale of electricity was 0%.

As at 31 December 2021, there was no accounts receivables categorised in Group 2 and 3.

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15 Notes to the Company's financial statements (Cont'd)

(1) Accounts receivables (Cont'd)

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

(ii) In 2021, the Company did not make any provision for bad debts of accounts receivables (2020: Nil), and there was no provision for bad debts of accounts receivables written off in the current year (2020: Nil).

(2) Other receivables

	31 December 2021	31 December 2020
Capacity receivable	252,000,000	-
Entrusted loans receivable	100,000,000	240,000,000
Supplementary medical insurance fund receivable	39,346,861	34,393,478
Receivables from sale of by-products	13,723,340	9,318,678
Advances receivable	2,250,884	3,136,509
Interest receivable	887,856	1,038,206
Dividends receivable	-	31,500,000
Others	7,933,062	9,047,525
	<u>416,142,003</u>	<u>328,434,396</u>
Less: Provision for bad debts	<u>(151,437)</u>	<u>(209,539)</u>
	<u>415,990,566</u>	<u>328,224,857</u>

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

	31 December 2021	31 December 2020
Within 1 year	412,826,194	309,724,263
1 to 2 years	1,889,053	1,846,749
2 to 3 years	229,312	16,743,677
Over 3 years	1,197,444	119,707
	<u>416,142,003</u>	<u>328,434,396</u>

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15 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Loss provision and changes in book balance

	Stage 1				Stage 3		Total
	12-month ECL (group)		12-month ECL (individual)		Lifetime ECL (credit impaired)		
	Book balance	Provision for bad debts	Book balance	Provision for bad debts	Book balance	Provision for bad debts	
31 December 2020	5,180,504	(209,539)	323,253,892	-	(209,539)	-	(209,539)
Increase in the current year	3,057,850	(129,968)	378,161,461	-	(129,968)	-	(129,968)
Reversal in the current year	(5,679,762)	188,070	(287,831,942)	-	188,070	-	188,070
31 December 2021	2,558,592	(151,437)	413,583,411	-	(151,437)	-	(151,437)

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15 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Loss provision and changes in book balance (Cont'd)

As at 31 December 2021 and 31 December 2020, 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 2021, other receivables at Stage 1 with provision for bad debts on individual basis were analysed as follows:

	Book balance	12-month ECL rates	Provision for bad debts	Reason
Entrusted loans receivable	100,000,000	0.00%	-	The counterparty is the Company's subsidiary with a historical loss rate of 0%; therefore, the risk of ECL is extremely low.
Supplementary medical insurance fund receivable	39,346,861	0.00%	-	The counterparty is Taikang Pension, which provides custody services to the Company's supplementary medical insurance fund; therefore, the risk of ECL is extremely low.
Receivables from related parties	<u>274,236,550</u>	0.00%	<u>-</u>	The counterparty is a related party, with a historical loss rate of 0% ; therefore, the risk of ECL is extremely low.
	<u>413,583,411</u>		<u>-</u>	

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 rates	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 risk of ECL 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 risk of ECL is extremely low.
Dividends receivable	31,500,000	0.00%	-	The counterparty has good credit, with a historical loss rate of 0%; therefore, the risk of ECL is extremely low.
Receivables from related parties	<u>17,360,414</u>	0.00%	<u>-</u>	The counterparty is a related party, with a historical loss rate of 0% ; therefore, the risk of ECL is extremely low.
	<u>323,253,892</u>		<u>-</u>	

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15 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(b) Loss provision and changes in book balance (Cont'd)

(ii) As at 31 December 2021, other receivables at Stage 1 with provision for bad debts on the collective basis were analysed as follows:

	31 December 2021		
	Book balance	Loss provision	
	Amount	Amount	Provision ratio
Group 1			
Within 1 year	2,029,378	(16,388)	0.81%
1 to 2 years	437,961	(43,796)	10.00%
Over 3 years	91,253	(91,253)	100.00%
	<u>2,558,592</u>	<u>(151,437)</u>	<u>5.92%</u>

As at 31 December 2020, other receivables at Stage 1 with provision for bad debts on the collective basis were analysed as follows:

	31 December 2020		
	Book balance	Loss provision	
	Amount	Amount	Provision ratio
Group 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>

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15 Notes to the Company's financial statements (Cont'd)

(2) Other receivables (Cont'd)

(c) In 2021, the amount of provision for bad debts of other receivables was RMB 129,968 (2020: RMB 87,720), and the amount of reversed provision for bad debts of other receivables in the current year was RMB 188,070 (2020: RMB 29,346), with corresponding book balance of RMB 5,679,762 (2020: RMB 2,934,574). There was no provision for bad debts of other receivables written off (2020: Nil).

(d) As at 31 December 2021, the five largest amounts of other receivables aggregated by debtors were analysed as follows:

	Nature	Balance	Ageing	% of total balance	Provision for bad debts
Bohe Energy	Capacity receivable	252,000,000	Within 1 year	60.56%	-
Yuejiang Power	Entrusted loans receivable	50,000,000	Within 1 year	12.02%	-
Lincang Energy	Entrusted loans receivable	50,000,000	Within 1 year	12.02%	-
Taikang Pension	Supplementary medical insurance fund receivable	39,346,861	Within 3 years	9.46%	-
Yudean Environmental	Receivables from sale of by-products	13,723,340	Within 1 year	3.30%	-
		<u>405,070,201</u>		<u>97.34%</u>	<u>-</u>

(3) Long-term equity investments

	31 December 2021	31 December 2020
Subsidiaries (a)	30,519,715,049	23,169,002,222
Joint ventures (b)	804,769,245	531,313,393
Associates (c)	<u>6,659,945,716</u>	<u>6,197,179,173</u>
Less: Long-term equity investments - provision for impairment of subsidiary (a)	(1,348,124,079)	(1,348,124,079)
Long-term equity investments - provision for impairment of associates (c)	<u>(96,327,854)</u>	<u>(96,327,854)</u>
	<u>36,539,978,077</u>	<u>28,453,042,855</u>

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15 Notes to the Company's financial statements (Cont'd)

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

(a) Subsidiaries

	31 December 2020	Increase in investments	Decrease in investments	Provision for impairment	31 December 2021	Ending balance of provision for impairment loss	Declared cash dividends during the year
Zhanjiang Electric	2,185,334,400	-	-	-	2,185,334,400	-	73,460,111
Yuejia Electric	-	-	-	-	-	(455,584,267)	-
Maoming Thermal	687,458,978	-	-	-	687,458,978	-	-
Jinghai Power	1,930,395,668	-	-	-	1,930,395,668	-	281,020,711
Zhanjiang Wind Power	242,277,000	-	(242,277,000)	-	-	-	26,630,068
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	-	6,761,650
Bohe Energy	3,167,000,000	-	-	-	3,167,000,000	-	-
Pinghai Power	720,311,347	-	-	-	720,311,347	-	142,381,445
Red Bay Power	2,220,023,386	-	-	-	2,220,023,386	-	179,649,630
Huizhou Natural Gas	1,205,199,446	-	-	-	1,205,199,446	-	428,470,419
Guangqian Electric	1,353,153,223	-	-	-	1,353,153,223	-	292,698,656
Yuejiang Power	892,850,119	208,353,880	-	-	1,101,203,999	(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>16,816,745,983</u>	<u>208,353,880</u>	<u>(242,277,000)</u>	<u>-</u>	<u>16,782,822,863</u>	<u>(1,138,134,640)</u>	<u>1,431,072,690</u>

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15 Notes to the Company's financial statements (Cont'd)

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

(a) Subsidiaries (Cont'd)

	31 December 2020	Increase in investments	Decrease in investments	Provision for impairment	31 December 2021	Ending balance of provision for impairment loss	Declared cash dividends during the year
Subtotal brought forward	16,816,745,983	208,353,880	(242,277,000)	-	16,782,822,863	(1,138,134,640)	1,431,072,690
Guangdong Wind Power	2,325,301,260	4,547,255,000	-	-	6,872,556,260	-	-
Leizhou Wind Power	80,800,000	11,141,250	(91,941,250)	-	-	-	7,346,827
Qijie Wind Power	1,279,750,000	600,000,000	(1,879,750,000)	-	-	-	174,150,270
Power Sales	230,000,000	-	-	-	230,000,000	-	19,820,688
Lincang Energy	281,000,000	-	-	-	281,000,000	(209,989,439)	-
Yongan Natural Gas	90,000,000	90,000,000	-	-	180,000,000	-	-
Tongdao Company	60,000,000	40,000,000	(100,000,000)	-	-	-	-
Binhai Bay Company	570,000,000	50,000,000	-	-	620,000,000	-	-
Daya Bay Company	17,600,000	128,000,000	-	-	145,600,000	-	-
Qiming	20,000,000	-	-	-	20,000,000	-	-
Huaguoquan Company	49,680,900	-	-	-	49,680,900	-	-
Dananhai Company	-	15,000,000	-	-	15,000,000	-	-
Baihua Company	-	3,000,000	-	-	3,000,000	-	-
Sha C Company	-	1,559,120,782	-	-	1,559,120,782	-	-
Yunhe Power	-	1,066,562,327	-	-	1,066,562,327	-	-
Yuehua Power	-	541,247,838	-	-	541,247,838	-	-
Bijie New Energy	-	5,000,000	-	-	5,000,000	-	-
Tumxuk	-	800,000,000	-	-	800,000,000	-	-
Total	21,820,878,143	9,664,681,077	(2,313,968,250)	-	29,171,590,970	(1,348,124,079)	1,632,390,475

Relevant information of the Company's subsidiaries is set out in Note 6.

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15 Notes to the Company's financial statements (Cont'd)

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

(b) Joint ventures

	31 December 2020	Movements for the current year			Cash dividends declared	31 December 2021	Ending balance of provision for impairment loss
		Increase in investments	Share of net profit/(loss) under equity method	Share of other comprehensive income			
Industry Fuel	531,313,393	180,000,000	115,205,500	7,900,250	(29,649,898)	804,769,245	-

(c) Associates

	31 December 2020	Movements for the current year					Cash dividends declared	31 December 2021	Ending balance of provision for impairment loss
		Increase in investments	Decrease in investments	Share of net profit/(loss) under equity method	Share of other comprehensive income	Share of other changes in equity			
Taishan Electric	1,889,026,588	-	-	(3,409,558)	-	-	(101,148,944)	1,784,468,086	-
Shanxi Yudean Energy Group Finance Company	1,819,132,396	64,000,000	-	480,044,857	-	-	-	2,363,177,253	-
Yudean Shipping	1,027,206,662	-	-	91,099,049	4,818,429	-	(76,421,226)	1,046,702,914	-
GEG Property Insurance	241,738,113	-	-	7,347,225	(330,519)	(799,924)	-	247,954,895	-
Western Investment	268,468,953	-	-	9,569,443	-	-	(1,505,619)	276,532,777	-
Weixin Yuntou Energy Financial Leasing Company	144,018,912	-	(144,018,912)	-	-	-	-	-	-
Yueqian Power	175,592,218	-	-	(36,782,167)	-	-	-	138,810,051	(96,327,854)
Others	522,483,539	-	-	22,399,917	-	-	(12,576,669)	532,306,787	-
	-	144,018,912	-	11,125,044	(1,633)	6,183,547	-	161,325,870	-
	13,183,938	-	-	1,239,213	-	-	(2,083,922)	12,339,229	-
	<u>6,100,851,319</u>	<u>208,018,912</u>	<u>(144,018,912)</u>	<u>582,633,023</u>	<u>4,486,277</u>	<u>5,383,623</u>	<u>(193,736,380)</u>	<u>6,563,617,862</u>	<u>(96,327,854)</u>

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15 Notes to the Company's financial statements (Cont'd)

(4) Revenue and cost of sale

	2021	2020
Revenue from main operations	1,522,773,313	1,130,337,474
Revenue from other operations	71,049,232	91,259,553
	<u>1,593,822,545</u>	<u>1,221,597,027</u>
	2021	2020
Cost of sale from main operations	1,910,172,008	1,159,450,238
Cost of sale from other operations	1,779,127	2,176,800
	<u>1,911,951,135</u>	<u>1,161,627,038</u>

(a) Revenue and cost of sale from main operations

	2021		2020	
	Revenue from main operations	Cost of sale from main operations	Revenue from main operations	Cost of sale from main operations
Revenue from sale of electricity	<u>1,522,773,313</u>	<u>1,910,172,008</u>	<u>1,130,337,474</u>	<u>1,159,450,238</u>
	<u>1,522,773,313</u>	<u>1,910,172,008</u>	<u>1,130,337,474</u>	<u>1,159,450,238</u>

(b) Revenue and cost of sale from other operations

	2021		2020	
	Revenue from other operations	Cost of sale from other operations	Revenue from other operations	Cost of sale from other operations
Revenue from integrated utilisation of coal ash	31,187,580	-	35,423,067	5,311
Rental income	13,524,618	1,010,171	9,706,568	1,010,171
Others	26,337,034	768,956	46,129,918	1,161,318
	<u>71,049,232</u>	<u>1,779,127</u>	<u>91,259,553</u>	<u>2,176,800</u>

Due to the impact of COVID-19, the Group exempted the lessee from paying the rental of RMB 438,728 for 2021, and the Group has deducted the above rental waivers against the rental income for the current period.

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15 Notes to the Company's financial statements (Cont'd)

(4) Revenue and cost of sale (Cont'd)

(c) The Company's revenue is disaggregated as follows:

	2021			Total
	Sale of electricity and coal ash	Rental	Others	
Revenue from main operations				
Including: Recognition at a point in time	1,522,773,313	-	-	1,522,773,313
Revenue from other operations				
Including: Recognition at a point in time	31,187,580	-	19,526,298	50,713,878
Recognised over a period of time	-	-	6,810,736	6,810,736
Rental income	-	13,524,618	-	13,524,618
	<u>1,553,960,893</u>	<u>13,524,618</u>	<u>26,337,034</u>	<u>1,593,822,545</u>
	2020			
	Sale of electricity and coal ash	Rental	Others	Total
Revenue from main operations				
Including: Recognised at a point in time	1,130,337,474	-	-	1,130,337,474
Revenue from other operations				
Including: Recognised at a point in time	35,423,067	-	41,562,703	76,985,770
Recognised over a period of time	-	-	4,567,215	4,567,215
Rental income	-	9,706,568	-	9,706,568
	<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 2021, the Company had no performance obligation that had been contracted but not yet fulfilled.

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15 Notes to the Company's financial statements (Cont'd)

(5) Investment income

	2021	2020
Income from long-term equity investments under cost method	1,632,390,475	1,257,249,835
Recognised investment income from equity replacement	973,426,650	-
Investment income from long-term equity investments under equity method	697,838,523	230,001,917
Dividend income earned during the holding period of investments in other equity instruments	87,731,408	65,087,539
Interest income from entrusted loans	27,260,693	24,163,550
Others	406,984	361,286
	<u>3,419,054,733</u>	<u>1,576,864,127</u>

There was no significant restriction on remittance of investment income of the Company.

(6) Credit impairment (reversal)/loss

	2021	2020
(Reversal of)/Losses on bad debts of other receivables	(58,102)	58,374
Reversal of bad debts of accounts receivables	-	(20,911)
	<u>(58,102)</u>	<u>37,463</u>

(7) Asset impairment losses

	2021	2020
Impairment of fixed assets	29,321,084	52,051,098
Impairment of long-term equity investments	-	96,300,000
Impairment of inventories	-	13,985,244
	<u>29,321,084</u>	<u>162,336,342</u>

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

1 Statement of non-recurring profit or loss

	2021	2020
Net profit or loss of the subsidiaries acquired in business combinations involving enterprises under common control for the period from the beginning of the period to the combination date	(658,714,842)	559,324,501
Gains on disposals of non-current assets	82,842,178	340,976,361
Government grants recognised in profit or loss for the current period	37,606,578	30,457,198
Gains on scrapping of non-current assets	95,182,637	21,381,516
Compensation for electricity charges during the demolition and construction period	18,040,851	11,315,659
Gains of negative goodwill from acquisition of associates	-	8,549,071
Gains of negative goodwill from business combinations involving enterprise not under common control	-	1,235,720
Losses on scrapping of non-current assets	(24,792,577)	(23,719,197)
Penalties and overdue fines	(5,756,168)	(3,976,455)
Other non-operating income and expenses other than aforesaid items	16,979,172	36,323,955
	<u>(438,612,171)</u>	<u>981,868,329</u>
Effect of income tax	(55,885,342)	(106,635,578)
Impact on minority interests (after tax)	252,056,993	(372,532,443)
	<u>(242,440,520)</u>	<u>502,700,308</u>

Basis for preparation of statement of non-recurring profit or loss

Pursuant to the *Explanatory Announcement for Information Disclosure of Companies Offering Securities to the Public No. 1 - Non-recurring Profit or Loss (2008)* issued by the 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 or loss items listed which are defined as recurring profit and loss items are as follows:

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
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(All amounts in RMB Yuan unless otherwise stated)
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	Amount of 2021	Reasons for regarding as recurring profit or loss
VAT refund upon collection	28,991,960	Constant occurrence, conforming to national policies and regulations
Carbon emission quota used to fulfil the emission reduction obligation	(135,013,051)	Constant occurrence, conforming to national policies and regulations

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

(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		Earnings per share			
	average rate net assets		Basic earnings per		Diluted earnings per	
	(%)		share		share	
	2021	2020	2021	2020	2021	2020
Net profit attributable to ordinary shareholders of the Company	(10.72)%	6.95%	(0.60)	0.39	(0.60)	0.39
Net profit attributable to ordinary shareholders of the Company after deduction of non-recurring profit or loss	(11.31)%	5.73%	(0.55)	0.30	(0.55)	0.30