



广东电力发展股份有限公司

Guangdong Electric Power Development Co., Ltd.

2013 Annual Report

April 2014

I. Important Notice, Table of Contents and Definitions

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

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

Director Pan Li, Director Liu Qian, Director Li Zhuoxian, Director Hong Rongkun, Director Zhong Weimin, Directors Gao Shiqiang, Director Kong Huitian, Director Li Mingliang, Director Yao Jiheng, Director Wang Jin, Director Rao Subo, Director Zhang Xueqiu, Independent Director Song Xianzhong, Independent Director Zhu Weiping, Independent director Feng Xiaoming, Independent director Liu Tao and Independent director Zhang Hua attended this meeting. Independent director Wang Jun did not attend the meeting in person due to business, who respectively authorized Independent Director Zhu Weiping to attend the meeting and exercise voting right on his behalf.

The profit distribution proposal reviewed and approved by the boarding meeting was summarized as follows: Based on the Company's total share capital as at December 31, 2013, the total share capital of the Company, i.e., 4,375,236,655 shares, Dividend of RMB 2 (including tax) is to be distributed for every 10 A shares. Dividend of RMB 2 (including tax) is to be distributed for every 10 B shares.

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

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Definition

Terms to be defined	Refers to	Definition
Yudean Group	Refers to	Guangdong Yudean Group Co., Ltd.
Zhanjiang Company	Refers to	Zhanjiang Electric Power Co., Ltd.
Yuejia Company	Refers to	Guangdong Yuejia Electric Power Co., Ltd.
Yuejiang Company	Refers to	Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.
Zhenneng Company	Refers to	Maoming Zhenneng Thermal Power Co., Ltd.
Jinghai Company	Refers to	Guangdong Yudean Jinghai Power Co., Ltd.
Zhanjiang Wind Power Company	Refers to	Guangdong Yudean Zhanjiang Wind Power Co., Ltd.
Zhongyue Company	Refers to	Zhanjiang Zhongyue Energy Co., Ltd.
Bohe Company	Refers to	Guangdong Yudean Bohe Coal-fired Power Co., Ltd.
Guangqian Company	Refers to	Shenzhen Guangqian Electric Power Co., Ltd.
Huizhou Natural Gas Company	Refers to	Guangdong Huizhou Natural Gas Power Co., Ltd.
Shibeishan Wind Power Company	Refers to	Guangdong Shibeishan Wind Power Development Co., Ltd.
Red Bay Company	Refers to	Guangdong Red Bay Power Co., Ltd.
Pinghai Power Plant	Refers to	Guangdong Huizhou Pinghai Power Co., Ltd.
Humen Power Company	Refers to	Guangdong Yudean Humen Power Co., Ltd.
Anxin Electric Inspection & Installation	Refers to	Guangdong Yudean Anxin Electric Inspection & Installation

Company	to	Co., Ltd
Guohua Taishan	Refers to	Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.
Yudean Industry Fuel Company	Refers to	Guangdong Electric Power Industry Fuel Co., Ltd.
Huadu Natural Gas Company	Refers to	Guangdong Huadu Natural Gas Power Co., Ltd.
Dapu Company	Refers to	Guangdong Yudean Dapu Power Co., Ltd.
Guangdong Wind Power Company	Refers to	Guangdong Wind Power Co., Ltd.

Reminder about Important Risks

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

II. Basic Information of the Company

1. Company Information

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

2. Contact person and contact manner

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

3. Information disclosure and placed

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

4.Changes in Registration

	Date of Registration	Authority Registered with	Number of Business License of Enterprise as Legal Person	Taxation Registration No.:	Organization Code
Initial registration	November 3, 1992	10/F, Baili Business Center, Guangfa Garden, No.498 Huanshi East Road, Guangzhou	19034736-2	YGSZ No.:440102617419493, YDSZ No.:440100617419493	61741949-3
Registration at the end of the reporting period	March 9, 2011	23-26/F Yudean Plaza, No.2 Tianhe Road East, Guangzhou, Guangdong Province	440000400015088	YGSZ No.:440102617419493, YDSZ No.:440100617419493	61741949-3
Changes in principal business activities since listing (if any)	No changes				
Changes is the controlling shareholder in the past (is any)	On September 8, 1992, the Company was established with total share capital of 356.25 million shares through oriented placement. The controlling shareholder is Guangdong Power Industry Corporation. It holds 237.50 million shares, which account for 66.67% of its total share capital. In 2001, according to the Guangdong provincial people's government on the agreed to separating plant network separated from Guangdong power system reform implementation plan approval "(letter of the Guangdong government [2001] No. 252) and" about agreed to approval of Guangdong provincial state-owned power generation assets restructuring (letter of the Guangdong government [2001] No. 269), my company's controlling shareholder of Guangdong Electric power Group co., Ltd. (formerly Guangdong power industry corporation) restructuring for the two new companies, power companies (power grid assets) respectively and assets management Co., Ltd. (operation and power generation assets) of Guangdong province. According to the Reply About Division of Power Assets of Guangdong Province issued by Guangdong Finance Department (Yue Cai Qi (2001) No. 247 Document), 50.15% equity of the Company held by Guangdong Electric Power Group Company was transferred to Guangdong Yudean Assets Operation Co., Ltd.				

	According to the reply given by Guangdong Economy and Trade Commission (Yue Ming Mao Han (2003) No. 383 Document, the controlling shareholder Guangdong Yudean Assets Operation Co., Ltd. was renamed as Guangdong Yudean Group Co., Ltd. in 2003. The procedure of industrial and commercial registration of changes was settled. The actual controller of the Company is State-owned Assets Regulatory Commission of Guangdong People's Government.
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V. Other Relevant Information

CPAs engaged

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

The sponsor performing persistant 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

Name	Office address	Advisor	Consistent supervision period
China International Finance Co., Ltd.	China World Office Tower 2, 28/F, No.1 Jianguomen Avenue ,Beijing	Zhou Jiaqi	2012.6-2013.12

III. Summary of Accounting Highlights and Business Highlights

I. Summary of accounting /Financial Data

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

☐Yes ☒No

	2013	2012	Changed over last year (%)	2011
Operating Gross income (RMB)	30,830,757,337.00	29,489,273,619.00	4.55%	26,734,105,598.00
Net profit attributable to the shareholders of the listed company (RMB)	3,086,428,618.00	1,698,728,966.00	81.69%	1,015,592,890.00
Net profit after deducting of non-recurring gain/loss attributable to the shareholders of listed company (RMB)	3,199,745,325.00	1,038,008,842.00	208.26%	350,773,956.00
Cash flow generated by business operation, net (RMB)	9,709,896,440.00	7,851,786,246.00	23.66%	5,443,161,348.00
Basic earning per share(RMB/Share)	0.71	0.43	65.12%	0.26
Diluted gains per share(RMB/Share)(RMB/Share)	0.71	0.43	65.12%	0.26
Net asset earning ratio (%)	17.49%	11.98%	5.51%	7.37%
	End of 2013	End of 2012	Changed over last year (%)	End of 2011
Gross assets (RMB)	67,918,719,035.00	65,708,659,470.00	3.36%	64,849,229,637.00
Shareholders' equity attributable to shareholders of the listed company (RMB)	19,054,914,050.00	16,255,322,328.00	17.22%	13,389,511,082.00

(II) The differences between domestic and international accounting standards

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

Unit: RMB

	Net profit attributable to the shareholders of the listed company		Net Assets attributable to the shareholders of the listed company	
	Amount in the reporting period	Amount in the previous period	End of the reporting period	Beginning of the reporting period
According to CAS	3,086,428,618.00	1,698,728,966.00	19,054,914,050.00	16,255,322,328.00
Items and amount adjusted according to IAS				

Land use right amortization	-972,000.00	-7,472,000.00	0.00	972,000.00
The difference arising from recognition of goodwill after merger of enterprises under the same control			64,623,000.00	64,623,000.00
Difference arising from recognition of land use value after enterprise merger	-630,000.00	-630,000.00	20,750,000.00	21,380,000.00
Influence on minority interests	137,619.00	696,000.00	4,539,619.00	4,402,000.00
According to IAS	3,084,964,237.00	1,691,322,966.00	19,144,826,669.00	16,346,699,328.00

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

1. Land use right amortization

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

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

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

3. Influence on minority interests

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

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

Unit: RMB

Items	Amount (2013)	Amount (2012)	Amount(2011)	Notes
Non-current asset disposal gain/loss(including the write-off part for which assets impairment provision is made)	-27,133,645.00	9,235,199.00	-3,573,164.00	
Government subsidy recognized in current gain and loss(excluding those closely related to the Company's business and granted under the state's policies)	17,577,691.00	25,664,265.00	10,216,923.00	
Net profit or loss from beginning of the year to acquisition date from subsidiaries acquired under category of business combinations under common control		2,045,467,498.00	1,490,820,452.00	Due to the completion of significant asset reorganization, the net profit earned by 5

				subsidiaries under the same control for 2012 and 2011 were calculated.
Single impairment test for impairment of receivables transferred back to preparation	4,737,368.00		763,040.00	
Gain/loss on loans obtained by entrusting others	12,854,063.00	28,684,421.00	31,421,117.00	
Other non-business income and expenditures other than the above	6,576,176.00	-1,617,047.00	120,446.00	
Provision for long-term assets impairment:	-201,115,258.00		-283,359,377.00	Due to the shutdown of the units of Guangdong Yuejia Electric Power Co., Ltd. of which the Company holds 58% equity, which was made for assets impairment.
Provision for impairment of other current assets impairment made due to liquidation:		-111,252,200.00		Due to the termination of the project of Guangdong Yudean Oil Shale Power Generation Co., Ltd. of which the Company holds 83.66% in 2012, provision of RMB 111,252,200 was made for assets impairment.
Influenced amount of income tax	7,329,176.00	489,607,853.00	286,436,949.00	
Influenced amount of minor shareholders' equity (After tax)	-80,516,074.00	845,854,159.00	295,153,554.00	
Total	-113,316,707.00	660,720,124.00	664,818,934.00	--

Explain the reasons if the Company classifies an item as an extraordinary gain/loss according to the definition in the Explanatory Announcement No.1 on Information Disclosure for Companies Offering Their Securities to the Public-Extraordinary Gains and Losses, or classifies any extraordinary gain/loss item mentioned in the said explanatory announcement as a recurrent gain/loss item.

☐ Applicable ☒ Not applicable

IV. Report of the Board of Directors

I. General

During the reporting period, the power demand in Guangdong Province grew slow due to the economic downturn and intensive competition in the market. In 2013, Social power consumption of the Province was 483.013 billion kwh, a year-on-year increase of 4.56%. The growth rate decreased by 0.45% year on year. the power output of the Province was 376.837 billion kwh, a year-on-year increase of 3.4%. The maximum power dispatching capacity was 84.071 million kwh, increased by 5.02% year on year. The province outsourced power capacity is 120.955 billion kwh, which is increased by 5.55% year on year .

During the reporting period, we were affected by the market demand. Our coal-fired generating units had decrease in operating time from 5700 hours last year to 5085 hours and the gas generating units from 3021 hours to 2905 hours while the wind generating units had an increase from 1422 hours last year to 1899 hours. Despite this, our accumulated power output increased thanks to our new generating units in operation. In 2013, Its on-grid electricity volume was 71.924 billion kwh, Generated energy increased for 5.06% comparing with 68.458 billion KWH in year 2012, Its on-grid electricity volume was 67.711 billion kwh, Increased for 5.14% comparing with 64.398 billion kwh in year 2012, 91.69% of the power generation plan for the year was fulfilled., On equity basis (including joint venture power plants), the power output and on-grid electricity volume of the Company were 60.593 billion kwh and 57.022 billion kwh, which respectively increased by 10.31% and 10.45 year on year.

In the report period, Its operating income was RMB 30.83 billion, which increased by 4.55% year on year. Our fuel costs reduced to some extent due to the coal price fall, and other expenses were in better control. Our profitability had obvious improvements. For the report period, the Company's operating profit and the net profit for its shareholders were respectively RMB 5.55 billion and RMB 3.09 billion, which respectively increased by 57.02% and 81.69% year on year.

During the reporting period, the company pushed forward on construction and development of new projects. Huilai Power Plant's #3 and #4 generating units (2x1000MW) and Maoming Power Plant's #7 generating unit (1x600MW) started to run respectively at year beginning and year end. Huilai Power Plant is constructed and operated by Guangdong Yudean Jinghai Power Generation Co., Ltd., of which the Company owns 65% shares while Maoming Power Plant is constructed and operated by Maoming Zhenheng Thermal power Co., Ltd.. Shaoguan Power Plant's 2x600MW project and Dapu's 2x600MW obtained the approval from National Development and Reform Commission (NDRC), and Guangdong Development and Reform Commission approved the projects of the hot water and wind farm (49.5MW) invested and developed by Guangdong Yudean Dianbai Wind Power Co., Ltd., and the wind farm (49.5MW) in Shibaling and the wind farm (49.5MW) in Qujie, Xuwen, which are both invested and developed by Guangdong Yudean Zhanjiang Wind Power Co., Ltd. Elementary work is being conducted as planned for the projects of Maoming Bohe Power Plant's 2x1000MW, Huilai Power Plant's #5 and #6 generating units (2x1000MW) as Phase II project, Pinghai Power Plant's Phase I

#3 and #4 generating units (2x1000MW), Shanwei Power Plant's Phase II #5 and #6 generating units (2x1000MW) etc.. The Company will continue to expand its core business scale, enhance its competency and general strength, and work hard to build a large, professional and listed power company, which has reasonable resources structure and obvious regional advantage.

In order to get sufficient fund for the project investments and optimize the company's capital structure, we completed the registration based issuance of RMB 600 million short-term financing bonds and the issuance of RMB 1.2 billion debentures during the reporting period, which gave full play to the financing platform of the listed company, and to maintain the sustainable operation and development.

II. Analysis on principal Business

1. General

The Company's business scope: Power project investment, construction and operation management, power generation and sales, technical consultation and services in power sector. At the end of period, the installed generating capacity on basis of complete share holding and equity participation and that on equity basis were respectively 17.87 million kw and 13.28 million kw.

The operating income for 2013 was RMB 30,830,757,337 The operating income for 2012 was RMB 29,489,273,619 which increased by 4.55% year on year, The new generating units in operation lead to the increase of power generation which contributed to the increase of the operating income. The operating cost for 2013 was RMB 22,684,318,308 The operating cost for 2012 was RMB 23,335,411,211 which decreased by 2.79% year on year, While the coal price fall reduced some of the costs.

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

(1) In 2013, the Company's planned on-grid electricity volume in terms of consolidated statements was 73.846 billion kwh. The actual on-grid electricity volume was 67.711 billion kwh. ,which accounted for 91.69% of the planned on-grid electricity volume for the year.

(2) In 2013, the amount of the Company's planned external investment was RMB 2007.39 million. In the report period, the amount of planned annual investment was adjusted to RMB 2297.88 million according to the progress of investment projects after examination by the board of directors. The amount of actual completed investment was RMB 2436.71 million. 106.42% of the investment plan was fulfilled. The investment completion ratio was low mainly because governmental department approval was not obtained for some projects for which initial-work was carried out and no large-scale investment was made.

(3) In the report period, The company issued RMB 1.2 billion bonds and Phase I short-term financing bonds of RMB 600 million.

Reasons for difference of actual operation performance has 20% lower or higher than profit forecast of the Year disclosed

☐ Applicable ☒ Not applicable

2. Revenue

Notes:

In 2013 the operating income was RMB30,830,757,337. The main business income was RMB 30,599,701,120, Most of the revenue was from electricity power sales income, other operating income was RMB 231,056,217.

Unit: RMB'0000

Industry	Area	Operating Income	Operating cost	Gross Profit Ratio(%)	Increase /decrease of operating income (%)	Increase /decrease of operating cost (%)	Increase /decrease of Gross profit ratio (%)
Sales Electric Power	Guangdong	3,059,970.00	2,261,586.00	26.09%	4.72%	-2.79%	5.71%
Other	Guangdong	23,106.00	6,846.00	70.37%	-14.30%	-1.64%	-3.81%
Total	-	3,083,076.00	2,268,432.00	26.42%	4.55%	-2.79%	5.55%

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

√Yes □ No

Type	Items	2013	2012	Increase /decrease (%)
Electric Power	Sales volume	677.11	643.98	5.14%
	Production	719.24	684.58	5.06%
	Market share (%)	14.45%	14.29%	0.16%

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

□ Applicable√ Not applicable

Significant orders in hand

□ Applicable√ Not applicable

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

□ Applicable√ Not applicable

Main customers

Total sales amount to top 5 customers (RMB)	30,602,760,675.00
Proportion of sales to top 5 customers in the annual sales(%)	99.26%

Information of the Company's top 5 customers

√ Applicable □ Not applicable

No	Name	Amount of sales	Proportion(%)
1	GPGC	28,747,172,910.00	93.24%
2	Shenzhen Branch of GPGC	1,528,107,074.00	4.96%

3	Guangdong Yudean Environmental Protection Co., Ltd.	136,537,564.00	0.44%
4	Zhanjiang Branch of GPGC	121,573,641.00	0.39%
5	Jieyang Branch of GPGC	69,369,486.00	0.23%
Total	--	30,602,760,675.00	99.26%

3.Costs

Classification of sectors

Unit: RMB

Classification of sectors	Items	2013		2012		Increase/Decrease(%)
		Amount	Proportion in operation costs(5(	Amount	Proportion in operation costs(5(	
Electric Power industry	Fuel Costs	16,021,866,829.46	70.63%	17,658,635,164.00	75.67%	-5.04%
Electric Power industry	Depreciation Expenses	3,433,246,721.72	15.13%	2,896,488,611.00	12.41%	2.72%
Electric Power industry	labor cost	1,262,806,158.83	5.57%	1,106,264,687.00	4.74%	0.83%
Electric Power industry	Other	1,966,398,597.06	8.67%	1,674,022,749.00	7.17%	1.5%

Classification of products

Unit: RMB

Classification of products	Items	2013		2012		Increase/Decrease(%)
		Amount	Proportion in operation costs(5(	Amount	Proportion in operation costs(5(	
Electric Power	Fuel Costs	16,021,866,829.46	70.63%	17,658,635,164.00	75.67%	-5.04%
Electric Power	Depreciation Expenses	3,433,246,721.72	15.13%	2,896,488,611.00	12.41%	2.72%
Electric Power	labor cost	1,262,806,158.83	5.57%	1,106,264,687.00	4.74%	0.83%
Electric Power	Other	1,966,398,597.06	8.67%	1,674,022,749.00	7.17%	1.5%

Notes

The Company is in power sector and mainly engaged in power generation at present. The cost is composed of fuel cost, depreciation expenses, labour cost and other expenses. Fuel cost accounts for about 71% of total cost.

Principal suppliers

Total purchases from the top 5 Suppliers (RMB)	15,497,237,839.40
Ratio of the total purchases from the top 5 suppliers to the annual total purchases (%)	80.50%

Information about the top 5 suppliers

√ Applicable □ Not applicable

No	Name	Amount of purchase (RMB)	Proportion(%)
1	Guandong Electric power Industry Fuel Co., Ltd.	12,596,036,187.55	65.43%
2	Guangdong dapeng lng co. , ltd	1,648,597,547.87	8.56%
3	Guangdong Zhutou Electric power Industry Fuel Co., Ltd.	1,022,979,305.55	5.31%
4	Mitsubishi Heavy Industries Dongfang Gas turbine (Guangzhou) Co., Ltd.	118,538,496.92	0.62%
5	Guangdong Yudean Environmental Protection Co., Ltd.	111,086,301.51	0.58%
Total	--	15,497,237,839.40	80.50%

4. Expenses

Unit: RMB

Items	2013	2012	Increase/Decrease(%)	Reason
Management expenses	948,320,444	868,917,602	9.14%	
Financial expenses	1,886,866,658	1,804,801,448	4.55%	
Income tax	1,237,227,573	885,978,896	39.65%	Due to the increase of total profits that led to the indicator sharply rose compared with the previous year.

5. Cash Flow

Unit: RMB

Items	2013	2012	Increase/Decrease(%)
Subtotal of cash in-flow from operation activity	35,881,225,204.00	34,748,316,883.00	3.26%
Subtotal of cash out-flow from operation activity	26,171,328,764.00	26,896,530,637.00	-2.7%
Net cash flow from operation activity	9,709,896,440.00	7,851,786,246.00	23.66%

Subtotal of cash in-flow from	924,866,872.00	373,213,819.00	147.81%
Subtotal of cash out-flow from investment activity	4,924,973,072.00	3,276,164,304.00	50.33%
Net cash flow from investment activity	-4,000,106,200.00	-2,902,950,485.00	-37.79%
Subtotal of cash in-flow from financing activity	25,847,368,375.00	22,645,686,491.00	14.14%
Subtotal of cash out-flow from financial activity	29,993,745,976.00	28,821,143,910.00	4.07%
Net cash flow from financing activity	-4,146,377,601.00	-6,175,457,419.00	32.86%
Net increased amount of cash and cash equivalent	1,563,412,639.00	-1,226,621,658.00	227.46%

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

√Applicable □Not applicable

(1) Net cash flow from operation activity increased by 23.66% year on year , The increase came mainly from the growth of the power sales income and the decrease in fuel payment during the reporting period;

(2) Net cash flow from investment activity decreased by 37.79% year on year , It fell mainly due to the increase in cash payments for fixed assets and intangible assets during the reporting period;

(3) Net cash flow from financing activity increased by 32.86% year on year , The YoY growth was brought by cash inflow from the issued Bonds and short-termed financing bonds during the reporting period.

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

√Applicable □Not applicable

This year, the company's net cash flow in operating activities is RMB 9,709,896,440, this year's net profit is RMB4,343,258,989, the difference is RMB5,366,637,451, Primarily, it was affected by the non-cash outflows of assets amortization and the interest expenses for financing activities.

III. Composition of principal businesses

Unit: RMB

	Operating revenue	operating costs	Gross profit rate(%)	Increase/decrease of revenue in the same period of the previous year(%)	Increase/decrease of principal business cost over the same period of previous year (%)	Increase/decrease of gross profit rate over the same period of the previous year (%)
Industry						

Electric Power	30,830,757,337.00	22,684,318,308.00	26.42%	4.55%	-2.79%	5.55%
Electric Power	30,830,757,337.00	22,684,318,308.00	26.42%	4.55%	-2.79%	5.55%
Guangdong	30,830,757,337.00	22,684,318,308.00	26.42%	4.55%	-2.79%	5.55%

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

☐ Applicable ☒ Not applicable

IV. Analysis on Assets and Liabilities

1. Significant Change in assets

Unit: RMB

	End of 2013		End of 2012		Proportion increase/decrease (%)	Notes to the significant change
	Amount	Proportion in the total assets(%)				
Monetary fund	4,377,311,176.00	6.44%	2,870,764,537.00	4.37%	2.07%	
Accounts receivable	3,266,445,752.00	4.81%	3,059,549,427.00	4.66%	0.15%	
Inventories	1,603,646,410.00	2.36%	1,839,022,991.00	2.8%	-0.44%	
Investment based real estate	10,839,031.00	0.02%	11,474,629.00	0.02%		
Long-term equity investment	7,025,016,544.00	10.34%	5,998,133,180.00	9.13%	1.21%	
Fixed assets	41,524,036,240.00	61.14%	38,449,069,665.00	58.51%	2.63%	
Construction-in-process	3,883,361,454.00	5.72%	7,300,925,262.00	11.11%	-5.39%	

2. Significant Change in Liabilities

Unit: RMB

	2013		2012		Proportion increase/decrease(%)	Notes to the significant change
	Amount	Proportion in the total assets (%)				
Short-term borrowing	9,361,000,000.00	13.78%	13,573,100,000.00	20.66%	-6.88%	
Long-term borrowings	15,272,003,561.00	22.49%	14,786,327,736.00	22.5%	-0.01%	

3. Assets and liabilities Measured with Fair value

Unit: RMB

Item	Amount at year beginning	Gain/loss on fair value change in the reporting period	Cumulative fair value change recorded into equity	Impairment provisions in the reporting period	Purchased amount in the reporting period	Sold amount in the reporting period	Amount at year end
Financial assets							
3. Available-for-sale financial assets	295,684,545.00	3,187,193.00	3,187,193.00	0.00			298,871,738.00
Subtotal of financial assets	295,684,545.00	3,187,193.00	3,187,193.00	0.00			298,871,738.00
Total	295,684,545.00	3,187,193.00	3,187,193.00				298,871,738.00
Financial Liability	0.00	0.00	0.00				0.00

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

☐ Yes ☒ No

V. Analysis on core Competitiveness

As the one of the largest independent power-generation business in southern China as well as the largest electric power listed company within Guangdong province, the operating range of our company includes the investment, construction and operation management of electric power items. In addition, the production and sales of electric power together with the technology consulting and service in electric power business is also included in our operating range. The company sticks to the operating guideline of “mainly focus on electric power and

develop diversely”, and concentrates on electric power, which is the major business while present a diversified development of power source structure. Besides the coal burning power generation projects, the company also has clean energy projects like LNG power generation, wind power generation and water power generation. With advanced technology and management, the company can provide safe and environmental-friendly energy support for the development of economy and society. Currently, the company has realized mass production of major electric power business, the pluralism of energy structure and the normalization of business management. Also, it has become a high-quality electric power listed company with clear main business, outstanding scale benefit, solid financial sources and strong ability of sustainable development.

VI. Analysis on investment Status

1. External Equity investment

(1) External investment

External investment		
Investment Amount in 2013(RMB)	Investment Amount in 2012 (RMB)	Change rate
2,344,830,000.00	594,350,000.00	294.52%
Particulars of investees		
Companies	Principal business	Proportion in the investees' equity (%)
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	Investment and Operation of electric power projects , Production and sales of electricity	90%
Guangdong Yudean Bohe Coal-fired Power Co., Ltd	Coal dock construction, power plant construction, technical consultation and services for power plant projects	100%
Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.	Construction, production and operation of power plants and heating power pipeline networks, production, sales and comprehensive utilization of electric power and its auxiliary products, technical consultation, technical service and training concerning electric power projects, etc.	65%
Guangdong Yudean Dapu Power Generation Co., Ltd	Power plant construction, production and operation, production and sales of electric power and auxiliary products, project contracting, technical consultation and technical services in power sector.	100%
South Offshore wind power Union Development Co., Ltd.	Offshore wind power project investment, construction and operation; Production and	10%

	sales of Integrated energy sources such as electricity, heat, cold; Island power, smart grid, new energy and other fields of scientific research, technology development, equipment development, production and sales, engineering contracting, technology cooperation, etc.	
Guangdong Wind Power Generation Co., Ltd	The company was engaged in wind, solar, biomass and other new energy design, development, investment, construction and operation management; new energy technology research and development, application and promotion, equipment testing and maintenance, technical training and consulting services.	100%
Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.	Taishan power plant investment, construction, production and sale of electricity, utilization; real estate development, office equipment, technology consulting, services and training, information services and market development etc..	20%
Lincang Yuntou Yudean Hydroelectricity Development Co., Ltd.	Investment ,Development ,Construction and operation of electric power projects	49%

(2) Holding of the equity in financial enterprises

Company Name	Company type	Initial Investment cost (RMB)	Number of shares held at the beginning of the reporting period (shares)	Shareholding proportion at the beginning of the reporting period (%)	Number of shares held at the end of the reporting period (shares)	Shareholding proportion at the end of the reporting period (%)	Book balance at the end of the reporting period (RMB)	Gain/..loss of the reporting period (RMB)	Accounting items	Sauce of the shares
Shen Energy	Other	15,890,628.00	8,400,000	0.32%	8,400,000	0.32%	46,200,000.00	840,000.00	Financial assets available for sale	Initiated
SHENERGY	Other	235,837,987.50	55,532,250	1.22%	55,532,250	1.22%	252,671,738.00	6,663,870.00	Financial assets	Transferee

									available for sale	
Total		251,728,615.50	63,932,250	--	63,932,250	--	298,871,738.00	7,503,870.00	--	--

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

(1) Entrusted loan

Unit:RMB'0000

Prospective borrower	Is it a related party	Amount	Interest rate	Guarantor or collateral	Application of the loan by the borrower
Guangdong Yudean Jinghai Power Generation Co., Ltd	No	50,000	5.83%	None	Supplement current capital
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	No	9,500	8.3%	None	Supplement Current capital
Total	--	59,500	--	--	--
Disclosure date for the notice of approval by the Board(if any)	August 29,2013				
	January 28, 2011				
Disclosure date for the notice of approval by Shareholders' General Meeting (If any)					

3. Application of the Raised capital

(1) General application of the raised capital

Unit:RMB'0000

Total amount of the raised capital	120,000
Total raised capital invested in the report period	120,000
Total accumulative raised capital invested	120,000
Amount of raised capital of which the purpose was changed in the report period	0
Accumulative amount of raised capital of which the purpose has been changed	0
Proportion of raised capital of which the purpose has been changed (%)	0%

Notes to use of raised capital

The Company issued corporate bonds of RMB 1.2 billion with coupon rate of 4.95% on March 18, 2013. Term: 7 years. Put provision is attached. The corporate bonds were listed for trading at Shenzhen Stock Exchange on May 24, 2013. As at 31 December 2013, the above raised funds were used up, among which 820 million yuan paid loans and the rest 380 million yuan replenished the Company's working capital.

3. Analysis on principal subsidiaries and Mutual Shareholding Companies

Particulars about the principal subsidiaries and Mutual shareholding companies

Unit: RMB

Company Name	Company type	Sectors engaged in	Leading products and services	Registered capital	Total assets(RMB)	Net assets (RMB)	Turnover (RMB)	Operating profit (RMB)	Net Profit (RMB)
Guangdong Yudean Jinghai Power Generation Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	2,919,272,000	13,364,221,840.00	4,050,680,956.00	6,639,732,192.00	1,374,965,990.00	1,028,276,267.00
Guangdong Huizhou Pinghai Power Generation Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	1,370,000,000	7,893,425,112.00	2,591,472,568.00	4,348,309,374.00	1,326,395,868.00	990,780,686.00
Guangdong Red Bay Power Generation Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	2,749,750,000	10,561,067,608.00	3,437,663,324.00	4,991,062,915.00	779,683,972.00	564,846,337.00
Zhangjiang Electric Power Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	2,875,440,000	4,702,914,182.00	4,086,815,698.00	2,807,150,615.00	661,568,667.00	491,089,689.00
Zhanjiang Zhongyue Energy Co., Ltd.	Subsidiary	Electric Power	Power generation and power station	1,454,300,000	5,543,828,711.00	1,470,228,061.00	2,690,525,970.00	346,891,222.00	261,733,951.00

			construction						
Guangdong Huizhou natural Gas Power Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	963,000,000	2,564,884,165.00	1,281,551,314.00	1,571,998,453.00	193,105,228.00	153,717,069.00
Shenzhen Guangqian Electric Power Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	1,030,292,500	2,492,299,147.00	1,353,747,352.00	1,528,631,572.00	153,013,550.00	151,142,981.00
Maoming Zhenneng Thermal Power Co., Ltd	Subsidiary	Electric Power	Power generation and power station construction	1,019,535,500	3,868,349,960.00	1,064,466,789.00	1,054,960,020.00	53,173,676.00	45,704,917.00
Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.	Subsidiary	Electric Power	Wind Power generation and power station construction	346,110,000	985,881,363.00	384,201,712.00	128,217,766.00	34,306,301.00	35,570,937.00
Guangdong Shaoguan Yuejiang Power Generatio n Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	770,000,000	3,720,176,201.00	272,341,532.00	1,430,230,503.00	12,920,666.00	7,749,125.00
Guangdong Yudean Anxin Maintenan ce & installation Co., Ltd.	Subsidiary	Electric Power	Power generation and Maintenanc e	20,000,000	66,535,707.00	40,226,182.00	109,753,420.00	6,175,501.00	4,453,454.00
Guangdong Yudean	Subsidiary	Electric Power	Wind Power generation	231,700,000	464,736,247.00	239,600,692.00	66,301,448.00	-3,228,337.00	3,508,171.00

Shibeishan Wind Power Development Co., Ltd.			and power station construction						
Guangdong Wind Power Generation Co., Ltd	Subsidiary	Electric Power	Wind Power generation and power station construction	181,872,900	195,784,311.00	169,581,801.00	3,068,037.00	97,169.00	817,497.00
Guangdong Yudean Huadu Natural Gas & Heat-Power Co., Ltd.	Subsidiary	Electric Power	Power generation and Maintenance	120,000,000	118,278,915.00	117,972,724.00	0.00	-2,011,316.00	-2,027,276.00
Guangdong Yudean Humen Generation Power Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	150,000,000	145,839,781.00	140,887,453.00	150,000.00	-3,755,400.00	-3,755,759.00
Guangdong Yudean Bohe Coal-fired Power Co., Ltd	Subsidiary	Electric Power	Coal dock construction and power station construction	1,085,000,000	1,251,599,648.00	1,042,074,159.00	0.00	-10,310,605.00	-14,310,605.00
Guangdong Yuejia Electric Power Co., Ltd.	Subsidiary	Electric Power	Power generation and power station construction	1,200,000,000	643,530,324.00	425,035,165.00	611,036,668.00	-182,596,647.00	-181,068,864.00
Guangdong Yudean Dapu Power	Subsidiary	Electric Power	Power generation and power station	600,000,000	1,038,259,551.00	600,000,000.00	0.00	0.00	0.00

Generation Co., Ltd.			construction						
Guangdong Guohua Yudean Taishan Power Generation Co., Ltd.	Sharing Company	Electric Power	Power generation and power station construction	4,500,000,000	14,985,578,947.00	7,795,050,273.00	10,989,272,620.00	3,130,390,873.00	2,335,029,554.00

Particulars about the principal subsidiaries and Mutual holding companies

(1)Jinghai had an obvious increase in net project due to the new generating units in operation and the coal price fall.

(2) The coal price fall brought substantial YoY increase in the net profits of Pinghai, Zhanjiang Power, Zhongyue, Zhenneng and Yuejiang

(3) Guangqian's net profit fell due to the gas supply reduction which affected the power generation capacity, and the high cost on spot gas purchase; and Honghaiwan had a decrease in net profit due to less generating hours in spite of the coal price fall.

(4) Due to assets restructuring, the 420 million yuan investment proceeds was recognized by equity method from the newly acquired 20% shares of Taishan Power Plant. This obviously increased, compared to last year.

(5) The power companies in Humen, Bohe and Huadu were in loss as they were all under construction and the non-capital expenditures were reported as current expenses.

(6)Yuejia Company had a YoY loss in net profit due to the provision set aside for the assets impairment loss this year.

Acquirement and disposal of subsidiaries in the Reporting period

√Applicable □ Not applicable

Name	The purpose of acquiring and disposal of subsidiary companies during the reporting period	The pattern of acquiring and disposal of subsidiary companies during the reporting period	The effect on whole production and performance
Guangdong Wind Power Generation Co., Ltd.	To establish the platform for the development, investment, construction and operation of new energy, majorly wind power	Stock acquisition	Realized a net profit of RMB 817,497 in 2013

VII. Prediction of business performance for January -March 2014.

Estimation of accumulative net profit from the beginning of the year to the end of next report period to be loss probably or the warning of its material change compared with the corresponding period of the last year and explanation of reason.

☐ Applicable ☒ Not applicable

VIII. The prospect of the company's future development

I. The situation and responses

We anticipate the overall balance between power supply and demand in 2014, considering the steady economy, the air pollution prevention measures by the government, the overcapacity issue of highly energy consumed industries etc. Due to the large-scale hydro power facilities to be in operation one by one in the western regions and the increase of new source power projects in the coastal areas, the generating units in Guangdong will suffer further reduction in generating hours in 2014. The company will exert its efforts on marketing and work hard to increase generating hours and achieve maximum benefits from power generation by optimizing our operation, exploring energy saving potentials, improving generating schedule to reduce energy consumption etc.

Environment issues garner massive attention. The regulatory measures on environment protection tends to be rigid, and electric power enterprises are investing more and more in it in addition that the government is experimenting the carbon emission permit trading in some selected areas. All these are further raising the operating cost of coal fired power enterprises. To counter this, the Company will continue to optimize power resources structure, aggressively develop large capacity and supernal parameters coal fired power projects and others fueled by clean and renewable resources such as gas, wind and water; and we will continue our efforts in technological renovation on existing generators and performance enhancement for better energy saving to attain green development.

Currently, the domestic capital market is seen in tight balance, and the interest rates liberalization is accelerating. In the recent years, the Company has been investing in large-scale projects and thus, producing debts, which caused the increase in financial costs. To tackle this, the Company has been exploring new financing methods to raise fund through multiple channels on one hand, and on the other hand, strengthening capital planning and management to enhance the capital deployment and control the financing costs.

II. The production and operating plans in 2014

1. Production plan:

The planned amount of on-grid energy required in the consolidated statements is 66.116 billion kwh, which will be 1.595 billion kwh decrease than the actual completed on-grid energy.

2. Investment plan:

In 2014, the planned foreign investment of our company is RMB1866.04 million. The amount of planned

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

3. The Company will try to maintain its steady power generation without compromising the safety. We will explore the power market strategies while striving to gain shares of direct power supply to key customers and accomplish the annual power generating task through our efforts to save energy, enhance performance by digging potentials, optimize our operation and reduce energy consumption by better scheduling operation of our generating units. To achieve our annual business goal, we will strengthen our control on budget and costs.

4. The company will extend the financing channel and optimize the loaning structure. We will prevent and control the financing risks, ensure the daily operation activities and the requirements of newly-added scale investment funds while issue corporate funds and the short-term bond in second period. The company actively prepare for the subsequent capital operation.

5. The Company will proceed with caution to honor its subsequent commitments to the major assets restructuring projects, standardize and refine its plans to fulfill the commitments, run its subsequent capital operation in a whole picture and explore sustainable development.

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

In the report period, we had a few more subsidiaries through the new projects investments and shares purchase, the company's scope of consolidated statements added the following unit: 1. Guangdong Yudean Huadu Natural Gas & Heat-Power Co., Ltd.; 2. Guangdong Yudean Dapu Power Generation Co., Ltd.; 3. Guangdong Yudean Dianbai Wind Power Co., Ltd.; 4. Guangdong Yudean Leihou Wind Power Generation Co., Ltd.; 5. Guangdong Wind Power Generation Co., Ltd. among which Guangdong Wind Power Co., Ltd was taken over through business combination not under common control while the others are newly established subsidiaries.

Details can be seen in the report of financial report IV ,business combination and consolidated financial statements included 2 in the main body this year, the new scope of consolidation (1) newly consolidated subsidiaries this year.

X. Dividend Distribution Preparation

Implementation or adjustment of the Company's profit Distribution policy, Especially Cash Dividend Distribution Policy in the Reporting Period.

☐ Applicable ☒ Not applicable

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

(1)The Company's plan for profit distribution and capitalization of capital surplus for 2013: With the total share

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

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

(3)The Company's plan for profit distribution and capitalization of capital surplus for 2011: With the total share capital at the end of 2011, i.e., 2,797,451,138 shares, as the base, cash dividends of RMB 0.60 (including tax) will be distributed for every 10 A shares. cash dividends of RMB 0.60 (including tax) will be distributed for every 10 B shares. The Company will distribute profit of RMB 167,847,068 in total. The remaining undistributed profit will be carried forward for distribution in the following years. No bonus shares will be distributed and no capital surplus will be capitalized.

Dividend distribution of the latest three years

Unit: RMB

Year	Cash dividend (Including Tax)	Net profit attributable to the over of the parent company in the consolidated financial statements	Ratio in net profit attributable to the parent company in the consolidated financial statements
2013	875,047,331.00	3,086,428,618.00	28.35%
2012	306,266,565.85	1,698,728,966.00	18.03%
2011	167,847,068.00	1,015,592,890.00	16.53%

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

☐ Applicable ☒ Not applicable

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

Bonus shares for every ten shares (Shares)	0
Cash dividend for every ten shares (Yuan) (Tax-included)	2.00
A total number of shares as the distribution basis (Shares)	4,375,236,655
Total cash dividend (Yuan) (Tax-included)	875,047,331.00

Profit dividend (Yuan)	2,354,385,127.00
Proportion of cash dividend in the distributable profit (%)	100%
Cash dividend distribution policy	
Cash dividends should at least reach 20% of this year's profit sharing for those that will still have substantial capital expenditure for growth.	
Details of profit distribution or reserve capitalization plan	
The Company's plan for profit distribution and capitalization of capital surplus for 2013: With the total share capital at the end of 2013, i.e., 4,375,236,655 shares, as the base, cash dividends of RMB2 (including tax) will be distributed for every 10 A shares. cash dividends of RMB 2 (including tax) will be distributed for every 10 B shares. The Company will distribute profit of RMB 875,047,331 in total. The remaining undistributed profit will be carried forward for distribution in the following years. No bonus shares will be distributed and no capital surplus will be capitalized.	

XII. Social responsibility

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

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

Reception time	Reception place	Way of reception	Types of visitors	Vistors rece3ived	Discussion topics and provision of materials
February 5, 2013	Office of the Company	Onsite investigation	Organiation	Guosen Secutities	The Company's current production of operation conditions and the situation of the construction and development projects
February 21, 2013	Office of the Company	Onsite investigation	Organiation	Jiashi Founds	The Company's current production of operation conditions and the situation of the construction and development projects
February 22, 2013	Office of the Company	Onsite investigation	Organiation	South Fund Joint research	The Company's current production of operation conditions and the situation of the construction and development projects
February 27, 2013	Office of the Company	Onsite investigation	Organiation	Xingye Securities	The Company's current production of operation conditions and the situation

					of the construction and development projects
February 27, 2013	Office of the Company	Onsite investigation	Organisation	Boshi Funds	The Company's current production of operation conditions and the situation of the construction and development projects
November 21, 2013	Office of the Company	Onsite investigation	Organisation	Great Wall Securities Joint research	The Company's current production of operation conditions and the situation of the construction and development projects

V. Important Events

I. Assets Transactions

1.Acquisition of Assets

The other party or eventual controller	Assets acquisition or transferred in	Transaction price(RMB)	Progress	Net profit contributed to the company from the acquisition date to the year end (RMB '0000) (Applicable to the consolidation of the enterprises not under the)	Net profit contributed to the Company from the year beginning to the year end (RMB'000) (Applicable to the consolidation of the enterprises)	Proportion of the net profit contributed by the asset transaction for the Company in the total profit (%)	Is it a related transaction (Y/N)	Connectivity relations with the other party (applicable to the related transaction)	Disclosure date	Disclosure index
Guangdong Electric Power Development Corporation ,	100% equity of Guangdong Wind Power Generation	1,089.94	All the relevant asset property rights have been	0	817,497	0.02%	Yes	Controlled by Yudian Group	August 22, 2013	Name of Announcement :Announcement of Resolutions of the 15 th Meeting of the Seventh Board of Directors, Announcement on Related Transaction ,

Guangdong Yudean Industrial Development Co., Ltd.	Co., Ltd.		transferred							Announcement No.:2013-45,2013-46 , Published in China Securities Daily, Securities Times and http://.www.cninfo.com.Cn .
Shaoguan D Power Plant	25% equity of Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	8,619.5	All the relevant asset property rights have been transferred	0	7,749,125	0.18%	Yes	Control led by Yudean Group	September 28, 2013	Name of Announcement :Announcement of Resolutions of the Sixth Meeting of the Seventh Board of Directors by Correspondence in 2013, Announcement on External Investment , Announcement On Related Transaction , Announcement No.:2013-53,2013-54 , Published in China Securities Daily, Securities Times and http://.www.cninfo.com.Cn .
Shaoguan D Power Plant	Partial assets of Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	3,955.26		0	0	0%	Yes	Control led by Yudean Group	December 26, 2013	Name of Announcement : Announcement of Resolutions of the 17 th Meeting of the Seventh Board of Directors, Related Transaction Announcement of on Acquisition of Capacity of Shutdown Units by A Controlled Subsidiary , Announcement No.:2013-68,2013-70 , Published in China Securities Daily, Securities Times and http://.www.cninfo.com.Cn .

II. Material related transactions

1. Other material related transactions

(1) The Proposal concerning the Company increased the capital of Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd., one of its controlled subsidiaries together with Chaokang Investment Co., Ltd., the wholly-owned subsidiary of the controlling shareholder Guangdong Yudean Group Co., Ltd. after examination and approval at the first meeting of the seventh board of directors by correspondence in 2013.

(2) In 2013, daily related transactions were carried out after examination and approval by 2013 first Provisional annual shareholders' general meeting. Refer to (6) Related transactions of VIII. Relationship between related parties and the transactions between them of the Financial Report of this report for details.

(3) The proposal that the subsidiaries Zhanjiang Zhongyue Energy Co., Ltd and Maoming Zhenheng Heat and Power Co., Ltd. apply for a 300 million yuan loan from the related party or parties, and the one that the subsidiary Guangdong Yudean Bohe Coal-Fired Power Co., Ltd. purchase the capacity quota of the suspended generating units from the related party or parties, after examination and approval at the 3rd meeting of the seventh board of directors by correspondence in 2013.

(4) The proposal that the Company and some of the subsidiaries apply to the related party Guangdong Finance Co., Ltd. for the financial services totaling up to 14 billion yuan, which include credit facilities, saving accounts, settlements etc. after examination and approval respectively by 2012 Shareholder General meetings.

(5) The proposal that the Company purchase from the related party or parties 100% shares of Guangdong Wind Power Generation Co., Ltd., and the one that the subsidiary Guangdong Shaoguan Yuejiang Power Generation Co., Ltd. purchase the capacity quota of the suspended generating units from the related party or parties, after examination and approval respectively by the 15th meeting of the seventh board of directors .

(6) The proposal that the Company purchase from the related party or parties 25% shares of Guangdong Shaoguan Yuejiang Power Generation Co., Ltd. after examination and approval respectively by the 6th meeting of the seventh board of directors by correspondence in 2013.

(7) The proposal that the subsidiary Guangdong Shaoguan Yuejiang Power Generation Co., Ltd. purchase part of the related party's assets, and the one that the subsidiary Guangdong Red Bay Power Generation Co., Ltd. purchase the capacity quota of the suspended generating units from the related party or parties. after examination and approval respectively by the 17th meeting of the seventh board of directors

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

Description of provisional announcement	Date of disclosing provisional announcement	Description of the website for disclosing provisional announcements
Announcement of Resolutions of the First Meeting of the Seventh Board by Correspondence in 2013.	January 10, 2013	(http://www.cninfo.com.cn)
Announcement of the Related Party Transactions	March 8, 2013	(http://www.cninfo.com.cn)

Related transaction Announcement of Resolutions of the 3rd Meeting of the Seventh Board of Directors by Correspondence in 2013.	March 27, 2013	(http://www.cninfo.com.cn)
Announcement of Guangdong Yudean Finance Co., Ltd... On Related Transaction	April 13, 2013	(http://www.cninfo.com.cn)
Related transaction Announcement of Resolutions of the 15th Meeting of the Seventh Board of Directors	August 22, 2013	(http://www.cninfo.com.cn)
Related transaction Announcement of Resolutions of the 6th Meeting of the Seventh Board of Directors by Correspondence in 2013.	September 28, 2013	(http://www.cninfo.com.cn)
Related transaction Announcement of Resolutions of the 17th Meeting of the Seventh Board of Directors	December 26, 2013	(http://www.cninfo.com.cn)

III. Important contracts and implementation

1. Guarantees

Unit : RMB'0000

External Guarantee (Exclude controlled subsidiaries)								
Name of the Company	Relevant disclosure date/No. of the guaranteed amount	Amount of Guarantee	Date of happening (Date of signing agreement)	Actual amount of guarantee	Guarantee type	Guarantee term	Complete implementation or not	Guarantee for associated parties (Yes or no)
Lincang YuntouYudean Hydroelectricity Development Co., Ltd.	July 22, 2006	3,430	December 25, 2006	1,715	Guaranteeing of joint liabilities.	15 years	No	No
Lincang YuntouYudean Hydroelectricity Development Co., Ltd.	July 22, 2006	1,372	July 29, 2008	686	Guaranteeing of joint liabilities.	10 years	No	No

Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24, 2007	2,900	November 30, 2007	1,653	Guaranteeing of joint liabilities.	15 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24, 2007	1,305	November 30, 2007	522	Guaranteeing of joint liabilities.	12 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 24, 2007	4,350	December 19, 2007	3,480	Guaranteeing of joint liabilities.	17 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	December 19, 2007	4,350	December 25, 2007	2,204	Guaranteeing of joint liabilities.	17 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	December 19, 2007	12,000	March 18, 2008	12,000	Guaranteeing of joint liabilities.	20 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	August 22, 2008	5,800	October 31, 2008	5,800	Guaranteeing of joint liabilities.	19 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	November 12, 2008	7,250	November 14, 2008	3,712	Guaranteeing of joint liabilities.	12 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	May 27, 2009	7,250	May 27, 2009	5,800	Guaranteeing of joint liabilities.	14 years	No	No
Yunnan Baoshan Binlangjiang	May 27, 2009	9,367	June 22, 2009	8,207	Guaranteeing of joint	20 years	No	No

Hydroelectricity Development Co., Ltd.					liabilities.			
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	August 29, 2009	20,000	September 22, 2009	20,000	Guaranteein g of joint liabilities.	7 years	No	No
Yunnan Baoshan Binlangjiang Hydroelectricity Development Co., Ltd.	September 10, 2010	14,500	December 16, 2010	9,860.73	Guaranteein g of joint liabilities.	10 years	No	No
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	March 8, 2012	33,480	March 27, 2012	33,480	Guaranteein g of joint liabilities.	The power plant put in to operatio n and termi nated after two years	No	No
Lincang YuntouYudean Hydroelectricity Development Co., Ltd.	November 11, 2011	25,000	November 28, 2012	8,330	Guaranteein g of joint liabilities.	18 years	No	No
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.	March 8, 2012	27,400	April 11, 2013	25,400	Guaranteein g of joint liabilities.	The power plant put in to operatio n and termi nated after two years	No	No
Total amount of approved external guarantee in the report period(A1)		45,614		Total actually amount of external guarantee in the report period(A2)		25,400		
Total amount of approved external guarantee at the end of the report period(A3)		254,251		Total actually amount of external guarantee at the end of the report period(A4)		142,849.73		
Guarantee of the company for its subsidiaries								
Name of the company guaranteed	Related announcem ent date and no.	Amount of guarantee	Date of happening(date of signing agreement)	Actually guarantee amount	Guarantee type	Guarantee term	Complete implemen tation or not	Guarante e for related party(yes or no)
Guangdong Yudean Zhanjiang	April 29,	15,700	October 9,	13,200	Guaranteeing of joint	18 years	No	No

Wind Power Co., Ltd	2009		2010		liabilities.			
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	June 29, 2011	23,075	July 28, 2011	12,499.55	Guaranteeing of joint liabilities.	7 years	No	No
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	August 15, 2012	19,500	December 6, 2012	18,496.64	Guaranteeing of joint liabilities.	5 years	No	No
Total of guarantee for subsidiaries approved in the period(B1)		23,400		Total of actual guarantee for subsidiaries in the period (B2)		0		
Total of guarantee for subsidiaries approved at period-end(B3)		74,200		Total of actual guarantee for subsidiaries at period-end(B4)		44,196.19		
Total of company’s guarantee(namely total of the large two aforementioned)								
Total of guarantee approved in the period(A1+B1)		69,014		Total of Actual guarantee in the period(A2+B2)		25,400		
Total of guarantee approved at the period-end(A3+B3)		328,451		Total of actual guarantee at the period-end（A4+B4）		187,045.92		
The proportion of the total amount guarantee in the net assets of the company(that is A4+B4)				9.82%				
Including:								
Amount of guarantee for shareholders, Actual controller and its associated parties(C)				0				
The debts guarantee amount provided for the guaranteed parties whose assets-liability ratio exceed 70% directly or indirectly(D)				163,114.92				
Proportion of total amount of guarantee in net assets of the company exceed 50%(E)				0				
Total guarantee Amount of the abovementioned guarantees(C+D+E)				163,114.92				

Description of the guarantee with complex method

IV. Implementation of Commitments

1. The commitments of the Company and its shareholders holding over 5% of the Company's total shares in the report year of extending to the report year from previous year.

Commitment	Commitment maker	Contents	Time of making commitment	Period of commitment	Fulfillment
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			nt	ment	
Commitment on share reform	Guangdong Yudean Group Co., Ltd.	Accordance with the relevant policies and regulations, and approved by the relevant authorities, after the share holding structure reform of Yue Dian Li, they will actively promote the management equity incentive.	November 7, 2005	Long-term	Under fulfillment
Commitment in the acquisition report or the report on equity changes					
Commitment made upon the assets replacement	Guangdong Yudean Group Co., Ltd.	① Yue Dian Li is the only platform of listing for integration of power generation assets in Yudean Group. ② After the completion of this reorganization, it is unsuitable to inject the remaining power generation assets in China controlled by Yudean Group due to various problems including imperfectness of procedures of examination and approval, status of profit making, provisions of cooperation agreement and use of land, except Yue Dian Li and the power generation assets controlled by it. According to the status of solution of the above-mentioned problems, Yudean Group will gradually inject the assets qualified for listing into Yue Dian Li through assets merger and acquisition or reorganization in the next 5 years and finally realize the overall listing of its power generation assets in China. ③ During the injection of power generation assets into Yue Dian Li, Yudean Group will first support Yue Dian Li in respect of power supply project development, capital operation, assets merger and acquisition, etc. ④ Yudean Group will continue to fulfill all commitments of supporting the development of Yue Dian Li that were made by it before.	November 3, 2011	5 years	Under fulfillment
Commitments made upon issuance					
Other commitments made to minority shareholders					
Executed timely or not?	Yes				

V.Engagement/Disengagement of CPAs

CPAs currently engaged

Name of the domestic CPAs	KPMG (Special General Partnership)
Remuneration for domestic accounting firm (RMB'0000)	190
Continuous life of auditing service for domestic accounting firm	0
Name of domestic CPA	Peng Qing, Wang Xiaomei

Whether re-appointed accounting firms in this period or not

☒ Yes ☐ No

Whether re-appointed accounting firms during auditing period or not

☒ Yes ☐ No

Whether completed approval process while changing accounting firm or not

☒ Yes ☐ No

Explanation on re-engagement and changes of accounting firms

During the reporting period, the Company had hired PricewaterhouseCoopers as Auditor for consecutive 5 years from 2008 to 2012 and changed in accordance with the provisions by State-owned Assets Supervision and Administration Commission (SASAC) to hire another auditor KPMG (Special General Partnership) for Year 2013 businesses in and out of China and internal control as well. The matter was approved to execute in the annual shareholders' meeting in 2012.

Appointment of internal control auditing accounting firm, financial consultant or sponsor

☒ Applicable ☐ Not applicable

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

VI. Notes to other significant Events

1. The Company utilized its shares of Guangdong Yudean Dianbai Wind Power Co., Ltd. to increase its investment to Guangdong Wind Power Generation Co., Ltd., both of which are a 100% subsidiary of the Company. To build Guangdong Wind Power Co., Ltd. as the platform for new energy resources development, investment, construction and operation, the Board of Directors consented that the 100% shares of Dianbai Wind Power valued RMB 10.0101 million and were considered as investment to Guangdong Wind Power, among which RMB 10 million was the registered capital and the rest RMB 10,100 yuan was capital reserve of Guangdong Wind Power. As a result of the above capital increment, Guangdong Dianbai Wind Power became a wholly controlled subsidiary of Guangdong Wind Power.

The matter was approved to execute in the 7th Meeting of the seventh Board of directors in 2013.

2 Information disclosure

Description of provisional announcement	Date of disclosing provisional	Description of the website for disclosing
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	announcement	provisional announcements
Announcement on Share Changes and New Shares Listing	January 5, 2013	http://www.cninfo.com.cn
Announcement on NDRC's Approval for Huilai Power Plant's #3 and #4 Generating Units	January 9, 2013	http://www.cninfo.com.cn
Announcement of Making Provision for Impairment of Assets of Guangdong Yudean Oil Shale Power Generation Co., Ltd.	January 10, 2013	http://www.cninfo.com.cn
Announcement of establishment of Guangdong Yudean Leizhou Wind Power Generation Co., Ltd.	January 10, 2013	http://www.cninfo.com.cn
Announcement of completion of the issue of short-term financing notes of the first installment in 2013	January 30, 2013	http://www.cninfo.com.cn
The announcement on external investment for carrying out initial-stage work for establishing Huadu Natural Gas & Combined Heat-Power-Cooling Supply Project Company	January 30, 2013	http://www.cninfo.com.cn
Announcement of Interest Payment of 08 Yudean Bonds in 2013	March 5, 2013	http://www.cninfo.com.cn
Announcement of Issue of 12 Yudean Bonds	March 14, 2013	http://www.cninfo.com.cn
Announcement of establishing Guangdong Yudean Dianbai Wind Power Co., Ltd. by investment	March 27, 2013	http://www.cninfo.com.cn
Announcement of investing in phase-II cogeneration project of Huizhou LNG Power Plant	April 26, 2013	http://www.cninfo.com.cn
Announcement of the Acquiring 100% Equity of Guangdong Wind Power Generation Co., Ltd.	August 22, 2013	http://www.cninfo.com.cn
Announcement of the Investment in the Construction of Guangdong Maoming Bohe Power Generation Project.	August 22, 2013	http://www.cninfo.com.cn
Announcement of the Compensation for the Project of Maoming Oil Shale, Mine and Power Joint Operation.	September 17, 2013	http://www.cninfo.com.cn
Announcement of Acquiring 25% Equity of Guangdong Shaoguan Yuejiang Power	September 28, 2013	http://www.cninfo.com.cn

Generation Co., Ltd.		
Announcement of the Adjustment of Electricity Rate	October 17, 2013	http://www.cninfo.com.cn
Announcement of the Adjustment of Electricity Rate	November 16, 2013	http://www.cninfo.com.cn
Announcement of Part of Foreign Investment Projects Approved by the NDRC	December 24, 2013	http://www.cninfo.com.cn
Announcement of the Agreed Acquisition of Partial Assets of Shaoguan D Power Generation Plant Co., Ltd. by Guangdong Shaoguan Yuejiang Power Generation Co., Ltd.	December 26, 2013	http://www.cninfo.com.cn

VII. Issuing of Company Bonds

The Company issued corporate bonds of RMB 2 billion with coupon rate of 5.5% on March 10, 2008. Construction Bank of China Co., Ltd. authorized its Guangdong Branch to provide full-amount, unconditional and irrevocable guarantee of joint and several liabilities. The corporate bonds were listed for trading at Shenzhen Stock Exchange on March 27, 2008. Stock code: 112001; Stock abbreviation: 08 Yudean Bond. Term: 7 years. Put provision is attached. March 3, 2015 is the trading termination day (subject to the announcement of the Company).

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

In the report period, The Company's credit status has not changed apparently. At the end of the report period, the assets-liabilities ratio of the Company was 62.32%. In the report period, the Company paid the interest of corporate bonds for the fifth interest period. In the future, the Company will continue to provide guarantee for the debt service concerning its corporate bonds through steady development of its own business.

VI. Change of share capital and shareholding of Principal Shareholders

(I).Changes in share capital

Unit: 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	1,720,739,907	39.33%				-138,533,768	-138,533,768	1,582,206,139	36.16%
2. State-owned legal person shares	1,715,872,525	39.22%				-138,047,138	-138,047,138	1,577,825,387	36.06%
3. Other domestic shares	4,867,382	0.11%				-486,630	-486,630	4,380,752	0.1%
Of which: Domestic legal person shares	4,620,370	0.11%				-313,515	-313,515	4,306,855	0.1%
Domestic natural person shares	247,012	0.01%				-173,115	-173,115	73,897	0%
II. Shares with unconditional subscription	2,654,496,748	60.67%				138,533,768	138,533,768	2,793,030,516	63.84%
1. Common shares in RMB	1,989,156,748	45.46%				138,533,768	138,533,768	2,127,690,516	48.63%
2. Foreign shares in domestic market	665,340,000	15.21%						665,340,000	15.21%
III. Total of capital shares	4,375,236,655	100%						4,375,236,655	100%

Reasons for share changed:

√Applicable □ Not applicable

During the reporting period, the 138,047,138 non-public A shares the Company issued to Guangdong Wind Power Co., Ltd. were mature on May 25, 2013 and turned into non-restricted marketable shares on December 4, 2013; and 486,630 A shares turned into non-restricted marketable shares on December 19, 2013 due to the shares split reform and some corporate shareholders lifting shares trading restrictions. The non-restricted marketable shares of the Company added 138,533,768 shares in total within the reporting period.

Approval of Change of Shares

☐Applicable√Not applicable Transfer of Change of shares

☐Applicable√Not applicable Influence from the shareholding movements upon such financial indicators as earnings per share, net asset per share of the latest year and the latest accounting period

☐Applicable√Not applicable Other information necessary to disclose for the Company or need to disclosed under requirement from security regulations

☐Applicable √ Not applicable

II. Issuing and listing

1. Issuing activities over the past three Years

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

Statement of security issuing in latest three years

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

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

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

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

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

During the report period, there were no changes in the total number and structure of the Company's shares due to bonus shares and rationed shares.

III. Shareholders and actual controlling shareholder

1. Number of shareholders and shareholding

Unit: Shares

Total shareholders in the reporting period		121,235		Total shareholders at the end of the 5 th day from the date of disclosing the annual report			120,188	
Shares held by 5% shareholders								
Shareholder name	Properties of shareholder	Share proportion %	Quantity at the end of the reporting period	Increase/decrease in the reporting period	Number of the restricted shares held	Number of the Non-restricted shares held	Pledging or freezing	
							Status of the shares	Quantity
Guangdong Yudean Group Co., Ltd.	State-owned legal person	67.39%	2,948,297,867		1,577,825,387	1,370,472,480		
Guangdong Guangfa Electric Power Investment Co., Ltd.	State-owned legal person	2.33%	101,777,185					
Guangdong Electric Power Development Corporation	State-owned legal person	1.8%	78,639,451					
China Construction Bank—Penghua Value Advantage Stock-linked Security Investment Fund	Domestic non State-owned Legal person	0.74%	32,242,0398	15,257,668				
GUOTAI	Overseas legal	0.44%	19,300,93	2,625,829				

JUNAN SECURITIES(HONGKONG) LIMITED	person		1				
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	Overseas legal person	0.3%	13,330,537	7,141,159			
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	Overseas legal person	0.27%	11,740,110	-4,649,606			
GOLDEN CHINA MASTER FUND	Overseas legal person	0.26%	11,279,415	-4,889,901			
Lei Guoquan	Domestic natural person shares	0.23%	10,230,313	10,230,313			
Chaokang Investment Co., Ltd.	Overseas legal person	0.22%	9,713,897				
Strategy investors or general legal person becomes top 10 shareholders due to rights issued (if applicable) (See Notes 3)		N/A					
Explanation on associated relationship among the aforesaid shareholders		The third largest shareholder Guangdong Electric Power Development Co., Ltd. and the tenth largest shareholders Guangdong Chaokang Investment Co., Ltd. are the wholly-owned subsidiaries of the largest shareholder Yudean Group. These three companies have relationships; whether the other shareholders have relationships or unanimous acting was unknown.					
Shareholding of top 10 shareholders of unrestricted shares							
Name of the shareholder	Quantity of unrestricted shares held at the end of the reporting period					Share type	
						Share type	Quantity
Guangdong Yudean Group Co., Ltd.	1,370,472,480					RMB Common shares	
Guangdong Guangfa Electric Power Investment Co., Ltd.	101,777,185					RMB Common shares	
Guangdong Electric Power	78,639,451					RMB Common	

Development Corporation		shares	
China Construction Bank—Penghua Value Advantage Stock-linked Security Investment Fund	32,242,039	RMB Common shares	
GUOTAI JUNAN SECURITIES(HONGKONG) LIMITED	19,300,931	Foreign shares placed in domestic exchange	
BBH A/C VANGUARD EMERGING MARKETS STOCK INDEX FUND	13,330,537	Foreign shares placed in domestic exchange	
CHINA INT'L CAPITAL CORP HONG KONG SECURITIES LTD	11,740,110	Foreign shares placed in domestic exchange	
GOLDEN CHINA MASTER FUND	11,279,415	Foreign shares placed in domestic exchange	
Lei Guoquan	10,230,313	RMB Common shares	
Chaokang Investment Co., Ltd.	9,713,897	Foreign shares placed in domestic exchange	
Explanation on associated relationship or consistent action among the top 10 shareholders of non-restricted negotiable shares and that between the top 10 shareholders of non-restricted negotiable shares and top 10 shareholders	The third largest shareholder Guangdong Electric Power Development Co., Ltd. and the tenth largest shareholders Guangdong Chaokang Investment Co., Ltd. are the wholly-owned subsidiaries of the largest shareholder Yudean Group. These three companies have relationships; whether the other shareholders have relationships or unanimous acting was unknown.		

Did any shareholder of the Company carry out an agreed buy-back in the reporting period?

☐ Yes ☒ No

2. Controlling shareholder

Corporate

Name of the Controlling shareholder	Legal representative	Date of incorporation	Organization code	Registered Capital	Principal business activities
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	e/Leader				
Guangdong Yudean Group Co., Ltd.	Pan Li	August 8, 2001	73048602-2	21.5 billion	Management and sales of the electricity investment , construction , operation management, electricity power(Thermal Power), The the industry of transportation, resources, environmental protection, new source of energy, electricity investment; investment planning and consulting ; information consulting service; sales of production materials.
Operating results, financial position, cash flow and future development strategy	In the report period, The company is under normal operations and the financial condition and cash flow situation is stable.				
The equity of the controlling shareholder in other domestic and foreign listed companies held or partly held by it in the report period	None				

Change of the controlling shareholder in the reporting period

☐Applicable ☒ Not applicable

3.Actual Controller

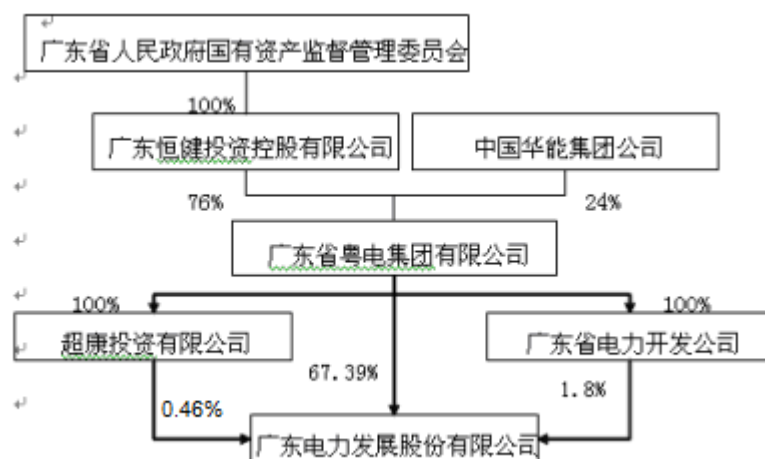
Corporate

Name of the actual controller	Legal representative /Leader	Date of incorporation	Organizational code	Registered Capital	Principal business activities
State-owned Assets supervision and administration Commission of Guangdong Provincial People's Government					
Operation result, financial position, cash flow and future development strategy, etc.	Not applicable				

Change of the actual controller in the reporting period

☐Applicable ☒ Not applicable

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

VII. Information about Directors, Supervisors and Senior Executives

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

Name	Positions	Office status	Sex	Age	Starting date of tenure	Expiry date of tenure	Number of shares acquired at end of the reporting period(shares)	Volume of shares acquired during the reporting period (shares)	Volume of shares sold during the reporting period(shares)	Number of shares held at end of the reporting period(shares)
Pan Li	Board chairman	In office	Male	59	May 18, 2011	May 18, 2014				
Liu Qian	Vice Board chairman	In office	Male	59	May 18, 2011	May 18, 2014				
Li Zhuoxian	Director	In office	Male	50	May 18, 2011	May 18, 2014				
Hong Rongkun	Director	In office	Male	56	May 18, 2011	May 18, 2014				
Zhong Weimin	Director	In office	Male	57	May 18, 2011	May 18, 2014				
Gao Shiqiang	Director	In office	Male	56	May 18, 2011	May 18, 2014				
Kong Huitian	Director	In office	Male	57	May 18, 2011	May 18, 2014				

Li Mingliang	Director	In office	Male	49	May 18, 2011	May 18, 2014				
Lin Shizhuang	Director, General Manager	Retired	Male	52	May 18, 2011	May 18, 2014				
Yao Jiheng	Director, General Manager	In office	Male	48	January 17, 2014	May 18, 2014				
Wang Jin	Director	In office	Male	50	May 18, 2011	May 18, 2014				
Rao Subo	Director	In office	Male	49	May 18, 2011	May 18, 2014				
Zhang Xueqiu	Director	In office	Male	47	May 18, 2011	May 18, 2014				
Wang Jun	Independent director	In office	Male	55	May 18, 2011	May 18, 2014				
Song Xianzhong	Independent director	In office	Male	50	May 18, 2011	May 18, 2014				
Zhu Weiping	Independent director	In office	Male	56	May 18, 2011	May 18, 2014				
Feng Xiaoming	Independent director	In office	Female	58	May 18, 2011	May 18, 2014				
Liu Tao	Independent director	In office	Male	42	May 18, 2011	May 18, 2014				
Zhang Hua	Independent director	In office	Male	48	December 8, 2011	May 18, 2014				
Zhang Dewei	Chairman of the Supervisory Committee	In office	Male	52	August 14, 2012	May 18, 2014				
Zhao Li	Supervisor	In office	Female	41	May 18, 2011	May 18, 2014				
Sha Qilin	Independent	In office	Male	53	May 18,	May 18,				

	nt Supervisor				2011	2014				
Xiang Ying	Independe nt Supervisor	In office	Female	60	May 18, 2011	May 18, 2014				
Lin Weifeng	Employee supervisor	In office	Male	45	May 18, 2011	May 18, 2014	3,930	0	0	3,930
Tong Jianjun	Employee supervisor	In office	Male	58	May 18, 2011	May 18, 2014				
Yang Xuanxing	Deputy GM	In office	Male	48	January 17, 2014	May 18, 2014				
Luo Zhiheng	Secretary , Deputy GM	In office	Male	46	May 18, 2011	May 18, 2014	1,000	0	0	1,000
Li Xiaoqing	Deputy GM, Finance manager	In office	Female	42	May 18, 2011	May 18, 2014				
Liu Hui	Deputy GM	In office	Female	48	May 18, 2011	May 18, 2014				
Liu Wei	Board secretary	In office	Male	34	May 18, 2011	May 18, 2014				
Total	--	--	--	--	--	--	4,930	0	0	4,930

II. Posts holding

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

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

Mr. Li Zhuoxian, Male, born in June 1963, CPC member ,Han nationality, from Meixian Guangdong, bachelor's degree, Senior engineer, He had served as the technician staff of the Chemical department, Deputy-department director, director, Deputy-Section Chief of the technique and production section, Vice-General Engineer, and

Vice-factory director in the Shaoguan Electric Power Plant, director, General Manager of Guangdong Yudean Group Co., Ltd. He now serves as director ,Deputy General manager and vice secretary of CCP of Guangdong Yudean Group Co., Ltd. And director of the Guangdong Electric Power Development Co., Ltd.

Mr. Liu Qian, Male ,born in October 1954, CPC member ,Han nationality, from Zhongshan Guangdong, bachelor's degree, MBA and senior economist, Senior engineer. He had served as deputy section chief of Health and Technology Department ,assistant Manager of Business Dept ,Deputy general Manager of Huaneng Guangdong Power Company and general manager of Guangdong Development Co., Ltd. He now serves as director ,Deputy general Manager and member of CCP of Guangdong Yudean Group Co., Ltd. and vice board chairman of Guangdong Electric Power Development Co., Ltd.

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

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

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

Mr. Kong Huitian: Male, Born in November 1956, CPC member , Han Nationality, from Wuhua Guangdong, bachelor's degree, Senior political, He had served as deputy secretary of Party committee and secretary of discipline committee of Huangpu Power Plant and director of Human Resource Dept. Guangdong Yudean Group Co., Ltd. He now serves as chief economic engineer, He now serves as chief economic manager, the member of

the Party Committee, immediate secretary of the Party Committee of Guangdong Yudean Group Co., Ltd, and director of Guangdong Electric Power Development Co., Ltd.

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

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

Mr.Wang Jin, Male, born in May 1963, CPC member, Han nationality, from Dianbai Guangdong, bachelor's degree, He once served as section chief assistant, deputy workshop director and workshop director of Shaoguan Power Plant, person in charge of Operation Dept. and deputy plant director of Zhuhai Wangwan Combustion Engine Power Plant, deputy plant director of Zhuhai Power Plant and general manager of Guangzhu Power Generation Co., Ltd. and Guangdong Zhuhai Jinwan Power Generation Co., Ltd. He now serves as deputy chief engineer , director of Operation Dept. of Guangdong Yudean Group Co., Ltd. and Director of Guangdong Electric Power Development Co., Ltd.

Mr. Rao Subo, Male, born in May 1964, CPC member, Han nationality, from Chongqing, a postgraduate, Senior engineer(Professor). He had served as Technician , Engineer, Deputy-department director , Vice General engineer of Shaoguan Power plant , deputy manager and deputy director of Lianping County Power Supply Company, Deputy-Section Chief of the technique and production security Dept of Guangdong Yudean Group Co., Ltd. He now serves as vice General Engineer of Guangdong Yudean Group Co., Ltd. ,Director of Guangdong Electric Power Group Co., Ltd. ,Manager of Shaojiao A plant.

Mr.Zhang Xueqiu, Male born in January 1966, CPC member, Han nationality, from Hunan, He is an economic

engineer with master's degree. He once served as clerk, deputy section chief, section chief and manager assistant of Management Dept., deputy general manager and general manager of Guangzhou Development Group Co., Ltd. He now serves as vice president of administration and board secretary of Guangzhou Development Industrial Holding Group Co., Ltd. and Director of Guangdong Electric Power Development Co., Ltd.

Mr.Wang Jun, Male born in October 1958, Han nationality, from Fengnan Hebei, He is a professor and doctoral tutor with doctor's degree in management science. He once served as director of Institute of Economics of Zhongshan University and vice president and president assistant of Lingnan College. He now serves as president of Higher Social Science Research Institute of Zhongshan University and economics professor of Lingnan College and concurrently serves as chairman of Guangdong Institute of Economics,independent director of Midea Electrical Appliances and Tianlun Property and independent director of Guangdong Electric Power Development Co., Ltd.

Mr. Song Xianzhong, Male, born in September 1963, Han nationality, from Ningxiang Hunan, He is an accounting professor and doctoral tutor with doctor's degree in economics. He once served as dean of Accounting Department, vice president of Management School and International School of Jinan University. He now serves as president assistant and chief of Development Planning Division of Jinan University and concurrently serves as director of Accounting Society of China and vice chairman of Guangzhou Accounting Association and Guangzhou Auditing Society. And independent director of Guangdong Electric Power Development Co., Ltd.

Ms.Feng Xiaoming, Female, born in January 1955, Han nationality, from Tieling Liaoning, master degree in International Finance, with professional title of economist. Feng was the office director of Bank of China Guangzhou Branch, general manager of Public Relationship Department of Yuexiu (Hong Kong) Group, vice general manager of Financial Department of Yuexiu Investment (listed) and finance team leader of Yuexiu Group. Feng was the director and chief auditor of Guangzhou Securities Co., Ltd. She new serves as General Counsel ,independent director of Guangdong Securities Co., Ltd. And independent director of Guangdong Electric Power Development Co., Ltd.

Mr.Zhu Weiping,Male, born in May 1957, Han nationality, from Yiyang Hunan, doctor degree in Economics, professor and tutor of Ph. D. students. Zhu was a professor of the Management College of Jinan University. Now he is the executive dean of Industrial Economy Institute of Jinan University, executive member of Chinese Industrial Economic Association and Guangdong Economic Association, deputy secretary-general of Guangdong

Non-state-owned Economic Association and executive member of Guangdong Young & Middle-aged Economic Association., independent director of Baiyun Airport and Zhongjin Lingnan and independent director of Guangdong Electric Power Development Co., Ltd.

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

Mr. Zhang Hua, Male, born in March 1965, Han nationality, From Jiangxi, Master of Economics, an Economist, He once served as Business Manager of Credit Dept of Nation Development Bank. Guangzhou Branch, Senior Analyst of Guangdong Gold Finger Investment Consultants Co., Ltd., Deputy Manager of Financial Dept of Guangdong Baoxin Holding Group Co., Ltd. Majordomo of Investment Bank and Assistant of president of Junhua Group. He now serves as Deputy General Manager of Guangzhou Yingzhi Chaihua Investment Co., Ltd. and concurrently serves as independent director of Guangzhou Yuyin Technology Co., Ltd and Guangdong Electric Power Development Co., Ltd.

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

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

Mr. Sha Qilin, Male, born in October 1960, CPC member , Han nationality, from Honghu Hubei, doctor's degree, Associate professor, A lawyer. He once served as associate professor of Automobile Engineering Dept. of Wuhan Engineering College (now named as Wuhan Science and Engineering University) and person in charge of

Investment and Development Dept., deputy chief engineer and head of overseas listing leading team of China Huandao Group Company. He now serves as the lawyer of Nanguo Desai Lawyer Office and independent supervisor director of Guangdong Electric Power Development Co., Ltd.

Ms.Xiang Ying, Female, born in December 1953, CPC member ,Han nationality, from Shanghai, doctor's degree,A Lawyer, certified public accountant. Xiang was a teaching fellow and deputy division chief of Hunan Political Law Administration College, division chief and deputy commissioner at Changsha, Guangzhou and Chengdu offices of National Audit Office. Now Xiang is the Deputy general manager of China Huarong Asset Management Corporation Guangzhou Office. and independent supervisor of Guangdong Electric Power Development Co., Ltd.

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

Mr. Tong Jianjun,Male, born in February 1955, a member of CCP, Han nationality, from Wutaishan Shanxi, bachelor's degree, an economist, He once served as Technician of Engineering Dept. of Guangdong Nuclear power Co., Ltd., Manager of Foshan Economy Technology Cooperation Corporation.He now serves as assistant Manager of Project Management Dept. and Employee supervisor of Guangdong Electric Power Development Co., Ltd.

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

Mr. Luo Zhiheng, Male, born in July 1967, a member of CCP , Han nationality, from Guangzhou, Guangdong, bachelor's degree, Senior Accountant, He once served as merchandiser of Guanghua Industry Import and Export Company, merchandiser and deputy manager of Energy Investment Dept., manager assistant and manager of

Enterprise Planning Dept. of Guangdong Electric Power Development Co., Ltd., deputy general manager of the Company and deputy director and director of Beijing Representative Office of Guangdong Yudean Group Co., Ltd. He now serves as secretary of Party branch and deputy general manager of Guangdong Electric Power Development Co., Ltd. and concurrently serves as board chairman of Guangdong Yudean Bohe Coal Power Co., Ltd.

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

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

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

Office taking in shareholder companies

☒Applicable ☐Not applicable

Names of the persons in office	Names of the shareholders	Titles engaged in the shareholders	Sharing date of office term	Expiry date of office term	Does he /she receive remuneration or allowance from the shareholder
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Pan Li	Guangdong Yudean Group Co., Ltd.	Board chairman, Secretary of Party committee	February 9, 2007		Yes
Liu Qian	Guangdong Yudean Group Co., Ltd.	Director, Deputy General Manager	February 9, 2007		Yes
Li Zhuoxian	Guangdong Yudean Group Co., Ltd.	Director, General Manager	January 26, 2010		Yes
Hong Rongkun	Guangdong Yudean Group Co., Ltd.	Director, General Manager	February 9, 2007		Yes
Zhong Weimin	Guangdong Yudean Group Co., Ltd.	Director, Vice Secretary of Party committee	February 9, 2007		Yes
Gao Shiqiang	Guangdong Yudean Group Co., Ltd.	Director, Deputy General Manager	February 9, 2007		Yes
Kong Huitian	Guangdong Yudean Group Co., Ltd.	Chief economist	February 26, 2009		Yes
Li Mingliang	Guangdong Yudean Group Co., Ltd.	Deputy General Manager	November 4, 2010		Yes
Wang Jin	Guangdong Yudean Group Co., Ltd.	Vice Chief engineer, Director of Operating Dept	November 1, 2010		Yes
Zhang Xueqiu	Guangzhou Development Industry Holdings Group Co., Ltd.	Vice President of Administration Dept, Secretary to the board of	May 8, 2009		Yes

		directors			
Zhang Dewei	Guangdong Yudean Group Co., Ltd.	Secretary of Audit Supervise Dept	June 1, 2012		Yes
Zhao Li	Guangdong Yudean Group Co., Ltd.	Vice Secretary of Finance Dept	November 1, 2010		Yes

Offices taken in other organizations

☐Applicable ☒ Not applicable

III. Remuneration to directors, supervisors and senior executives

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

Directors, supervisors and senior executives of the Company shall obtain labor remuneration and enjoy corresponding employee benefits according to their position and the Company's wage system. Except such remuneration and benefits, no other remuneration and fringe benefits shall be additionally provided; The allowance for the independent directors and independent supervisors of the Company shall be paid according to the standards approved by the shareholders' general meeting.

At the end of the report period, the directors, supervisors and senior executives received the actual remuneration before tax was total RMB 5.0803 million .

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

Unit : RMB'0000

Name	Positions	Sex	Age	Office status	Total remuneration received from the Company	Total remuneration received from the shareholder	Remuneration actually receives at the end of the reporting period
Pan Li	Board chairman	Male	59	In office	0	0	0
Liu Qian	Vice Board chairman	Male	59	In office	0	0	0
Li Zhuoxian	Director	Male	50	In office	0	0	0
Hong Rongkun	Director	Male	56	In office	0	0	0
Zhong Weimin	Director	Male	57	In office	0	0	0
Gao Shiqiang	Director	Male	56	In office	0	0	0
Kong Huitian	Director	Male	57	In office	0	0	0
Li Mingliang	Director	Male	49	In office	0	0	0

Lin Shizhuang	Director, General Manager	Male	52	In office	74.83	0	74.83
Wang Jin	Director	Male	50	In office	0	0	0
Rao Subo	Director	Male	49	In office	67.71	0	67.71
Zhang Xueqiu	Director	Male	47	In office	0	0	0
Wang Jun	Independent director	Male	55	In office	5.32	0	5.32
Song Xianzhong	Independent director	Male	50	In office	4.79	0	4.79
Zhu Weiping	Independent director	Male	56	In office	5.32	0	5.32
Feng Xiaoming	Independent director	Female	58	In office	6.93	0	6.93
Liu Tao	Independent director	Male	42	In office	5.86	0	5.86
Zhang Hua	Independent director	Male	48	In office	6.93	0	6.93
Zhang Dewei	Chairman of the Supervisory Committee	Male	52	In office	0	0	0
Zhao Li	Supervisor	Female	41	In office	0	0	0
Sha Qilin	Independent Supervisor	Male	53	In office	4.29	0	4.29
Xiang Ying	Independent Supervisor	Female	60	In office	4.29	0	4.29
Lin Weifeng	Employee supervisor	Male	45	In office	39.94	0	39.94
Tong Jianjun	Employee supervisor	Female	58	In office	33.72	0	33.72
Luo Zhiheng	Secretary , Deputy GM	Male	46	In office	73.04	0	73.04
Li Xiaoqing	Deputy GM, Finance manager	Female	42	In office	68.24	0	68.24
Liu Hui	Deputy GM	Female	48	In office	68.7	0	68.7
Liu Wei	Board secretary	Male	34	In office	38.12	0	38.12
Total	--	--	--	--	508.03	0	508.03

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

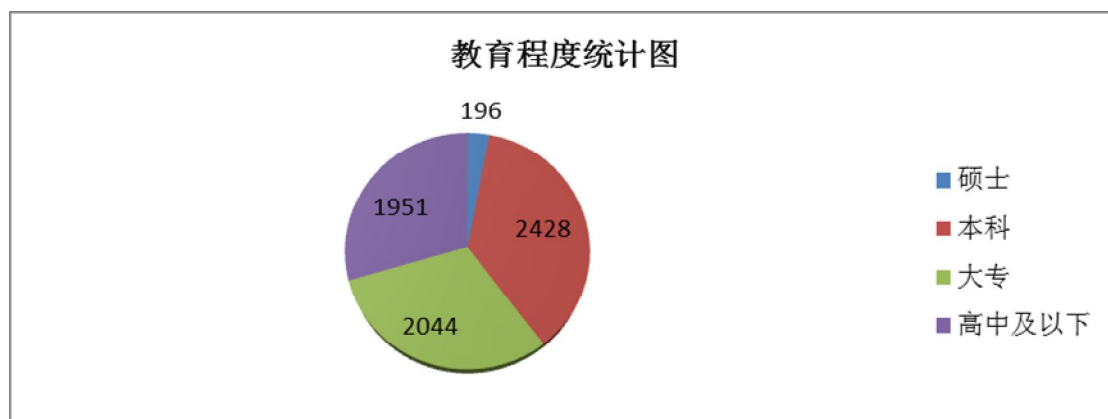
☐Applicable ☒Not applicable

IV. Particulars about employees.

Number of employees in position of Parent Company and Main Subsidiary	6,619
Retired employees on the Company's expense of Parent Company and Main Subsidiary	2,971
Composition of professions	
Categories of professions	Number of persons
Production	4,602
Sales & Marketing	18
Technicians	905
Finance & Accounting	141
Executive	953
Education background	
Categories of education	Number of persons
Masters' degree	196
Bachelors' degree	2,428
College diploma	2,044
High school and below	1951

专业构成统计图





VIII. Administrative structure

I. General situation

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

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

☐ Yes ☒ No

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

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

1. In accordance with Circular on Standardization of Listed Companies’ Related-Party Transactions (File ref. CSRC Guangdong [2013] 63), the Company organized a dedicated team and arranged to self inspect the related-party transaction management system, decision making procedures, information disclosure, the fairness etc. and further raised awareness on the significance and standardization of related-party transactions. 2. The company has established the “Inside Information Management System”, strictly enforced insider management system, taken effective measures before the disclosure of significant sensitive information, controlled insider to minimum range, and done a good job in the propaganda, guidance of insiders to avoid the occurrence of the leakage of inside information and insider trading behavior. During the reporting period, there is no case in our company that engaged in insider trading using inside information or manipulating prices of securities trading with others or other insider trading case.

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

1. Annual General Meeting

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
2012 Shareholders’	May 21, 2013	1. The proposal	Reviewed and	May 22, 2013	Name of

general meeting		concerning work report of the board of directors for 2012; 2. The Proposal for Work Report of the General Manager for 2012; 3. The proposal Concerning Financial Report for 2012; 4. The proposal concerning work report of the supervisory committee for 2012; 5. The proposal concerning Preplan for profit Distribution and Dividend Distribution For 2012; 6. The proposal Concerning 2012 annual Report and Summary of 2012 Annual Report;; 7. The Proposal for Engaging Domestic and overseas Certified Public Accountants' Firms ;8. The proposal the Budget of the Company for 2013;、 9. the Proposal Concerning the Signing of Frame Agreement for Financial Services by the Company and Guangdong Yudean Finance Co., Ltd;;10. The Proposal for Applying to Banks	approved		Announcement :Announcement of Resolution of 2012 shareholders' general meeting , Announcement No.:2013-40. Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
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		for Working Capital Loan Limit;;11. The Proposal for Providing Guarantee to Guangdong Shaoguan Yuejiang Power Generation Co., Ltd;;12. The Proposal for Amending of Articles of Association of the Company.			
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2.Extraordinary Shareholders' Meetings

Sessions	Meeting Date	Description of proposals	Resolution	Disclosure date	Disclosure index
The First provisional Shareholders' General Meeting In 2013	March 25, 2013	The Proposal of Daily Related Transactions of The Company and its Controlling subsidiaries	Reviewed and approved	March 26, 2013	Name of Announcement :Announcement of Resolution of the first Provisional shareholders' general meeting in 2013, Announcement No.:2013-24, Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn
The Second provisional Shareholders' General Meeting In 2012	November 15, 2013	1. The Proposal of Adjustment of Guarantee Program for Lincang Yuntou Yudean Hydropower Development Co., Ltd; ;2. The Proposal of Adjustment of Guarantee Program for Shaoguan Yuejiang Power	Reviewed and approved	November 16, 2013	Name of Announcement :Announcement of Resolution of the Second Provisional shareholders' general meeting in 2013, Announcement No.:2013-64, Published in China Securities Daily, Securities Times and http://www.cninfo.com.cn

		Ceneration Co., Ltd; 3. The Proposal for Providing Guarantee to Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.			rities Times and http //.www.cninfo.com.c n
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III. Duty performance of independent Directors

1. Attendance of Board Meetings and General Meetings

Independent Directors' Attendance at Board Meetings						
Independent Directors	Number of Board meetings necessary to be attended in the reporting period	Number of spot attendances	Number of meetings attended by Communication	Number of attendances by representative	Number of absence	Failure to personally attend board meetings successively twice (Yes/No)
Wang Jun	13	4	7	2	0	No
Song Xianzhong	13	4	7	2	0	No
Zhu Weiping	13	4	7	2	0	No
Feng Xiaoming	13	6	7	0	0	No
Liu Tao	13	5	7	1	0	No
Zhang Hua	13	6	7	0	0	No
Number of general meetings attended by independent directors as non-voting delegates		3				

Notes to failure to personally attend Board Meetings Successively Twice

2. Objection of independent directors on some relevant issues

Objection of independent directors on some relevant issues

☐ Yes ☒ No

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

3. Other notes to duty performance of independent directors

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

☒ Yes ☐ No

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

In the report period, The independent directors of the Company earnestly performed the requirement

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

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

The board of directors of the company comprises committee of strategy, audit, budget, nomination and remuneration and appraisal. Each professional committee has established their corresponding working rules and put forward related professional opinions and suggestions according to their respective duties to the company operating development, which promoted the standardized operation of the company. In 2013, the duty fulfillment conditions of each special committee of the company's board of directors are as follows:

1. According to the relevant provisions of the China securities regulatory commission and Shenzhen stock exchange as well as the working discipline of annual report of the board of directors audit committee, the company's board of directors audit committee has earnestly performed their duties and participated in all course of the company's 2013 annual audit work. On December 24, 2013, the 10th board of directors audit committee held its seventh meeting, the independent boards, accounting firms and managers attended the meeting, listened to the "report on the company's 2013 annual financial audit work schedule report", and communicated with the company management and the annual report certified public accountants about possible problems in pre-qualification and the annual audit work. After entering the audit procedures, the audit committee kept close communication with the company's management layer and an accounting firm. On March 31, 2014, the 11th board of directors audit committee held its seventh meeting. On the meeting, the committee reviewed and voted on company's financial and accounting reports, the company's 2013 annual internal audit summary and 2014 annual internal audit plan, "Self-Assessment Report of Internal Control of the Company", and public accounting firms engaged in the work of this year the company audit summary report and so on has carried on the, and formed relevant audit opinion

2. The remuneration and appraisal committee of the board of directors audited the remuneration condition of the directors, supervisors and senior managers disclosed in this report. The committee regarded that the payment standard and the determination of the total amount of annual payment conformed to their position and the company's payment management regulations; the payment conditions of the directors, supervisors and senior managers disclosed in Annual report is real.

3. The budget committee of the seventh board held its second meeting on March 31, 2013, reviewed and adopted the "Proposal on Illustration of Budget Implementation in 2012 and Budget Preparation in 2013".

4. The Strategy committee of the seventh board held its third meeting on January 23, 2013 by Correspondence, examined and adopted the Proposal for Adjusting the Establishment Mode and Registered Capital of Guangdong Yudean Huadu Natural Gas Thermal Power Co., Ltd.

5. Nomination committee and strategic committee of the board of directors' did not hold meetings in 2013.

V. Work of the supervisory Committee

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

☐ Yes ☒ No

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

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

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

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

VII. Horizontal Competitions

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

VIII. Assessment and incentive Mechanism for Senior executives

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

IX. Internal Control

I. Internal control Construction

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

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

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

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

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

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

IV. Self-assessment report of the internal control

About the significant Defects of the internal control found in the internal control self-assessment report in the reporting period	
In reporting period, concerning the business and items in evaluation range, the Company established internal control for efficiency implementation, achieve the Company's internal control target and shows no major defects and important defects.	
Date of disclosing the internal control self-assessment report, full text	April 24, 2014
Index of disclosing the internal control self-assessment report, full	"Self-evaluation report of internal control", more details on www.cninfo.com.cn

text	
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V. Internal control audit report

☒ Applicable ☐ Not applicable

Review opinions in the internal control audit report	
We believe that, Guangdong Electric Power Development Co., Ltd. maintained efficient internal control of financial reports in all significant aspects according to “ Basic Standards of Corporate Internal Control” and relevant regulations on December 31, 2013	
Date of disclosing the internal control audit report, full text	April 24, 2014
Index of disclosing the internal control audit report, full text	“Audit report of internal control for year of 2013”, more details on www.cninfo.com.cn

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

☐ Yes ☒ No

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

☒ Yes ☐ No

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

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

X. Financial Report

Auditors' Report

Consolidated and Company's Balance sheets

Consolidated and Company's profit statements

Consolidated and Company's cash flow statements

Consolidated statement of changes in owners' equity

Company's statement of changes in owners' equity

Notes to financial statement

Supplementary information

AUDITORS' REPORT

毕马威华振审字第 1400753 号

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

We have audited the accompanying financial statements of Guangdong Electric Power Development Co., Ltd. (the "Company"), which comprise the consolidated balance sheet and balance sheet as at 31 December 2013, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, the consolidated statement of changes in shareholders' equity and statement of shareholders' changes in equity for the year then ended, and notes to the financial statements.

I. Management's Responsibility for the Financial Statements

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

II. Auditors' Responsibility

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

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

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

AUDITORS' REPORT (continued)

毕马威华振审字第 1400753 号

III. Opinion

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2013, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

KPMG Huazhen
(Special General Partnership)

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

Peng Jing

Beijing, China

Wang Xiao Mei

22 April 2014

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2013
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
Assets			
Current assets:			
Cash at bank and on hand	V.1	4,377,311,176	2,870,764,537
Bills receivable	V.2	1,800,000	-
Accounts receivable	V.4	3,266,445,752	3,059,549,427
Prepayments	V.6	1,497,883,626	1,109,012,578
Interests receivable	V.3	5,788,038	1,818,495
Other receivables	V.5	327,650,307	710,718,239
Inventories	V.7	1,603,646,410	1,839,022,991
Other current assets	V.8	1,057,135,500	1,571,152,356
Total current assets		<u>12,137,660,809</u>	<u>11,162,038,623</u>
Non-current assets:			
Available-for-sale financial assets	V.9	298,871,738	295,684,545
Long-term receivables	V.10	114,478,124	360,202,625
Long-term equity investments	V.11	7,025,016,544	5,998,133,180
Investment properties	V.12	10,839,031	11,474,629
Fixed assets	V.13	41,524,036,240	38,449,069,665
Construction in progress	V.14	3,883,361,454	7,300,925,262
Construction materials	V.15	2,229,432	303,125,786
Disposal of fixed assets	V.16	2,588,660	1,462,082
Intangible assets	V.17	1,201,873,048	1,193,080,413
Goodwill	V.18	2,449,886	-
Long-term deferred expenses	V.19	324,905	-
Deferred tax assets	V.20	47,041,613	76,814,134
Other non-current assets	V.21	1,667,947,551	556,648,526
Total non-current assets		<u>55,781,058,226</u>	<u>54,546,620,847</u>
Total assets		<u>67,918,719,035</u>	<u>65,708,659,470</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	V.24	9,361,000,000	13,573,100,000
Bills payable	V.25	1,523,123,018	1,308,493,869
Accounts payable	V.26	2,743,864,659	3,233,698,785
Advances from customers	V.27	1,084,177	1,142,996
Employee benefits payable	V.28	162,241,634	186,520,319
Taxes payable	V.29	797,347,744	550,331,980
Interests payable	V.30	188,370,219	143,696,116
Dividends payable	V.31	12,558,757	12,488,428
Other payables	V.32	3,430,874,713	3,456,801,202
Non-current liabilities due within one year	V.33	2,090,742,188	1,850,200,316
Other current liabilities	V.34	1,348,750,493	-
Total current liabilities		<u>21,659,957,602</u>	<u>24,316,474,011</u>
Non-current liabilities:			
Long-term loans	V.35	15,272,003,561	14,786,327,736
Debentures payable	V.36	3,190,970,481	1,994,144,734
Long-term payables	V.37	2,088,355,894	2,515,664,982
Special payables	V.38	10,779,740	16,904,604
Deferred tax liabilities	V.20	12,303,165	2,057,101
Other non-current liabilities	V.39	91,677,740	102,329,774
Total non-current liabilities		<u>20,666,090,581</u>	<u>19,417,428,931</u>
Total liabilities		<u>42,326,048,183</u>	<u>43,733,902,942</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated balance sheet as at 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
Liabilities and shareholders' equity (continued)			
Shareholders' equity:			
Share capital	V.40	4,375,236,655	4,375,236,655
Capital reserve	V.41	5,044,718,726	5,025,289,056
Surplus reserve	V.42	4,203,571,276	3,955,568,618
Retained earnings	V.43	<u>5,431,387,393</u>	<u>2,899,227,999</u>
Total equity attributable to shareholders of the Company		19,054,914,050	16,255,322,328
Minority interests		<u>6,537,756,802</u>	<u>5,719,434,200</u>
Total shareholders' equity		<u>25,592,670,852</u>	<u>21,974,756,528</u>
Total liabilities and shareholders' equity		<u>67,918,719,035</u>	<u>65,708,659,470</u>

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

_____ Li Pan Legal Representative (Signature and stamp)	_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	_____ Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2013
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
Assets			
Current assets:			
Cash at bank and on hand		296,476,854	373,626,540
Accounts receivable	XI.1	252,615,520	269,908,526
Prepayments		183,758,605	222,709,377
Interests receivable		1,543,756	1,282,187
Dividends receivable		9,155,096	9,155,096
Other receivables	XI.2	111,309,157	571,884,980
Inventories		148,348,001	142,126,173
Other current assets		85,145,999	99,887,231
Total current assets		<u>1,088,352,988</u>	<u>1,690,580,110</u>
Non-current assets:			
Available-for-sale financial assets		298,871,738	295,684,545
Long-term receivables		500,000,000	258,780,000
Long-term equity investments	XI.3	21,316,647,925	18,675,217,008
Investment properties		10,839,031	11,474,629
Fixed assets		1,224,223,876	1,111,673,900
Construction in progress		89,192,352	128,218,795
Disposal of fixed assets		1,976,080	-
Intangible assets		102,887,809	104,363,622
Deferred tax assets		583,768	-
Other non-current assets		270,000,000	102,000,000
Total non-current assets		<u>23,815,222,579</u>	<u>20,687,412,499</u>
Total assets		<u>24,903,575,567</u>	<u>22,377,992,609</u>

Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	<u>2013</u>	<u>2012</u>
Liabilities and shareholders' equity		
Current liabilities:		
Short-term loans	1,400,000,000	2,464,100,000
Bills payable	137,874,618	180,000,000
Accounts payable	320,001,507	425,185,891
Employee benefits payable	35,715,896	35,754,954
Taxes payable	20,225,274	15,624,389
Interests payable	153,688,714	107,224,999
Dividends payable	7,629,090	7,558,762
Other payables	202,749,305	120,858,146
Non-current liabilities due within one year	89,000,000	40,000,000
Other current liabilities	623,885,333	-
Total current liabilities	<u>2,990,769,737</u>	<u>3,396,307,141</u>
Non-current liabilities:		
Long-term loans	1,500,000,000	1,229,000,000
Debentures payable	3,190,970,481	1,994,144,734
Deferred tax liabilities	-	2,057,101
Other non-current liabilities	27,885,554	27,066,924
Total non-current liabilities	<u>4,718,856,035</u>	<u>3,252,268,759</u>
Total liabilities	<u>7,709,625,772</u>	<u>6,648,575,900</u>

Guangdong Electric Power Development Co., Ltd.
Balance sheet as at 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	<u>2013</u>	<u>2012</u>
Liabilities and shareholders' equity (continued)		
Shareholders' equity:		
Share capital	4,375,236,655	4,375,236,655
Capital reserve	5,653,424,648	5,617,859,535
Surplus reserve	4,203,571,276	3,955,568,618
Retained earnings	2,961,717,216	1,780,751,901
Total shareholders' equity	<u>17,193,949,795</u>	<u>15,729,416,709</u>
Total liabilities and shareholders' equity	<u>24,903,575,567</u>	<u>22,377,992,609</u>

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

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

Guangdong Electric Power Development Co., Ltd.
Consolidated income statement for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
I. Operating income	V.44	30,830,757,337	29,489,273,619
II. Less: Operating costs	V.44	(22,684,318,308)	(23,335,411,211)
Business taxes and surcharges	V.45	(221,166,886)	(137,557,101)
Selling and distribution expenses		(5,835,062)	(4,538,881)
General and administrative expenses	V.46	(948,320,444)	(868,917,602)
Financial expenses	V.47	(1,886,866,658)	(1,804,801,448)
Impairment losses	V.49	(276,281,636)	(123,959,752)
Add: Investment income	V.48	741,525,840	320,111,221
Including: Income from investment in associates and jointly controlled enterprises		<u>706,492,821</u>	<u>270,352,325</u>
III. Operating profit		5,549,494,183	3,534,198,845
Add: Non-operating income	V.50	100,887,457	85,080,886
Less: Non-operating expenses	V.51	(69,895,078)	(39,701,852)
Including: Loss from disposal of non-current assets		<u>(52,877,956)</u>	<u>(36,966,239)</u>
IV. Profit before income tax		5,580,486,562	3,579,577,879
Less: Income tax expense	V.52	<u>(1,237,227,573)</u>	<u>(885,978,896)</u>
V. Net profit for the year		<u>4,343,258,989</u>	<u>2,693,598,983</u>
Including: Net profit of the acquired entities in a business combination involving enterprises under common control before the combination date		-	2,045,467,498
Attributable to:			
Shareholders of the Company		3,086,428,618	1,698,728,966
Minority interests		1,256,830,371	994,870,017

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

	Note	<u>2013</u>	<u>2012</u>
V. Net profit		<u>4,343,258,989</u>	<u>2,693,598,983</u>
VI. Earnings per share			
(1) Basic earnings per share	V.53	<u>0.71</u>	<u>0.43</u>
(2) Diluted earnings per share	V.53	<u>0.71</u>	<u>0.43</u>
VII. Other comprehensive income	V.54	<u>24,053,567</u>	<u>(7,836,362)</u>
VIII. Total comprehensive income		<u>4,367,312,556</u>	<u>2,685,762,621</u>
Attributable to:			
Shareholders of the Company		3,110,482,185	1,690,892,604
Minority interests		1,256,830,371	994,870,017

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

_____ Li Pan Legal Representative (Signature and stamp)	_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	_____ Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Income statement for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
I. Operating income	XI.4	2,921,204,005	3,081,738,528
Less: Operating costs	XI.4	(2,305,829,511)	(2,640,403,345)
Business taxes and surcharges		(16,745,520)	(10,533,663)
Selling and distribution expenses		(498,864)	(299,091)
General and administrative expenses		(163,681,850)	(158,006,202)
Financial expenses		(349,614,978)	(386,842,295)
Impairment losses		(129,194,215)	(111,252,200)
Add: Investment income	XI.5	1,783,616,352	952,428,833
Including: Income from investment in associates and jointly controlled enterprises			
		<u>706,492,821</u>	<u>594,403,395</u>
II. Operating profit		1,739,255,419	726,830,565
Add: Non-operating income		18,105,865	7,521,408
Less: Non-operating expenses		(24,040,153)	(23,723,666)
Including: Loss from disposal of non-current assets			
		<u>(23,851,451)</u>	<u>(22,287,954)</u>
III. Profit before income tax		1,733,321,131	710,628,307
Less: Income tax expense		<u>1,913,408</u>	<u>(2,049,283)</u>
IV. Net profit		1,735,234,539	708,579,024

Guangdong Electric Power Development Co., Ltd.
Income statement for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
V. Other comprehensive income		<u>24,053,567</u>	<u>(7,836,362)</u>
VI. Total comprehensive income		1,759,288,106	700,742,662

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

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

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		35,787,002,398	34,638,639,217
Refund of taxes		12,801,467	9,852,311
Cash received relating to other operating activities	V.55(1)	<u>81,421,339</u>	<u>99,825,355</u>
Sub-total of cash inflows		<u>35,881,225,204</u>	<u>34,748,316,883</u>
Cash paid for goods and services		(20,861,528,929)	(22,651,980,397)
Cash paid to and for employees		(1,658,869,245)	(1,546,486,443)
Cash paid for all types of taxes		(3,138,147,688)	(2,234,958,387)
Cash paid relating to other operating activities	V.55(2)	<u>(512,782,902)</u>	<u>(463,105,410)</u>
Sub-total of cash outflows		<u>(26,171,328,764)</u>	<u>(26,896,530,637)</u>
Net cash inflow from operating activities	V.56(1)	<u>9,709,896,440</u>	<u>7,851,786,246</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
II. Cash flows from investing activities:			
Cash received from disposal of investments		276,780,000	103,800,000
Cash received from return on investments		191,064,560	197,986,878
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		33,888,058	71,426,941
Cash received relating to other investing activities	V.55(3)	423,134,254	-
Sub-total of cash inflows		<u>924,866,872</u>	<u>373,213,819</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets		(4,394,013,665)	(2,896,391,667)
Cash paid for acquisition of investments		(530,959,407)	(264,507,780)
Transfer of cash as a result of loss of control in subsidiaries		-	(13,264,857)
Cash paid relating to other investing activities		-	(102,000,000)
Sub-total of cash outflows		<u>(4,924,973,072)</u>	<u>(3,276,164,304)</u>
Net cash outflow from investing activities		<u>(4,000,106,200)</u>	<u>(2,902,950,485)</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
III. Cash flows from financing activities:			
Cash received from investors		42,000,000	90,332,375
Including: Cash received from minority shareholders of subsidiaries		42,000,000	90,332,375
Cash received from borrowings		23,316,688,375	21,655,354,116
Cash received from issuance of debentures and short-term financing notes		2,488,680,000	-
Cash received from finance leases resulting from sale and leaseback		-	900,000,000
Sub-total of cash inflows		<u>25,847,368,375</u>	<u>22,645,686,491</u>
Cash repayments of borrowings		(26,639,970,653)	(24,231,246,232)
Cash paid for dividends, profit distributions or interests		(2,531,580,207)	(3,917,978,169)
Including: Dividends and profit paid to minority shareholders of subsidiaries		(414,965,293)	(949,633,637)
Cash paid for finance leases resulting from sale and leaseback		<u>(822,195,116)</u>	<u>(671,919,509)</u>
Sub-total of cash outflows		<u>(29,993,745,976)</u>	<u>(28,821,143,910)</u>
Net cash outflow from financing activities		<u>(4,146,377,601)</u>	<u>(6,175,457,419)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents		<u>-</u>	<u>-</u>

Guangdong Electric Power Development Co., Ltd.
Consolidated cash flow statement for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
V. Net increase in cash and cash equivalents (“()” for net decrease)	V.56(1)(c)	1,563,412,639	(1,226,621,658)
Add: cash and cash equivalents at the beginning of the year		<u>2,813,898,537</u>	<u>4,040,520,195</u>
VI. Cash and cash equivalents at the end of the year	V.56(1)(c)	<u>4,377,311,176</u>	<u>2,813,898,537</u>

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

_____ Li Pan Legal Representative (Signature and stamp)	_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	_____ Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
I. Cash flows from operating activities:			
Cash received from sale of goods and rendering of services		3,437,774,124	3,678,978,218
Cash received relating to other operating activities		<u>38,064,753</u>	<u>13,699,084</u>
Sub-total of cash inflows		<u>3,475,838,877</u>	<u>3,692,677,302</u>
Cash paid for goods and services		(2,136,079,351)	(2,439,337,817)
Cash paid to and for employees		(372,386,151)	(370,564,143)
Cash paid for all types of taxes		(191,069,570)	(141,947,719)
Cash paid relating to other operating activities		<u>(92,443,564)</u>	<u>(98,352,840)</u>
Sub-total of cash outflows		<u>(2,791,978,636)</u>	<u>(3,050,202,519)</u>
Net cash inflow from operating activities	XI.6	<u>683,860,241</u>	<u>642,474,783</u>

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	<u>2013</u>	<u>2012</u>
II. Cash flows from investing activities:		
Cash received from disposal of investments	1,376,780,000	503,800,000
Cash received from return on investments	1,230,403,175	820,518,424
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	7,300,115	3,312
Cash received relating to other investing activities	422,451,302	-
Sub-total of cash inflows	<u>3,036,934,592</u>	<u>1,324,321,736</u>
Cash paid for acquisition of fixed assets, intangible assets and other long-term assets	(276,820,159)	(196,568,135)
Cash paid for acquisition of investments	(3,944,826,977)	(794,345,019)
Sub-total of cash outflows	<u>(4,221,647,136)</u>	<u>(990,913,154)</u>
Net cash (outflow)/inflow from investing activities	<u>(1,184,712,544)</u>	<u>333,408,582</u>

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	<u>2013</u>	<u>2012</u>
III. Cash flows from financing activities:		
Cash received from borrowings	3,405,000,000	2,894,100,000
Cash received from issuance of debentures and short-term financing notes	<u>1,791,230,000</u>	<u>-</u>
Sub-total of cash inflows	<u>5,196,230,000</u>	<u>2,894,100,000</u>
Cash repayments of borrowings	(4,149,100,000)	(3,366,000,000)
Cash paid for dividends, profit distributions or interests	(583,427,383)	(558,267,319)
Cash paid relating to other financing activities	<u>-</u>	<u>(29,839,446)</u>
Sub-total of cash outflows	<u>(4,732,527,383)</u>	<u>(3,954,106,765)</u>
Net cash inflow/(outflow) from financing activities	<u>463,702,617</u>	<u>(1,060,006,765)</u>
IV. Effect of foreign exchange rate changes on cash and cash equivalents	<u>-</u>	<u>-</u>

Guangdong Electric Power Development Co., Ltd.
Cash flow statement for the year ended 31 December 2013 (continued)
(Expressed in Renminbi Yuan)

	Note	<u>2013</u>	<u>2012</u>
V. Net decrease in cash and cash equivalents ("()" for net decrease)	XI.6	(37,149,686)	(84,123,400)
Add: cash and cash equivalents at the beginning of the year		<u>333,626,540</u>	<u>417,749,940</u>
VI. Cash and cash equivalents at the end of the year		<u><u>296,476,854</u></u>	<u><u>333,626,540</u></u>

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

_____ Li Pan Legal Representative (Signature and stamp)	_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	_____ Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Consolidated statement of changes in shareholders' equity for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

Note	2013						2012					
	Attributable to shareholders of the Company						Attributable to shareholders of the Company					
	Share capital	Capital reserve	Surplus reserve	Retained earnings	Minority interests	Total	Share capital	Capital reserve	Surplus reserve	Retained earnings	Minority interests	Total
I. Balance at the beginning of the year	4,375,236,655	5,025,289,056	3,955,568,618	2,899,227,999	5,719,434,200	21,974,756,528	2,797,451,138	4,619,039,530	3,775,481,032	2,197,539,382	5,468,454,764	18,857,965,846
II. Changes in equity for the year												
("(") for decreases)												
(1) Net profit for the year	-	-	-	3,086,428,618	1,256,830,371	4,343,258,989	-	-	-	1,698,728,966	994,870,017	2,693,598,983
(2) Other comprehensive income V.54	-	24,053,567	-	-	-	24,053,567	-	(7,836,362)	-	-	-	(7,836,362)
Sub-total of (1) & (2)	-	24,053,567	-	3,086,428,618	1,256,830,371	4,367,312,556	-	(7,836,362)	-	1,698,728,966	994,870,017	2,685,762,621

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

	Note	2013						2012					
		Attributable to shareholders of the Company						Attributable to shareholders of the Company					
		Share capital	Capital reserve	Surplus reserve	Retained earnings	Minority interests	Total	Share capital	Capital reserve	Surplus reserve	Retained earnings	Minority interests	Total
II. Changes in equity for the year “() ” for decreases) (continued)													
(3) Shareholders’ contribution													
1. Share issuance – acquisition of associates and jointly controlled enterprises	V.11(2)	-	-	-	-	-	-	393,241,941	1,459,537,714	-	-	-	1,852,779,655
2. Share issuance - business combination involving enterprises under common control	IV.5	-	-	-	-	-	-	1,184,543,576	(1,044,741,183)	-	-	-	139,802,393
3. Minority interests		-	-	-	-	42,000,000	42,000,000	-	-	-	-	90,332,375	90,332,375
(4) Increase in minority interests as a result of business combination involving enterprises not under common control	IV.3	-	(2,004,452)	-	-	6,521,210	4,516,758	-	-	-	-	-	-
(5) Acquisition of minority interests in subsidiaries	IV.4	-	(14,130,991)	-	-	(72,063,686)	(86,194,677)	-	(853,643)	-	-	853,643	-
(6) Share of equity in associates based on shareholding		-	11,511,546	-	-	-	11,511,546	-	-	-	-	-	-
(7) Transfer of minority interests as a result of loss of control in subsidiaries	IV.6	-	-	-	-	-	-	-	-	-	-	(32,939,292)	(32,939,292)
(8) Others		-	-	-	-	-	-	-	143,000	-	-	77,000	220,000
(9) Appropriation of profit													
1. Appropriation for surplus Reserve	V.42	-	-	248,002,658	(248,002,658)	-	-	-	-	180,087,586	(180,087,586)	-	-
2. Distribution to shareholders	V.43	-	-	-	(306,266,566)	(414,965,293)	(721,231,859)	-	-	-	(816,952,763)	(802,214,307)	(1,619,167,070)
Sub-total of (3) to (9)		-	(4,623,897)	248,002,658	(554,269,224)	(438,507,769)	(749,398,232)	1,577,785,517	414,085,888	180,087,586	(997,040,349)	(743,890,581)	431,028,061
III. Balance at the end of the year		4,375,236,655	5,044,718,726	4,203,571,276	5,431,387,393	6,537,756,802	25,592,670,852	4,375,236,655	5,025,289,056	3,955,568,618	2,899,227,999	5,719,434,200	21,974,756,528

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

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

_____ Li Pan Legal Representative (Signature and stamp)	_____ Xiaoqing Li The person in charge of accounting affairs (Signature and stamp)	_____ Jingdong Qin The head of the accounting department (Signature and stamp)	(Company stamp)
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Guangdong Electric Power Development Co., Ltd.
Statement of changes in shareholders' equity for the year ended 31 December 2013
(Expressed in Renminbi Yuan)

	Note	2013					2012				
		Share capital	Capital reserve	Surplus reserve	Retained earnings	Total	Share capital	Capital reserve	Surplus reserve	Retained earnings	Total
I. Balance at the beginning of the year		4,375,236,655	5,617,859,535	3,955,568,618	1,780,751,901	15,729,416,709	2,797,451,138	1,782,543,554	3,775,481,032	1,420,107,531	9,775,583,255
II. Changes in equity for the year											
(" ") for decreases											
(1) Net profit for the year		-	-	-	1,735,234,539	1,735,234,539	-	-	-	708,579,024	708,579,024
(2) Other comprehensive income	V.54	-	24,053,567	-	-	24,053,567	-	(7,836,362)	-	-	(7,836,362)
Sub-total of (1) & (2)		-	24,053,567	-	1,735,234,539	1,759,288,106	-	(7,836,362)	-	708,579,024	700,742,662
(3) Share issuance		-	-	-	-	-	1,577,785,517	3,843,097,343	-	-	5,420,882,860
(4) Share of equity in associates based on shareholding		-	11,511,546	-	-	11,511,546	-	-	-	-	-
(5) Others		-	-	-	-	-	-	55,000	-	-	55,000
(6) Appropriation of profit											
1. Appropriation for surplus reserve	V.42	-	-	248,002,658	(248,002,658)	-	-	-	180,087,586	(180,087,586)	-
2. Distribution to shareholders	V.43	-	-	-	(306,266,566)	(306,266,566)	-	-	-	(167,847,068)	(167,847,068)
Sub-total of (3) to (6)		-	11,511,546	248,002,658	(554,269,224)	(294,755,020)	1,577,785,517	3,843,152,343	180,087,586	(347,934,654)	5,253,090,792
III. Balance at the end of the year		4,375,236,655	5,653,424,648	4,203,571,276	2,961,717,216	17,193,949,795	4,375,236,655	5,617,859,535	3,955,568,618	1,780,751,901	15,729,416,709

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

These financial statements were approved by the Board of Directors of the Company on 22 April 2014.

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

I. Company status

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

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

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

Pursuant to the *Approval on the Share Reform Scheme of Guangdong Electric Power Development Co., Ltd.* (Yue Guo Zi Han[2005] No.452) issued by the State-owned Assets Supervision and Administration Commission of Guangdong Province (Guangdong SASAC), the Company carried out the non-tradable share reform on 18 January 2006. The non-tradable shareholders paid 3.1 shares per 10 shares to the tradable A-share shareholders, who were registered on the date of the equity change registration (18 January 2006), and 121,357,577 legal person shares were paid in total. All the legal person shares can be traded on the Shenzhen Stock Exchange starting from 19 January 2006, but they are subject to lock-up periods ranging from one to three years. After the share reform, Yudean’s equity interest in the Company decreased to 46.34%. Due to the selling restriction, 4,416,925 legal person shares originally held by the non-tradable shareholders were still untradable as at 31 December 2013.

I. Company status (continued)

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

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

The Company and its subsidiaries (the "Group") are principally engaged in the businesses of developing and operating electric power plants in Guangdong Province, the PRC. The Company's registered address is 23rd, 25th and 26th floor, Yudean Plaza, 2 Tianhe East Road, Guangzhou City, Guangdong Province, the PRC. Yudean is the parent company of the Company.

II. Significant accounting policies and accounting estimates

1 Basis of preparation

As at 31 December 2013, the Company's current liabilities exceeded its current assets by RMB 9,522,296,793. The Company is committed to a capital expenditure of RMB 3.715 billion in the coming year. As such, it is exposed to liquidity risk to some extent.

II. Significant accounting policies and accounting estimates (continued)

1 Basis of preparation (continued)

The Company's management has taken the following measures to ensure that sufficient operating funds are available to meet its operating needs in the coming 12 months. Therefore, the financial statements have been prepared on the basis of going concern.

- (a) The Company's profit has continued to increase after its generator sets have successively launched into production in recent years. Management expects stable cash inflows from operating activities in the future.
- (b) As at 31 December 2013, the Group had credit facilities of approximately RMB 34,060,072,300 provided by banks, including an amount of RMB 31,360,072,300 which was contracted for without conditions, and an amount of RMB 2,700,000,000 which was authorised but not contracted for.
- (c) As at 31 December 2013, the Group's capital commitments will be mainly used for the construction of new power plants and the purchase of new generator sets. The construction cycle of a power plant is generally very long, and it usually takes 3 to 5 years to build large generator sets, therefore, management expects these capital commitments to continue in the next three to five years. These capital commitments will be supported by funds generated by existing generator sets in production and operating activities and bank loans and will not have significant adverse impact on the Group's cash flows in the coming year.

2 Statement of compliance

The financial statements have been prepared in accordance with the requirements of "Accounting Standards for Business Enterprises – Basic Standard" and 38 Specific Standards issued by the Ministry of Finance (MOF) of the People's Republic of China (PRC) on 15 February 2006, and application guidance, bulletins and other relevant accounting regulations issued subsequently (collectively referred to as "Accounting Standards for Business Enterprises" or "CAS"). These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2013, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

These financial statements also comply with the disclosure requirements of "Regulation on the Preparation of Information Disclosures of Companies Issuing Public Shares, No. 15: General Requirements for Financial Reports" as revised by the China Securities Regulatory Commission (CSRC) in 2010.

3 Accounting period

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

4 Functional currency

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

II. Significant accounting policies and accounting estimates (continued)

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

(1) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets and liabilities obtained are measured at the carrying amounts as recorded by the enterprise being combined at the combination date. The difference between the carrying amount of the net assets obtained and the carrying amount of consideration paid for the combination (or the total par value of shares issued) is adjusted to share premium (or capital premium) in the capital reserve. If the balance of share premium (or capital premium) is insufficient, any excess is adjusted to retained earnings. Any costs directly attributable to the combination are recognised in profit or loss for the current period when occurred. The combination date is the date on which one combining enterprise effectively obtains control of the other combining enterprises. Transaction costs incurred from the issuance of equity securities or debt securities for the combination are included in the initial costs of equity securities or debt securities. Other costs directly attributable to the combination are recognised in profit or loss for the current period.

(2) Business combinations involving enterprises not under common control

A business combination involving enterprises not under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where 1) the aggregate of the fair value at the acquisition date of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds 2) the acquirer's interest in the fair value at the acquisition date of the acquiree's identifiable net assets, the difference is recognised as goodwill (see Note II.18). Where 1) is less than 2), the difference is recognised in profit or loss for the current period. The costs of the issuance of equity or debt securities as a part of the consideration paid for the acquisition are included as a part of initial recognition amount of the equity or debt securities. Other acquisition-related costs arising from the business combination are recognised as expenses in the periods in which the costs are incurred. The difference between the fair value and the carrying amount of the assets transferred is recognised in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities, if satisfying the recognition criteria, are recognised by the Group at their fair value at the acquisition date. The acquisition date is the date on which the acquirer effectively obtains control of the acquiree.

6 Consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. Control is the power to govern the financial and operating policies of an enterprise so as to obtain benefits from its operating activities. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

II. Significant accounting policies and accounting estimates (continued)

6 Consolidated financial statements (continued)

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

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

Where the Company acquires a minority interest from a subsidiary's minority shareholders, the difference between the amount by which the minority interests are adjusted to the capital reserve (share premium) in the consolidated balance sheet. If the credit balance of capital reserve (share premium) is insufficient, any excess is adjusted to retained earnings.

Minority interest is presented separately in the consolidated balance sheet within shareholders' equity. Net profit or loss attributable to minority shareholders is presented separately in the consolidated income statement below the net profit line item. Comprehensive income attributable to minority shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

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

7 Cash and cash equivalents

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

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

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

A spot exchange rate is an exchange rate quoted by the People's Bank of China.

II. Significant accounting policies and accounting estimates (continued)

8 Foreign currency transactions and translation of financial statements denominated in foreign currencies (continued)

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences, except for those arising from the principal and interest of specific foreign currency borrowings for the purpose of acquisition and construction of qualifying assets (see Note II.16), are recognised in profit or loss. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated to Renminbi using the foreign exchange rate at the transaction date.

9 Financial instruments

Financial instruments include cash at bank and on hand, receivables, equity securities other than long-term equity investments (see Note II.12), payables, loans and borrowings, debentures payable and share capital.

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

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

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

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

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

- Receivables

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

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

II. Significant accounting policies and accounting estimates (continued)

9 Financial instruments (continued)

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

- Available-for-sale financial assets

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

Available-for-sale investments in equity instruments whose fair value cannot be measured reliably are measured at cost subsequent to initial recognition. Other available-for-sale financial assets are measured at fair value subsequent to initial recognition and changes therein, except for impairment losses and foreign exchange gains and losses from monetary financial assets which are recognised directly in profit or loss, are recognised as other comprehensive income in capital reserve. When an investment is derecognised, the cumulative gain or loss is reclassified from equity to profit or loss. Dividend income from the available-for-sale equity instruments is recognised in profit or loss when the investee declares the dividends. Interest on available-for-sale financial assets calculated using the effective interest method is recognised in profit or loss (see Note II.22(5)).

- Other financial liabilities

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

Other financial liabilities include the liabilities arising from financial guarantee contracts. Financial guarantees are contracts that require the Group (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Where the Group issues a financial guarantee, subsequent to initial recognition, the guarantee is measured at the higher of the amount initially recognised less accumulated amortisation and the amount of a provision determined in accordance with the principles of contingencies (see Note II.21).

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

(2) Presentation of financial assets and financial liabilities

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

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

II. Significant accounting policies and accounting estimates (continued)

9 Financial instruments (continued)

(3) Determination of fair value

If there is an active market for a financial asset or financial liability, the quoted price in the active market is used to establish the fair value of the financial asset or financial liability.

If no active market exists for a financial instrument, a valuation technique is used to establish the fair value. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, reference to the current fair value of another instrument that is substantially the same, and discounted cash flow analysis. The Group calibrates the valuation technique and tests it for validity periodically.

(4) Derecognition of financial assets and financial liabilities

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

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

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

The Group derecognises a financial liability (or part of it) only when the underlying present obligation (or part of it) is discharged, cancelled or expires.

(5) Impairment of financial assets

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

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

- (a) significant financial difficulty of the issuer or obligor
- (b) a breach of contract by the borrower, such as a default or delinquency in interest or principal payments
- (c) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation
- (d) the disappearance of an active market for that financial asset because of financial difficulties faced by the issuer

II. Significant accounting policies and accounting estimates (continued)

9 Financial instruments (continued)

(5) Impairment of financial assets (continued)

- (e) significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of an investment in an equity instrument may not be recovered by the investor
- (f) a significant decline in the fair value (i.e. the fair value becomes 50% or lower than the initial investment cost) or a prolonged decline in the fair value (i.e. the fair value persisting at a level lower than the initial investment cost for a year or longer) of an investment in an equity instrument below its cost. If the fair value of the investment becomes 20% (or more) but less than 50% lower than its initial cost at the balance sheet date, the Group considers other related factors (such as fluctuations in prices) on the whole to determine whether the investment is impaired.

For the calculation method of impairment of receivables, please refer to Note II.10. The impairment of available-for-sale financial assets is measured as follows:

- Available-for-sale financial assets

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

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

(6) Equity instrument

An equity instrument is a contract that proves the ownership interest of the assets after deducting all liabilities in the Company.

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

10 Impairment of receivables

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

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

II. Significant accounting policies and accounting estimates (continued)

10 Impairment of receivables (continued)

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

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

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

11 Inventories

(1) Classification and cost

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

(2) Cost of inventories transferred out

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

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

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

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

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

II. Significant accounting policies and accounting estimates (continued)

11 Inventories (continued)

(4) Inventory system

The Group maintains a perpetual inventory system.

12 Long-term equity investments

(1) Investment cost

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

- The initial investment cost of a long-term equity investment obtained through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to share premium in capital reserve. If the balance of the share premium is insufficient, any excess is adjusted to retained earnings.
- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial investment cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving enterprises under common control and achieved in stages, the initial cost comprises the carrying value of previously-held equity investment in the acquiree immediately before the acquisition date, and additional investment cost at the acquisition date.

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

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

(2) Subsequent measurement

(a) Investments in subsidiaries

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

II. Significant accounting policies and accounting estimates (continued)

12 Long-term equity investments (continued)

(2) Subsequent measurement (continued)

(a) Investments in subsidiaries (continued)

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

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the policies described in Note II.6.

(b) Investment in jointly controlled enterprises and associates

A jointly controlled enterprise is an enterprise which operates under joint control (see Note II.12(3)) in accordance with a contractual agreement between the Group and other parties.

An associate is an enterprise over which the Group has significant influence (see Note II.12(3)).

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

The Group makes the following accounting treatments when using the equity method:

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

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

II. Significant accounting policies and accounting estimates (continued)

12 Long-term equity investments (continued)

(2) Subsequent measurement (continued)

(b) Investment in jointly controlled enterprises and associates (continued)

The Group makes the following accounting treatments when using the equity method:

- The Group discontinues recognising its share of net losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the associate or the jointly controlled enterprise is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. Where net profits are subsequently made by the associate or jointly controlled enterprise, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.
- The Group adjusts the carrying amount of the long-term equity investment for changes in owners' equity of the investee other than those arising from net profits or losses, and recognises the corresponding adjustment in shareholders' equity.

(c) Other long-term equity investments

Other long-term equity investments refer to investments where the Group does not have control, joint control or significant influence over the investees, and the investments are not quoted in an active market and their fair value cannot be reliably measured.

Other long-term equity investments are accounted for subsequently using the cost method. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income irrespective of whether these represent the net profit realised by the investee before or after the investment.

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

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

II. Significant accounting policies and accounting estimates (continued)

12 Long-term equity investments (continued)

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

- Whether no single investor is in a position to control the investee's operating activities unilaterally
- Whether strategic decisions relating to the investee's main operating activities require the unanimous consent of all investors
- If one investor is appointed, through contract or agreement by all investors, to manage the investee's daily activities, whether this investor must act within the financial and operating policies that have been agreed upon by all investors.

Significant influence is the power to participate in the financial and operating policy decisions of an investee but does not have control or joint control over those policies. The following one or more factors are considered usually when assessing whether the Group can exercise significant influence over an investee:

- Whether the Group has representation on the board of directors or equivalent governing body of the investee
- Whether the Group participates in the policy-making processes of the investee
- Whether the Group has material transactions with the investee
- Whether the Group dispatches management personnel to the investee
- Whether the Group provides essential technical information to the investee.

(4) Method of impairment testing and measurement

For the method of impairment testing and measurement for investments in subsidiaries, jointly controlled enterprises and associates, refer to Note II.20.

For other long-term equity investments, the carrying amount is tested for impairment at the balance sheet date. If there is objective evidence that the investment may be impaired, impairment is assessed on an individual basis. Impairment loss is measured at the amount by which the carrying amount of the investment exceeds the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset and recognised in profit or loss. Such impairment loss is not reversed.

Other long-term equity investments are stated at cost less accumulated impairment losses in the balance sheet.

II. Significant accounting policies and accounting estimates (continued)

13 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both. Investment properties include leased land use rights and plants and buildings for lease which are initially stated at cost. Subsequent expenses of investment properties are included in their cost if it is probable that the economic benefits will flow to the Group and the cost can be estimated reliably. Otherwise, the expenses are recognised in profit or loss when incurred. Investment properties are accounted for using the cost model and stated in the balance sheet at cost less accumulated depreciation, amortisation and impairment losses. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale. For the method of impairment testing and measurement, please refer to Note II.20.

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

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

The Group reviews the estimated useful life, estimated residual value and depreciation method at the end of each year and makes adjustments correspondingly.

When the use of investment properties changes to held for own use, they are transferred to fixed assets on the date of change. When the use of properties held for own use is changed to earning rental income or for capital appreciation, they are transferred from fixed assets to investment properties. The carrying amount before the transfer is the carrying amount recognised after the transfer.

When an investment property is disposed of, or permanently withdrawn from use, and no economic benefits are expected on its disposal, the investment property is derecognised. The revenue from the sale, transfer, retirement or damage of the investment property less its carrying value and related taxes is recognised in profit or loss.

14 Fixed assets

(1) Recognition of fixed assets

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

II. Significant accounting policies and accounting estimates (continued)

14 Fixed assets (continued)

(1) Recognition of fixed assets (continued)

A fixed asset is recognised when it is probable that the economic benefits related to it will flow to the Group and its cost can be reliably estimated. The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note II.15.

Fixed assets contributed by state-owned shareholders at the incorporation of the Company are initially recorded at the valuation amount recognised by the state-owned assets supervision and administration department.

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

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

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

(2) Depreciation of fixed assets

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

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

<u>Class</u>	<u>Estimated useful life (years)</u>	<u>Residual value rate (%)</u>	<u>Depreciation rate (%)</u>
Plant and buildings	10 - 35 years	0 - 10%	2.57% - 10.00%
Power generation equipment	8 - 18 years	0 - 10%	5.00% - 12.50%
Motor vehicles	8 - 10 years	0 - 10%	9.00% - 12.50%
Other equipment	5 - 25 years	0 - 10%	3.60% - 20.00%

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

(3) For the method of impairment testing and measurement, please refer to Note II.20.

II. Significant accounting policies and accounting estimates (continued)

14 Fixed assets (continued)

(4) Recognition and measurement of fixed assets acquired under finance leases

For the recognition and measurement of fixed assets acquired under finance leases, please refer to the accounting policy set out in Note II.26(3).

(5) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised:

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

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

15 Construction in progress

The cost of self-constructed assets includes the construction cost, installation cost, cost of materials, direct labour, capitalised borrowing costs (see Note II.16), and any other costs directly attributable to bringing the asset to working condition for its intended use. The cost of self-constructed fixed assets includes the cost incurred less income generated during the test run before the generator units are launched into operation.

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

Construction in progress is stated in the balance sheet at cost less accumulated impairment losses (see Note II.20).

16 Borrowing costs

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

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

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

II. Significant accounting policies and accounting estimates (continued)

16 Borrowing costs(continued)

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

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

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

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

17 Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note II.20). For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised on the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale.

II. Significant accounting policies and accounting estimates (continued)

17 Intangible assets (continued)

Intangible assets mainly including land use rights, sea use rights, software, concession contracts, associated projects for electricity transmission and transformation, microwave engineering and transportation engineering are measured at cost. Intangible assets contributed by the state-owned shareholders at the incorporation of a limited company are initially recorded at the valuation amount recognised by the state-owned assets supervision and administration department. If the purchase costs of land and attached buildings cannot be reasonably allocated between the land use right and the buildings, the purchase costs are recognised as fixed assets. Associated projects for electricity transmission and transformation and microwave engineering are for the grid connection project between the Guangdong Electric Holding Co., and Guangdong Power Grid Corporation.

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

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

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

18 Goodwill

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

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note II.20). On disposal of an asset group or a set of asset groups, any attributable amount of purchased goodwill is written off and included in the calculation of the profit or loss on disposal.

II. Significant accounting policies and accounting estimates (continued)

19 Long-term deferred expenses

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

<u>Item</u>	<u>Amortisation period</u>
Expenses on improvement of fixed assets	33 – 36 months

20 Impairment of assets other than inventories, financial assets and other long-term equity investments

The carrying amounts of the following assets are reviewed at each balance sheet date based on the internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- construction materials
- intangible assets
- investment properties measured using a cost model
- long-term equity investments in subsidiaries, associates and jointly controlled enterprises
- goodwill
- long-term deferred expenses
- other non-current assets.

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

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

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

II. Significant accounting policies and accounting estimates (continued)

20 Impairment of assets other than inventories, financial assets and other long-term equity investments (continued)

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

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

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

21 Provisions and contingent liabilities

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Where the effect of time value of money is material, provisions are determined by discounting the expected future cash flows.

In terms of a possible obligation resulting from a past transaction or event, whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events or a present obligation resulting from a past transaction or event, where it is not probable that the settlement of the above obligation will cause an outflow of economic benefits, or the amount of the outflow cannot be estimated reliably, the possible or present obligation is disclosed as a contingent liability.

II. Significant accounting policies and accounting estimates (continued)

22 Revenue recognition

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

(1) Revenue from sales of electricity and heat energy

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

(2) Revenue from sales of by-products

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

(3) Rendering of services

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

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

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

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

The Group sells CERs provided by its wind power facilities. These wind power facilities are registered with the Clean Development Mechanism (CDM) Executive Board (EB) of the United Nations as CDM projects under the Kyoto Protocol. Revenue related to CERs is recognised when the following conditions are met:

- The counterparty has committed to buy CERs
- The amount of income from selling CERs can be reliably measured
- The Company has generated the related electricity
- The CERs are certified by the United Nations

II. Significant accounting policies and accounting estimates (continued)

22 Revenue recognition (continued)

(5) Interest income

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

(6) Revenue from operating leases

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

23 Employee benefits

Employee benefits are all forms of consideration given and other relevant expenditures incurred in exchange for services rendered by employees. Except for termination benefits, employee benefits are recognised as a liability in the period in which the associated services are rendered by employees, with a corresponding increase in the cost of relevant assets or expenses in the current period.

(a) Social insurance and housing fund

Pursuant to the relevant laws and regulations of the PRC, employees of the Group participate in the social insurance system established and managed by government organisations. The Group makes social insurance contributions, including contributions to basic pension insurance, basic medical insurance, unemployment insurance, work-related injury insurance, maternity insurance, as well as contributions to housing fund, at the applicable benchmarks and rates stipulated by the government for the benefit of its employees. The social insurance and housing fund contributions are recognised as part of the cost of assets or charged to profit or loss on an accrual basis. Except for the above contributions, the Group does not have any other obligations in this respect.

(b) Termination benefits

When the Group terminates the employment relationship with employees before the employment contracts expire, or provides compensation as an offer to encourage employees to accept voluntary redundancy, a provision for the termination benefits provided is recognised in profit or loss when both of the following conditions are satisfied:

- The Group has a formal plan for the termination of employment or has made an offer to employees for voluntary redundancy, which will be implemented shortly
- The Group is not allowed to withdraw from termination plan or redundancy offer unilaterally.

II. Significant accounting policies and accounting estimates (continued)

24 Government grants

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

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

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

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

25 Income tax

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

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

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

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

II. Significant accounting policies and accounting estimates (continued)

25 Income tax (continued)

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

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

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

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

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

26 Operating leases and finance leases

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

(1) Operating lease charges

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

II. Significant accounting policies and accounting estimates (continued)

26 Operating leases and finance leases (continued)

(2) Assets leased out under operating leases

Fixed assets leased out under operating leases, except for investment properties (see Note II.13), are depreciated in accordance with the Group's depreciation policies described in Note II.14(2). Impairment losses are recognised in accordance with the accounting policy described in Note II.20. Income derived from operating leases is recognised in the income statement using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs are initially capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately.

(3) Assets acquired under finance leases

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the value of the leased assets and the minimum lease payments is recognised as unrecognised finance charges. Initial direct costs that are attributable to a finance lease incurred by the Group are added to the amounts recognised for the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes II.14(2) and II.20, respectively.

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

Unrecognised finance charge under finance lease is amortised using an effective interest method over the lease term. The amortisation is accounted for in accordance with the principles of borrowing costs (see Note II.16).

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

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

27 Profit distributions to shareholders

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

II. Significant accounting policies and accounting estimates (continued)

28 Related parties

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

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

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

- (m) enterprises, or persons that act in concert, which hold more than 5% of the Company's shares
- (n) individuals who directly or indirectly hold more than 5% of the Company's shares and their close family members, supervisors of the listed companies and their close family members

II. Significant accounting policies and accounting estimates (continued)

28 Related parties (continued)

- (o) enterprises that satisfied any of the aforesaid conditions in (a), (c) or (m) during the past 12 months or will satisfy them within the next 12 months pursuant to relevant agreements
- (p) individuals who satisfied any of the aforesaid conditions in (i), (j) or (n) during the past 12 months or will satisfy them within the next 12 months pursuant to relevant agreements
- (q) enterprises, other than the Company and subsidiaries controlled by the Company, which are controlled directly or indirectly by an individual defined in (i), (j), (n) or (p), or in which such an individual assumes the position of a director or senior executive.

29 Segment reporting

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

Two or more operating segments may be aggregated into a single operating segment if the segments have similar economic characteristics and are same or similar in respect of the nature of each product and service, the nature of production processes, the type or class of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment.

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

II. Significant accounting policies and accounting estimates (continued)

30 Significant accounting estimates and judgments

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

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

- (a) Impairment of assets other than inventories, financial assets and other long-term equity investments

As described in Note II.20, assets other than inventories, financial assets and other long-term equity investments are reviewed at each balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

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

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

- (b) Useful lives of plants, buildings and equipment

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

II. Significant accounting policies and accounting estimates (continued)

30 Significant accounting estimates and judgments (continued)

(c) Income tax

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

III. Taxation

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

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

Note 1: The corporate tax rate applicable to the Company and its subsidiaries was 25%, with the exception of the following subsidiaries: Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd. ("Zhanjiang Wind Power"), Guangdong Xuwen Wind Electric Power Co., Ltd ("Xuwen Wind") and Guangqian Electric.(For details please see below notes)

III. Taxation (continued)

2 Tax preferential and approvals

Pursuant to the approval document (Zhan Guo Shui Zhi Han [2007] No.15) issued by Zhanjiang Local Taxation Bureau directly under the State Administration of Taxation (SAT), Zhanjiang Wind Power is exempted from paying corporate income tax in the first two years counting from the year profits are recorded, and can enjoy half rate reduction in the following three years. According to the tax laws, while the income tax rate applicable to the Company gradually transited to 25% in five years from 2008 to 2012, Zhanjiang Wind Power would continue to enjoy the above preferential tax policy as it posted profits for the first time in 2008. Therefore, the applicable tax rates for Zhanjiang Wind Power were 12.5% in 2012 and 25% in 2013.

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

Guangqian Electric received a certificate for new and high technology company (No. GR201144200478) issued by the Shenzhen Science, Technology, Industry, Trade and Information Technology Committee, Shenzhen Municipal Finance Committee, Shenzhen State Taxation Bureau and Shenzhen Local Taxation Bureau on 27 October 2011. The certificate is effective for three years from 2011 to 2013, and filed with Shenzhen Baoan Local Taxation Bureau. Therefore, the corporate income tax rate applicable to Guangqian Electric was 15% in 2012 and 2013.

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

IV. Business combinations and consolidated financial statements

1 Background of subsidiaries

(1) Subsidiaries acquired through establishment or investment

Full name	Type	Registration place	Business nature	Registered capital	Business scope	Year end actual investment	Closing balance of other items that in substance form net investment in a subsidiary	Share holding percentage (%)	Voting rights percentage (%)	Consolidated (Y/N)	Closing balance of minority interests at the year end	Reversal of minority profit/loss interest from minority interest	Legal representative	Organisation code
Maoming Zhenheng Thermal Power Co., Ltd. ("Maoming Zhenheng")	Limited company	Maoming	Electricity	1,019,535,500	Power generation and power plant construction	594,083,336	-	58.27%	58.27%	Y	444,201,991	-	Xiaolei Hu	76656459-8
Guangdong Yudean Jinghai Power Co., Ltd. ("Jinghai Power")	Limited company	Jieyang	Electricity	2,919,272,000	Power generation and power plant construction	1,897,526,800	-	65.00%	65.00%	Y	1,417,738,335	-	Mingliang Li	77307022-X
Zhanjiang Wind Power (Note IV.1(5))	Foreign invested company	Zhanjiang	Electricity	346,110,000	New energy development and power generation	242,277,000	-	70.00%	60.00%	Y	115,260,514	-	Shizhuang Lin	79295197-0
Guangdong Yudean Anxin Electric Inspection & Installation Co., Ltd ("Anxin")	Limited company	Dongguan	Electricity	20,000,000	Provision of repair and installation services	20,000,000	-	100.00%	100.00%	Y	-	-	Subo Rao	66498489-0
Guangdong Yudean Humen Power Co., Ltd. ("Humen Power")	Limited company	Dongguan	Electricity	150,000,000	Power generation and power plant construction	90,000,000	-	60.00%	60.00%	Y	56,354,981	(1,502,304)	Shizhuang Lin	68056908-0
Guangdong Yudean Bohe Coal-fired Power Co., Ltd. ("Bohe Coal")	Limited company	Maoming	Electricity	1,085,000,000	Coal dock construction, power plant construction, electric project technical consulting service	1,085,000,000	-	100.00%	100.00%	Y	-	-	Zhiheng Luo	55168364-5
Zhanjiang Yuheng Power Repair Co., Ltd. ("Yuheng Power")	Limited company	Zhanjiang	Electricity	20,000,000	Provision of repair and installation services	15,200,000	-	76.00%	76.00%	Y	Note a	-	Mingde Shen	78942832-9
Xuwen Wind (Note IV.1(5))	Limited company	Zhanjiang	Electricity	173,190,000	Power generation and power plant construction	121,233,000	-	70.00%	60.00%	Y	Note b	-	Shizhuang Lin	69473177-1

IV. Business combinations and consolidated financial statements

1 Background of subsidiaries (continued)

(1) Subsidiaries acquired through establishment or investment (continued)

Full name	Type	Registration place	Business nature	Registered capital	Business scope	Year end actual investment	Closing balance of other items that in substance form net investment in a subsidiary	Share holding percentage (%)	Voting rights percentage (%)	Consolidated (Y/N)	Closing balance of minority interests at the year end	Reversal of minority profit/loss interest from minority interest	Legal representative	Organisation code
Guangdong Yudean Huadu Electric and Natural Gas Thermal Power Ltd. ("Huadu Natural Gas")	Limited company	Guangzhou	Electricity	120,000,000	Thermal power plant and pipeline construction	78,000,000	-	65.00%	65.00%	Y	41,290,453	(709,547)	Lianhe Wen	06114033-0
Guangdong Yudean Dabu Electric Ltd. ("Dabu Electric")	Limited company	Meizhou	Electricity	600,000,000	Investment in power industry electricity project technical consulting service	600,000,000	-	100.00%	100.00%	Y	-	-	Shizhuang Lin	06145024-0
Guangdong Yudean Leizhou Wind Power Co., Ltd. ("Leizhou Wind Power") (Note IV.1(5))	Limited company	Leizhou	Electricity	20,000,000	Power plant construction, electricity and technical support project	14,000,000	-	70.00%	60.00%	Y	Note b	-	Shizhuang Lin	06512991-3
Guangdong Yudean Dianbai Wind Power Co., Ltd. ("Dianbai Wind Power")	Limited company	Maoming	Electricity	121,872,900	Power plant construction, electricity and technical support project	121,872,900	-	100.00%	100.00%	Y	-	-	Zhiheng Luo	61781904-0

Note a: The minority interest of Yuheng Power at year end was included in the minority interest of Zhanjiang Electric at year end.

Note b: The minority interests of Xuwen Wind and Leizhou Wind Power at year end were included in the minority interest of Zhanjiang Wind Power at year end.

IV. Business combinations and consolidated financial statements(continued)

1 Background of subsidiaries (continued)

(2) Subsidiaries acquired through business combinations under common control

Full name	Type	Registration place	Business nature	Registered capital	Business scope	Year end actual investment	Closing balance of other items that in substance form net investment in a subsidiary	Share holding percentage (%)	Voting rights percentage (%)	Consolidated (Y/N)	Closing balance of minority interests at the year end	Reversal of minority profit/loss interest from minority interest	Legal representative	Organisation code
Zhanjiang Electric Power Co., Ltd. ("Zhanjiang Electric")	Limited company	Zhanjiang	Electricity	2,875,440,000	Power generation and power plant construction	2,185,334,400	-	76.00%	76.00%	Y	980,835,768	-	Qian Liu	23210093-2
Guangdong Yuejia Electric Power Co., Ltd. ("Yuejia Electric") (Note IV.1(5))	Foreign invested company	Meizhou	Electricity	1,200,000,000	Power generation and power plant construction	696,000,000	-	58.00%	55.56%	Y	178,514,769	(76,048,923)	Shizhuang Lin	61741361-4
Guangdong Shaoguan Yuejiang Power Generation Co., Ltd. ("Yuejiang Power")	Limited company	Shaoguan	Electricity	770,000,000	Power generation and power plant construction	693,000,000	-	90.00%	90.00%	Y	27,234,153	-	Shizhuang Lin	70752208-0
Zhanjiang Zhongyue Energy Co., Ltd. ("Zhongyue Energy")	Limited company	Zhanjiang	Electricity	1,454,300,000	Power generation and power plant construction	1,308,870,000	-	90.00%	90.00%	Y	147,022,806	-	Qian Liu	74367331-0
Guangqian Electric (Note IV.5)	Limited company	Shenzhen	Electricity	1,030,292,500	Power generation and power plant construction	1,030,292,500	-	100.00%	100.00%	Y	-	-	Lianhe Wen	70842633-0
Huizhou Natural Gas (Note IV.5)	Limited company	Huizhou	Electricity	963,000,000	Power generation and power plant construction	645,210,000	-	67.00%	67.00%	Y	422,089,126	-	Shiqiang Gao	76380066-3
Huizhou Pinghai (Note IV.1(4), 5)	Limited company	Huizhou	Electricity	1,370,000,000	Power generation and power plant construction	616,500,000	-	45.00%	85.00%	Y	1,425,309,913	-	Hanquan Zheng	79117246-5
Shibeishan (Note IV.1(5), 5)	Limited company	Jieyang	Electricity	231,700,000	Power generation and power plant construction	162,190,000	-	70.00%	60.00%	Y	71,880,208	-	Chengjun Li	76384872-0
Red Bay. (Note IV.5)	Limited company	Shanwei	Electricity	2,749,750,000	Power generation and power plant construction	1,787,337,500	-	65.00%	65.00%	Y	1,203,182,163	-	Lianhe Wen	76061818-8

IV. Business combinations and consolidated financial statements (continued)

1 Background of subsidiaries (continued)

(3) Subsidiaries acquired through business combinations not under common control

<u>Full name</u>	<u>Note</u>	<u>Type</u>	<u>Registration place</u>	<u>Business nature</u>	<u>Registered capital</u>	<u>Business scope</u>	<u>Year end actual investment</u>	<u>Closing balance of other items that in substance form net investment in a subsidiary</u>	<u>Share holding percentage (%)</u>	<u>Voting rights percentage (%)</u>	<u>Consolidated (Y/N)</u>	<u>Closing balance of minority interests at the year end</u>	<u>Reversal of minority profit/loss interest from minority interest</u>	<u>Legal representative</u>	<u>Organisation code</u>
Guangdong Province Wind Power Generation Co. Ltd. ("Guangdong Wind Power")	Note IV.3	Limited company	Guangzhou	Investment holding	181,872,900	Wind power generation and power plant construction	181,872,900	-	100.00%	100.00%	Y	-	-	罗志恒	23112971-7
Huilai Wind	Note IV.3	Limited company	Jieyang	Electricity	20,000,000	Wind power generation And power plant construction	14,000,000	-	70.00%	70.00%	Y	6,841,622	-	张尤君	70762183-9

- (4) Huizhou Pinghai was the target company that the Group acquired from Yudean through non-public share issuance (Note I) in 2012. According to the agreement between Yudean and Guangdong Huaxia Electric Development Company ("Huaxia Electric"), which holds 40% stake in Huizhou Pinghai, shareholder representatives and directors of Huaxia Electric will act in line with the shareholder representatives and directors of Yudean at the shareholder and board meetings. After Yudean transferred its 45% stake in Huizhou Pinghai to the Company, shareholder representatives and directors of Huaxia Electric will act in line with the Company's shareholder representatives and directors at the shareholder and board meetings, so the Company has control over Huizhou Pinghai.
- (5) The Company's percentages of voting rights in subsidiaries - Zhanjiang Wind Power, Xuwen Wind, Leizhou Wind Power, Yuejia Electric and Shibeishan - are specified in their respective articles of association. Therefore, the Company's percentages of voting rights in these subsidiaries differ from its percentages of shareholding in them.

IV. Business combinations and consolidated financial statements (continued)

2 Enterprises that are newly consolidated during the year

(1) Subsidiaries that are newly consolidated during the year

<u>Name</u>	<u>Note</u>	<u>Net assets as at 31 December 2013</u>	<u>Net profit/(loss) of 2013</u>
Huadu Natural Gas	(i)	117,972,724	(2,027,276)
Dabu Electric	(i)	600,000,000	-
Leizhou Wind Power	(i)	20,212,083	212,083
Dianbai Wind Power	(i)	121,850,544	(22,356)
Guangdong Wind Power	IV.3	166,873,618	(228,188)
Huilai Wind	IV.3	16,730,539	1,068,041

(i) The above companies are subsidiaries established by the Company during the year (see Note IV.1(1)), except for Guangdong Wind Power and Huilai Wind, which are subsidiaries acquired through business combinations not under common control during the year (see Note IV.3).

3 Business combinations involving enterprises not under common control during the year

<u>Investee</u>	<u>Note</u>	<u>Amount of goodwill</u>	<u>Method of calculating goodwill</u>
Guangdong Wind Power	(1)	2,449,886	The fair value of net identifiable assets in Guangdong Wind Power acquired by the Company during the combination was lower than the combination cost by RMB 2,449,886. The difference was recognised as goodwill.

IV. Business combinations and consolidated financial statements (continued)

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

- (1) The Company signed an equity transfer agreement with Guangdong Yudean Energy Industry Development Co., Ltd. (“Yudean Energy”) and Guangdong Electric Power Development Co., Ltd. (“Power Development”) on 28 June 2013. According to the agreement, the Company would pay RMB 5,994,670 and RMB 4,904,730 in cash to acquire 55% and 45% of equity interest in Guangdong Wind Power from Yudean Energy and Power Development respectively. The equity transfer was approved at the 15th meeting of the Seventh Board of Directors on 20 August 2013. The Company fully paid the consideration to Yudean Energy and Power Development. After the acquisition, Guangdong Wind Power becomes the Company’s wholly owned subsidiary. As Yudean Energy is the wholly owned subsidiary of Yudean’s labour union and not controlled by Yudean, the Company’s acquisition of Guangdong Wind Power was considered a business combination not under common control. Power Development is the Company’s related party as it is controlled by the Company’s parent – Yudean. The difference of RMB 2,449,886 between the acquisition consideration and the fair value of net identifiable assets in Guangdong Wind Power acquired on the acquisition date was recognised as goodwill.

Established in May 1997 in Guangzhou, Guangdong Wind Power principally engages in the design, development, investment, construction and operation management of wind power, solar power, biomass and other new energy technologies; the research and development, application and promotion of new energy technology; inspection and maintenance of new energy-related equipment; as well as provision of new energy technology training and consulting services.

Guangdong Wind Power holds a 70% stake in Huilai Wind, which was established in Jiejiang in March 1998. Huilai Wind mainly engages in wind power, supplies, wind power technology consulting, technical services, technical training, and research and development.

The financial information of Guangdong Wind Power is set out below:

<u>Item</u>	<u>From acquisition date to 31 December 2013</u>
Income	3,068,037
Net profit	839,853
Net cash flow from operating activities	2,967,035

IV. Business combinations and consolidated financial statements (continued)

3 Business combinations involving enterprises under common control during the year (continued)

Net identifiable assets and liabilities of Guangdong Wind Power:

<u>Item</u>	<u>Acquisition date</u>		<u>31 December 2012</u>	
	<u>Carrying value</u>	<u>Fair value</u>	<u>Carrying value</u>	<u>Fair value</u>
Cash at bank and on hand	6,677,622	6,677,622	6,128,505	6,128,505
Accounts receivable	1,496,516	1,496,516	2,681,348	2,681,348
Other receivables	1,410,946	1,410,946	871,144	871,144
Inventories	906,402	906,402	1,097,653	1,097,653
Other current assets	2,419	2,419	-	-
Fixed assets	20,133,518	28,233,343	25,633,735	33,733,560
Intangible assets	2,621,380	2,621,380	2,681,780	2,681,780
Employee benefits payable	(40,144)	(40,144)	-	-
Taxes payable	-	-	(89,181)	(89,181)
Other payables	(5,174,907)	(5,174,907)	(6,247,877)	(6,247,877)
Long-term loans	(21,142,349)	(21,142,349)	(22,068,607)	(22,068,607)
Deferred tax liabilities	-	(2,024,956)	-	(2,024,956)
Minority interests	(4,698,749)	(6,521,210)	(5,458,968)	(7,281,429)
Total net identifiable assets	<u>2,192,654</u>	<u>6,445,062</u>	<u>5,229,532</u>	<u>9,481,940</u>

4 Acquisition of minority interests in subsidiaries during the year

The Company acquired a 25% stake in Yuejiang Power from Shaoguan Power Plant D Co. Ltd. ("Shaoguan Plant D") on 27 September 2013 at the cost of RMB 86,194,677. After the transaction, the Company's equity interest in Yuejiang Power increased from 65% to 90%. The excess of the investment costs over the share of net assets of the increased shareholding in Yuejiang Power amounting to RMB 14,130,991 was deducted from the capital reserve (share premium). As Shaoguan Plant D is a company controlled by the Company's parent – Yudean, it is the Company's related party.

IV. Business combinations and consolidated financial statements (continued)

5 Business combinations involving enterprises under common control in 2012

As disclosed in Note I, after the above 2012 asset restructuring deals, these companies become the Company's subsidiaries, joint ventures and associates:

Subsidiaries:

- Guangqian Electric
- Huizhou Natural Gas
- Huizhou Pinghai
- Shibeishan, and
- Red Bay

(Note: The acquisition of the above five subsidiaries belongs to business combinations involving enterprises under common control.)

Joint venture – Fuel Supply

Associate - Guohua Taishan

As at 17 December 2012, the above target companies had renewed their business licenses and Yudean had transferred the target assets to the Company. As at 31 December 2012, the Company had completed the registration of the above share issuance, and as agreed, the gains/losses of the target equity interests would belong to the Company starting from 31 December 2012. Therefore, 31 December 2012 was the date the Company completed the acquisition of the above equity interests, and the combination date of business combinations involving enterprises under common control. Since the effect of business combination, the adjustment of capital reserve is RMB 2,383,559,629.

Adjustment to the capital reserve on the consolidated financial statements on the combination date of business combinations involving enterprises under common control.

	<u>Amount</u>
Capital reserve recognised for share issuance	2,383,559,629
Less: Adjustment to capital premium	<u>(3,428,300,812)</u>
Capital reserve recognised in consolidated financial statements	<u>(1,044,741,183)</u>

IV. Business combinations and consolidated financial statements (continued)

6 Decrease in subsidiaries as a result of loss of control in 2012

The local government decided to close down the Jintang open-pit mine ancillary to Oil Shale Electric, and Oil Shale Electric entered the liquidation phase on 20 September 2012, with its management taken over by the liquidation team. As the Company lost the control over its operating activities, Oil Shale Electric was excluded from the consolidation scope as of 20 September 2012.

As at 31 December 2012, the Company's management had assessed the recoverable amount of its investment in Oil Shale Electric. The difference between the estimated recovered amount and the investment costs was provided for impairment. The liquidation of Oil Shale Electric is expected to complete around 2014.

V. Notes to the consolidated financial statements

1 Cash at bank and on hand

Item	2013			2012		
	Original currency	Exchange rate	RMB/RMB equivalents	Original currency	Exchange rate	RMB/RMB equivalents
Cash on hand:						
RMB	-	-	133,621	-	-	154,999
Deposits with banks:						
RMB	-	-	1,536,256,130	-	-	955,560,258
USD	189	6.0969	1,152	189	6.2855	1,189
HKD	12,876	0.7862	10,123	12,875	0.8108	10,440
			1,536,267,405			955,571,887
Deposits with Yudean Finance:						
RMB	-	-	2,838,481,167	-	-	1,858,171,651
Other monetary funds:						
RMB	-	-	2,428,983	-	-	56,866,000
Total			4,377,311,176			2,870,764,537

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

The Group's other monetary funds of RMB 2,428,983 are deposit in transit in banks by the Company (31 December 2012: RMB 56,866,000, used as security deposit for their issuance of unconditional and irrevocable letters of guarantee.)

V. Notes to the consolidated financial statements (continued)

2 Bills receivable

(1) Classification of bills receivable

<u>Type</u>	<u>2013</u>	<u>2012</u>
Bank acceptance bills	1,800,000	-

The above bills receivable are due within one year.

The above bills receivable do not include bills receivable due from shareholders holding 5% or more of the voting rights in the Company.

- (2) As at 31 December 2013, the Group did not pledge any bills receivable (31 December 2012: Nil).
- (3) As at 31 December 2013, no bills receivable were transferred to accounts receivable as a result of the issuer's inability to honour its obligation, and no bills were endorsed to other parties which were not due (31 December 2012: Nil).

3 Interests receivable

(1) Interests receivable

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Reductions during the year</u>	<u>Balance at the end of the year</u>
Interests receivable from deposits	605,025	53,481,666	(48,891,715)	5,194,976
Interests receivable from entrusted loans	1,213,470	14,705,242	(15,325,650)	593,062
Total	1,818,495	68,186,908	(64,217,365)	5,788,038

V. Notes to the consolidated financial statements (continued)

4 Accounts receivable

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

<u>Customer type</u>	<u>2013</u>	<u>2012</u>
Related party	19,104,086	49,305,747
Third party	3,247,341,666	3,014,314,120
Sub-total	3,266,445,752	3,063,619,867
Less: Provision for bad debts	-	(4,070,440)
Total	3,266,445,752	3,059,549,427

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

<u>Ageing</u>	<u>2013</u>	<u>2012</u>
Within 1 year (inclusive)	3,263,516,421	3,061,987,750
Over 1 year but within 2 years (inclusive)	2,913,131	1,632,117
Over 2 years but within 3 years (inclusive)	16,200	-
Total	3,266,445,752	3,063,619,867
Less: Provision for bad debts	-	(4,070,440)
Total	3,266,445,752	3,059,549,427

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

(3) As at 31 December 2013, the Group's accounts receivable with the carrying amount of RMB 128,867,446 (31 December 2012: RMB 122,202,814) and the on-grid power tariff collection right were pledged to banks to obtain long-term loans of RMB 692,256,340, including RMB 145,020,000 due within one year (31 December 2012: RMB 1,020,720,036, including RMB 148,000,000 of short-term loans and RMB 872,720,036 of long-term loans (RMB 188,550,000 of which was due within one year)) (see Note V.24(1)(a), V.33(2)(a) and V.35(1)(a)).

V. Notes to the consolidated financial statements (continued)

4 Accounts receivable (continued)

(4) Accounts receivable by category

Category	2013				2012			
	Carrying amount		Provision for bad debts		Carrying amount		Provision for bad debts	
	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and assessed individually for impairment	3,256,087,345	99.68%	-	-	3,054,325,361	99.70%	(3,938,096)	0.13%
Individually insignificant but assessed individually for impairment	10,358,407	0.32%	-	-	9,294,506	0.30%	(132,344)	1.42%
Total	3,266,445,752	100.00%	-	-	3,063,619,867	100.00%	(4,070,440)	0.13%

The Group does not hold any collateral over the above accounts receivable which are impaired and provided for bad debts.

V. Notes to the consolidated financial statements (continued)

4 Accounts receivable (continued)

(5) Five largest accounts receivable

<u>Company name</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>Ageing</u>	<u>Percentage of total accounts receivable (%)</u>
GPGC	Third party	3,047,090,817	Within 1 year	93.28%
Shenzhen Power Supply Bureau	Third party	159,146,073	Within 1 year	4.87%
GPGC – Zhanjiang Power Supply Bureau	Third party	19,740,267	Within 1 year	0.61%
Guangdong Yudean Group Co., Ltd. Shajiao Power Plant C (“Shajiao Plant C”)	Related party	18,281,008	Within 1 year	0.56%
GPGC – Jieyang Power Supply Bureau	Third party	11,829,180	Within 1 year	0.36%
Total		<u>3,256,087,345</u>		<u>99.68%</u>

(6) The above balances do not include accounts receivable due from shareholders holding 5% or more of the voting rights in the Company (31 December 2012: Nil).

(7) Accounts receivable due from related parties

<u>Company name</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>Percentage of total accounts receivable (%)</u>
Zhuhai Gold Gulf Electric Co. (“Zhuhai Gold Gulf”)	Under Yudean’s common control	25,492	0.00%
Shajiao Plant C	Under Yudean’s common control	18,281,008	0.56%
Zhanjiang Bioelectrogenesis Co., Ltd. (“ZJB”)	Under Yudean’s common control	797,586	0.02%
Total		<u>19,104,086</u>	<u>0.58%</u>

(8) As at 31 December 2013, there were no accounts receivable denominated in foreign currencies (31 December 2012: USD 1,971,296 (equivalent to RMB 12,391,210)).

V. Notes to the consolidated financial statements (continued)

5 Other receivables

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

	<u>2013</u>	<u>2012</u>
Cash receivable from Yudean for the price difference (a)	-	422,451,302
Entrusted loans (b)	95,000,000	113,912,204
Prepayments for construction	21,676,460	67,322,572
Deposits for purchase of fuel	49,720,000	49,720,000
By-product sales	91,929,035	18,618,310
Petty cash	6,305,097	6,693,620
Government grants (c)	27,854,422	7,380,199
Others	37,190,063	27,274,825
Sub-total	329,675,077	713,373,032
Less: Provision for bad debts	(2,024,770)	(2,654,793)
Total	327,650,307	710,718,239

(a) As disclosed in Note I, the asset restructuring deal agreed by both parties, any changes in and related gains or losses of the net assets of the target shares between the evaluation date (30 June 2011) and the transfer date (31 December 2012) are the assets or liabilities of Yudean. In addition, since the government eventually determined that the fees for the transfer of the land use right of 1,071,562.80 square meters of Red Bay to be higher than the amount estimated in the Asset Evaluation Report (Zhong Lian Ping Bao Zi [2011] No.775), Yudean would compensate, as promised, the Company in full and in a timely manner for the excess amount calculated in proportion to the 40% stake transferred to the Company within 30 days of the government's decision. The two amounts totalling RMB 422,451,302 were received from Yudean on 29 March 2013.

(b) The above entrust loans as at the end of 2013 was provided by the Group to associates through trustees, which will mature within one year:

<u>Trustee</u>	<u>Borrower</u>	<u>Principal</u>	<u>Annual interest rate</u>	<u>Due date</u>	<u>Accumulative accrued interest</u>	<u>Balance of principal and interest</u>	<u>Provision for bad debts</u>
Industrial Bank, Guangzhou branch	Weixin Yuntou Yudean Zhaxi Energy Co., Ltd. ("Weixin Yuntou")	95,000,000	8.30%	2014-03-03	589,489	95,589,489	-

The Company collected the above entrusted loans in March 2014.

V. Notes to the consolidated financial statements (continued)

5 Other receivables (continued)

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

(c) Government grants

<u>Debtor</u>	<u>Programme name of the grant</u>	<u>Closing balance</u>	<u>Ageing</u>	<u>Expected date of receipt, amount and rationale of the grant</u>
Economy, Trade and Information Commission of Shenzhen Municipality	Subsidy for purchase of spot gas	23,394,619	Within 1 year (inclusive)	Expected to be fully recovered in 1H14, replied by government
Huilai Local Taxation Bureau	Immediate refund of VAT	3,059,370	Within 1 year (inclusive)	Fully recovered in March 2014, VAT refund policy
Xuwen Local Taxation Bureau	Immediate refund of VAT	1,400,433	Within 1 year (inclusive)	Fully recovered in March 2014, VAT refund policy

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

<u>Ageing</u>	<u>2013</u>	<u>2012</u>
Within 1 year (inclusive)	248,702,990	628,669,312
Over 1 year but within 2 years (inclusive)	1,667,195	56,164,566
Over 2 years but within 3 years (inclusive)	52,419,286	24,204,880
Over 3 years	26,885,606	4,334,274
Sub-total	329,675,077	713,373,032
Less: Provision for bad debts	(2,024,770)	(2,654,793)
Total	327,650,307	710,718,239

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

V. Notes to the consolidated financial statements (continued)

5 Other receivables (continued)

(3) Other receivables by category:

Category	Note	2013				2012			
		Carrying amount		Provision for bad debts		Carrying amount		Provision for bad debts	
		Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)	Amount	Percentage (%)
Individually significant and assessed individually for impairment	(4)	269,551,343	81.76%	(185,963)	0.07%	676,781,252	94.87%	-	-
Individually insignificant but assessed individually for impairment	(5)	60,123,734	18.24%	(1,838,807)	3.06%	36,591,780	5.13%	(2,654,793)	7.26%
Total		<u>329,675,077</u>	<u>100.00%</u>	<u>(2,024,770)</u>	<u>0.61%</u>	<u>713,373,032</u>	<u>100.00%</u>	<u>(2,654,793)</u>	<u>0.37%</u>

The Group does not hold any collateral over the above other receivables which are impaired and provided for bad debts.

V. Notes to the consolidated financial statements (continued)

5 Other receivables (continued)

- (4) Provision for bad debts for other receivables which are individually significant and assessed for impairment individually

<u>Nature</u>	<u>Carrying amount</u>	<u>Provision for bad debts</u>	<u>Percentage of provision</u>
Entrusted loans	95,000,000	-	-
By-product sales	80,117,754	185,963	0.23%
Deposits for purchase of fuel	49,720,000	-	-
Prepayments for construction	21,318,970	-	-
Others	23,394,619	-	-
Total	<u>269,551,343</u>	<u>185,963</u>	

- (5) Provision for bad debts for other receivables which are individually insignificant and assessed for impairment individually

<u>Nature</u>	<u>Carrying amount</u>	<u>Provision for bad debts</u>	<u>Percentage of provision</u>
By-product sales	11,811,280	-	-
Management fees/rents/deposits	1,268,206	-	-
Accounts receivable	1,501,265	-	-
Prepayments for construction	357,490	13,877	3.88%
Petty cash	6,305,097	284,401	4.51%
Others	38,880,396	1,540,529	3.96%
Total	<u>60,123,734</u>	<u>1,838,807</u>	

- (6) There was no significant reversal or recovery of provisions for bad debts of other receivables during the year.

- (7) There was no significant write-off of other receivables during the year.

V. Notes to the consolidated financial statements (continued)

5 Other receivables (continued)

(8) Five largest other receivables

<u>Debtor</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>Ageing</u>	<u>Percentage of total other receivables (%)</u>
Weixin Yuntou Guangdong Yudean Environmental Protection Co., Ltd. ("GYEP")	The Company's associate Under Yudean's common control	95,000,000 73,362,113	Within 1 year Within 1 year	28.82% 22.25%
Guangdong Zhutou Electric Fuel Co. ("Zhutou Electric")	Related party of minority shareholder of the Company's subsidiary	49,720,000	2 to 3 years	15.07%
Economy, Trade and Information Commission of Shenzhen Municipality	Third party	23,394,619	Within 1 year	7.10%
Huidong Finance Bureau	Third party	21,318,970	Over 3 years	6.47%
Total		<u>262,795,702</u>		<u>79.71%</u>

(9) Other receivables due from shareholders holding 5% or more of the voting rights of the Company:

<u>Debtor</u>	<u>2013</u>		<u>2012</u>	
	<u>Amount</u>	<u>Provision for bad debts</u>	<u>Amount</u>	<u>Provision for bad debts</u>
Yudean	<u>-</u>	<u>-</u>	<u>422,451,302</u>	<u>-</u>

(10) As at 31 December 2013, there were no other receivables denominated in foreign currencies (31 December 2012: Nil).

V. Notes to the consolidated financial statements (continued)

5 Other receivables (continued)

(11) Other receivables due from related parties:

<u>Debtor</u>	<u>Note</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>Percentage of total other receivables (%)</u>
Weixin Yuntou		The Company's associate	95,000,000	28.82%
GYEP		Under Yudean's common control	73,362,113	22.25%
Yudean Property Investment Co. ("Yudean PI")		Under Yudean's common control	885,244	0.26%
Shajiao Plant C		Under Yudean's common control	654,064	0.20%
Inner Mongolia Yudean Menghua New Energy Co.Ltd. ("Menghua New Energy")		Under Yudean's common control	613,885	0.19%
Yudean Property Management Co. ("Yudean PM")		Under Yudean's common control	282,962	0.09%
Chaokang Investment Co. ("Chaokang Investment")		Under Yudean's common control	220,434	0.07%
Zhuhai Gold Gulf		Under Yudean's common control	100,000	0.03%
Total			<u>171,118,702</u>	<u>51.91%</u>

6 Prepayments

(1) Prepayments by category:

<u>Item</u>	<u>2013</u>	<u>2012</u>
Prepayments for construction equipment	1,003,471	16,805,672
Prepayments for fuel	1,445,077,599	1,028,875,924
Prepayments for materials	9,225,482	6,775,179
Prepayment for insurances	14,299,648	15,217,430
Others	28,277,426	41,338,373
Total	<u>1,497,883,626</u>	<u>1,109,012,578</u>

V. Notes to the consolidated financial statements (continued)

6 Prepayments(continued)

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

<u>Ageing</u>	<u>2013</u>		<u>2012</u>	
	<u>Amount</u>	<u>Percentage (%)</u>	<u>Amount</u>	<u>Percentage (%)</u>
Within 1 year (inclusive)	1,486,580,750	99.25%	702,081,939	63.30%
1 to 2 years (inclusive)	3,514,591	0.23%	229,080,760	20.66%
2 to 3 years (inclusive)	7,184,175	0.48%	176,731,800	15.94%
Over 3 years	604,110	0.04%	1,118,079	0.10%
Sub-total	<u>1,497,883,626</u>	<u>100.00%</u>	<u>1,109,012,578</u>	<u>100.00%</u>

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

As at 31 December 2013, the prepayments of significant amounts with ageing over one year included prepayments for fuel payment revolving fund, materials and shipping.

(3) Five largest prepayments:

<u>Debtor</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>Percentage of total prepayments (%)</u>	<u>Date of prepayment</u>	<u>Reason for unsettlement</u>
Fuel Supply	The Company's joint venture	1,324,042,991	88.40%	2013	Fund for purchasing coal, contract not expired
Zhutou Electric	Related party of minority shareholder of the Company's subsidiary	119,592,683	7.98%	2013	Fund for purchasing coal, contract not expired
Guangshen Railway Co., Ltd. Guangzhou Section	Third party	8,514,454	0.57%	2013	Prepayment for shipping
Yudean Finance	The Company's associate	9,324,000	0.62%	2013	Deferred expenses for discounting interest
PICC Property and Casualty Company Limited, Shenzhen branch	Third party	<u>7,788,320</u>	<u>0.52%</u>	2013	Prepayment for insurance premiums
Total		<u>1,469,262,448</u>	<u>98.09%</u>		

V. Notes to the consolidated financial statements (continued)

6 Prepayments (continued)

- (4) As at 31 December 2013, there were no prepayments to shareholders holding 5% or more of the voting rights in the Company (31 December 2012: Nil).
- (5) As at 31 December 2013, there were no prepayments denominated in foreign currencies (31 December 2012: Nil).

7 Inventories

- (1) Inventories by category:

<u>Item</u>	<u>2013</u>			<u>2012</u>		
	<u>Book value</u>	<u>Provision for diminution in value of inventories</u>	<u>Carrying value</u>	<u>Book value</u>	<u>Provision for diminution in value of inventories</u>	<u>Carrying value</u>
Fuel	811,535,586	-	811,535,586	1,029,116,360	-	1,029,116,360
Spare parts	823,532,504	(39,674,506)	783,857,998	798,824,436	(21,580,149)	777,244,287
Others	8,252,826	-	8,252,826	32,662,344	-	32,662,344
Total	<u>1,643,320,916</u>	<u>(39,674,506)</u>	<u>1,603,646,410</u>	<u>1,860,603,140</u>	<u>(21,580,149)</u>	<u>1,839,022,991</u>

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

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Reductions during the year</u>	<u>Balance at the end of the year</u>
Fuel	1,029,116,360	14,118,609,977	(14,336,190,751)	811,535,586
Spare parts	798,824,436	819,768,165	(795,060,097)	823,532,504
Others	32,662,344	73,393,711	(97,803,229)	8,252,826
Total	<u>1,860,603,140</u>	<u>15,011,771,853</u>	<u>(15,229,054,077)</u>	<u>1,643,320,916</u>

- (3) Provision for diminution in value of inventories:

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Provision made for the year</u>	<u>Written back during the year</u>		<u>Balance at the end of the year</u>
			<u>Reversal</u>	<u>Write-off</u>	
Spare parts	<u>21,580,149</u>	<u>18,094,357</u>	<u>-</u>	<u>-</u>	<u>39,674,506</u>

- (a) As at 31 December 2013, the Group provided for diminution in value of inventories because some spare parts were rendered useless and impaired as a result of technology upgrade.

V. Notes to the consolidated financial statements (continued)

8 Other current assets

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Deductible VAT		948,325,616	1,427,689,627
Other current assets to be disposed of	(1)	57,387,153	85,146,000
Prepayment of income tax		3,938,202	1,524,259
Others	(2)	47,484,529	56,792,470
Total		<u>1,057,135,500</u>	<u>1,571,152,356</u>

- (1) As disclosed in Note IV.6, Oil Shale Electric, originally the Company's subsidiary, entered the liquidation stage on 20 September 2012, and was therefore no longer included in the Group's consolidation scope. Consequently, the net amount of long-term investment in Oil Shale Electric was transferred to other current assets. As at the end of 2013, the liquidation of Oil Shale Electric was still in progress.
- (2) Other current assets mainly represented the remaining balance of the USD loan of the Company's subsidiary – Zhanjiang Wind Power – obtained from the "Chinese Climate Change Framework Loan" agreed between the Department of Finance of Guangdong Province and European Investment Bank (EIB). As at 31 December 2013, Zhanjiang Wind Power had withdrawn RMB 174,371,340 (31 December 2012: 179,765,036) from EIB, of which RMB 126,897,812 (2012: 122,972,566) was used to purchase equipment for Yongshi Windy Power Plant. The remaining RMB 47,473,528 (31 December 2012: 56,792,470) was still placed with the Department of Finance of Guangdong Province.

9 Available-for-sale financial assets

(1) Available-for-sale financial assets

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Equity instruments:			
Investment in Shenzhen Energy Investment Co., Ltd. ("Shenzhen Energy")	(1)	46,200,000	50,232,000
Investment in Shenergy Co. Ltd. ("Shenergy")	(2)	252,671,738	245,452,545
Total		<u>298,871,738</u>	<u>295,684,545</u>

- (1) As at 31 December 2013, the Company held 8,400,000 tradable A shares in Shenzhen Energy and the investment cost was RMB 15,890,628. The investment was stated at fair value determined with reference to the market price. During the year, a loss of RMB 4,032,000 (2012: loss of RMB 1,008,001) in fair value was deducted from the capital reserve.

V. Notes to the consolidated financial statements (continued)

9 Available-for-sale financial assets (continued)

- (2) The Company purchased 37,021,500 tradable A shares of Shenergy from Shanghai Municipal Electric Power Company and East China Grid Company Limited (with no selling restrictions attached) at the consideration of RMB 235,837,988 on 11 June 2007. The investment was stated at fair value determined with reference to the market price. During the year, gains of RMB 7,219,193 (2012: losses of RMB 9,440,482) in fair value were recorded and the capital reserve was increased accordingly.

10 Long-term receivables

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Entrusted loans		-	258,780,000
Deposits for finance lease	(1)	114,478,124	101,422,625
Total		<u>114,478,124</u>	<u>360,202,625</u>

- (1) As at 31 December 2013, the Group's long-term receivables mainly represented the present value of RMB 50,000,000 of deposits paid by Zhongyue Energy for its fixed assets (31 December 2012: RMB 50,000,000) and RMB 110,000,000 of deposits paid by Jinghai Power for its fixed assets (31 December 2012: RMB 110,000,000) held under finance leases.
- (2) As at 31 December 2013 and 2012, there were no long-term receivables denominated in foreign currencies.

11 Long-term equity investments

- (1) Long-term equity investments by category:

<u>Item</u>	<u>2013</u>	<u>2012</u>
Investment in joint ventures	580,941,667	548,487,534
Investment in associates	5,938,571,170	4,968,141,939
Other long-term equity investments	505,503,707	481,503,707
Total	<u>7,025,016,544</u>	<u>5,998,133,180</u>

V. Notes to the consolidated financial statements (continued)

11 Long-term equity investments (continued)

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

<u>Investee</u>	<u>Investment cost</u>	<u>Balance at the beginning of the year</u>	<u>Increase/decrease</u>	<u>Balance at the end of the year</u>	<u>Shareholding percentage (%)</u>	<u>Voting right percentage (%)</u>	<u>Explanation for difference between percentage of shareholding and voting rights in investee</u>	<u>Provision for impairment</u>	<u>Provision made during the year</u>	<u>Cash dividend for the year</u>
Equity method-jointly venture										
Fuel Supply	498,813,495	548,487,534	32,454,133	580,941,667	50%	50%	N.A.	-	-	41,462,409
Equity method-associates										
Shanxi Yudean Energy Co., Ltd. (“Shanxi Yudean Energy”)	400,000,000	648,012,895	130,853,673	778,866,568	40%	40%	N.A.	-	-	-
Guangdong Yudean Finance Co., Ltd. (“Yudean Finance”)	513,325,000	604,378,602	20,444,760	624,823,362	25%	25%	N.A.	-	-	52,366,200
Guohua Taishan	1,799,659,331	1,439,659,331	734,151,091	2,173,810,422	20%	20%	N.A.	-	-	46,830,271
Yunnan Baoshan Binlang River Electric Development Co., Ltd. (“Binlang River”)	223,858,100	215,692,850	1,202,914	216,895,764	29%	29%	N.A.	-	-	-
Guangdong Yudean Shipping Co., Ltd. (“Yudean Shipping”)	862,964,887	905,835,163	21,365,649	927,200,812	35%	35%	N.A.	-	-	1,136,000
Yudean Holding West Investment Co., Ltd. (“West Investment”)	220,324,000	274,959,262	8,795,907	283,755,169	26%	26%	N.A.	-	-	1,275,637

V. Notes to the consolidated financial statements (continued)

11 Long-term equity investments (continued)

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

<u>Investee</u>	<u>Investment cost</u>	<u>Balance at the beginning of the year</u>	<u>Increase/decrease</u>	<u>Balance at the end of the year</u>	<u>Shareholding percentage (%)</u>	<u>Voting right percentage (%)</u>	<u>Explanation for difference between percentage of shareholding and voting rights in investee</u>	<u>Provision for impairment</u>	<u>Provision made during the year</u>	<u>Cash dividend for the year</u>
Equity method- associates (continued)										
Lincang Yuntou Yudean Hydroelectric Development Co., Ltd. (“Lincang Yuntou”)	181,594,000	116,849,741	55,896,521	172,746,262	49%	49%	N.A.	-	-	-
Weixin Yuntou	694,000,000	694,457,243	360,833	694,818,076	40%	40%	N.A.	-	-	-
Huaneng Shantou Wind Power Company (“Shantou Wind Power”)	38,843,750	54,496,364	(2,751,179)	51,745,185	25%	25%	N.A.	-	-	7,542,500
Yangshan Jiangkeng Hydropower Station Co., Ltd. (“Jiangkeng Hydropower”)	5,000,000	6,052,752	(22,051)	6,030,701	25%	25%	N.A.	-	-	685,571
Yangshan Centre Ken Electric Co., Ltd. (“Centre Ken Electric”)	6,060,000	7,747,736	131,113	7,878,849	40%	40%	N.A.	-	-	1,345,589
Sub-total	4,945,629,068	4,968,141,939	970,429,231	5,938,571,170				-	-	111,181,768

V. Notes to the consolidated financial statements (continued)

11 Long-term equity investments (continued)

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

<u>Investee</u>	<u>Investment cost</u>	<u>Balance at the beginning of the year</u>	<u>Increase/decrease</u>	<u>Balance at the end of the year</u>	<u>Shareholding percentage (%)</u>	<u>Voting right percentage (%)</u>	<u>Explanation for difference between percentage of shareholding and voting rights in investee</u>	<u>Provision for impairment</u>	<u>Provision made during the year</u>	<u>Cash dividend for the year</u>
Cost method										
Sunshine Insurance Group Corporation Limited (“Sunshine Insurance”)	356,000,000	356,000,000	-	356,000,000	5.34%	5.34%	N.A.	-	-	-
Shenzhen Capital Group Co., Ltd. (“Shenzhen Capital”)	115,000,000	115,000,000	-	115,000,000	3.67%	3.67%	N.A.	-	-	12,862,500
South Sea Wind Electricity Development Co., Ltd. (“South Wind Electric”)	30,000,000	6,000,000	24,000,000	30,000,000	10.00%	10.00%	N.A.	-	-	-
Maoming Electric Water Supply Co., Ltd. (“Maoming Water Supply”)	903,707	903,707	-	903,707	15.00%	15.00%	N.A.	-	-	-
GMG International Tendering Co., Ltd. (“GMG”)	3,600,000	3,600,000	-	3,600,000	1.97%	1.97%	N.A.	-	-	270,000
Sub-total	505,503,707	481,503,707	24,000,000	505,503,707				-	-	13,132,500
Total	5,949,946,270	5,998,133,180	1,026,883,364	7,025,016,544				-	-	165,776,677

V. Notes to the consolidated financial statements (continued)

11 Long-term equity investments (continued)

(3) Details of major joint ventures and associates

<u>Name of investee</u>	<u>Total assets at the end of the year</u>	<u>Total liabilities at the end of the year</u>	<u>Net assets at the end of the year</u>	<u>Total operating income for the year</u>	<u>Net profit for the year</u>
Joint venture					
Fuel Supply	4,329,828,116	3,366,744,225	963,083,891	20,570,855,517	147,833,085
Associates					
Guohua Taishan	14,985,578,947	7,190,528,674	7,795,050,273	10,989,272,620	2,335,029,554
Binlang River	4,369,468,066	3,680,881,201	688,586,865	323,641,867	4,147,978
Shanxi Yudean Energy	2,356,521,959	400,632,434	1,955,889,525	-	272,976,250
Yudean Finance	14,205,804,351	11,759,621,030	2,446,183,321	703,271,031	291,243,837
Yudean Shipping	6,394,054,354	3,745,264,129	2,648,790,225	1,728,652,309	31,400,286
West Investment	8,707,065,828	6,578,735,190	2,128,330,638	4,442,448,347	38,736,714
Lingcang Yuntou	805,209,226	439,737,495	365,471,731	17,580,183	74,533
Weixin Yuntou	8,350,010,208	6,733,425,811	1,616,584,397	1,002,193,861	902,082
Shantou Wind Power	451,742,737	218,875,811	232,866,926	77,086,838	19,165,287
Jiangkeng Hydropower	30,356,239	6,886,477	23,469,762	9,195,656	2,654,071
Centre Ken Electric	26,106,351	5,469,440	20,636,911	10,473,725	3,691,756

The Group's investments in the joint venture and associates do not have quoted prices.

(4) There was no restriction on the transfer of funds from the investees to the Group.

12 Investment properties

<u>Item</u>	<u>Plant and buildings</u>
Cost	
Balances at the beginning and end of the year	20,135,165
Accumulated depreciation	
Balance at the beginning of the year	(8,660,536)
Charge for the year	(635,598)
Balance at the end of the year	(9,296,134)
Carrying amounts	
At the end of the year	10,839,031
At the beginning of the year	11,474,629

Depreciation for the investment properties of the Group charged for 2013 amounted to RMB 635,598 (2012: RMB 635,598).

As at 31 December 2013, the Group did not need to make provision for the impairment of investment properties (31 December 2012: Nil).

V. Notes to the consolidated financial statements (continued)

13 Fixed assets

(1) Fixed assets

<u>Item</u>	<u>Plant and buildings</u>	<u>Power generation equipment</u>	<u>Motor vehicles</u>	<u>Other equipment</u>	<u>Total</u>
Cost					
Balance at the beginning of the year	12,366,474,614	41,716,807,814	712,040,683	940,119,285	55,735,442,396
Additions during the year	189,786	2,400,852	13,472,313	25,025,993	41,088,944
Transfer from construction in progress	1,233,998,544	5,524,861,746	10,724,163	20,337,193	6,789,921,646
Business combination					
Increase in fixed assets	3,797,296	24,219,278	163,626	53,143	28,233,343
Disposal during the year	(15,549,791)	(613,440,291)	(14,874,139)	(11,186,282)	(655,050,503)
Reclassification (Note (c))	(21,527,807)	131,354,790	(114,929,375)	5,102,392	-
Balance at the end of the year	13,567,382,642	46,786,204,189	606,597,271	979,451,724	61,939,635,826
Accumulated depreciation					
Balance at the beginning of the year	(3,411,273,715)	(12,654,074,997)	(358,392,072)	(435,046,891)	(16,858,787,675)
Charge for the year	(589,070,989)	(2,679,263,773)	(64,476,990)	(117,398,360)	(3,450,210,112)
Written off during the year	8,740,200	501,097,383	13,933,786	8,297,204	532,068,573
Reclassification (Note (c))	6,962,115	(87,866,756)	81,297,533	(392,892)	-
Balance at the end of the year	(3,984,642,389)	(14,920,108,143)	(327,637,743)	(544,540,939)	(19,776,929,214)
Provision for impairment					
Balance at the beginning of the year	(84,289,158)	(339,537,290)	(2,245,506)	(1,513,102)	(427,585,056)
Charge for the year	(155,944,261)	(90,038,794)	(721,569)	(2,482,514)	(249,187,138)
Written off on disposal	-	38,101,822	-	-	38,101,822
Balance at the end of the year	(240,233,419)	(391,474,262)	(2,967,075)	(3,995,616)	(638,670,372)
Carrying amounts					
At the end of the year	9,342,506,834	31,474,621,784	275,992,453	430,915,169	41,524,036,240
At the beginning of the year	8,870,911,741	28,723,195,527	351,403,105	503,559,292	38,449,069,665

- (a) As at 31 December 2013, the Group's fixed assets with restrictions imposed represented: power generators at the carrying value of RMB 1,313,490,009 (original cost: RMB 2,526,316,960) (31 December 2012: carrying value of RMB 1,497,510,323 (original cost: RMB 2,518,406,151)) was pledged as collateral for long-term loans of RMB 543,600,000 (31 December 2012: long-term loans of RMB 641,600,000) (see Note V.35(1)(b)).

According to the syndicated loan contract signed by Huizhou Natural Gas on 17 May 2005, Huizhou Natural Gas pledged its fixed assets as collateral for certain long-term loans and used electricity revenue as repayment guarantee. However, Huizhou Natural Gas did not sign any collateral contracts with the banks in connection with the pledge and guarantee or completed the collateral registration. Therefore, it was unclear which fixed assets were pledged. As at 31 December 2013, the remaining long-term loans amounted to RMB 60,000,000 (all due within one year) (31 December 2012: RMB 260,000,000, of which RMB 200,000,000 was due within one year)(see Note V.33(2)(b) and 35)).

V. Notes to the consolidated financial statements (continued)

13 Fixed assets (continued)

(1) Fixed assets (continued)

(b) Impairment of Fixed assets

Impairment of fixed assets related to generator units of Yuejia Electric

Management expected the four generator units of Yuejia Electric to be gradually shut down by the end of 2015. Therefore, management made provisions totalling RMB 487,898,352 for impairment of fixed assets. Approximately RMB 72,673,468 of impairment of fixed assets was written off as a result of the disposal of some equipment. Pursuant to the notice issued by the Development and Reform Commission of Guangdong Province in 2013, management expected the four generator units of Yuejia Electric to be shut down in early 2016. As Yuejia Electric's volume of on-grid electricity and the disposal price of the retiring generator units were forecast to decline, management considered these were indications for further impairment of generator assets in the remaining operation period of Yuejia Electric. The Group assessed the recoverable amounts of the assets at as 31 December 2013 and made another provision of RMB 190,330,782 for impairment of fixed assets accordingly. Meanwhile, management disposed some production equipment and wrote off RMB 232,900 of impairment of fixed assets. As at 31 December 2013, the Group recorded a provision of RMB 605,322,766 for the impairment of fixed assets related to the above generator units of Yuejia Electric.

The recoverable amount of Yuejia Electric's asset groups is determined based on the estimated future cash flows when the above asset groups are tested for impairment. As at 31 December 2013, the Group estimated the future cash flows of Yuejia Electric's generator units based on the forecast for the period from 2014 to early 2016 (before shutdown) using the pre-tax discounting rate of 7.68%. Other key assumptions used in the impairment test include: the estimated electricity tariff, demand for electricity in the region where Yuejia Electric is located, procurement price of coal and disposal price of retired equipment. These assumptions are determined by management based on past operating experience and future market expectation, and are subject to changes. Any material adverse changes to these key assumptions may result in the carrying value of the asset groups exceeding their recoverable amount.

Impairment of other assets

Some fixed assets of Zhanjiang Electric were suspended or retiring as a result of the reform on generator units in 2011 and 2012. Management made provisions totalling RMB 12,360,172 for the impairment of fixed assets in 2011 and 2012 based on the valuation. In 2013, the Company, Yuejiang Power and Zhanjiang Electric recorded provisions of RMB 58,856,356 for the impairment of fixed assets based on the valuation. The fixed assets of the Company and Zhanjiang Electric provided for in the above were disposed of during the year, with RMB37,868,922

V. Notes to the consolidated financial statements (continued)

13 Fixed assets (continued)

(1) Fixed assets (continued)

(b) Impairment of Fixed assets (continued)

Impairment of other assets (continued)

written off accordingly. As at 31 December 2013, the Group made a provision of RMB 33,347,606 for the impairment of fixed assets related to other assets. The recoverable amount of the above impaired assets was calculated based the fair value of the fixed assets determined with reference to the recent transaction prices for similar assets in the industry less disposal expenses.

- (c) In 2013, the construction of No.1 and No.2 generator units of Jinghai Power and Huizhou Pinghai respectively was completed and the Company adjusted the estimated value of the generator units based on the actual cost incurred.

(2) Temporarily idle fixed assets

As at 31 December 2013, the Group did not have significant items of temporarily idle fixed assets (2012: Nil).

(3) Fixed assets acquired under finance leases

<u>Item</u>	<u>2013</u>			<u>2012</u>		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Power generator	<u>4,172,900,000</u>	<u>(863,838,660)</u>	<u>3,309,061,340</u>	<u>4,172,900,000</u>	<u>(566,330,095)</u>	<u>3,606,569,905</u>

(4) Fixed assets acquired under operating leases

<u>Item</u>	<u>Carrying amount</u>
Plant and buildings	<u>3,043,985</u>

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

As at 31 December 2013, the Group did not have any significant fixed assets held for sale (2012: Nil).

V. Notes to the consolidated financial statements (continued)

13 Fixed assets (continued)

(6) Fixed assets with pending certificates of ownership

As at 31 December 2013 and 2012, the plants and buildings of some of the Group's subsidiaries were still pending certificates of ownership. After consulting the Group's legal consultant, management believed that there were no legal obstacles in obtaining the certificates and it would not have material adverse impact on the normal operation of the Group.

14 Construction in progress

(1) Construction in progress

Project	2013			2012		
	Book value	Provision for impairment	Carrying amount	Book value	Provision for impairment	Carrying amount
Yuejiang Power 2*600MW upgrade project	1,816,064,281	-	1,816,064,281	1,237,553,452	-	1,237,553,452
Da Pu Electric 2*600MW generator construction	391,868,853	-	391,868,853	285,321,793	-	285,321,793
Bohe coal dock	325,779,463	-	325,779,463	99,240,800	-	99,240,800
Bohe Power	164,567,170	-	164,567,170	50,538,238	-	50,538,238
Humen Electric 2*1000MW project	136,832,778	(2,916,126)	133,916,652	128,565,334	-	128,565,334
Jinghai Power No. 3 & 4 generator units	-	-	-	3,248,183,012	-	3,248,183,012
Red Bay No. 5 & 6 generator units	34,673,682	-	34,673,682	-	-	-
Dianbai Reshui wind power plant project	8,469,661	-	8,469,661	-	-	-
LeiZhou Hongxinlou wind power project	5,252,345	-	5,252,345	-	-	-
Maoming Zhenneng 600MW No. 7 generator unit	-	-	-	1,632,126,554	-	1,632,126,554
Other infrastructure projects	323,795,540	-	323,795,540	154,523,082	-	154,523,082
Technology improvement and other projects	679,770,268	(796,461)	678,973,807	465,669,458	(796,461)	464,872,997
Total	<u>3,887,074,041</u>	<u>(3,712,587)</u>	<u>3,883,361,454</u>	<u>7,301,721,723</u>	<u>(796,461)</u>	<u>7,300,925,262</u>

V. Notes to the consolidated financial statements (continued)

14 Construction in progress (continued)

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

Project	Budget	Balance at the beginning of the year	Additions during the year	Transfer to fixed assets	Other decreases (Note (i))	Balance at the end of the year	Percentage of actual cost to budget (%)	Project progress	Accumulated capitalised interest	Including interest capitalised in 2013	Interest rate for capitalisation in 2013 (%)	Sources of funding
Yuejiang Power2*600MW upgrade project	4,914,010,000	1,237,553,452	578,510,829	-	-	1,816,064,281	36.96%	36.96%	201,738,992	69,126,703	5.52%	Borrowing, own capital
Da Pu Electric 2*600MW generator construction	5,659,000,000	285,321,793	106,547,060	-	-	391,868,853	6.92%	6.92%	51,294,132	6,935,000	5.70%	Borrowing, own capital
Bohe coal dock	2,848,560,000	99,240,800	226,538,663	-	-	325,779,463	11.44%	11.44%	4,754,655	3,639,280	5.90%	Borrowing, own capital
Bohe Power	6,937,390,000	50,538,238	114,028,932	-	-	164,567,170	2.37%	2.37%	3,702,395	-	-	Own capital
Humen Electric 2*1000MW project	7,789,510,000	128,565,334	8,267,444	-	(2,916,126)	133,916,652	1.76%	1.76%	-	-	-	Own capital
Jinghai Power No. 3 & 4 generator units	7,526,893,800	3,248,183,012	297,194,089	(3,545,377,101)	-	-	100.00%	100.00%	941,067,777	4,513,265	6.27%	Borrowing, own capital
Red Bay No. 5 & 6 generator units	7,714,370,000	-	34,673,682	-	-	34,673,682	0.45%	0.45%	-	-	-	Own capital
Dianbai Reshui wind power plant project	483,714,800	-	8,469,661	-	-	8,469,661	1.75%	1.75%	-	-	-	Own capital
LeiZhou Hongxinlou wind power project	462,920,000	-	5,252,345	-	-	5,252,345	1.13%	1.13%	-	-	-	Own capital
Maoming Zhenneng 600MW No. 7 generator unit	2,404,090,000	1,632,126,554	496,430,248	(2,128,193,433)	(363,369)	-	100.00%	100.00%	215,830,019	81,882,135	5.90%	Borrowing, own capital
Other infrastructure projects	N.A.	154,523,082	181,863,217	(1,367,757)	(11,223,002)	323,795,540	N.A.	N.A.	-	-	-	Own capital
Technology improvement and other projects	N.A.	464,872,997	1,334,209,852	(1,114,983,355)	(5,125,687)	678,973,807	N.A.	N.A.	-	-	-	Own capital
Total		<u>7,300,925,262</u>	<u>3,391,986,022</u>	<u>(6,789,921,646)</u>	<u>(19,628,184)</u>	<u>3,883,361,454</u>			<u>1,418,387,970</u>	<u>166,096,383</u>		

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

V. Notes to the consolidated financial statements (continued)

14 Construction in progress (continued)

(3) Provision for impairment of construction in progress

<u>Project</u>	Balance at the beginning of the year	Additions during the year	Balance at the end of the year	Reason for provision
Humen Electric 2*1000MW project	-	(2,916,126)	(2,916,126)	Impairment of upfront expenses
Technology improvement for Zhanjiang Electric	(796,461)	-	(796,461)	Impairment of old plant
Total	<u>(796,461)</u>	<u>(2,916,126)</u>	<u>(3,712,587)</u>	

- (4) As at 31 December 2013, some generator units under construction were pending approval documents. Management expected to obtain the relevant approval documents as scheduled. In addition, management expected stable cash inflows from operating activities once the new generator units were launched into production. Therefore, the risk of impairment of such generators was low.

15 Construction materials

<u>Item</u>	Balance at the beginning of the year	Additions during the year	Reductions during the year	Balance at the end of the year
Tools and equipment for production	177,452	2,335,530	(1,806,443)	706,539
Special equipment	302,948,334	48,164,429	(349,589,870)	1,522,893
Total	<u>303,125,786</u>	<u>50,499,959</u>	<u>(351,396,313)</u>	<u>2,229,432</u>

16 Fixed assets to be disposed of

<u>Item</u>	<u>2013</u>	<u>2012</u>	Reason for disposal
Retirement of power equipment parts due to technology improvement	2,490,259	1,462,082	Removal in technology improvement, retired but not yet disposed of
Administrative resources	98,401	-	Retired but not yet disposed of
Total	<u>2,588,660</u>	<u>1,462,082</u>	

As at 31 December 2013 and 2012, there were no fixed assets transferred to “fixed assets to be disposed of” for more than one year.

V. Notes to the consolidated financial statements (continued)

17 Intangible assets

(1) Intangible assets

<u>Item</u>	<u>Associated projects for electricity transmission and microwave engineering</u>	<u>Land use right</u>	<u>Sea use right</u>	<u>Transportation project</u>	<u>Concession contract</u>	<u>Software</u>	<u>Non-patent technology and others</u>	<u>Total</u>
Cost								
Balance at the beginning of the year	442,517,684	1,190,724,723	89,111,941	22,468,672	13,804,736	46,043,329	110,290	1,804,781,375
Additions during the year	-	60,068,194	-	-	-	12,342,452	56,339,918	128,750,564
Business combination								
Increases in intangible assets	-	2,621,380	-	-	-	-	-	2,621,380
Reductions during the year	-	(18,441,040)	-	-	(84,000)	-	(55,831,889)	(74,356,929)
Balance at the end of the year	442,517,684	1,234,973,257	89,111,941	22,468,672	13,720,736	58,385,781	618,319	1,861,796,390
Accumulated amortisation								
Balance at the beginning of the year	(395,920,309)	(123,495,437)	(9,270,089)	(20,948,116)	(5,179,162)	(33,459,511)	(1,838)	(588,274,462)
Additions during the year	(6,602,422)	(26,768,772)	(1,754,516)	(227,332)	(922,975)	(7,039,134)	(107,628)	(43,422,779)
Written off during the year	-	5,984,877	-	-	-	-	-	5,984,877
Balance at the end of the year	(402,522,731)	(144,279,332)	(11,024,605)	(21,175,448)	(6,102,137)	(40,498,645)	(109,466)	(625,712,364)

V. Notes to the consolidated financial statements (continued)

17 Intangible assets (continued)

(1) Intangible assets (continued)

<u>Item</u>	<u>Associated projects for electricity transmission and microwave engineering</u>	<u>Land use right</u>	<u>Sea use right</u>	<u>Transportation project</u>	<u>Concession contract</u>	<u>Software</u>	<u>Non-patent technology and others</u>	<u>Total</u>
Provision for impairment								
Balance at the beginning of the year	(23,426,500)	-	-	-	-	-	-	(23,426,500)
Charge for the year	(9,762,874)	-	-	(1,021,604)	-	-	-	(10,784,478)
Written off on disposal	-	-	-	-	-	-	-	-
Balance at the end of the year	<u>(33,189,374)</u>	<u>-</u>	<u>-</u>	<u>(1,021,604)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,210,978)</u>
Carrying amounts								
At the end of the year	<u>6,805,579</u>	<u>1,090,693,925</u>	<u>78,087,336</u>	<u>271,620</u>	<u>7,618,599</u>	<u>17,887,136</u>	<u>508,853</u>	<u>1,201,873,048</u>
At the beginning of the year	<u>23,170,875</u>	<u>1,067,229,286</u>	<u>79,841,852</u>	<u>1,520,556</u>	<u>8,625,574</u>	<u>12,583,818</u>	<u>108,452</u>	<u>1,193,080,413</u>

V. Notes to the consolidated financial statements (continued)

17 Intangible assets (continued)

(1) Intangible assets (continued)

Before 2013, management expected the four generator units of Yuejia Electric to be gradually shut down by the end of 2015. Therefore, management made a provision of RMB 23,426,500 for impairment of intangible assets of the use rights of associated projects for electricity transmission and transformation and microwave engineering as at 31 December 2012 based on the shutdown plan. As disclosed in Note V.13(1)(b), further evidence of impairment was detected in the related asset groups of Yuejia Electric in 2013. As at 31 December 2013, management tested such asset groups for impairment and made a further impairment provision of RMB 10,784,478 for intangible assets of the use rights of associated projects for electricity transmission and transformation and microwave engineering of the above four generator units.

- (2) As at 31 December 2013, the Group had obtained certificates for the land use right of all its lands, except for the land with the carrying value of RMB 371,020,905 for which an application for construction had been filed with the relevant authorities. After consulting the Group's legal consultant, management believed that there were no substantial legal obstacles in obtaining the certificates and it would not have material adverse impact on the normal operation of the Group.

18 Goodwill

Name of investee or events from which goodwill arising	Note	Balance at the beginning of the year	Additions during the year	Decrease during the year	Balance at the end of the year	Provision for impairment at the end of the year
Guangdong Wind Power	(1)	-	2,449,886	-	2,449,886	-

- (1) As stated in Note 4.3, in the Company's acquisition of interests in Guangdong Province Wind Power Generation Co., Ltd. ("Guangdong Wind Power"), the difference between the fair value of related identifiable assets and liabilities at the acquisition date and the acquisition cost, RMB 2,449,886, was recognised as goodwill related to Guangdong Wind Power.
- (2) The Group acquired the equity interest of Guangdong Wind Power in 2013, and there were no significant adverse changes in Guangdong Wind Power's business from the acquisition date to the balance sheet date. Therefore, the Group considered it unnecessary to provide for impairment of goodwill of Guangdong Wind Power.

V. Notes to the consolidated financial statements (continued)

19 Long-term deferred expenses

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Amortisation for the year</u>	<u>Balance at the end of the year</u>	<u>Reason for other decreases</u>
Leased assets improvement - office decoration	-	401,146	(76,241)	324,905	N.A.

20 Deferred tax assets and deferred tax liabilities

- (1) Deferred tax assets or liabilities after offsetting and the corresponding deductible or taxable temporary differences

<u>Item</u>	<u>2013</u>		<u>2012</u>	
	Deductible or taxable temporary differences “()” for taxable temporary differences)	Deferred tax assets / deferred tax liabilities “()” for liabilities)	Deductible or taxable temporary differences “()” for taxable temporary differences)	Deferred tax assets / deferred tax liabilities “()” for liabilities)
Deferred tax assets:				
Provision for impairment against assets	68,120,770	17,030,193	40,252,201	10,063,049
Pre-operating expenses	16,999,764	1,954,848	23,107,563	2,548,201
Deductible tax losses	-	-	196,825,559	49,206,390
Depreciation of fixed assets	66,640,030	16,654,477	66,617,909	16,654,477
Employee benefits payable	44,936,104	11,234,026	37,388,618	9,347,156
Net income from test run included in construction in progress	28,667,784	6,967,135	30,439,540	7,330,149
Government grants related to assets	27,663,844	6,915,961	18,461,539	4,615,385
Amortisation of land use right	2,729,886	688,002	2,727,186	409,396
Sub-total	255,758,182	61,444,642	415,820,115	100,174,203
Amount of off-setting	(57,612,116)	(14,403,029)	(93,440,276)	(23,360,069)
Amount after off-setting	198,146,066	47,041,613	322,379,839	76,814,134

V. Notes to the consolidated financial statements (continued)

20 Deferred tax assets and deferred tax liabilities (continued)

- (1) Deferred tax assets or liabilities after offsetting and the corresponding deductible or taxable temporary differences (continued)

<u>Item</u>	<u>2013</u>		<u>2012</u>	
	Deductible or taxable temporary differences ("()" for taxable temporary differences)	Deferred tax assets / deferred tax liabilities ("()" for liabilities)	Deductible or taxable temporary differences ("()" for taxable temporary differences)	Deferred tax assets / deferred tax liabilities ("()" for liabilities)
Deferred tax liabilities:				
Changes in fair value of available-for-sale financial assets recognised in capital reserve	(47,143,122)	(11,785,778)	(43,955,929)	(10,988,980)
Net expense from test run included in construction in progress	(52,302,452)	(13,075,616)	(57,712,749)	(14,428,190)
Revaluation upon acquisition	(7,379,199)	(1,844,800)	-	-
Sub-total	(106,824,773)	(26,706,194)	(101,668,678)	(25,417,170)
Amount of off-setting	57,612,116	14,403,029	93,440,276	23,360,069
Amount after off-setting	<u>(49,212,657)</u>	<u>(12,303,165)</u>	<u>(8,228,402)</u>	<u>(2,057,101)</u>

- (2) Details of unrecognised deferred tax assets

<u>Item</u>	<u>2013</u>	<u>2012</u>
Deductible temporary differences	839,388,330	671,191,238
Deductible tax losses	623,569,134	972,847,096
Total	<u>1,462,957,464</u>	<u>1,644,038,334</u>

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

<u>Year</u>	<u>2013</u>	<u>2012</u>
2013	-	170,630,820
2014	3,100,664	1,424,086
2015	238,722,691	253,833,966
2016	226,157,139	330,602,931
2017	154,529,804	216,355,293
2018	1,058,836	-
Total	<u>623,569,134</u>	<u>972,847,096</u>

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

V. Notes to the consolidated financial statements (continued)

21 Other non-current assets

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Prepayments for construction		340,885,008	86,626,280
Prepayments for equipment		986,680,945	1,021,500
Unrealised losses on sale and leaseback	(1)	340,381,598	367,000,746
Prepayments for investment		-	102,000,000
Total		<u>1,667,947,551</u>	<u>556,648,526</u>

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

22 Provisions for impairment

<u>Item</u>	<u>Note</u>	<u>Balance at the beginning of the year</u>	<u>Charge for the year</u>	<u>Decrease during the year</u>		<u>Balance at the end of the year</u>
				<u>Reversal</u>	<u>Write-off</u>	
Accounts receivable	V.4	4,070,440	-	(4,070,440)	-	-
Other receivables	V.5	2,654,793	36,905	(666,928)	-	2,024,770
Inventories	V.7	21,580,149	18,094,357	-	-	39,674,506
Fixed assets	V.13	427,585,056	249,187,138	-	(38,101,822)	638,670,372
Construction in progress	V.14	796,461	2,916,126	-	-	3,712,587
Intangible assets	V.17	23,426,500	10,784,478	-	-	34,210,978
Total		<u>480,113,399</u>	<u>281,019,004</u>	<u>(4,737,368)</u>	<u>(38,101,822)</u>	<u>718,293,213</u>

The reasons for recognising impairment losses are set out in the notes of respective assets.

V. Notes to the consolidated financial statements (continued)

23 Restricted assets

As at 31 December 2013, the assets with restrictions placed on their ownership were as follows:

<u>Item</u>	<u>Note</u>	<u>Balance at the beginning of the year</u>	<u>Additions during the year</u>	<u>Decrease during the year</u>	<u>Balance at the end of the year</u>
Assets pledged as collateral					
- Cash at bank and on hand	V.1	56,866,000	-	(56,866,000)	-
- Accounts receivable	V.4	122,202,814	128,867,446	(122,202,814)	128,867,446
- Fixed assets	V.13	1,497,510,323	8,014,758	(192,035,072)	1,313,490,009
Total		1,676,579,137	136,882,204	(371,103,886)	
1,442,357,455					

The above fixed assets and accounts receivable were pledged as collateral to secure loans. Please refer to Note V.4(3) and 13(1)(a).

24 Short-term loans

(1) Short-term loans by category:

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Loan secured by monetary assets	(a)	-	148,000,000
Unsecured loans	(b)	9,361,000,000	13,425,100,000
Total		9,361,000,000	13,573,100,000

(a) As at 31 December 2012, short-term loans secured by monetary assets represented RMB 148,000,000 of loans from China Development Bank obtained by the Company's subsidiary Yuejiang Power, with the same amount of on-grid power tariff collection right and accounts receivable pledged as collateral. The loans were repaid in 2013 (see Note V.4(3)).

(b) As at 31 December 2013, unsecured short-term loans included RMB 3,722,000,000 of loans provided by Yudean Finance (31 December 2012 : RMB 5,188,000,000) and RMB 0 of loans provided by Hongkong Chaokang Investment Co.Ltd. ("Chaokang Investment")(31 December 2012 : RMB 200,000,000)(see Note VI.6).

V. Notes to the consolidated financial statements (continued)

24 Short-term loans (continued)

(1) Short-term loans by category: (continued)

(c) As at 31 December 2013, the annual interest rates of short-term loans ranged from 5.04% to 6.30% (31 December 2012 : 5.04% to 7.87%).

(2) As at 31 December 2013, there were no unsettled short-term loans which were due (2012 : Nil).

25 Bills payable

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Acceptance bills of other financial institutions	(1)	135,248,400	396,200,000
Bank acceptance bills		-	612,293,869
Commercial acceptance bills	(2)	1,387,874,618	300,000,000
Total		<u>1,523,123,018</u>	<u>1,308,493,869</u>

The above bills payable are all due within one year.

(1) As at 31 December 2013, acceptance bills of other financial institutions of the Group were all accepted by Yudean Finance , amounting to RMB 135,248,400 (31 December 2012: RMB 396,200,000).

(2) The Group used commercial acceptance bills to pay for coal or fuel procured from the Company's joint venture, Fuel Supply. According to the three-party agreement signed among the Group, Yudean Finance and Fuel Supply, discounting expenses will be borne by the Group when Fuel Supply discounts the bills they receive. As at 31 December 2013, the balance of commercial acceptance bills issued by the Group and discounted by Fuel Supply with Yudean Finance amounted to RMB 1,387,874,618. The acceptance bills were due within six months and the discounting rates ranged from 4.20% to 5.04%. The amount of the above discounted bills payable represented the amount payable to Yudean Finance. The Group paid a total of RMB62,992,974 of discounting interest to Yudean Finance in 2013.

V. Notes to the consolidated financial statements (continued)

26 Accounts payable

(1) Accounts payable:

<u>Item</u>	<u>2013</u>	<u>2012</u>
Fuel payable	2,217,658,792	2,797,342,980
Materials and spare parts payable	400,863,791	311,826,687
Maintenance and administrative fees payable	101,009,782	95,314,206
Others	24,332,294	29,214,912
Total	<u>2,743,864,659</u>	<u>3,233,698,785</u>

As at 31 December 2013, significant accounts payable ageing more than one year amounted to RMB 161,296,074 (31 December 2012: RMB 69,280,588) mainly included materials and spare parts payable.

(2) No amount due to shareholders who hold 5% or more of the voting rights of the Company is included in the closing balance of accounts payable in the current reporting period. Accounts payable to related parties in the current reporting period are as follows:

<u>Name of company</u>	<u>2013</u>	<u>2012</u>
Fuel Supply	1,825,228,940	2,603,606,636
Maoming Thermal Power Co., Ltd ("Maoming Thermal")	101,009,782	88,385,062
GYEP	61,800,181	27,292,333
Guangzhou Huangpu Electric Power Project Ltd. ("Huangpu Electric Power Project")	-	4,878,489
Chaokang Investment	-	1,519,323
Yudean PM	-	471,878
Guangdong Yudean Science and Technology Ltd. ("Yudean Technology")	336,000	434,900
Guangdong Yudean Xinfengjiang Electric Service and Install Company ("Xinfengjiang Electric Service")	2,700	91,356
Yunfu Jinhui Electric Service Co., Ltd ("Jinhui Electric")	-	90,582
Zhuhai Hunter Energy Resources Development Co., Ltd. ("ZH Hunter Energy")	1,735,302	-
Shaoguan Power Plant	3,544,826	-
Total	<u>1,993,657,731</u>	<u>2,726,770,559</u>

(3) As at 31 December 2013, no accounts payable were denominated in foreign currencies (31 December 2012: RMB 1,515,610 (original currency: USD 241,128)).

V. Notes to the consolidated financial statements (continued)

27 Advances from customers

- (1) Details of advances from customers are as follows:

<u>Item</u>	<u>2013</u>	<u>2012</u>
Advances from disposal of renewable resources	184,177	142,996
Advances of claims from insurers	900,000	1,000,000
Total	<u>1,084,177</u>	<u>1,142,996</u>

As at 31 December 2013, the Group did not have any significant advances from customers ageing more than one year (31 December 2012: Nil).

- (2) There were no advances from shareholders or related parties holding 5% or more of the voting rights of the Company in the current reporting period (31 December 2012: Nil).

28 Employee benefits payable

<u>Item</u>	<u>Balance at the beginning of the year</u>	<u>Accured during the year</u>	<u>Paid during the year</u>	<u>Balance at the end of the year</u>
Salaries, bonuses, allowances	10,979,753	1,084,239,815	(1,095,219,568)	-
Staff welfare	11,314,879	136,547,985	(140,715,061)	7,147,803
Social insurance	18,555,868	268,063,074	(258,234,538)	28,384,404
Including:				
Medical insurance	16,835,967	52,208,068	(42,282,932)	26,761,103
Pension insurance	1,198,792	150,499,411	(150,603,963)	1,094,240
Unemployment insurance	521,109	4,386,352	(4,381,321)	526,140
Work-related injury insurance	-	5,431,058	(5,428,137)	2,921
Maternity insurance	-	2,968,114	(2,968,114)	-
Annuity	-	52,570,071	(52,570,071)	-
Housing fund	32,433	214,155,186	(214,154,555)	33,064
Early retirement expenses	97,704,076	3,006,572	(25,374,977)	75,335,671
Labour union fee and staff and workers' education fee	43,241,031	47,747,382	(40,548,565)	50,439,848
Others	4,692,279	43,199,585	(46,991,020)	900,844
Total	<u>186,520,319</u>	<u>1,796,959,599</u>	<u>(1,821,238,284)</u>	<u>162,241,634</u>

V. Notes to the consolidated financial statements (continued)

28 Employee benefits payable (continued)

As at 31 December 2013, there was no default in the payment of employee benefits payable. All staff welfare will be used up in 2014, and the contributions to social insurance and housing fund will be paid to the relevant government agencies at the beginning of 2014. Early retirement benefits are expected to be gradually paid out and used up by 2033.

29 Taxes payable

<u>Item</u>	<u>2013</u>	<u>2012</u>
Value added tax	129,421,638	63,124,657
Business tax	1,672,250	2,716,791
Corporate income tax	582,516,809	385,076,861
Individual income tax	37,507,160	36,487,399
Land use tax	3,888,653	9,881,416
Education surcharges	5,844,993	8,689,164
City maintenance and construction tax	7,068,166	12,534,868
Property tax	6,652,673	14,004,415
Pollution discharge fee	6,678,341	6,033,323
Price adjustment fund	12,939,800	5,898,533
Others	3,157,261	5,884,553
Total	<u>797,347,744</u>	<u>550,331,980</u>

30 Interests payable

<u>Item</u>	<u>2013</u>	<u>2012</u>
Interest payable for long-term loans with interest paid in installments and principal repaid on maturity	32,499,606	30,599,184
Interest payable for debentures	136,065,448	89,205,479
Interest payable for short-term loans	19,805,165	23,891,453
Total	<u>188,370,219</u>	<u>143,696,116</u>

V. Notes to the consolidated financial statements (continued)

31 Dividends payable

<u>Name of entity</u>	<u>2013</u>	<u>2012</u>	<u>Reason for late payment for over 1 year</u>
Payable to non-tradable shareholders of the Company	7,629,091	7,558,762	(1)
Shaoguan Power Plant D Co., Ltd. (“Shaoguan Plant D”)	3,521,190	3,521,190	(2)
Qujiang Electric	1,408,476	1,408,476	(2)
Total	<u>12,558,757</u>	<u>12,488,428</u>	

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

(2) It is mainly due from Yuejiang Power, the Company’s subsidiary, for over one year. Once approved by the Board of Directors of Yuejiang Power, the dividends would be payable depending on their capital requirement.

32 Other payables

(1) Other payables are analysed as follows:

<u>Item</u>	<u>2013</u>	<u>2012</u>
Payment for project earnest money	167,554,270	483,351,062
Payment for material and equipment	2,936,657,755	2,732,457,873
Purchase of unit capacity	120,400,000	137,560,800
Payables to advances from Shaoguan Plant D	33,206,172	26,228,082
Others	173,056,516	77,203,385
Total	<u>3,430,874,713</u>	<u>3,456,801,202</u>

(2) As at 31 December 2013, no balances included in other payables above are due to the shareholders of the Company who hold over 5% (including 5%) of voting shares.

(3) Other substantial payables aged over one year are detailed as below:

As at 31 December 2013, other payables of RMB1,830,579,139 (31 December 2012: RMB859,555,818) aged over one year mainly represent construction payables and performance guarantee deposits. They have not been settled because the related projects have not completed their final inspection or are still within their warranty periods.

V. Notes to the consolidated financial statements (continued)

32 Other payables (continued)

(4) Other payables due to related parties are as follows:

<u>Name of entity</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>% of other payables in total</u>
Maoming Thermal Shaoguan Electric Power Plant	Controlled by Yudean	15,000,000	0.44%
GYEP	Controlled by Yudean	33,206,172	0.97%
Huangpu electric power project	Controlled by Yudean	1,084,284	0.03%
Yudean Shipping	Controlled by Yudean	11,538,318	0.33%
Yudean PM	Controlled by Yudean	4,630,000	0.13%
Shaoguan Plant D	Controlled by Yudean	1,915,020	0.06%
Xinfengjian Service	Controlled by Yudean	1,750,737	0.05%
Guangzhou Huangpu Yuehua Power Plant Operation Ltd. (“Huangpu Yuehua”)	Controlled by Yudean	218,831	0.01%
Yudean IT	Controlled by Yudean	1,270,833	0.04%
Shenzhen Tianxin	Controlled by Yudean	550,500	0.02%
Yueyang Electric	Controlled by Yudean	70,000	0.00%
Yueyang Electric	Controlled by Yudean	82,186,667	2.40%
Jinhui Electric	Controlled by Yudean	18,000,000	0.52%
		90,582	0.00%
Total		<u>171,511,944</u>	<u>5.00%</u>

33 Non-current liabilities due within one year

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

<u>Item</u>	<u>2013</u>	<u>2012</u>
Long-term loans due within 1 year	1,451,668,930	1,032,550,000
Long-term payables due within 1 year	<u>639,073,258</u>	<u>817,650,316</u>
Total	<u>2,090,742,188</u>	<u>1,850,200,316</u>

(2) Long-term loans due within one year

<u>Item</u>	<u>2013</u>	<u>2012</u>
Pledged loan (a)	145,020,000	188,550,000
Mortgage loan ((b) and note V.13(1)(a))	60,000,000	200,000,000
Credit loan (c)	<u>1,246,648,930</u>	<u>644,000,000</u>
Total	<u>1,451,668,930</u>	<u>1,032,550,000</u>

V. Notes to the consolidated financial statements (continued)

33 Non-current liabilities due within one year (continued)

(2) Long-term loans due within one year (continued)

- (a) As at 31 December 2013, Yuejiang Power's long-term loans of RMB127,500,000 due within one year are secured by future revenue from power generation and accounts receivable (31 December 2012: RMB171,030,000) (Note V.4(3) and note V.35(1)(a)).

As at 31 December 2013, Zhanjiang Wind Power's long-term loans of RMB17,520,000 due within one year are secured by future revenue from power generation and accounts receivable (31 December 2012: RMB17,520,000) (Note V.4(3) and note V.35(1)(a)) .

- (b) According to the syndicated loan agreement signed by Huizhou Natural Gas with a bank on 17 May 2005, the long-term loans of RMB60,000,000 due within one year represent both pledge and mortgage loans as at 31 December 2013 (31 December 2012: RMB60,000,000 of long-term loans and RMB200,000,000 of long-term loans due within one year). Details have been disclosed in Note V.13(1)(a) and V.35.
- (c) As at 31 December 2013, a bank loan of €314,641 (equivalent to RMB2,648,930) from the Export-Import Bank of China is included in the Group's credit loan balance.
- (d) As at 31 December 2013, the annual interest rate of long-term loans due within one year ranges from 1.30% to 6.65% (31 December 2012: from 5.90% to 6.35%). The loans will be due within 12 months.
- (e) The top five of long-term loans due within one year as at 31 December 2013 are as follows:

	Beginning date	Expiring date	Currency	Interest rate (%)	Balance at 2013	Balance at 2012
Industrial and Commercial Bank of China	28/03/2011	27/03/2014	RMB	5.90%	400,000,000	-
China Construction Bank	13/01/2006	31/12/2014	RMB	5.90%	140,000,000	100,000,000
Agricultural Bank Of China	01/12/2012	16/10/2014	RMB	6.15%	100,000,000	-
Industrial and Commercial Bank of China	24/04/2006	30/06/2014	RMB	5.90%	90,000,000	90,000,000
Agricultural Bank Of China	17/05/2005	31/12/2014	RMB	6.35%	60,000,000	200,000,000
Total					<u>790,000,000</u>	<u>390,000,000</u>

V. Notes to the consolidated financial statements (continued)

33 Non-current liabilities due within one year (continued)

(3) Long-term payables due within one year

As at 31 December 2013, the long-term payables due within one year is a finance lease payable of RMB639,073,258 (i.e. the net balance of RMB803,195,320 less unrecognised finance cost of RMB164,122,062). As at 31 December 2012, the long-term payables due within one year is a finance lease payable of RMB817,650,316.

As at 31 December 2013, the long-term payables due within one year has been detailed in note V.37.

34 Other current liabilities

<u>Item</u>	<u>2013</u>	<u>2012</u>
Short-term financing notes payable	<u>1,348,750,493</u>	<u>-</u>

- (1) As approved by National Association of Financial Market Institutional Investors, the Company issued short-term financing bonds at coupon value of RMB600,000,000 with a one-year maturity on January 2013. The Company raised RMB597,900,000 after deducting an issue expense of RMB2,100,000. The loan, including its principal and interests, has to be settled at one time. It is subject to an annual interest rate of 4.24% from 28 January 2013.
- (2) As approved by National Association of Financial Market Institutional Investors, the Company's subsidiary Red Bay issued short-term financing bonds at coupon value of RMB500,000,000 with a one-year maturity on January 2013. Red Bay raised RMB498,250,000 after deducting an issue expense of RMB1,750,000. The loan, including its principal and interests, has to be settled at one time. It is subject to an annual interest rate of 4.52% from 21 March 2013.
- (3) As approved by National Association of Financial Market Institutional Investors, the Company's subsidiary Guangqian Electric issued short-term financing bonds at coupon value of RMB200,000,000 with a one-year maturity on January 2013. Guangqian Electric raised RMB199,200,000 after deducting an issue expense of RMB800,000. The loan, including its principal and interests, has to be settled at one time. It is subject to an annual interest rate of 4.52% from 22 March 2013.

V. Notes to the consolidated financial statements (continued)

35 Long-term loans

(1) Classification of long-term loans

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Pledged loan	(a)	547,236,340	684,170,036
Mortgaged loan	(b) and Note V.33(2)(b)	543,600,000	701,600,000
Guaranteed loan	(c)	1,552,000,000	25,000,000
Credit loan		12,629,167,221	13,375,557,700
Total		<u>15,272,003,561</u>	<u>14,786,327,736</u>

- (a) As at 31 December 2013, the long-term loans of the following subsidiaries are secured by the future revenue from power generation and accounts receivable:

<u>Item</u>		<u>2013</u>	<u>2012</u>
Yuejiang Power	(i)	163,840,000	277,860,000
Zhanjiang Wind Power	(ii)	209,025,000	226,545,000
Xuwen Yongshi Wind Power project	(iii)	174,371,340	179,765,036
Total		<u>547,236,340</u>	<u>684,170,036</u>

- (i) As at 31 December 2013, the Company's subsidiary Yuejiang Power borrows RMB186,140,000 and RMB105,200,000 from the Bank of China and the Industrial and Commercial Bank of China respectively. The loans are secured by Yuejiang Power's future revenue from power generation and accounts receivable. They both carry an annual interest rate of 5.895% and will be matured on 21 December 2015 and 21 June 2020 respectively. Included in the loans totalled at RMB291,340,000 is a long-term loan of RMB127,500,000 (2012: included in the loans totalled at RMB448,890,000 was a long-term loan of RMB171,030,000 due within one year) due within one year.

- (ii) As at 31 December 2013, the Company's subsidiary Zhanjiang Wind Power borrows RMB226,545,000 from the Industrial and Commercial Bank of China. The loan is secured by Zhanjiang Wind Power's future revenue from power generation and has an annual interest rate of 5.895% with a maturity date on 7 May 2024. Included in the loan is a long-term loan of RMB17,520,000 due within one year (2012: included in the loans of RMB244,065,000 was a long-term loan of RMB17,520,000 due within one year).

V. Notes to the consolidated financial statements (continued)

35 Long-term loans (continued)

(1) Classification of long-term loans (continued)

- (a) As at 31 December 2013, the long-term loans of the following subsidiaries are secured by the future revenue from power generation and accounts receivable (continued):
- (iii) Based on the *Loan Transfer Agreement of Yuedian Yongshi Wind Power Project for Loan Protocol under the Climate Change Framework of European Investment Banks* between Zhanjiang Wind Power and Department of Finance of Guangdong Province, the Company's subsidiary Zhanjiang Wind Power acquired an US loan transferred from the Loan Protocol under Chinese Climate Change Framework between China and European investment banks. The loan has been used on Xuwen Yongshi Wind Power project and is secured by the electricity revenue from the same project. As at 31 December 2013, the balance of the loan above is totalled at USD28,600,000 (equivalent to RMB174,371,340) (at the end of 2012: USD28,600,000 (equivalent to RMB179,765,036)). The loan will be matured on 2 March 2029 with an annual interest rate from 0.99% to 1.61% (2012: from 1.30% to 1.92%).
- (b) As at 31 December 2013, the long-term loan of RMB543,600,000 (31 December 2012: RMB641,600,000) is secured by electric utilities in service at carrying value of RMB1,313,490,009 (original cost of RMB2,526,316,960) (31 December 2012: RMB1,497,510,323 (original cost of RMB2,518,406,151)) (Note V.13(1)(a)).
- (c) As at 31 December 2013, Zhanjiang Wind Power provides maximum guarantee for Xuwen Wind's long-term loan of RMB52,000,000 (2012: RMB25,000,000). The loan rate is 6.22% and the maturity date will be on 21 August 2022.

As at 31 December 2013, Yudean provides guarantee for the Company's long-term loan of RMB1,500,000,000 (2012: nil). The loan rate is 5.83% and the maturity date will be on 13 August 2020.

V. Notes to the consolidated financial statements (continued)

35 Long-term loans (continued)

(2) Classification of long-term loans by currency

	2013				2012			
	<u>Annual interest rate</u>	<u>Amount at original currency</u>	<u>Exchange rate</u>	<u>RMB equivalent</u>	<u>Annual interest rate</u>	<u>Amount at original currency</u>	<u>Exchange rate</u>	<u>RMB equivalent</u>
Bank borrowings								
- RMB	5.76%~ 6.55%	15,080,592,700	1.0000	15,080,592,700	5.53%~ 6.65%	14,606,562,700	1.0000	14,606,562,700
- USD	LIBOR+0.595% ~ LIBOR+1.215%	28,600,000	6.0969	174,371,340	LIBOR+0.595%~ LIBOR+1.215%	28,600,000	6.2855	179,765,036
- EURO	1.30%	2,023,960	8.4189	17,039,521	-	-	-	-
Total				<u>15,272,003,561</u>				<u>14,786,327,736</u>

V. Notes to the consolidated financial statements (continued)

35 Long-term loans (continued)

(3) As at 31 December 2013, the top five of long-term loans are as follows:

	<u>Beginning date</u>	<u>Expiring date</u>	<u>Currency</u>	<u>Interest rate(%)</u>	<u>Balance at 2013</u>	<u>Balance at 2012</u>
Industrial and Commercial Bank of China	25/11/2010	27/11/2030	RMB	5.90%	3,698,757,700	3,698,757,700
Agricultural Bank Of China	14/12/2007	03/12/2025	RMB	5.90%	1,776,000,000	1,887,000,000
Taiping Asset Management Co. Ltd	14/08/2013	13/08/2020	RMB	5.83%	1,500,000,000	-
China Construction Bank	29/05/2006	12/01/2021	RMB	5.90%	916,000,000	1,096,000,000
Industrial and Commercial Bank of China	24/04/2006	23/04/2022	RMB	5.90%	660,000,000	750,000,000
Total					<u>8,550,757,700</u>	<u>7,431,757,700</u>

36 Debentures payable

<u>Item</u>	<u>Note</u>	<u>Opening balance</u>	<u>Addition during the year</u>	<u>Reduction during the year</u>	<u>Closing balance</u>
08 Yedean Bond	(a)	1,994,144,734	2,702,430	731	1,996,846,433
12 Yedean Bond	(b)	-	1,194,124,048	-	1,194,124,048
Total		<u>1,994,144,734</u>	<u>1,196,826,478</u>	<u>731</u>	<u>3,190,970,481</u>

- (a) As approved by CSRC, the Company issued book-entry corporate bonds at coupon value of RMB2,000,000,000 ("08 Yedean Bond") on March 2008. The Company raised RMB1,981,082,988 after deducting an issue expense of RMB18,917,012. The loan is subject to an annual interest rate of 5.50% from 10 March 2008 and shall be payable annually on simple interest.

As at 31 December 2013, debentures payable are measured at amortised cost using effective interest method. The effective interest rate is 5.67%.

- (b) As approved by CSRC, the Company issued book-entry corporate bonds using real name system at coupon value of RMB1,200,000,000.00 ("12 Yedean Bond") on March 2013. The Company raised RMB1,193,330,000 after deducting an issue expense of RMB6,670,000. The loan, with a maturity term of seven years, is subject to an annual interest rate of 4.95% from 18 March 2013 and shall be payable annually on simple interest.

As at 31 December 2013, debentures payable are measured at amortised cost using effective interest method. The effective interest rate is 5.04%.

V. Notes to the consolidated financial statements (continued)

36 Debentures payable (continued)

(1) Interest of debentures payable is analysed as below:

<u>Item</u> <u>year</u>	Interest payable at beginning of the year	Accrued interest this year	Interest paid this year	Interest payable at end of the
08 Yedean Bond	89,205,479	109,999,969	110,000,000	89,205,448
12 Yedean Bond	-	46,860,000	-	46,860,000
Total	<u>89,205,479</u>	<u>156,859,969</u>	<u>110,000,000</u>	<u>136,065,448</u>

37 Long-term payables

<u>Item</u>	Note	<u>2013</u>	<u>2012</u>
Finance lease payable	(1)	2,727,429,152	3,333,315,298
Less: finance lease payable within 1 year		<u>(639,073,258)</u>	<u>(817,650,316)</u>
Total		<u>2,088,355,894</u>	<u>2,515,664,982</u>

- (a) The finance lease payable is the balance of minimum lease payment less unrecognised finance cost of electric power equipment leaseback by subsidiaries - Jinghai Power, Yuejiang Power, Zhongyue Energy and Red Bay. The Company provided guarantee for Yuejiang Power's finance lease based on its 65% equity interest in Yuejiang Power and signed a counter guarantee contract with Yuejiang Power.
- (b) As at 31 December 2013 and 31 December 2012, no balances in long-term payables are denominated in foreign currencies.

V. Notes to the consolidated financial statements (continued)

37 Long-term payables (continued)

- (1) As at 31 December 2013, long-term payables (including long-term payables due within one year) are analysed as below:

	<u>Period</u>	<u>Initial amount</u>	<u>Interest rate (%)</u>	<u>Accrued interest</u>	<u>Year-end amount</u>	<u>Borrowing requirement</u>
Bank of Communications Finance Leasing Co., Ltd. ("BOCMFLC")	10 years	1,000,000,000	5.57%	48,640,536	777,121,718	Finance lease
BOCMFLC	6 years	600,000,000	6.55%	36,470,286	440,319,089	Finance lease
BOCMFLC	10 years	600,000,000	5.57%	28,239,629	434,057,021	Finance lease
BOCMFLC	10 years	100,000,000	5.57%	4,922,459	77,419,774	Finance lease
BOCMFLC	10 years	160,000,000	6.55%	9,865,227	122,971,972	Finance lease
BOCMFLC	10 years	40,000,000	6.55%	2,474,305	31,967,413	Finance lease
CCB Financial Leasing Co., Ltd. ("CCBFLC")	5 years	900,000,000	6.08%	41,648,485	442,985,028	Finance lease
CCBFLC	5 years	282,600,000	5.54%	15,075,762	196,781,233	Finance lease
CCBFLC	3 years	36,900,000	5.54%	191,015	-	Finance lease
CMB Financial Leasing Co., LTD ("CMBFLC")	3 years	300,000,000	5.54%	14,104,566	203,805,904	Finance lease
Total		<u>4,019,500,000</u>		<u>201,632,270</u>	<u>2,727,429,152</u>	

- (2) Finance lease payable under long-term payables

As at 31 December 2013, the Group's minimum finance lease payments are as follows:

<u>Minimum finance lease payments</u>	<u>2013</u>	<u>2012</u>
Within 1 year (inclusive)	803,195,320	817,650,316
Over 1 year but within 2 year (inclusive)	804,952,433	805,347,957
Over 2 year but within 3 year (inclusive)	426,347,620	806,273,212
Over 3 year	1,183,578,358	1,624,439,928
Total	3,218,073,731	4,053,711,413
Less: unrecognised finance expense	(490,644,579)	(720,396,115)
Total	<u>2,727,429,152</u>	<u>3,333,315,298</u>

V. Notes to the consolidated financial statements (continued)

37 Long-term payables (continued)

(2) Finance lease payable under long-term payables (continued)

The net balance of finance lease payable due within one year less unrecognised finance expense is disclosed in note V.33.

As at 31 December 2013, no balances included in long-term payables above are due to the shareholders of the Company who hold over 5% (including 5%) of voting shares (31 December 2012: nil).

38 Special payables

<u>Item</u>	<u>Opening balance</u>	<u>Reduction during the year</u>	<u>Closing balance</u>
Compensation for relocation	<u>16,904,604</u>	<u>6,124,864</u>	<u>10,779,740</u>

39 Other non-current liabilities

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Leasing income from leaseback of fixed assets	(1)	19,188,778	29,898,929
Deferred revenue from government grant	(2)	<u>72,488,962</u>	<u>72,430,845</u>
Total		<u>91,677,740</u>	<u>102,329,774</u>

(1) Leasing income from leaseback of fixed assets is the balance amortised over the depreciation of electrical power equipments based on the difference between their selling prices and their carrying amounts.

(2) Deferred revenue from government grant

V. Notes to the consolidated financial statements (continued)

39 Other non-current liabilities (continued)

(2) Deferred revenue from government grant (continued)

Item	Note	Opening balance	New grant this year	Amount included in non-operating income this year	Other changes	Closing balance	Related to assets/revenues
5# generation set of desulfurization project	(a)	18,461,539	-	(3,076,923)	-	15,384,616	Assets
Expansion on flow reconstruction project	(b)	5,610,000	-	(409,062)	-	5,200,938	Assets
Energy saving funds	(c)	600,000	3,310,000	(850,000)	-	3,060,000	Assets
Denitration project	(d)	-	4,000,000	(196,581)	-	3,803,419	Assets
Refurnishment on air preheater	(e)	-	3,600,000	(325,128)	-	3,274,872	Assets
Tax refund for PRC-produced equipment	(f)	31,517,767	-	(3,000,000)	-	28,517,767	Assets
Water-freshing project	(g)	1,846,154	-	(153,846)	-	1,692,308	Assets
SASAC's development fund	(h)	12,000,000	-	(666,667)	-	11,333,333	Revenues
Port construction fee and charge	(i)	2,395,385	643,808	(2,817,484)	-	221,709	Revenues
Total		<u>72,430,845</u>	<u>11,553,808</u>	<u>(11,495,691)</u>	<u>-</u>	<u>72,488,962</u>	

- (a) This represents the government subsidy granted for the 5# generation set of desulfurization project of Shajiao Power Plant A ("Shajiao A"), which is a branch of the Company in 2005. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (b) This represents the energy conservation and emission reduction fund received by Shajiao A for expansion on flow reconstruction project in 2011. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (c) This represents the energy-saving funds received by Shajiao A for stepping up the rubber ball cleaning device for the 5# generation set of desulfurization project in 2012. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (d) This represents the grant for denitration project received by Shajiao A during this year. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (e) This represents the energy-saving funds received by Shajiao A for refurnishing 4# and 5# air preheaters during this year. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (f) This represents the value-added tax refunded for purchase of PRC-produced equipment received by Shibeishan. It is amortised over the estimated useful lives of 13 years from the completion date of the project.

V. Notes to the consolidated financial statements (continued)

39 Other non-current liabilities (continued)

(2) Deferred revenue from government grant (continued)

- (g) This represents the subsidy from government of Zhanjiang granted for water-freshing project of Zhongyue Energy. It is amortised over the estimated useful lives of 13 years from the completion date of the project.
- (h) This represents the reform and development fund received by Zhanjiang Wind Power in 2011 in relation to Yongshi Wind Project. The Group amortises the fund during the income period of the project on an average basis.
- (i) This represents the construction fund received by Shajiao A for the construction of Humen Hourbour in 2012. Import and export of goods and containers handled by port would be first levied by the Port Authority in accordance with the provisions of port charges, of which 50% amount of refund would be used for maintenance of terminals and frontier waters. The government refunds the harbor construction fee on a quarterly basis. The Group amortises the maintenance fees when they incur.

40 Share capital

<u>Item</u>	<u>2012</u>	<u>Addition during the year</u>	<u>Reduction during the year</u>	<u>2013</u>
Restricted shares				
- Shares held by state-owned companies	1,715,872,525	-	(138,047,138)	1,577,825,387
- Shares held by domestic companies				
Including: Shares held by domestic non state-owned companies	4,620,370	-	(313,515)	4,306,855
Shares held by domestic natural persons	247,012	-	(173,115)	73,897
Subtotal	<u>1,720,739,907</u>	<u>-</u>	<u>(138,533,768)</u>	<u>1,582,206,139</u>
Non-restricted shares				
- A shares	1,989,156,748	138,533,768	-	2,127,690,516
- B shares	665,340,000	-	-	665,340,000
Subtotal	<u>2,654,496,748</u>	<u>138,533,768</u>	<u>-</u>	<u>2,793,030,516</u>
Total	<u>4,375,236,655</u>	<u>138,533,768</u>	<u>(138,533,768)</u>	<u>4,375,236,655</u>

V. Notes to the consolidated financial statements (continued)

41 Capital reserve

<u>Item</u>	<u>Opening balance</u>	<u>Addition during the year</u>	<u>Reduction during the year</u>	<u>Closing balance</u>
Share capital	4,455,652,497	-	(16,135,443)	4,439,517,054
Revaluation reserve	119,593,718	-	-	119,593,718
Other capital reserve				
- Change in fair value of available-for-sale financial assets	43,955,929	3,187,193	-	47,143,122
- Tax effect on change in fair value of available-for-sale financial assets	(10,988,980)	-	(796,798)	(11,785,778)
Transfer from capital reserve recognised under previous accounting system	20,474,592	-	-	20,474,592
Investment from Yudean	395,000,000	-	-	395,000,000
Share of interest in affiliates on a pro-rata basis	-	33,174,718	-	33,174,718
Others	1,601,300	-	-	1,601,300
Total	<u>5,025,289,056</u>	<u>36,361,911</u>	<u>(16,932,241)</u>	<u>5,044,718,726</u>

42 Surplus reserve

<u>Item</u>	<u>Opening balance</u>	<u>Addition during the year</u>	<u>Reduction during the year</u>	<u>Closing balance</u>
Statutory surplus reserve	1,603,194,865	70,857,902	-	1,674,052,767
Discretionary surplus reserve	<u>2,352,373,753</u>	<u>177,144,756</u>	-	<u>2,529,518,509</u>
Total	<u>3,955,568,618</u>	<u>248,002,658</u>	-	<u>4,203,571,276</u>

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

According to the resolution at the general meeting of shareholders on 21 May 2013, the Company proposed to appropriate 10% of net profit for the year, amounted to RMB70,857,902, to the statutory surplus reserve, and appropriate 25% of net profit for the year, amounted to RMB177,144,756, to discretionary surplus reserve.

V. Notes to the consolidated financial statements (continued)

43 Retained earnings

<u>Item</u>	<u>Note</u>	<u>Amount</u>	<u>Ratio of appropriation</u>
Opening balance of retained earnings		2,899,227,999	-
Add: Net profit attributable to the shareholders of the parent company		3,086,428,618	-
Less: appropriation to statutory surplus reserve		(70,857,902)	10%
appropriation to discretionary surplus reserve		(177,144,756)	25%
Common stock dividends payable	(1)	(306,266,566)	-
Closing balance of retained earnings	(2)	<u>5,431,387,393</u>	

(1) Distribution of common stock dividends during the year

Under the approval of the general meeting of shareholders on 21 May 2013, the Company distributed share dividends based on the total share capital of 4,375,236,655 shares at the end of 2012. The Company and Yudean reached a consensus on profit distribution after the completion of business combination under the common control in 2012 (see note I), i.e. Yudean is not entitled to the distributable profit realised by the Company during the period from the benchmark date of asset evaluation and the settlement date for the newly added shares due to this transaction. As a result, the Company distributed RMB0.54 and RMB1.04 of cash dividends for every ten shares held by Yudean (which held 2,948,297,867 shares in total) and other shareholders respectively (2012: RMB0.60 of cash dividends for every ten shares based on total share capital of 2,797,451,138 shares). Total distributable profits were amounted to RMB306,266,566 (2012: RMB167,847,068).

(2) Explanation on retained earnings at year-end

The surplus reserve attributable to the parent company appropriated by subsidiaries this year was RMB218,527,628 (2012: RMB163,253,488).

As at 31 December 2013, included in the retained earnings attributable to the parent company is a surplus reserve of RMB1,543,564,850 (2012: RMB1,312,191,269) appropriated by the Company's subsidiaries.

V. Notes to the consolidated financial statements (continued)

44 Operating income and operating costs

(1) Operating income and operating costs

<u>Item</u>	<u>2013</u>	<u>2012</u>
Operating income from principal activities	30,599,701,120	29,219,673,354
Other business income	231,056,217	269,600,265
Operating costs	(22,684,318,308)	(23,335,411,211)

(2) Principal activities analysed by products are as follows:

<u>Item</u>	<u>2013</u>		<u>2012</u>	
	Operating income	Operating costs	Operating income	Operating costs
Income from sales of electricity	30,466,223,111	(22,508,322,717)	29,083,991,225	(23,152,095,654)
Income from sales of steam	76,389,974	(66,159,030)	76,410,410	(59,984,006)
Service income	57,088,035	(41,373,875)	59,271,719	(53,731,149)
Total	<u>30,599,701,120</u>	<u>(22,615,855,622)</u>	<u>29,219,673,354</u>	<u>(23,265,810,809)</u>

The electricity transmission and distribution in Guangdong Province, the PRC, were controlled and managed by GPGC. GPGC and its affiliates are the sole customer of the electricity generated by the Group.

V. Notes to the consolidated financial statements (continued)

44 Operating income and operating costs (continued)

(2) Principal activities analysed by products are as follows: (continued)

The Group entered into electricity sales contract with GPGC and its affiliates. Electricity prices of the Group's individual entity were approved by the Price Bureau of Guangdong Province. In 2013 and 2012, the volume of electricity purchased by GPGC and its affiliates and the corresponding unit selling prices (excluding tax) were summarised as follows:

<u>Item</u>	<u>Electricity volume (million KWH)</u>		<u>Unit price of electricity (RMB per MWH)</u>	
	2013	2012	2013	2012
The Company – Shajiao A				
- No.1 to 4 generators	4,600	5,337	441.25	445.30
- No.5 generator	1,883	1,493	448.68	445.47
Zhanjiang Electric				
- No.1 to 4 generators	6,004	5,602	465.47	462.05
Yuejia Electric				
- No.5 and 6 generators	1,303	1,464	468.96	469.40
Yuejiang Power				
- No.10 generator	1,246	1,425	510.38	514.44
- No.11 generator	1,584	1,368	482.44	486.50
Maoming Zhenneng				
- No.5 and 6 generators	2,347	2,864	429.06	445.30
- No.7 generator	-	-	343.25	-
Jinghai Power				
- No.1 and 2 generators	5,906	6,775	441.24	445.30
- No.3 and 4 generators	9,122	-	429.99	-
Zhanjiang Wind Power	111	124	588.89	588.89
Zhongyue Energy				
- No.1 and 2 generators	5,972	6,090	446.16	425.22
Guangqian Electric	3,336	3,471	455.56	455.56
Shibeishan	156	160	428.46	428.46
Red Bay				
- No.1 and 2 generators	4,855	6,930	441.36	445.30
- No.3 and 4 generators	6,302	7,122	447.83	442.88
Huizhou Pinghai				
- No.1 generator	4,717	5,875	452.14	449.07
- No.2 generator	4,870	5,075	452.14	449.07
Huizhou Natural Gas	3,288	3,413	455.56	455.56
Huilai Wind	17	20	588.89	588.89
Xuwen Wind	95	23	588.89	588.89

V. Notes to the consolidated financial statements (continued)

44 Operating income and operating costs (continued)

(3) Other operating income and operating costs

	<u>2013</u>		<u>2012</u>	
	Other operating revenue	Other operating cost	Other operating revenue	Other operating cost
Sales revenue from CDM	6,644,125	(744,270)	28,039,526	(3,722,117)
Rental income	6,586,259	(230,580)	6,363,142	(175,578)
Income from coal ash	206,762,121	(63,764,221)	212,440,122	(61,265,812)
Sale of material	-	-	10,754,533	(2,975,975)
Others	11,063,712	(3,723,615)	12,002,942	(1,460,920)
Total	<u>231,056,217</u>	<u>(68,462,686)</u>	<u>269,600,265</u>	<u>(69,600,402)</u>

(4) Particulars of operating income from the top five customers in 2013

<u>Group</u>	<u>Operating income</u>	<u>% of total operating income of the</u>
GPGC	28,747,172,910	93.24%
Shenzhen power supply bureau in Guangdong power grid	1,528,107,074	4.96%
GYEP	136,537,564	0.44%
Zhanjiang power supply bureau in Guangdong power grid	121,573,641	0.39%
Jieyang power supply bureau in Guangdong power grid	69,369,486	0.23%
Total	<u>30,602,760,675</u>	<u>99.26%</u>

45 Business taxes and surcharges

	<u>2013</u>	<u>2012</u>
Business tax	4,832,173	4,220,693
Urban maintenance and construction tax	126,324,163	71,238,073
Education surcharge	90,010,550	62,098,335
Total	<u>221,166,886</u>	<u>137,557,101</u>

V. Notes to the consolidated financial statements (continued)

46 General and administrative expenses

	<u>2013</u>	<u>2012</u>
Labour cost	287,929,431	278,510,405
Depreciation	47,877,100	38,673,205
Taxation	129,714,520	88,855,712
Sewage charges	62,142,782	71,913,642
Labour insurance	56,209,458	53,114,270
Office expenses	31,780,440	39,827,865
Amortisation of intangible assets	43,072,039	37,694,536
Fire safety expenses	37,203,895	34,723,447
Entertainment expenses	23,208,522	28,539,259
Traffic expenses	27,838,015	24,714,540
Agency fee	20,789,576	15,092,965
Bank protection fee	23,208,969	19,910,789
Travel expenses	10,725,865	14,120,751
Rental expenses	14,161,189	12,162,252
Research and development expenses	18,635,945	15,181,739
Expenses on board meetings	5,355,408	7,619,875
Property management fee	32,366,176	26,419,870
Insurance expenses	4,671,128	3,566,227
Afforestation fees	19,199,002	16,312,761
Others	52,230,984	41,963,492
Total	<u>948,320,444</u>	<u>868,917,602</u>

47 Financial expenses

	<u>Note</u>	<u>2013</u>	<u>2012</u>
Interest expenses of debt and financing bonds		205,610,462	110,000,000
Interest expenses of borrowings		1,616,707,699	1,970,166,534
Interest expenses of discounted bills		75,921,079	61,554,243
Amortisation of interest adjustment on long-term bonds		3,496,478	2,702,430
Less: capitalised interest expenses		(166,096,383)	(509,201,998)
Interest expenses		(53,211,820)	(51,073,028)
Net exchange (income)/loss		(442,640)	2,455
Amortisation of unrecognised finance expenses		195,120,043	215,298,517
Other financial expenses		9,761,740	5,352,295
Total		<u>1,886,866,658</u>	<u>1,804,801,448</u>

V. Notes to the consolidated financial statements (continued)

47 Financial expenses (continued)

The capitalisation rate used by the Group to recognise the borrowing expenses capitalised this year ranged from 5.52% to 6.27% (2012: from 2.32% to 6.60%).

48 Investment income

(1) Items under investment income are as below:

	Note	<u>2013</u>	<u>2012</u>
Gain from long-term equity investments under cost method	(2)	13,132,500	14,681,250
Gain from long-term equity investments under equity method	(3)	706,492,821	270,352,325
Investment income from holding of available-for-sale financial assets		7,503,870	6,393,225
Interest income from entrusted loans		12,854,063	28,684,421
Others		1,542,586	-
Total		<u>741,525,840</u>	<u>320,111,221</u>

(2) Gain from long-term equity investments under cost method is as follows:

	<u>2013</u>	<u>2012</u>	<u>Reasons for changes</u>
Shenzhen Capital	12,862,500	13,781,250	Decrease in dividend declared
GMG	<u>270,000</u>	<u>900,000</u>	Decrease in dividend declared
Total	<u>13,132,500</u>	<u>14,681,250</u>	

V. Notes to the consolidated financial statements (continued)

48 Investment income (continued)

- (3) The top five companies invested (accounted for over or less than 5% of total profits) within gain from long-term equity investments using equity method are as follows:

	<u>2013</u>	<u>2012</u>	<u>Reasons for changes</u>
Taishan Generation	420,981,362	-	Acquired at end of 2012
Shanxi Yudean Energy	109,190,501	118,866,452	Decrease in investment income
Electric Fuel Supply	73,916,542	53,342,103	Increase in shareholding proportion
Yudean Finance	72,810,960	70,922,177	Increase in interest income
Yudean Shipping	10,990,103	3,221,872	Increase in transport income
Total	<u>687,889,468</u>	<u>246,352,604</u>	

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

49 Impairment losses

	<u>2013</u>	<u>2012</u>
(Reversal of)/provision for bad debts	(4,700,463)	1,020,779
Long-term equity investments	-	111,252,200
Inventories	18,094,357	-
Fixed assets	249,187,138	11,686,773
Construction in progress	2,916,126	-
Intangible assets	10,784,478	-
Total	<u>276,281,636</u>	<u>123,959,752</u>

V. Notes to the consolidated financial statements (continued)

50 Non-operating income

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

	Note	<u>2013</u>	<u>2012</u>	Recognised in non-recurring income and loss in 2013
Total gain on disposal of non-current assets		25,744,311	44,470,125	25,744,311
Including: Gain on disposal of fixed assets		2,611,953	44,470,125	2,611,953
Gain on disposal of intangible assets		23,132,358	-	23,132,358
Government grants	(2)	51,549,848	35,516,576	17,577,691
Claim indemnity income		8,167,686	3,176,471	8,167,686
Payables not required to be settled		11,829,288	-	11,829,288
Others		3,596,324	1,917,714	3,596,324
Total		<u>100,887,457</u>	<u>85,080,886</u>	<u>66,915,300</u>

(2) Breakdown of government grants

	<u>2013</u>	<u>2012</u>
VAT refund	33,972,157	9,852,311
Amortisation of government grants	11,495,691	9,317,765
Subsidy for dam reinforcement	1,700,000	1,186,500
Special incentive on energy conservation and emission reduction	1,110,000	2,260,000
Interest subsidy from banks	-	12,670,000
Allowance on technology	3,272,000	230,000
Total	<u>51,549,848</u>	<u>35,516,576</u>

V. Notes to the consolidated financial statements (continued)

51 Non-operating expenses

	<u>2013</u>	<u>2012</u>	Amount credited in non-recurring income and loss in 2013
Total loss from disposal of non-current assets	52,877,956	36,966,239	52,877,956
Including: Loss from disposal of fixed assets	52,870,451	36,966,239	52,870,451
Loss from disposal of intangible assets	7,505	-	7,505
Fine for delaying payment	10,740,652	100,216	10,740,652
Others	6,276,470	2,635,397	6,276,470
Total	<u>69,895,078</u>	<u>39,701,852</u>	<u>69,895,078</u>

52 Income tax expense

	<u>2013</u>	<u>2012</u>
Current tax expense calculated on tax laws and related regulations	1,194,799,355	859,281,980
Changes in deferred income tax	37,196,830	25,881,432
Tax filling differences	5,231,388	815,484
Total	<u>1,237,227,573</u>	<u>885,978,896</u>

V. Notes to the consolidated financial statements (continued)

52 Income tax expense (continued)

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

	<u>2013</u>	<u>2012</u>
Profits before taxation	5,580,486,562	3,579,577,879
Expected income tax expense at tax rate of 25%	1,395,121,641	894,894,470
Add: Effect of tax preferential from subsidiaries	(23,650,931)	(27,291,363)
Non-taxable income	(182,534,823)	(72,856,701)
Cost, expense and loss not deductible for tax purposes	28,573,477	9,169,551
Reversal of deductible losses of deferred tax assets recognised in prior years	-	19,590,871
Deductible losses of unrecognised deferred tax assets in current period	264,709	54,832,526
Temporary difference on unrecognised deferred tax assets in current period	63,166,457	27,813,050
Deductible losses of unrecognised deferred tax assets in prior period	(44,996,085)	-
Temporary difference on unrecognised deferred tax assets in prior period	(3,675,271)	(21,938,709)
Effect of change in tax rate	(272,989)	949,717
Tax filling difference of income tax in prior years	5,231,388	815,484
Income tax expense	<u>1,237,227,573</u>	<u>885,978,896</u>

V. Notes to the consolidated financial statements (continued)

53 Calculation of basic and diluted earnings per share

(1) Basic earnings per share

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

	<u>2013</u>	<u>2012</u>
Combined net profits attributable to the ordinary shareholders of the Company	<u>3,086,428,618</u>	<u>1,698,728,966</u>
Weighted average number of outstanding ordinary shares	<u>4,375,236,655</u>	<u>3,981,994,714</u>
Basic earnings per share (RMB/share)	<u>0.71</u>	<u>0.43</u>

As described in Note I, on 31 December 2012, the Company completed major asset restructuring and acquired five subsidiaries by business combination under common control. As required by the Accounting Standards of Business Enterprises, the reporting entity based on consolidated financial statement after business combination should be considered as if it has been existing in previous periods from the perspective of ultimate controller. Retained earnings of reporting entity based on consolidated financial statement after business combination include accumulated net profit of the parties involved before combination. When calculating earnings per share in 2012, ordinary shares issued as consideration for business combination under common control should be regarded as if they have been outstanding at the beginning of the earliest period, and therefore should be included in weighted average number of ordinary shares in 2012.

(2) Diluted earnings per share

Diluted earnings per share is calculated by dividing the combined diluted net profits attributable to the ordinary shareholders of the Company by the weighted average number of diluted outstanding ordinary shares. In 2013 and 2012, the diluted and basic earnings per share are the same since the Company has no diluted potential ordinary shares.

V. Notes to the consolidated financial statements (continued)

54 Other comprehensive income

	<u>2013</u>	<u>2012</u>
Gain from available-for-sale financial assets	3,187,193	(10,448,483)
Less: Income tax impact from available-for-sale financial assets	(796,798)	2,612,121
Share of other comprehensive income of the investee under equity method	<u>21,663,172</u>	<u>-</u>
Total	<u><u>24,053,567</u></u>	<u><u>(7,836,362)</u></u>

55 Notes to cash flow statement

(1) Cash received relating to other operating activities

	<u>2013</u> <u>Amount</u>
Interest income	48,891,715
Government grant	17,635,808
Rental income	6,586,259
Others	<u>8,307,557</u>
Total	<u><u>81,421,339</u></u>

V. Notes to the consolidated financial statements (continued)

55 Notes to cash flow statement (continued)

(2) Cash paid relating to other operating activities

	<u>2013</u> <u>Amount</u>
Sewage charges	87,467,927
Insurance expenses	78,146,351
Entertainment expenses	29,043,583
Fire safety expenses	37,203,895
Office expense	48,190,666
Agency fee	20,404,388
Traffic expense	46,844,021
Bank protection fee	23,573,891
Travel expenses	17,573,720
Rental expenses	24,106,514
Research and development expenses	19,021,133
Property management fees	32,366,176
Labour union funds	21,351,331
Others	27,489,306
Total	<u>512,782,902</u>

(3) Cash received relating to other investment activities

	<u>2013</u> <u>Amount</u>
Cash receivable from Yudean for the price difference	422,451,302
Others	682,952
Total	<u>423,134,254</u>

V. Notes to the consolidated financial statements (continued)

56 Further information on cash flow statement

(1) Supplementary information of cash flow statement

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

	<u>2013</u>	<u>2012</u>
Net profit	4,343,258,989	2,693,598,983
Add: Provision for asset impairment	276,281,636	123,959,752
Depreciation of fixed assets and investment properties	3,450,390,164	2,935,797,415
Amortisation of intangible assets	43,072,039	37,694,536
Losses on disposal of fixed assets, intangible assets and other long-term assets	27,133,645	(7,507,886)
Financial expenses	1,924,915,519	1,850,519,726
Investment gains	(741,525,840)	(320,111,221)
Change in deferred income tax	37,196,831	25,881,432
Decrease in inventories	218,188,626	313,047,258
Increase in operating receivables	(102,631,069)	(496,095,572)
Increase in operating payables	233,615,900	695,001,823
Net cash flows from operating activities	<u>9,709,896,440</u>	<u>7,851,786,246</u>

(b) Major investment and financing activities not involved cash and cash equivalents:

	<u>2013</u>	<u>2012</u>
Acquisition of joint venture and associates through share issuance	<u>-</u>	<u>1,599,238,526</u>

V. Notes to the consolidated financial statements (continued)

56 Further information on cash flow statement (continued)

(1) Supplementary information of cash flow statement (continued)

(c) Net movement of cash and cash equivalent:

	<u>2013</u>	<u>2012</u>
Closing balance of cash	4,377,311,176	2,813,898,537
Less: Opening balance of cash	<u>(2,813,898,537)</u>	<u>(4,040,520,195)</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,563,412,639</u>	<u>(1,226,621,658)</u>

(2) Information of the acquisition of subsidiaries

Details are as follow:

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

(3) Composition of cash and cash equivalents

	<u>2013</u>	<u>2012</u>
Cash at bank and on hand	4,377,311,176	2,870,764,537
Less: restricted fund	<u>-</u>	<u>(56,866,000)</u>
Cash balance at year-end	<u>4,377,311,176</u>	<u>2,813,898,537</u>
Including: cash on hand	133,621	154,999
bank deposits available on demand	4,377,177,555	2,813,743,538

VI. Related party relationships and related party transactions

1 Parent of the Company

<u>Name of parent</u>	<u>Form of business</u>	<u>Place of registration</u>	<u>Legal representative</u>	<u>Nature of business</u>	<u>Registered capital</u>	<u>Shareholding proportion in the Company (%)</u>	<u>Voting proportion in the Company (%)</u>	<u>Orgainsation Code</u>
Yudean	State-owned enterprise	Guangzhou	Panli	Operation of power plant, management of electricity assets, construction of power plant and sales of electricity	21,500,000,000	67.39%	67.39%	73048602-2

VI. Related party relationships and related party transactions (continued)

2 Details of the Company's subsidiaries are set out in Note IV.1.

3 Information of joint venture and associates

<u>Name of investees</u>	<u>Form of business</u>	<u>Place of incorporation</u>	<u>Legal representative</u>	<u>Business nature</u>	<u>Registered capital</u>	<u>Shareholding proportion of the Company (%)</u>	<u>Voting proportion of the Company (%)</u>	<u>Organisation code</u>
Joint ventures								
Electric Fuel Supply	State-owned enterprise	Guangzhou	Dejun Zhu	Fuel trading	630,000,000	50%	50%	190326035
Associated companies								
Taishan Generation	State-owned enterprise	Taishan	Shuming Wang	Electricity generation	4,500,000,000	20%	20%	72784029-7
Binglang River	State-owned enterprise	Baoshan	Yibin Liu	Electricity generation	713,000,000	29%	29%	75066253-X
Shanxi Yudean Energy	State-owned enterprise	Taiyuan	Liang Jian Xuanxing Yang	Coal mining	1,000,000,000	40%	40%	790216374
Yudean Finance	State-owned enterprise	Guangzhou		Finance	2,000,000,000	25%	25%	71226867-0
Yudean Western	State-owned enterprise	Guangzhou	Rongkun Hong	Electricity generation	847,400,000	26%	26%	75285691-X
Yudean Shipping	State-owned enterprise	Shenzhen	Dejun Zhu	Shipping	2,465,800,000	35%	35%	775555474
Lincang Yuntou	State-owned enterprise	Lincang	Huang Ning	Electricity generation	396,490,000	49%	49%	77048814-5
Weixin Yuntou	State-owned enterprise	Zhaobian	Guowen Yang	Electricity generation	1,126,740,000	40%	40%	77859169-X
Shantou Wind Power	State-owned enterprise	Shantou	Yang Qing	Electricity generation	194,190,000	25%	25%	783853842
Jiangkeng Hydropower	State-owned enterprise	Qingyuan	Guansheng Li	Electricity generation	22,839,076	25%	25%	61806551-9
Centre Ken Electric	State-owned enterprise	Qingyuan	Lin Yang	Electricity generation	15,150,000	40%	40%	70760320-0

VI. Related party relationships and related party transactions (continued)

4 Information of other related parties

<u>Name of other related parties</u>	<u>Relationship with the Company</u>	<u>Organisation code</u>
Power Development	Controlled by Yudean	190321111
Maoming Thermal	Controlled by Yudean	19492436-6
Shaoguan Electric Power Plant	Controlled by Yudean	61744590-7
Shaoguan Plant D	Controlled by Yudean	61744707-2
Shajiao C	Controlled by Yudean	74369834-X
Xinfengjiang Electric Service	Controlled by Yudean	751086546
Guangdong Province Zhuhai Power Generation Co., Ltd. (“Zhuhai Electric”)	Controlled by Yudean	70812907-X
Zhuhai Jinwan Electric	Controlled by Yudean	717859111
Biomass Electric Power	Controlled by Yudean	680565944
Yudean PM	Controlled by Yudean	74706406-1
Guangdong Yueyang Electric Power Co., Ltd. (“Yueyang Electric”)	Controlled by Yudean	197823202
Yudean Technology	Controlled by Yudean	6692475-3
Yudean PI	Controlled by Yudean	73987209-3
Zhuhai Grand Power	Controlled by Yudean	707513758
GYEP	Controlled by Yudean	69643858-7
Shenzhen Tianxin	Controlled by Yudean	788338241
Huangpu Electric	Controlled by Yudean	191170749
Guangdong Guanghe Electric Power Co., Ltd (“Guanghe Electric Power”)	Controlled by Yudean	61740263-2
Jinhui Electric Power	Controlled by Yudean	72785566-7
Guangzhou Huangpu Yuehua Power Plant Operation Ltd. (“Huangpu Yuehua ”)	Controlled by Yudean	190536892
Inner Mongolia Yudean Menghua New Energy Co., Ltd. (“Menghua New Energy”)	Controlled by Yudean	588826371
Chaokang Investment	Controlled by Yudean	Hong Kong registered Company no organization code

VI. Related party relationships and related party transactions (continued)

4 Information of other related parties (continued)

<u>Name of other related parties</u>	<u>Relationship with the Company</u>	<u>Organisation code</u>
Guangdong Yuehua Power Co.Ltd ("Yuehua Power")	Controlled by Yudean	190320848
Guangzhou Fangneng Catering Management Co., Ltd ("Fangneng Catering")	Controlled by Yudean	778364833
Guangdong Yudean Changhu Power Generation Co., Ltd ("Changhu Power")	Controlled by Yudean	197770796
Zhuhai Special Economic Zone Guangzhu Power Generation Co., Ltd ("Guangzhu Power")	Controlled by Yudean	192585575
Guangdong Lianzhou Yuelian Power Plant Co., Ltd. ("Lianzhou Power")	Controlled by Yudean	618064196

5 Related party transactions

(1) Purchase of goods / receiving services

The Group

<u>Related parties</u>	<u>Type of related party transaction</u>	<u>Pricing policy and decision making process</u>	<u>2013</u>		<u>2012</u>	
			<u>Amount</u>	<u>% of similar transactions</u>	<u>Amount</u>	<u>% of similar transactions</u>
Electric Fuel Supply	Fuel purchase	Agreement price	12,596,036,188	90.80%	13,879,433,931	93.94%
GYEP	Material purchase	Agreement price	111,086,302	12.23%	82,083,517	13.44%
Zhuhai Grand Power	Equipment purchase	Agreement price	3,089,154	7.52%	2,260,493	3.06%
Huangpu Electric	Acceptance of impairment services	Agreement price	29,274,221	2.58%	28,466,410	3.26%
Maoming Thermal (i)	Acceptance of management services	Agreement price	57,075,767	5.02%	56,657,624	6.48%
Yudean Shipping	Acceptance of tugboat services	Agreement price	23,198,113	58.77%	24,477,887	43.93%
Xinfengjiang Electric Service	Acceptance of impairment services	Agreement price	-	0.00%	1,696,125	0.19%
Yudean Property Management	Acceptance of leasing services	Agreement price	16,083,940	49.69%	14,723,271	55.73%
Yudean Technology	Acceptance of management services	Agreement price	4,558,753	0.40%	7,231,285	0.83%
Huangpu Yuehua Human Resources	Acceptance of human resources services	Agreement price	3,050,000	3.84%	3,140,552	0.36%
Yudean Property Management	Acceptance of leasing services	Agreement price	5,550,834	23.03%	4,701,264	8.88%
Chaokang Investment	Acceptance of advisory services	Agreement price	518,004	12.87%	2,686,763	65.96%
Shajiao C	Acceptance of property services	Agreement price	16,800	0.05%	-	0.00%
Yueyang Electric	Acceptance of services	Agreement price	1,306,667	18.16%	-	0.00%
Fangneng Catering	Acceptance of catering services	Agreement price	254,391	1.83%	174,595	1.32%

VI. Related party relationships and related party transactions (continued)

5 Related party transactions (continued)

(1) Purchase of goods / receiving services (continued)

- (i) The 5# generation set of Maoming Zhenneng is managed by Maoming Thermal. Under the written agreement, the annual management fee for the fixed unit was RMB20,360,000, plus other variable expenses at RMB4 for every thousand of kilowatt hours of electricity generated. In addition, the 6# generation set of Maoming Zhenneng is also managed by Maoming Thermal. Under the written agreement, the annual management fee for the fixed unit was RMB 25,556,300, plus other variable expenses at RMB4 for every thousand of kilowatt hours of electricity generated.

(2) Payment of pocket expenses

	<u>2013</u>	<u>2012</u>
Shaoguan Electric	<u>9,651,695</u>	<u>119,000,000</u>

(3) Sales of goods / rendering of services

The Group

<u>Related parties</u>	<u>Type of related party transaction</u>	<u>Pricing policy and decision making process</u>	<u>2013</u>		<u>2012</u>	
			<u>Amount</u>	<u>% of similar transaction</u>	<u>Amount</u>	<u>% of similar transaction</u>
GYEP	Sales of material	Agreement price	136,537,564	66.04%	103,808,560	47.10%
Shajiao C	Provision of maintenance services	Agreement price	40,013,798	70.09%	45,624,947	81.48%
Zhuhai Jinwan Electric	Provision of maintenance services	Agreement price	3,891,289	6.82%	2,368,675	4.23%
Biomass Electric Power	Provision of maintenance services	Agreement price	5,463,490	9.57%	3,633,894	6.49%
Zhuhai Electric	Provision of maintenance services	Agreement price	1,897,436	3.32%	4,369,548	7.80%
Changhu Power	Provision of maintenance services	Agreement price	497,436	0.87%	-	0.00%
Menghua New Energy	Provision of technical services	Agreement price	613,885	1.08%	-	0.00%

VI. Related party relationships and related party transactions (continued)

5 Related party transactions (continued)

(4) Leasing with related parties

The Group as a lessee:

<u>Name of lessor</u> <u>2013</u>	<u>Name of Lessee</u>	<u>Type of</u> <u>leased assets</u>	<u>Starting date</u>	<u>Maturity date</u>	<u>Pricing basis of</u> <u>leasing</u> <u>payment</u>	<u>Leasing payment</u> <u>recognised</u> <u>in</u>
Maoming Thermal	Maoming Zhenneng	Land lease	1/1/2007	31/12/2037	Agreement price	364,861
Maoming Thermal	Maoming Zhenneng	Land lease	1/8/2010	1/8/2040	Agreement price	731,217
Maoming Thermal *	Maoming Zhenneng	Housing rental	1/1/2013	31/12/2013	Agreement price	155,405
Yudean PI*	Shibeishan	Housing rental	1/1/2013	31/12/2013	Agreement price	1,114,680
Yudean PI*	the Company	Housing rental	1/1/2013	31/12/2013	Agreement price	3,586,584
						<u>5,952,747</u>

* The above contracts will be updated every year and they have been renewed on 1 January 2014.

(5) Guarantee with related parties

Guarantees offered by the Group and the Company

<u>Guarantor</u> <u>not</u>	<u>Guarantee</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	<u>Whether the</u> <u>guarantee</u> <u>has been</u> <u>fulfilled</u> <u>or</u>
The Company	Lincang Yuntou	17,150,000	20/01/2007	25/12/2020	No
The Company	Lincang Yuntou	6,860,000	29/07/2008	29/07/2018	No
The Company	Lincang Yuntou	83,300,000	18/12/2012	31/12/2030	No
The Company	Weixin Yuntou	200,000,000	22/09/2009	20/03/2016	No
The Company	Weixin Yuntou	334,800,000	27/03/2012	19/07/2014	No
The Company	Weixin Yuntou	254,000,000	06/12/2012	19/07/2014	No
The Company	Binglang River	16,530,000	16/03/2006	13/03/2021	No
The Company	Binglang River	120,000,000	02/04/2008	05/06/2028	No
The Company	Binglang River	58,000,000	31/10/2008	30/10/2027	No
The Company	Binglang River	5,220,000	30/06/2005	30/06/2017	No

VI. Related party relationships and related party transactions (continued)

5 Related party transactions (continued)

(5) Guarantees with related parties (continued)

Guarantees provided by the Group and the Company for related parties' borrowing (continued)

<u>Guarantor</u> <u>not</u>	<u>Guarantee</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	Whether the guarantee has been fulfilled or
The Company	Binglang River	34,800,000	19/12/2007	18/12/2024	No
The Company	Binglang River	22,040,000	31/08/2005	30/08/2022	No
The Company	Binglang River	82,070,000	25/08/2009	24/08/2029	No
The Company	Binglang River	37,120,000	14/11/2008	14/11/2020	No
The Company	Binglang River	58,000,000	27/05/2009	27/05/2023	No
The Company	Binglang River	98,607,300	29/06/2010	15/07/2020	No
The Company	Yuejiang Power	124,995,467	28/07/2011	20/07/2018	No
The Company	Yuejiang Power	184,966,435	06/12/2012	06/12/2017	No
The Company	Zhanjiang Electric Power	174,371,340	03/03/2011	02/03/2029	No

Guarantee received by the Group and the Company (Note V.35(1)(c))

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

(6) Loan of capital

- (a) According to the 2013 Framework Agreement on Financial Services between the Company and Yudean Finance, Yudean Finance has committed to offer the Company a banking facility of less than RMB14 billion in 2013. During the same year, the Company borrowed a total of RMB13,225,544,618 (2012: RMB11,714,200,000) from Yudean Finance based on its actual capital requirement. The Company paid an interest of RMB241,379,311 (2012: RMB355,023,937) for such borrowing (Note VI.5(10)).
- (b) In 2013, the net amount of the Group's deposits with Yudean Finance increased by RMB 980,309,516 (2012: a net decrease of RMB 555,107,006). Interests due from Yudean Finance amounted to RMB 42,191,555 (2012: RMB 27,396,398). In

light of the frequent deposits and withdrawals, only the amount of net change in deposits is disclosed.

VI. Related party relationships and related party transactions (continued)

5 Related party transactions (continued)

(6) Loan of capital (continued)

- (c) As disclosed in Note V.25, according to the three-party agreement signed among the Group, Yudean Finance and Fuel Supply, the amount of the bills issued to Fuel Supply by the Group and discounted with Yudean Finance represents the amount payable to Yudean Finance. Given the frequent transactions, only the net change of the balance of commercial acceptance bills discounted with Yudean Finance as at 31 December was disclosed. As at 31 December 2013, the net amount of Yudean Finance's discounting of acceptance bills issued by the Group to Fuel Supply increased by RMB 547,874,618. In 2013, the discounting interest charged by Yudean Finance and borne by the Group which was included in the discounting interest expenses in the year amounted to RMB 62,992,974.

(d) Transactions between the Company and its subsidiaries

In 2013, the net increase in non-secured loans borrowed by the Company from its subsidiaries was RMB100,000,000 (2012: nil) with an annual interest rate from 5.6% to 6.0% (2012: from 5.85% to 6.00%). An interest expense of RMB 63,783,444 (2012: RMB62,397,750) was recognised. The balance of borrowings at the end of 2013 was RMB1,100,000,000 (2012: RMB1,000,000,000). The Company only disclosed the net change in loan of capital with its subsidiaries due to the frequent transaction of funds.

In 2013, the net increase in non-secured loans provided by the Company to its subsidiaries was RMB500,000,000 (2012: net decrease of RMB200,000,000) with an annual interest rate from 5.00% to 5.92% (2012: 5.88%). An interest income of RMB10,342,200 (2012: RMB19,072,667) was recognised. The balance of borrowings at the end of 2013 was RMB500,000,000 (2012: nil). The Company only disclosed the net change in loan of capital with its subsidiaries due to the frequent transaction of funds.

(e) Entrusted loans provided by the Company to its associates

<u>Name of associates</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	<u>Interest income recognised in 2013</u>
Weixin Yuntou	200,000,000	14/03/2011	17/05/2013	6,206,146
Weixin Yuntou	95,000,000	17/05/2013	03/03/2014	4,971,931
Lincang Yuntou	5,780,000	28/10/2009	07/03/2013	63,305
Lincang Yuntou	4,800,000	30/11/2009	07/03/2013	55,466
Shanxi Yudean Energy	8,000,000	09/05/2012	07/03/2013	119,700
Shanxi Yudean Energy	153,200,000	30/05/2011	26/04/2013	3,288,693

VI. Related party relationships and related party transactions (continued)

5 Related party transactions (continued)

(6) Loan of capital (continued)

(f) Entrusted loans provided by other related parties to the Company's subsidiaries

<u>Name of subsidiary</u>	<u>Related party</u>	<u>Amount</u>	<u>Starting date</u>	<u>Maturity date</u>	<u>Interest expense recognised in 2013</u>
Zhongyue Energy	Chaokang Investment	100,000,000	28/12/2012	27/12/2013	5,700,000
Zhongyue Energy	Chaokang Investment	200,000,000	17/05/2013	27/12/2013	6,650,000
Maoming Zhenneng	Chaokang Investment	100,000,000	28/12/2012	27/12/2013	5,732,363
Maoming Zhenneng	Chaokang Investment	100,000,000	25/04/2013	27/12/2013	3,863,333

(7) Purchase of capacity of small firepower units

<u>Purchaser</u>	<u>Seller</u>	<u>Related party transaction</u>	<u>Pricing policy</u>	<u>2013</u>	
				<u>Amount</u>	<u>% of similar transaction</u>
Red Bay	Yuehua Power	Purchase of units capacity	Agreement price	82,000,000	41%
Yuejiang Power	Shaoguan Plant D	Purchase of units capacity	Agreement price	56,000,000	28%
Bohe Coal	Lianzhou Power	Purchase of units capacity	Agreement price	62,400,000	31%
				<u>200,400,000</u>	<u>100%</u>

<u>Purchaser</u>	<u>Seller</u>	<u>Related party transaction</u>	<u>Pricing policy</u>	<u>2012</u>	
				<u>Amount</u>	<u>% of similar transaction</u>
Zhenneng Electric	Maoming Thermal	Purchase of units capacity	Agreement price	30,000,000	15%
Jinghai Electric	Guangzhu Power	Purchase of units capacity	Agreement price	170,268,000	85%
				<u>200,268,000</u>	<u>100%</u>

(8) Allocation of common expenses

The Company's branches Shajiao A and Shajiao C agreed to share common expenses based on their agreed allocation basis. In 2013, the common expenses received by the Group from Shajiao C was RMB6,547,065 (2012: RMB5,642,215).

VI. Related party relationships and related party transactions (continued)

5 Related party transactions (continued)

(9) Interest income

	<u>2013</u>	<u>2012</u>
Deposit income paid from Yudean Finance	42,191,555	27,396,398
Weixin Yuntou	11,178,077	18,194,450
Yudean Western	-	78,639
Lincang Yuntou	118,771	1,019,964
Shanxi Yudean Energy	3,408,393	11,323,309
	<u>56,896,796</u>	<u>58,012,760</u>
Percentage of interest income	83.77%	71.02%

(10) Interest expense

	<u>2013</u>	<u>2012</u>
Loan interest paid to Yudean Finance	241,379,311	355,023,937
Bill discounting interest paid to Yudean Finance	62,992,974	53,209,736
Loan interest paid to Yudean	-	13,802,950
Loan interest paid to Guanghe Electric	-	19,714,311
Loan interest paid to Chaokang Investment	21,945,696	125,971
	<u>326,317,981</u>	<u>441,876,905</u>
Percentage of interest expenses	16.93%	23.88%

In 2013, the loans provided by Yudean Finance to the Group carry an annual interest rate from 5.04% to 6.22% (2012: from 5.04% to 6.56%).

(11) Joint investment

As at 31 December 2013, the Group invests in the following subsidiaries, joint ventures and associates with Yudean:

	Percentage of equity attributable to Yudean
Yudean Finance	65%
Electric Fuel Supply	50%
Shanxi Yudean Energy	60%
Yudean Western	35%

VI. Related party relationships and related party transactions (continued)

5 Related party transactions (continued)

(12) Emoluments of key management

	<u>2013</u>	<u>2012</u>
Emoluments of key management	<u>4,643,068</u>	<u>4,279,432</u>

(13) Commitment to related parties

As at the balance sheet date, the capital expenditures contracted for by the Group with related parties but not necessary to be recognised in the balance sheet are as follows:

	31 December 2013	31 December 2012
Assets leased		
Yudean PI	4,701,264	4,701,264
Maoming Thermal	<u>28,194,848</u>	<u>29,751,005</u>
	<u>32,896,112</u>	<u>34,452,269</u>

(14) Share acquisition from related parties

In 2012, the Company acquired shares from its parent company Yudean. Details are disclosed in Note I and IV.5.

In 2013, the Company acquired shares from its related parties. Details are disclosed in Note IV.3 and 4.

(15) Investment commitments

As at 31 December 2013, investment commitments between the Group and its related parties are disclosed in Note VIII.1 (3).

VI. Related party relationships and related party transactions (continued)

6 Amount due from/due to related parties

Amount due from related parties

The Group

	<u>Related party</u>	<u>2013</u>	<u>2012</u>
Cash at bank and on hand	Yudean Finance	2,838,481,167	1,858,171,651
Accounts receivable	Shajiao C	18,281,008	18,944,756
	Zhuhai Electric	-	740,000
	Biomass Electric Power	797,586	602,202
	Zhuhai Jinwan Electric	25,492	9,493
	GYEP	-	29,009,296
Total		19,104,086	49,305,747
Other receivables	Yudean	-	422,451,302
	Weixin Yuntou	95,000,000	100,886,148
	GYEP	73,362,113	18,618,310
	Shanxi Yudean Energy	-	8,014,630
	Lincang Yuntou	-	5,011,426
	Shajiao C	654,064	2,450,490
	Yudean PI	885,244	783,544
	Yudean PM	282,962	256,152
	Chaokang Investment	220,434	220,434
	Menghua New Energy	613,885	-
	Zhuhai Jinwan Electric	100,000	-
Total		171,118,702	558,692,436
Interest receivable	Yudean Finance	5,198,549	605,025
	Weixin Yuntou	589,489	886,149
	Shanxi Yudean Energy	-	314,571
	Lincang Yuntou	-	12,750
Total		5,788,038	1,818,495

VI. Related party relationships and related party transactions (continued)

6 Amount due from/due to related parties(continued)

Amount due from related parties (continued)

The Group

	<u>Related party</u>	<u>2013</u>	<u>2012</u>
Prepayments	Electric Fuel Supply	1,324,042,991	943,652,991
	Shenzhen Tianxin	-	3,116,937
	Yudean Finance	9,324,000	-
Total		<u>1,333,366,991</u>	<u>946,769,928</u>
Long-term receivables	Shanxi Yudean Energy	-	153,200,000
	Weixin Yuntou	-	100,000,000
	Lincang Yuntou	-	5,580,000
Total		<u>-</u>	<u>258,780,000</u>

As at 31 December 2012, the Group does not provide bad debt impairment for accounts receivable, other receivables, trade prepayments and long-term receivables of the related parties above, except for the bad debt impairment of RMB132,344 for GYEP's accounts receivable of RMB29,009,296.

As at 31 December 2013, the Group does not provide bad debt impairment for accounts receivable, other receivables, prepayments and long-term receivables of the related parties above.

Amount due to related parties

The Group

	<u>Related party</u>	<u>2013</u>	<u>2012</u>
Accounts payable	Electric Fuel Supply	1,825,228,940	2,603,606,636
	Maoming Thermal	101,009,782	88,385,062
	GYEP	61,800,181	27,292,333
	Huangpu Electric	-	4,878,489
	Chaokang Investment	-	1,519,323
	Yudean PM	-	471,878
	Yudean Technology	336,000	434,900
	Xinfengjiang Electric Service	2,700	91,356
	Jinhui Electric	-	90,582
	Zhuhai Grand Power	1,735,302	-
	Shaoguan Electric	3,544,826	-
Total		<u>1,993,657,731</u>	<u>2,726,770,559</u>

VI. Related party relationships and related party transactions (continued)

6 Amount due from/due to related parties (continued)

Amount due to related parties (continued)

The Group(continued)

	<u>Related party</u>	<u>2013</u>	<u>2012</u>
Other payables	Guangzhu Power	-	102,160,800
	Maoming Thermal	15,000,000	30,000,000
	Shaoguan Electric	33,206,172	26,228,082
	GYEP	1,084,284	14,301,697
	Huangpu Electric	11,538,318	9,566,490
	Yudean Shipping	4,630,000	3,500,000
	Yudean PM	1,915,020	2,447,177
	Shaoguan D	1,750,737	1,750,737
	Xinfengjiang Electric Service	218,831	1,127,200
	Huangpu Yuehua Human Resources	1,270,833	622,708
	Yudean Technology	550,500	251,500
	Shenzhen Tianxin	70,000	70,000
	Yuehua Power	82,186,667	-
	Yueyang Electric	18,000,000	18,000,000
	Jinhui Electric	90,582	-
Total		<u>171,511,944</u>	<u>210,026,391</u>
Interest payable	Yudean Finance	7,087,234	9,820,839
	Chaokang Investment	-	126,530
Total		<u>7,087,234</u>	<u>9,947,369</u>
Dividends payable	Shaoguan D	<u>3,521,190</u>	<u>3,521,190</u>
Bills payable (Note V.25(2))	Yudean Finance	<u>1,387,874,618</u>	<u>840,000,000</u>
Short-term loans	Yudean Finance	3,722,000,000	5,188,000,000
	Chaokang Investment	-	200,000,000
Total		<u>3,722,000,000</u>	<u>5,388,000,000</u>
Non-current liabilities due within one year	Chaokang Investment	<u>50,000,000</u>	<u>100,000,000</u>
Long-term loans	Chaokang Investment	<u>738,670,000</u>	<u>1,305,400,000</u>

VI. Related party relationships and related party transactions (continued)

6 Related party transactions (continued)

Amount due to related parties (continued)

The short-term loans and long-term loans borrowed from related parties are detailed in Note V.24, 33 and 35. Other receivables and long-term receivables provided to related parties in the form of entrusted loans are detailed in Note V.5 and 10. Bills payable accepted by Yudean Finance are detailed in Note V.25. Except for the borrowings, entrusted loans and bills payable mentioned above, other amounts due from/to related parties were non-interest bearing, unsecured current accounts, which shall be repayable on demand.

VII. Contingencies

1 Contingent liability

- (1) As at 31 December 2013, the Group provides joint guarantee for bank borrowings amounted to RMB433,378,000 and finance leases amounted to RMB96,607,300 of Binlangjiang; bank borrowings amounted to RMB107,310,000 of Lincang Yuntou, and bank borrowings amounted to RMB608,800,000 of Weixin Yuntou (Note VI.5(5)).
- (2) A Haoxing abalone farm in Pinghai Town, Huidong County sent us a lawyer's letter on 24 May 2010 through Guangdong Weilun Lawyers' Firm. The letter said that Huizhou Pinghai electric plant caused sea water pollution and changed the direction and speed of waves, which resulted in a RMB3 million loss of the farm per year and the loss may be bigger. The farm required us to take responsibility for their loss and take actions as soon as possible, including suspension of invasion, reduction of interference, elimination of danger, recovery to normal status and compensation for loss. As of 31 December 2013, the farm does not take any subsequent legal actions to the Company.

The Group considered that the farm is located outside the water of Huizhou Pinghai electric plant, and there is no evidence or support for the accusation that the construction of the plant caused the sea water pollution, change of direction and speed of waves and resulted in the farm's loss.

The Board of the Company cannot reasonably estimate the possible loss of this case as of the approval date of this financial statement, and the Group has not recorded any provision or liability for this contingent liability in its financial statement.

- (3) The Company's subsidiary Red Bay provided a RMB50,000,000 guarantee for Shanwei Asset Management Company through the Industrial and Commercial Bank of China, which will be mature on 19 February 2016. Shanwei Asset Management Company pledged its 10% interest in Red Bay and the derived interests thereon to Red Bay as a counter guarantee. As of 31 December 2013, the owners' equity in Red Bay is RMB3,437,663,324. Shanwei Asset Management Company has repaid the above loan on March 2014.

VIII. Commitments

1 Major commitments

(1) Capital commitments

	<u>2013</u>	<u>2012</u>
Buildings and equipments	<u>14,758,471,768</u>	<u>5,496,122,914</u>

The above capital commitments will be primarily used for the construction of new electric plants and the purchase of new generators. Management expected the above commitment will be realised gradually in the coming three to five years. It will be secured by the funds and bank borrowings incurred from the operation of the Group's existing generators.

(2) Operating lease commitments

As at 31 December, the total future minimum lease payments under non cancellable operating leases of buildings were payable as follows:

	<u>2013</u>	<u>2012</u>
Within 1 year (inclusive)	8,059,029	6,675,348
After 1 year but within 2 years (inclusive)	3,548,078	3,952,888
After 2 years but within 3 years (inclusive)	1,865,028	2,418,840
After 3 years	<u>34,132,854</u>	<u>27,989,661</u>
Total	<u>47,604,989</u>	<u>41,036,737</u>

(3) Investment commitments

- (a) The Seventh Session of the Board of Directors of the Company ("the Board") passed the resolution of "Capital Increase in Da Ya Kou Hydroelectric Plant ("the Project") of Lincang Yuntou Yudean Hydroelectric Develop Co., Ltd" during its 16th Board meeting on 29 October 2013. The Board agreed to increase its capital proportion in the Project from 20% to 30% to support the subsequent construction of the Project. On 24 December 2013, the Board passed the resolution of "Increase in Registered Capital of Lincang Yuntou Yudean Hydroelectric Develop Co., Ltd" to approve additional capital contribution to Lincang Yuntou for the capicity expansion projects in Nanrongtian and Gualanzi electric plants. The Company is required to contribute RMB68,546,100 for the two projects above.

As at 31 December 2013, the Company contributed RMB55,860,000 to Lincang Yuntou. The remaining capital of RMB12,686,100 has been settled on January 2014.

VIII. Commitments (continued)

1 Major commitments (continued)

(3) Investment commitments (continued)

- (b) The Board passed the resolution of “Establishment of Guangdong Yudean Leizhou Wind Power Co., Ltd. by Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd” on 9 January 2013, pursuant to which the Company’s 70% owned Zhenjiang Wind Power will establish Leizhou Wind Power. The registered capital of Leizhou Wind Power should be less than RMB162,455,300 for the development of Hongxinlou Wind Power Project (49.5MW). The capital injection from Zhenjiang Wind Power to Leizhou Wind Power will be settled by the capital contribution from the Company and other shareholders of Zhenjiang Wind Power. The Company’s contribution to Zhenjiang Wind Power will be less than RMB106,718,700 and Zhenjiang Wind Power’s contribution to Leizhou Wind Power will be less than RMB162,455,300. As at 31 December 2013, the Company has not completed the injection to Zhenjiang Wind Power and Zhenjiang Wind Power has injected RMB20,000,000 to Leizhou Wind Power.

(4) Implementation of prior commitments

- (a) The Seventh Session of the Board passed the resolution of “Investment in Guishan Offshore Wind Power Project” during its first meeting in 2012 on 19 January, pursuant to which the Company will invest in the construction of South Wind Power based on its 10% shareholding proportion and take part in Guishan Offshore Wind Power Project. The registered capital is tentatively set at RMB900,000,000. The Company is required to invest RMB90,000,000 as 10% of the total capital of the project. As at 31 December 2013, the Company injected RMB30,000,000 to South Wind Power.
- (b) The Seventh Session of the Board passed the resolution of “Capital Increase in Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.” during its 10th meeting on 21 August 2012, pursuant to which the Company will inject RMB239,600,000 to its associated company Weixin Yuntou based on its 40% shareholding proportion. The Company injected a total of RMB733,600,000 following the capital contribution. As at 31 December 2013, the actual capital injection from the Company to Weixin Yuntou was RMB200,000,000.
- (c) The Seventh Session of the Board passed the resolution of “Establishment of Guangdong Yudean Dabu Electric Ltd” during its 11th meeting on 29 October 2012, pursuant to which the Company will establish Dabu Electric as its wholly-owned subsidiary. The Company is required to inject RMB1,104,000,000 (20% of the total project investment RMB 5,520,000,000) in batches based on the construction progress. As at 31 December 2013, the Company invested RMB600,000,000 to Dabu Electric.

VIII. Commitments (continued)

1 Major commitments (continued)

(4) Implementation of prior commitments (continued)

- (d) The Seventh Session of the Board passed the resolution of “Capital Increase in Guangdong Yudean Bohe Coal Power Co., Ltd” during its 11th meeting on 29 October 2012, pursuant to which the Company agreed to inject RMB854,570,000 in cash to Bohe Coal for the construction of terminal project. The injection would be made in batches based on the capital requirement of the project. On 22 August 2013, the Seventh Session of the Board passed the resolution of “Investment in Guangdong Maoming Bohe Electric power generation project” during its 15th meeting, pursuant to which the Company agreed to inject RMB1,375,000,000 to Bohe Coal for the construction of Bohe electric plant. The injection of the initial capital of Bohe Coal of RMB285 million was completed. The subsequent injection of RMB1,090,000,000 will be made in batches based on the capital requirement of the project. The foresaid capital commitment is totaled at RMB2,229,570,000. As at 31 December 2013, the Company injected RMB1,085,000,000 to Bohe Coal.
- (e) The Sixth Session of the Board agreed to increase its capital in the Company’s associated company Shantou Wind Power for the construction of a wind power project in Nanao East Island during its eighth meeting on 29 June 2009. The Company agreed to inject RMB35,000,000 to Shantou Wind Power based on its 25% shareholding proportion. The injection would be made in batches based on the contrsuction progress. As at 31 December 2013, the Company injected RMB12,472,500 to Shantou Wind Power.
- (f) The Sixth Session of the Board passed the reolution of “Capital Increase in Guangdong Yudean Jinghai Power Co., Ltd.” during its 11th metting on 15 April 2010, pursuant to which the Company agreed to inject RMB565,025,500 to its subsidiary Jinghai Power based on its 65% shareholding proportion. The Company’s proportion of shareholding in Jinghai Power remains unchanged following the completion of capital increase. As at 31 December 2013, the Company injected RMB445,014,000 to Jinhai Power.
- (g) The Seventh Session of the Board passed the resolution of “Investment in Offshore Wind Power Project by Guangdong Yudean Zhanjiang Wind Power Generation Co., Ltd.” during its second meeting on 28 June 2011, pursuant to which the Company agreed to inject RMB140,000,000 to its subsidiary Zhanjiang Wind Power for the investment in Xuwen offshore wind power project. The injection would be made in batches based on the actual progress of the project. As at 31 December 2013, the Company injected RMB75,733,000 to Zhanjiang Wind Power.

IX. Post balance sheet date event

(1) Dividend distribution for ordinary shares proposed after balance sheet date

According to a resolution of the Board of Directors (“BOD”) dated 22 April 2014, the BOD suggested that the Group appropriate statutory surplus reserve of RMB 173,523,454, representing 10% of net profit, and discretionary surplus reserve of RMB 433,808,635, representing 25% of net profit (2012: statutory surplus reserve of RMB 70,857,902 and discretionary surplus reserve of RMB 177,144,756); furthermore, the BOD suggested that the Group distribute cash dividends to shareholders at the rate of RMB 2 for every 10 shares, amounting to a total of RMB 875,047,331 (2012: RMB 0.54 for every 10 shares for controlling shareholder Guangdong Yudean Group Co., Ltd., RMB 1.04 for every 10 shares for other shareholders, and RMB 306,266,566 in cash dividends distributed in total). This suggestion is yet to be approved by the shareholders’ meeting. Cash dividends were not recognised as liabilities as at the balance sheet date since the suggestion was made after the balance sheet date.

X. Other significant events

1 Lease

The Group’s payables related to finance lease are set out in Note V.33 and V.37.

2 Segment reporting

Ten reportable segments identified by the Group are the business units that provide different products or service, or operate in the different areas. Different businesses or areas require different technologies and marketing strategies, the Group, therefore, separately manages the production and operation of each reportable segment and evaluates their operating results respectively, in order to make decisions about resources to be allocated to these segments and to assess their performance.

The reportable segments are generating and selling electricity in different areas in Guangdong.

(1) Segment profits and losses, assets and liabilities

Inter-segment transfers are measured by making reference to the sales to third parties.

The assets are allocated based on relevant incomes and expenses, assets and liabilities of segment operation.

X. Other significant events (continued)

2 Segment reporting (continued)

(1) Segment profits and losses, assets and liabilities (continued)

For the purposes of assessing segment performance and allocating resources between segments, the Group's management regularly reviews the assets, liabilities, revenue, expenses and financial performance, attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other long-term assets and current assets, such as accounts receivable, with the exception of deferred tax assets and other unallocated corporate assets. Segment liabilities include payables and advances from customers, bank borrowings and interest payable, long-term and short-term bonds and dividends payable attributable to the individual segments, but exclude deferred tax liabilities.

Financial performance is operating income (including operating income from external customers and inter-segment operating income) after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments, and interest income and expense from cash balances and borrowings managed directly by the segments. Inter-segment sales are determined with reference to prices charged to external parties for similar orders.

X. Other significant events (continued)

2 Segment reporting (continued)

(1) Segment profits and losses, assets and liabilities (continued)

Information regarding the Group's reportable segments set out below is the measure of segment profit or loss and segment assets and liabilities reviewed by the chief operating decision maker or is otherwise regularly provided to the chief operating decision maker, even if not included in the measure of segment profit or loss and segment assets and liabilities:

	The Company		Guangqian Electric		Yuejia Electric		Jinghai Power		Pinghai Power		Red Bay	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from external customers	2,921,106,008	3,081,573,292	1,528,631,572	1,603,513,228	611,036,668	688,648,307	6,639,655,614	3,028,083,595	4,348,309,374	4,986,609,133	4,991,062,915	6,266,748,133
Inter-segment revenue	97,997	165,236	-	-	-	-	76,578	63,831	-	-	-	-
Investment gain in associates and joint ventures	706,492,821	270,352,325	-	-	-	-	-	-	-	-	-	-
Impairment losses	(6,764,694)	(111,252,200)	-	-	(201,115,260)	-	-	-	-	-	4,100,463	(967,039)
Depreciation and amortisation	(155,291,185)	(160,917,430)	(226,856,216)	(227,188,813)	(63,634,645)	(79,851,931)	(791,740,898)	(321,663,592)	(381,345,791)	(380,487,812)	(695,163,701)	(664,243,510)
Interest income	8,485,775	3,952,758	1,027,447	1,155,609	3,344,852	1,098,173	1,513,695	9,735,037	7,654,240	11,827,437	6,489,826	4,818,881
Interest expense	(354,572,419)	(389,725,812)	(60,268,850)	(76,204,604)	-	-	(483,352,710)	(171,377,814)	(278,013,074)	(343,304,158)	(379,010,303)	(444,258,096)
Total profit ("") for net decrease)	811,129,841	82,702,112	178,074,333	237,390,016	(181,068,864)	19,073,940	1,371,782,457	432,178,802	1,326,385,442	1,230,984,279	768,058,232	972,371,694
Income tax expense	1,913,408	(2,049,283)	(26,931,352)	(36,691,291)	-	-	(343,506,190)	(108,587,296)	(335,604,756)	(307,832,272)	(203,211,895)	(244,256,708)
Net profit ("") for net decrease)	813,043,249	80,652,829	151,142,981	200,698,725	(181,068,864)	19,073,940	1,028,276,267	323,591,506	990,780,686	923,152,007	564,846,337	728,114,986
Total assets	10,105,856,711	9,367,754,035	2,491,616,675	2,449,511,216	643,530,324	885,782,362	13,364,221,840	12,866,950,886	7,893,425,112	8,122,702,445	10,544,270,594	11,290,124,169
Total liabilities	7,709,625,772	6,648,575,900	1,138,551,795	1,096,357,993	218,495,158	279,678,333	9,313,540,884	9,553,313,841	5,301,952,544	6,522,010,563	7,123,404,285	7,874,703,575
Other material non-cash items:												
- Other non-cash expenses other than depreciation and amortisation	914,720	(2,022,766)	-	-	80,000	(88,000)	-	-	-	-	-	-
- Long-term equity investments in associates and joint ventures	6,519,512,837	5,516,629,473	-	-	-	-	-	-	-	-	-	-
- The amounts of additions to non-current assets other than long-term equity investments	526,933,249	(12,031,497)	6,265,285	(216,030,130)	-	(23,643,114)	2,816,612,314	606,371,819	-	(383,274,924)	55,572,080	(325,605,903)

X. Other significant events (continued)

2 Segment reporting (continued)

(1) Segment profits and losses, assets and liabilities (continued)

	Huizhou Natural Gas		Zhanjiang Electric		Yuejiang Power		Others		Elimination		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Revenue from external customers	1,571,998,453	1,630,202,927	2,799,353,028	2,613,335,501	1,430,230,503	1,449,380,818	3,989,373,202	4,141,178,685	-	-	30,830,757,337	29,489,273,619
Inter-segment revenue	-	-	7,797,586	7,404,790	-	-	63,603,460	70,451,589	(71,575,621)	(78,085,446)	-	-
Investment gain in associates and joint ventures	-	-	-	-	-	-	-	-	-	-	706,492,821	270,352,325
Impairment losses	-	-	(36,238,414)	(11,686,773)	(33,347,607)	(53,740)	(2,916,124)	-	-	-	(276,281,636)	(123,959,752)
Depreciation and amortisation	(226,429,803)	(225,973,901)	(250,290,900)	(252,183,232)	(190,960,485)	(178,679,440)	(511,748,580)	(483,351,530)	-	1,049,240	(3,493,462,203)	(2,973,491,951)
Interest income	751,520	1,514,120	9,370,073	7,104,197	3,509,225	2,670,168	11,065,167	7,196,648	-	-	53,211,820	51,073,028
Interest expense	(61,694,553)	(74,871,018)	-	-	(87,215,621)	(97,281,680)	(300,757,492)	(334,966,960)	74,125,644	81,470,416	(1,930,759,378)	(1,850,519,726)
Total profit(" ") for net decrease	204,803,777	246,153,238	660,493,220	320,272,737	7,749,125	(54,394,452)	454,176,950	93,413,610	(21,097,951)	(568,097)	5,580,486,562	3,579,577,879
Income tax expense	(51,086,708)	(61,538,309)	(169,403,531)	(81,536,766)	-	-	(109,349,161)	(43,486,971)	(47,388)	-	(1,237,227,573)	(885,978,896)
Net profit(" ") for net decrease	153,717,069	184,614,929	491,089,689	238,735,971	7,749,125	(54,394,452)	344,827,789	49,926,639	(21,145,339)	(568,097)	4,343,258,989	2,693,598,983
Total assets	2,564,884,165	2,694,083,905	4,684,816,407	4,340,155,659	3,720,176,201	3,157,375,768	14,220,758,930	11,544,305,037	(2,314,837,924)	(1,010,086,012)	67,918,719,035	65,708,659,470
Total liabilities	1,283,332,851	1,431,626,226	616,098,483	445,262,555	3,447,834,668	2,892,783,360	8,411,699,421	8,065,678,252	(2,238,487,678)	(1,076,087,654)	42,326,048,183	43,733,902,944
Other material non-cash items:												
- Other non-cash expenses other than depreciation and amortisation	-	-	-	-	-	(2,600,000)	2,011,852	(809,546)	-	-	3,006,572	(5,520,312)
- Long-term equity investments in associates and joint ventures	-	-	-	-	-	-	-	-	-	-	6,519,512,837	5,516,629,473
- The amounts of additions to non-current assets other than long-term equity investments	68,472,641	(176,769,405)	264,164	103,459,925	665,533,888	64,717,110	4,095,866,108	305,329,559	(409,220,000)	(206,037,351)	7,826,299,729	(263,513,911)

X. Other significant events (continued)

2 Segment reporting (continued)

(2) Geographical information

The Group's operating income comes from the development and operation of electric plants in China and all assets are in China.

(3) Major customer

In 2013, the revenue from GPGC and its subsidiaries was RMB30,644,223,111 (2012: RMB29,083,991,225), which took up 99% of our operating income (2012: 99%).

3 Risk analysis, sensitivity analysis and fair value for financial instruments

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

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk

When planning for its risk management approach, the Group has taken the unpredictability of the financial market into account to minimise the potential adverse effect on the Group's financial results.

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

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(1) Credit risk

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

The cash at bank of the Group is mainly held with well-known financial institutions in China. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

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

As at 31 December 2013 and 31 December 2012, the debtors that are past due but not impaired based on individual or collective assessment are not significant.

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(2) Liquidity risk

Liquidity risk is the risk that an enterprise may encounter deficiency of funds in meeting obligations associated with financial liabilities. As disclosed in Note II.1, as at 31 December 2013, the Group's liquidity risk was more than its current assets of RMB9,522,296,793, implying the Group is exposed to certain liquidity risks. Management ensures the liquidity risk is within a controllable range with the following measures:

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

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

	2013 contractual undiscounted cash flow				Total	Carrying amount at balance sheet date
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years		
Financial assets						
Cash at bank and on hand	4,377,311,176	-	-	-	4,377,311,176	4,377,311,176
Bills receivable	1,800,000	-	-	-	1,800,000	1,800,000
Accounts receivable	3,599,884,097	-	-	-	3,599,884,097	3,599,884,097
Other current assets	392,487	392,487	1,177,462	51,300,280	53,262,716	47,473,528
Available-for-sale financial assets	-	-	-	298,871,738	298,871,738	298,871,738
Long-term receivables	-	-	60,000,000	100,000,000	160,000,000	114,478,124
Subtotal	7,979,387,760	392,487	61,177,462	450,172,018	8,491,129,727	8,439,818,663
Financial liabilities						
Short-term loans	(9,603,701,976)	-	-	-	(9,603,701,976)	(9,361,000,000)
Bills payable	(1,523,123,018)	-	-	-	(1,523,123,018)	(1,523,123,018)
Other current liabilities	(1,357,080,000)	-	-	-	(1,357,080,000)	(1,348,750,493)
Accounts payable	(6,375,668,348)	-	-	-	(6,375,668,348)	(6,375,668,348)
Long-term loans	(2,005,449,851)	(1,621,095,277)	(5,413,024,750)	(14,338,745,198)	(23,378,315,076)	(16,723,672,491)
Debentures payable	(169,399,962)	(2,169,399,262)	(178,200,000)	(1,318,800,000)	(3,835,799,224)	(3,190,970,481)
Long-term payables	(803,195,320)	(804,952,433)	(1,083,267,960)	(526,658,017)	(3,218,073,730)	(2,727,429,152)
Subtotal	(21,837,618,475)	(4,595,446,972)	(6,674,492,710)	(16,184,203,215)	(49,291,761,372)	(41,250,613,983)
Net amount	(13,858,230,715)	(4,595,054,485)	(6,613,315,248)	(15,734,031,197)	(40,800,631,645)	(32,810,795,320)

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(2) Liquidity risk (continued)

	2012 contractual undiscounted cash flow					Carrying amount at balance sheet date
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	Total	
Financial assets						
Cash at bank and on hand	2,870,764,537	-	-	-	2,870,764,537	2,870,764,537
Accounts receivable	3,774,008,144	-	-	-	3,774,008,144	3,774,008,144
Other current assets	106,883	106,883	320,650	57,941,467	58,475,883	56,792,470
Available-for-sale financial assets	-	-	-	295,684,545	295,684,545	295,684,545
Long-term receivables	19,380,060	264,740,443	-	160,000,000	444,120,503	360,202,625
Subtotal	6,664,259,624	264,847,326	320,650	513,626,012	7,443,053,612	7,357,452,321
Financial liabilities						
Short-term loans	(14,099,729,726)	-	-	-	(14,099,729,726)	(13,573,100,000)
Bills payable	(1,308,493,869)	-	-	-	(1,308,493,869)	(1,308,493,869)
Accounts payable	(6,846,684,531)	-	-	-	(6,846,684,531)	(6,846,684,531)
Long-term loans	(1,911,166,621)	(3,195,473,391)	(4,490,927,680)	(11,843,475,477)	(21,441,043,169)	(14,786,327,736)
Debentures payable	(110,000,000)	(110,000,000)	(2,021,388,889)	-	(2,241,388,889)	(1,994,144,734)
Long-term payables	(665,652,749)	(708,327,205)	(1,588,375,293)	(808,486,584)	(3,770,841,831)	(2,515,664,982)
Subtotal	(24,941,727,496)	(4,013,800,596)	(8,100,691,862)	(12,651,962,061)	(49,708,182,015)	(41,024,415,852)
Net amount	(18,277,467,872)	(3,748,953,270)	(8,100,371,212)	(12,138,336,049)	(42,265,128,403)	(33,666,963,531)

(3) Interest rate risk

The Group's interest bearing assets are mainly cash at banks and entrusted loans granted to related parties. The Group earns interest income from cash at banks at floating rates published by the banks from time to time. Any change in the interest rate published by the banks is not considered to have significant impact to the Group.

The Group's interest rate risk mainly arises from long-term interest bearing borrowings, including long-term bank borrowings, corporate bonds issued and finance lease payable. Interest-bearing financial instruments at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(3) Interest rate risk (continued)

(a) As at 31 December, the Group held the following interest-bearing financial instruments:

Fixed rate instruments:

	2013		2012	
	Annual interest rate	Amount	Annual interest rate	Amount
Financial liabilities				
- Long-term loans	1.30%	(17,039,521)	-	-
- Non-current liabilities due within one year	1.30%	(2,648,930)	-	-
- Debentures payable	4.95%~5.50%	(3,190,970,481)	5.50%	(1,994,144,734)
- Other current liabilities	4.24%~4.52%	(1,348,750,493)	-	-
- Bills payable	4.20%~5.04%	(1,523,123,018)	4.80%~6.40%	(1,308,493,869)
Total		<u>(6,082,532,443)</u>		<u>(3,302,638,603)</u>

Variable rate instruments:

	2013		2012	
	Annual interest rate	Amount	Annual interest rate	Amount
Financial assets				
- Cash at bank and on hand	0.35%~3.08%	4,377,177,555	0.35%~2.86%	2,870,609,537
- Long-term receivables	5.31%~7.05%	114,478,124	5.31%~7.05%	360,202,625
- Other receivables	6.41%	95,000,000	5.99%~8.70%	113,912,204
- Other current assets	0.35%~0.84%	47,473,528	0.19%~0.20%	56,792,470
Financial liabilities				
- Short-term loans	5.04%~5.70%	(9,361,000,000)	5.04%~7.15%	(13,573,100,000)
- Long-term loans	0.99%~6.65%	(15,254,964,040)	1.30%~6.65%	(14,786,327,736)
- Long-term payables	5.44%~6.55%	(2,088,355,894)	5.44%~6.55%	(2,515,664,982)
- Non-current liabilities due within 1 year	5.90%~6.65%	(2,088,093,258)	5.76%~6.65%	(1,850,200,316)
Total		<u>(24,158,283,985)</u>		<u>(29,323,776,198)</u>

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(3) Interest rate risk (continued)

(b) Sensitivity analysis

As at 31 December 2013, it is estimated that a general increase or decrease of 50 basis points in interest rates, with all other variables held constant, would decrease or increase the Group's shareholders' equity by RMB90,593,565 (2012: RMB109,964,161), and net profit by RMB90,593,565 (2012: RMB109,964,161).

(4) Foreign currency risk

Exchange risks that the Group is exposed to are generally related to USD, EUR and HKD. The Group settles all major business transactions in RMB except for capital contribution from foreign investors, income from certified emission reduction, long-term loans and dividends to foreign investors. RMB is still not able to exchange into other currencies because of the restrictions announced by the Chinese government on RMB exchange rate and foreign currency control. Therefore, all monetary assets and liabilities denominated in foreign currencies are exposed to any fluctuation in exchange rates.

- (a) As at 31 December, the Group's exposure to currency risk arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date.

	2013			2012		
	USD	EUR	HKD	USD	EUR	HKD
Cash at bank and on hand	1,152	-	10,123	1,189	-	10,440
Accounts receivable	-	-	-	12,391,210	-	-
Other current assets	47,473,528	-	-	56,792,470	-	-
Long-term loans	(174,371,340)	(17,039,521)	-	(179,765,036)	-	-
Non-current liabilities due within 1 year	-	(2,648,930)	-	-	-	-
Accounts payable	-	-	-	(1,515,610)	-	-
Gross balance sheet exposure	(126,896,660)	(19,688,451)	10,123	(112,095,777)	-	10,440
Notional amounts of forward exchange contracts used as economic hedges	-	-	-	-	-	-
Net balance sheet exposure	<u>(126,896,660)</u>	<u>(19,688,451)</u>	<u>10,123</u>	<u>(112,095,777)</u>	<u>-</u>	<u>10,440</u>

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(4) Foreign currency risk (continued)

- (b) The following are the exchange rates for Renminbi against foreign currencies applied by the Group:

	<u>Average rate</u>		<u>Reporting date mid-spot rate</u>	
	2013	2012	2013	2012
USD	6.1970	6.3107	6.0969	6.2855
EUR	8.2456	8.1790	8.4189	8.3176
HKD	0.7989	0.8139	0.7862	0.8108

(c) Sensitivity analysis

The Group's monetary liabilities denominated in foreign currency are higher than monetary assets. In view of the trend of RMB appreciation, the Group does not use any financial instruments to hedge its exposure to foreign exchange risk. Assuming all other risk variables remained constant, a 10% strengthening of the Renminbi against the US dollar, euro and HK dollar at 31 December would have increased (decreased) the Group's shareholders' equity and net profit by the amount shown below, whose effect is in Renminbi and translated using the spot rate at the balance sheet date:

	<u>Shareholders' equity</u>	<u>Net profit</u>
As at 31 December 2013		
USD	9,517,249	9,517,249
EUR	1,476,634	1,476,634
HKD	(759)	(759)
Total	<u>10,993,124</u>	<u>10,993,124</u>

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(4) Foreign currency risk (continued)

(c) Sensitivity analysis (continued)

	<u>Shareholders' equity</u>	<u>Net profit</u>
31 December 2012		
USD	8,407,183	8,407,183
EUR	-	-
HKD	(783)	(783)
Total	<u>8,406,400</u>	<u>8,406,400</u>

A 10% weakening of the Renminbi against the US dollar, euro and HK dollar at 31 December would have had the equal but opposite effect on them to the amounts shown above, on the basis that all other variables remained constant.

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis is performed on the same basis for the previous year.

(5) Fair value

(a) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value as at 31 December across the three levels of the fair value hierarchy. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

X. Other significant events (continued)

3 Risk analysis, sensitivity analysis and fair value for financial instruments (continued)

(5) Fair value (continued)

31 December 2013

<u>Assets</u>	<u>Note</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Available-for-sale financial assets					
Available-for-sale equity instruments	V.9	<u>298,871,738</u>	<u>-</u>	<u>-</u>	<u>298,871,738</u>

31 December 2012

<u>Assets</u>	<u>Note</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Available-for-sale financial assets					
Available-for-sale equity instruments	V.9	<u>295,684,545</u>	<u>-</u>	<u>-</u>	<u>295,684,545</u>

In 2013, there were no significant transfers between instruments in Level 1 and Level 2.

In 2013, there were no changes in valuation technique of fair value.

(b) Fair value of other financial instruments (carrying amounts not measured at fair values)

Financial assets and liabilities not measured at fair values mainly include cash at bank and on hand, accounts receivable, long-term receivables, short-term loans, bills payable, accounts payable, long-term loans, debentures payable and long-term payables. Their carrying amounts are not materially different from their fair values.

(6) Estimation and assumptions of fair value

The following summarises the major methods and assumptions used in estimating the fair value of financial instruments.

(a) Debts and equity investments

Fair value is based on quoted market prices at the balance sheet date for available-for-sale financial assets if there is an active market.

X. Other significant events (continued)

4 Assets and liabilities measured at fair values

	<u>Opening balance</u>	<u>Gain or loss on changes in fair value during the year</u>	<u>Changes in accumulated fair value credited to equity</u>	<u>Impairment this year</u>	<u>Closing balance</u>
Available-for-sale financial assets	<u>295,684,545</u>	<u>3,187,193</u>	<u>3,187,193</u>	<u>-</u>	<u>298,871,738</u>

XI. Notes to significant items in the parent's financial statement

1 Accounts receivable

(1) Accounts receivable by customer type:

<u>Type of customers</u>	<u>2013</u>	<u>2012</u>
Third parties	<u>252,615,520</u>	<u>269,908,526</u>

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

As at 31 December 2013, the Company's accounts receivable are aged within one year. The ageing is counted starting from the date when accounts receivable are recognised. Management considers the bad debt risk is comparatively insignificant and therefore has not provided for bad debts (31 December 2012: nil).

XI. Notes to significant items in the parent's financial statement (continued)

1 Accounts receivable (continued)

(3) Accounts receivable by category:

<u>Category</u>	2013				2012			
	<u>Carrying amount</u>		<u>Bad debt provision</u>		<u>Carrying amount</u>		<u>Bad debt provision</u>	
	% of total		% of total		% of total		% of total	
	Amount	balance	Amount	balance	Amount	balance	Amount	balance
Accounts receivable that are individually significant and provided for bad debts	<u>252,615,520</u>	<u>100%</u>	<u>-</u>	<u>-</u>	<u>269,908,526</u>	<u>100%</u>	<u>-</u>	<u>-</u>

GPGC is the sole customer of the Company. As at 31 December 2013 and 31 December 2012, the balance of the Company's accounts receivable was the electricity payment due from GPGC.

As at 31 December 2013 and 31 December 2012, no balances in accounts receivable are dominated in foreign currencies.

XI. Notes to significant items in the parent's financial statement (continued)

2 Other receivables

(1) Other receivables by customer type:

<u>Customer type</u>	<u>2013</u>	<u>2012</u>
Entrusted loans (Note V.5(1)(b))	95,000,000	113,912,204
Advance	261,315	9,916,184
Petty cash	652,085	1,421,589
Cash receivable from Yudean for the price difference (Note IV.5 (1)(a))	-	422,451,302
Disposal of fixed assets	-	5,920,000
Others	15,395,757	18,263,701
Subtotal	111,309,157	571,884,980
Less: Provision for bad debts	-	-
Total	111,309,157	571,884,980

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

<u>Aging</u>	<u>2013</u>	<u>2012</u>
Within 1 year (inclusive)	105,918,911	565,754,158
After 1 year but within 2 years (inclusive)	1,035,889	3,736,724
After 2 years but within 3 years (inclusive)	1,990,174	794,981
After 3 years	2,364,183	1,599,117
Total	111,309,157	571,884,980

The ageing is counted starting from the date when accounts receivable are recognised. Management considers the bad debt risk is comparatively insignificant and therefore has not provided for bad debts (31 December 2012: nil).

XI. Notes to significant items in the parent's financial statement (continued)

2 Other receivables (continued)

(3) Other receivables by category:

<u>Category</u>	2013				2012			
	<u>Carrying amount</u>		<u>Bad debt provision</u>		<u>Carrying amount</u>		<u>Bad debt provision</u>	
	% of total		% of total		% of total		% of total	
	Amount	balance	Amount	balance	Amount	balance	Amount	balance
Other receivables that are individually significant and provided for bad debts	95,000,000	85.35%	-	-	556,113,466	97.24%	-	-
Other receivables that are individually insignificant but provided for bad debts	16,309,157	14.65%	-	-	15,771,514	2.76%	-	-
Total	<u>111,309,157</u>	<u>100.00%</u>	<u>-</u>	<u>-</u>	<u>571,884,980</u>	<u>100.00%</u>	<u>-</u>	<u>-</u>

XI. Notes to significant items in the parent's financial statement (continued)

2 Other receivables (continued)

(4) The Company's five largest balances of other receivables are as follows:

<u>Debtor total</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>Period</u>	<u>% of other receivables in</u>
Weixin Yuntou	An associate of the Company	95,000,000	Less than 1 year	85.35%
GYEP	Controlled by Yudean	9,514,539	Less than 1 year	8.55%
Shanghai Turbine Co. Ltd.	A third party	1,200,000	Over 5 years	1.07%
Shajiao C	Controlled by Yudean	654,064	Less than 1 year	0.59%
Yudean PI	Controlled by Yudean	597,764	Less than 1 year	0.54%
Total		<u>106,966,367</u>		<u>96.10%</u>

(5) During the year, the following balance included in other receivables above is due from the shareholder of the Company who hold over 5% (including 5%) of voting rights shares.

<u>Debtor</u>	<u>2013</u>		<u>2012</u>	
	<u>Amount</u>	<u>Bad debt provision</u>	<u>Amount</u>	<u>Bad debt provision</u>
Yudean	<u>-</u>	<u>-</u>	<u>422,451,302</u>	<u>-</u>

(6) Other amounts due from related parties

<u>Debtor</u>	<u>Note</u>	<u>Relationship with the Company</u>	<u>Amount</u>	<u>% of other receivables in total</u>
Weixin Yuntou		An associate of the Company	95,000,000	85.35%
GYEP		Controlled by Yudean	9,514,539	8.55%
Shajiao C		Controlled by Yudean	654,064	0.59%
Yudean PI		Controlled by Yudean	597,764	0.53%
Guangdong Wind Power		A subsidiary of the Company	238,831	0.21%
Yudean PM		Controlled by Yudean	195,188	0.18%
Anxin		A subsidiary of the Company	81,593	0.07%
Total			<u>106,281,979</u>	<u>95.48%</u>

XI. Notes to significant items in the parent's financial statement (continued)

2 Other receivables (continued)

- (7) As at 31 December 2013 and 31 December 2012, no balances in other receivables are dominated in foreign currencies.

3 Long-term equity investments

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

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Subsidiaries		14,747,215,648	13,010,238,574
Investment in joint ventures	V.11(2)	580,941,667	548,487,534
Investment in associates	V.11(2)	5,938,571,170	4,968,141,939
Other long-term equity investments	V.11(2)	<u>505,503,707</u>	<u>481,503,707</u>
Subtotal		21,772,232,192	19,008,371,754
Less: impairment provision		<u>(455,584,267)</u>	<u>(333,154,746)</u>
Total		<u><u>21,316,647,925</u></u>	<u><u>18,675,217,008</u></u>

XI. Notes to significant items in the parent's financial statement (continued)

3 Long-term equity investments (continued)

(2) Changes in long-term equity investments for the year are analysed as follows:

Subsidiaries							Explanation on inconsistency between shareholding and voting proportions		Impairment provision for the year	Cash dividend for the year
Name of investee	Investment cost	Opening balance	Increase/(decrease)	Closing balance	% of shareholding proportion	% of voting proportion		Impairment provision		
Zhanjiang Electric	2,185,334,400	2,185,334,400	-	2,185,334,400	76.00%	76.00%	NA	-	-	227,366,992
Yuejia Electric	701,279,338	701,279,338	-	701,279,338	58.00%	55.56%	Note IV.1.(5)	(455,584,267)	(122,429,521)	-
Yuejiang Power	586,694,674	500,500,000	86,194,674	586,694,674	90.00%	90.00%	NA	-	-	-
Maoming Zhenheng	595,005,970	595,005,970	-	595,005,970	58.27%	58.27%	NA	-	-	-
Jinghai Power	1,930,395,668	1,930,395,668	-	1,930,395,668	65.00%	65.00%	NA	-	-	189,301,031
Zhanjiang Wind Power	242,277,000	242,277,000	-	242,277,000	70.00%	60.00%	Note IV.1.(5)	-	-	10,493,980
Anxin	20,000,000	20,000,000	-	20,000,000	100.00%	100.00%	NA	-	-	5,278,594
Humen Power	90,000,000	90,000,000	-	90,000,000	60.00%	60.00%	NA	-	-	-
Zhongyue Energy	1,150,248,115	1,150,248,115	-	1,150,248,115	90.00%	90.00%	NA	-	-	-
Bohe Electric	1,085,000,000	285,000,000	800,000,000	1,085,000,000	100.00%	100.00%	NA	-	-	-
Guangqian Electric	1,353,153,223	1,353,153,223	-	1,353,153,223	100.00%	100.00%	NA	-	-	150,548,853
Shibeishan	170,863,481	170,863,481	-	170,863,481	70.00%	60.00%	Note IV.1.(5)	-	-	5,598,716
Red Bay	2,220,023,386	2,220,023,386	-	2,220,023,386	65.00%	65.00%	NA	-	-	352,692,345
Pinghai Power	720,311,347	720,311,347	-	720,311,347	45.00%	85.00%	Note IV.1.(4)	-	-	-
Huizhou Natural Gas	845,846,646	845,846,646	-	845,846,646	67.00%	67.00%	NA	-	-	90,197,700
Huadu Natural Gas	78,000,000	-	78,000,000	78,000,000	65.00%	65.00%	NA	-	-	-
Dabu Electric	600,000,000	-	600,000,000	600,000,000	100.00%	100.00%	NA	-	-	-
Guangdong Wind Power	172,782,400	-	172,782,400	172,782,400	100.00%	100.00%	NA	-	-	-
Subtotal	<u>14,747,215,648</u>	<u>13,010,238,574</u>	<u>1,736,977,074</u>	<u>14,747,215,648</u>				<u>(455,584,267)</u>	<u>(122,429,521)</u>	<u>1,031,478,211</u>

Relevant information of the Company's subsidiaries is set out in Note 4.

XI. Notes to significant items in the parent's financial statement (continued)

3 Long-term equity investments (continued)

- (2) Changes in long-term equity investments for the year are analysed as follows (Continued):

As disclosed in Note V.13(1)(b), management expected the four generator units in Yuejia Electric will be shut down around 2015. Therefore, the Company's management has provided for an impairment (a total of RMB333,154,746) on the difference between the Company's entitlement in Yuejia Electric's equity and its investment costs in Yuejia Electric in 2009 and 2011 after assessing the recoverable amounts of this long-term equity investment.

Based on the latest information available in 2013, management expected the generator units of Yuejia Electric to be closed in early 2016. As Yuejia Electric's volume of electricity and the disposal price of the retired generator equipment were forecast to decline, management expected to see more signs of impairment of Yuejia Electric's long-term equity investments. The Company's management provided an additional provision of impairment for long-term equity investments of Yuejia Electric of RMB122,429,521 after assessing the recoverable amounts of this investment.

As at 31 December 2013, the balance of impairment provision for long-term equity investments of Yuejia Electric was RMB455,584,267 (2012: RMB333,154,746).

- (3) Significant information of joint ventures and associates

Information on joint ventures and associates invested by the Company is set out in Note V.11.

XI. Notes to significant items in the parent's financial statement (continued)

4 Operating income and operating costs

(1) Operating income and operating costs

<u>Item</u>	<u>2013</u>	<u>2012</u>
Income from principal activities	2,879,625,638	3,044,430,321
Other business incomes	41,578,367	37,308,207
Operating costs	(2,305,829,511)	(2,640,403,345)

(2) Income and cost from principal activities (by product)

<u>Industry</u>	<u>2013</u>		<u>2012</u>	
	Operating income	Operating costs	Operating income	Operating costs
Income from sales of electricity	2,876,076,932	(2,272,914,554)	3,039,919,686	(2,613,132,639)
Income from sales of steam	3,548,706	(2,468,744)	4,510,635	(3,256,529)
Total	<u>2,879,625,638</u>	<u>(2,275,383,298)</u>	<u>3,044,430,321</u>	<u>(2,616,389,168)</u>

(3) Operating income of main customer of the Company

The primary income of the Company came from the sales of electricity to GPGC, which contributed RMB2,876,076,932 or 98.64% (2012: RMB3,039,919,686 or 98.64%) to its total operating income.

5 Investment gain

(1) Breakdown on investment gain

<u>Item</u>	<u>Note</u>	<u>2013</u>	<u>2012</u>
Gain from long-term equity investments under cost method	(2)	1,044,610,711	303,875,127
Gain from long-term equity investments under equity method	(3)	706,492,821	594,403,395
Investment gain from available-for-sale financial assets		7,503,870	6,393,225
Interest income from entrusted loans		23,456,264	47,747,086
Investment gain on disposal of long-term equity investments		10,100	-
Others		<u>1,542,586</u>	<u>-</u>
Total		<u>1,783,616,352</u>	<u>952,428,833</u>

XI. Notes to significant items in the parent's financial statement (continued)

5 Investment gain (continued)

- (2) The top five companies invested (accounted for over or less than 5% of total profits) within gain from long-term equity investments using cost method are as follows:

<u>Investee</u>	<u>2013</u>	<u>2012</u>	<u>Reason for change</u>
Red Bay	352,692,345	-	Acquired at the end of 2012
Zhanjian Electric	227,366,992	154,179,513	Increase in dividend paid
Jianghai Power	189,301,031	117,193,433	Increase in dividend paid
Guangqian Electric	150,548,853	-	Acquired at the end of 2012
Huizhou Natural Gas	90,197,702	-	Acquired at the end of 2012
Total	<u>1,010,106,923</u>	<u>271,372,946</u>	

As disclosed in Note I, the Company acquired Red Bay, Guangqian Electric, Shibeishan, Pinghai Power and Huizhou Natural Gas under common control. Red Bay, Guangqian Electric, Shibeishan and Huizhou Natural Gas were the Company's associates before 31 December 2012, the date of consolidation. Prior to the completion of acquisition, the Company recognised its investment gain from these companies using equity method based on its shareholding proportion in these companies before the change.

- (3) The top five companies invested (accounted for over or less than 5% of total profits) within gain from long-term equity investments using equity method are set out in Note V.48 (3).

XI. Notes to significant items in the parent's financial statement (continued)

6 Supplementary information of cash flow statement

<u>Item</u>	<u>2013</u>	<u>2012</u>
(1) Reconciliation from net profit to cash flows from operating activities:		
Net profit	1,735,234,539	708,579,024
Add: Provision for asset impairment	129,194,215	111,252,200
Depreciation of fixed assets	151,627,270	157,438,642
Amortisation of intangible assets	3,663,915	3,478,787
Losses on disposal of fixed assets, intangible assets and other long-term assets	35,352,791	18,217,778
Financial expenses	353,907,608	389,725,812
Investment gain	(1,783,616,352)	(952,428,833)
Decrease in deferred tax assets ("()" for increase)	(2,640,869)	2,049,283
Decrease in inventories ("()" for increase)	(6,221,827)	50,057,559
Decrease in operating receivables	129,470,727	4,805,134
Increase in operating payables ("()" for decrease)	(62,111,776)	149,299,397
Net cash flows from operating activities	<u>683,860,241</u>	<u>642,474,783</u>
(2) Net increase/(decrease) in cash and cash equivalents:		
Cash at the end of year	296,476,854	333,626,540
Less: Cash at the beginning of the year	<u>(333,626,540)</u>	<u>(417,749,940)</u>
Net decrease in cash	<u>(37,149,686)</u>	<u>(84,123,400)</u>
(3) Composition in cash:		
<u>Item</u>	<u>2013</u>	<u>2012</u>
Cash at bank and on hand	296,476,854	373,626,540
Less: restricted fund	<u>-</u>	<u>(40,000,000)</u>
Cash balance at year-end	<u>296,476,854</u>	<u>333,626,540</u>
Including: Cash on hands	3,307	213
Bank deposits available on demand	296,473,547	333,626,327

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Supplementary information

1 Statement of non-recurring profit or loss in 2013

	<u>2013</u>	<u>2012</u>
(1) Loss/(profit) on disposal of non-current assets	27,133,645	(9,235,199)
(2) Government grants recognised in profit or loss for the current period (except for government grants closely related to business and subject to a fixed value or amount based on national standard)	(17,577,691)	(25,664,265)
(3) Net gain of subsidiaries consolidated under common control from beginning to the consolidation date	-	(2,045,467,498)
(4) Income from entrusted loans to third parties	(12,854,063)	(28,684,421)
(5) Impairment provision for long-term assets due to suspension plan	201,115,258	-
(6) Impairment provision for other current assets due to liquidation	-	111,252,200
(7) Reversal of impairment provision of receivables for individual impairment testing	(4,737,368)	-
(8) Other non-operating income and expenses	(6,576,176)	1,617,047
(9) Effect of income tax	7,329,176	489,607,853
(10) Effect of minority interests (after tax)	(80,516,074)	845,854,159
Total	<u>113,316,707</u>	<u>(660,720,124)</u>

Note: The non-recurring items of profit or loss above are stated as amounts before tax.

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Supplementary information (continued)

2 Difference in accounting figures under domestic and international accounting standards

Difference in net profit and net asset included in combined financial statement prepared under the International Financial Reporting Standards (IFRSs) and the China Accounting Standards (CASs):

shareholders	Note	Net profit attributable to the parent's shareholders		Equity attributable to the parent's	
		2013	2012	2013	2012
Under the CASs		3,086,428,618	1,698,728,966	19,054,914,050	16,255,322,328
Items and amounts adjusted against IFRSs:					
a. amortisation on land use rights		(972,000)	(7,472,000)	-	972,000
b. difference on recognition of goodwill on business combination under common control		-	-	64,623,000	64,623,000
c. difference on recognition of land use value on business combination under common control		(630,000)	(630,000)	20,750,000	21,380,000
d. Impact on minority interests		137,619	696,000	4,539,619	4,402,000
Under the IFRSs		<u>3,084,964,237</u>	<u>1,691,322,966</u>	<u>19,144,826,669</u>	<u>16,346,699,328</u>

(1) Amortisation of land use right

Different periods used for amortisation of land use right may lead to accounting differences.

(2) Difference on recognition of goodwill on business combination under common control and difference on recognition of land use value on business combination

Under the requirement of new CASs, goodwill arising from business combination under common control should not be recognised and capital reserve should be adjusted accordingly, whereas under the requirement of IFRSs, goodwill arising from business combination under common control should be recognised and it represents the excess on acquisition costs over the share of identifiable fair value of net asset from the acquiree on business combination. All assets obtained from the acquiree on business combination should be measured on their fair values. The measurement of the two standards will continue to show a difference.

(3) Impact on minority interests

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The amortisation of the above land use rights has been taken place in the Company and some of its holding companies and therefore has an impact on minority interests.

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Supplementary information (continued)

3 Return on equity and earnings per share

The Group calculated its return on equity and its earnings per share in accordance with *the Regulations on Information Disclosure of Securities Issuers No.9 – Calculation and Disclosure of Return on Equity and Earning per Share (2010 Revision)* issued by CSRC and the relevant CAS regulations. Details are as follows:

<u>Profit during reporting period</u>	<u>Weighted average return on equity (%)</u>	<u>Basic earning per share</u>	<u>Diluted earning per share</u>
Net profit attributable to ordinary shareholders of the Company	17.49%	0.71	0.71
Net profit attributable to ordinary shareholders of the Company (after non-recurring profit or loss)	18.13%	0.73	0.73

4 Explanation on abnormal major items in financial statements

Items in statement with abnormal values or fluctuations during the comparable period (with fluctuation of 30% or above, or accounting for 5% or above of total assets at the statement date or 10% or above of total profit during the reporting period), items in statement not designated by accounting standards or items in statement not able to reflect their nature or content were analysed as below:

	Note	31 December 2013 <u>Consolidated</u> (RMB)	31 December 2012 <u>Consolidated</u> (RMB)	Increase/ (Decrease)(%)
Cash at bank and on hand	1	4,377,311,176	2,870,764,537	52%
Prepayments	2	1,497,883,626	1,109,012,578	35%
Interest receivable	3	5,788,038	1,818,495	218%
Other receivables	4	327,650,307	710,718,239	-54%
Other current assets	5	1,057,135,500	1,571,152,356	-33%
Long-term receivables	6	114,478,124	360,202,625	-68%
Long-term equity investments	7	7,025,016,544	5,998,133,180	17%
Fixed assets	8	41,524,036,240	38,449,069,665	8%
Construction in progress	9	3,883,361,454	7,300,925,262	-47%

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Supplementary information (continued)

4 Explanation on abnormal major items in financial statements (continued)

	Note	31 December 2013 <u>Consolidated</u> (RMB)	31 December 2012 <u>Consolidated</u> (RMB)	Increase/ (Decrease)(%)
Construction materials	10	2,229,432	303,125,786	-99%
Disposal of fixed assets	11	2,588,660	1,462,082	77%
Deferred tax assets	12	47,041,613	76,814,134	-39%
Other non-current assets	13	1,667,947,551	556,648,526	200%
Short-term loans	14	(9,361,000,000)	(13,573,100,000)	-31%
Accounts payable	15	(2,743,864,659)	(3,233,698,785)	-15%
Taxes payable	16	(797,347,744)	(550,331,980)	45%
Interest payable	17	(188,370,219)	(143,696,116)	31%
Long-term loans	18	(15,272,003,561)	(14,786,327,736)	3%
Debentures payable	19	(3,190,970,481)	(1,994,144,734)	60%
Special payables	20	(10,779,740)	(16,904,604)	-36%
Retained earnings	21	(5,431,387,393)	(2,899,227,999)	87%

	Note	2013 <u>Consolidated</u> (RMB)	2012 <u>Consolidated</u> (RMB)	Increase/ (Decrease)(%)
Operating income	22	(30,830,757,337)	(29,489,273,619)	5%
Operating costs	23	22,684,318,308	23,335,411,211	-3%
Net exchange gain or loss	24	(442,640)	189,361	-334%
Other financial expenses	25	13,258,215	220,626,242	-94%
Impairment losses	26	276,281,636	123,959,752	123%
Investment gain	27	(741,525,840)	(320,111,221)	132%
Non-operating expenses	28	69,895,078	39,701,852	76%
Income tax expense	29	(1,237,227,573)	(885,978,896)	40%

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[English translation for reference only]

Supplementary information (continued)

4 Explanation on abnormal major items in the financial statements (continued)

- 1 A significant increase in the balance of monetary funds at year end was mainly due to the issuance of RMB 2.5 billion worth of bonds and short-term finance bills by the Group, and the improved performance of its subsidiaries.
- 2 During the year, Zhongyue Energy and Jinghai Power changed their payment method for the procurement of industrial fuels from credit to prepayment. As a result, the cost increased by RMB 500 million. The drop in coal price drove down the subsidiaries' prepaid amount for industrial fuel by RMB 160 million.
- 3 Interests receivable included those from deposits and entrusted loans. The balance increased by RMB 3.97 million at year end chiefly because deposit interests rose as a result of abundant funds amid the optimistic outlook of results from the Company and its subsidiaries.
- 4 Other receivables decreased mainly because cash receivable from Yudean for the price difference of RMB 420 million in the acquisition of target assets in 2012 was recovered during the year.
- 5 Other current assets decreased mainly because deductible input VAT decreased by RMB 500 million during the year. The deductible input VAT arising from the acquisition and construction of fixed assets for the new generator units of subsidiaries, Jinghai Power and Maoming Zhenneng, and the switch from oil to coal technology improvement project amounting to RMB 340 million were fully deducted in 2013. In addition, the coal price had continued to go down since the beginning of 2012, causing the input taxes of the Company's thermal power subsidiaries to fall significantly.
- 6 Long-term receivables decreased primarily because the Company recovered entrusted loans amounting to RMB 259 million (due after one year or more) provided to its three associates, Shanxi Yudean Energy, Weixin Yuntou and Lingcang Yuntou through a trustee before the due date during the year.
- 7 In 2012, the Company acquired a 20% stake in Guohua Taishan and a 15% stake in Fuel Supply, and recognised the gains on investments using the equity method during the year. As a result, the balance of long-term equity investment increased by RMB 440 million. Meanwhile, the Company's increased investment in Guohua Taishan and Lingcang

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Yuntou increased the balance of long-term equity investment by RMB 420 million.

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Supplementary information (continued)

4 Explanation on abnormal major items in the financial statements (continued)

- 8 The increase during the year was largely due to the transfer of No.4 generator unit of Jinghai Power and No.7 generator unit of Maoming Zhenneng to fixed assets.
- 9 The decrease in construction in progress was primarily due to the transfer of No.4 generator unit of Jinghai Power and No.7 generator unit of Maoming Zhenneng to fixed assets.
- 10 Construction materials decreased significantly as the construction of No.7 generator unit of Maoming Zhenneng was completed during the year.
- 11 The fixed assets to be disposed of at year end mainly comprised power generation equipment which was replaced in the technology improvement of the Company and Zhanjiang Electric.
- 12 The decrease was mainly caused by the reversed losses of the Company's subsidiary, Zhongyue Energy during the year, and the deferred tax assets of RMB 41.14 million arising from tax losses recognised in prior years.
- 13 The increase during the year was largely due to the prepayments of Dabu Electric and Bohe Coal for construction equipment in light of the progress of the infrastructure construction projects during the period.
- 14 The decrease of RMB 4.21 billion in short-term loans included the decrease of RMB 1.06 billion in the Company, RMB 1.16 billion in its subsidiary, Jinghai Power, and RMB 1.89 billion in other subsidiaries.
- 15 Accounts payable decreased mainly because Yedean's subsidiaries stocked less coal fuel, and the coal price slipped considerably in 2013. As a result, payables for fuel fell by RMB 530 million.
- 16 The Group's gross profits increased significantly during the year, causing taxes payable and income tax expenses to climb up correspondingly.
- 17 Interests payable increased by RMB 45 million during the year, mainly because the Company issued RMB 1.2 billion worth of long-term bonds in March 2013 and had not redeemed other long-term bonds.
- 18 Long-term loans increased by RMB 890 million at year end primarily because (1) the Company issued corporate bonds and short-term finance

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notes in March 2013; and (2) the Company's subsidiary, Yuejiang Power borrowed long-term loans from Bank of Communications International Trust in June 2013.

- 19 This was mainly due to the issuance of RMB 1.2 billion worth of corporate bonds in 2013.

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[English translation for reference only]

Supplementary information (continued)

4 Explanation on abnormal major items in the financial statements (continued)

- 20 Special payables represented the compensation to Shibeishan after deducting the amount paid for the relocation. The decrease during the year reflected the amount of compensation paid in 2013.
- 21 As net profits increased significantly during the year, retained earnings rose correspondingly.
- 22 No.3 generator unit of Jinghai Power and 33 wind power generator units at Xuwen Wind's Yongshi Windy Power Plant were launched into production in December 2012. No.4 generator unit of Jinghai Power was transferred to fixed assets in January 2013, thus boosting power generation in 2013. Despite the moderate decrease in the average unit price of thermal electricity in 2013, the Group's overall income from sales of electricity increased.
- 23 The decline in the price of natural coal drove down fuel cost by RMB 1.6 billion during the year. As some of the Group's generator units were successively undergoing denitration or upgrading, thereby increasing scheduled inspection, repair and maintenance in 2013, and resulted in an increase of RMB 230 billion in repair and maintenance expenses. Meanwhile, as No.3 and No.4 generator units of Jinghai Power and No.4 generator unit of Xuwen Wind were launched into production, the charge for depreciation increased by RMB 520 million.
24. The exchange losses during the year was mainly due to the exchange losses of USD 20.90 million (equivalent of RMB 128.46 million) of loans from European Investment Bank obtained by Xuwen Wind as a result of the persistent appreciation in Renminbi.
- 25 The Company issued RMB 1.3 billion worth of short-term finance bills at the total cost of RMB 4.65 million, thus increasing financial expenses.
- 26 It was primarily because the equipment replaced in Zhanjiang Electric's technology improvement project and Yuejiang Power's overhaul process could no longer meet production needs, and a provision of RMB 52.09 million was made for impairment.
- 27 The increase during the year was chiefly due to the acquisition of a 20% stake in Guohua Taishan and a 15% stake in Fuel Supply by the Company at the end of 2012, and the recognition of the gains on investments using the equity method at year end. As a result, the balance of long-term equity investment increased by RMB 440 million.
- 28 The increase was largely due to the Group further posting losses of RMB 16 million in the disposal of fixed assets, and paying RMB 10 million of

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overdue fines in relation to land use tax for the period between 2008 and 2013.

29 The Group's gross profits increased significantly during the year, causing taxes payable and income tax expenses to climb up correspondingly.

XI. Documents available for inspection

1. Accounting statements carried with personal signatures and seals of legal representative, Chief Financial officer and Financial Principal.
2. Original of Auditors' Report carried with the seal of Certified Public Accountants as well as personal signatures of certified Public accountants.
3. All original copies of official documents and notices, which were disclosed in Securities Times, China Securities and Hong Kong Commercial Daily (Both English and Chinese version);
4. Chinese version of the annual report.

The documents mentioned above are kept in office, and are ready for reference at any time (except public holidays, Saturday and Sunday).

The Board of Directors of Guangdong Electric Power Development Co., Ltd

Chairman of the board of directors: Pan Li

April 24, 2014.