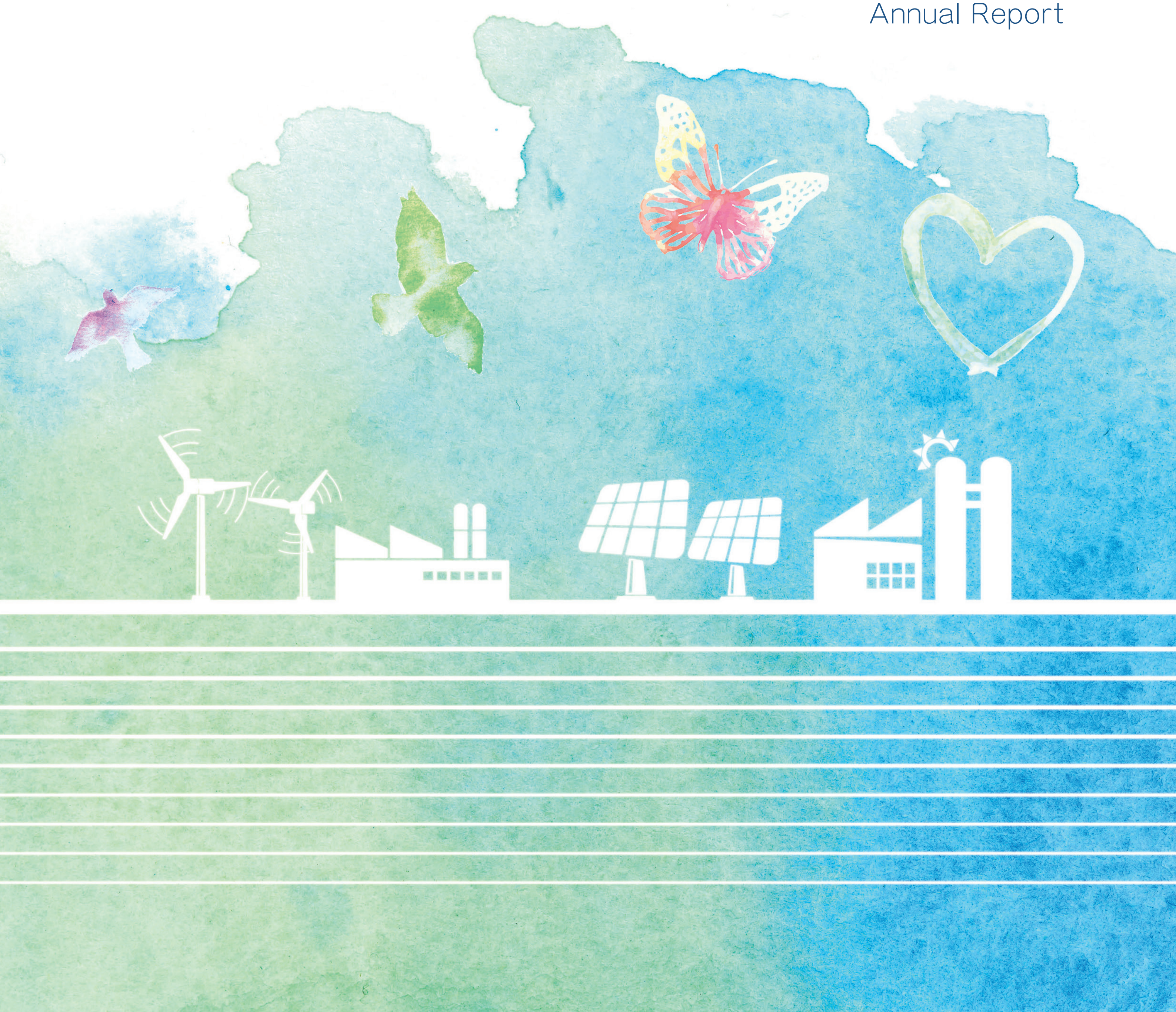
中國廣核美亞電力控股有限公司
CGN Meiya Power Holdings Co., Ltd.

(Incorporated in Bermuda with limited liability)

Stock Code : 1811.HK

2014
Annual Report



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Corporate Information

REGISTERED OFFICE

Victoria Place
31 Victoria Street
Hamilton
HM10, Bermuda

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

15th Floor
Harbour Centre
25 Harbour Road
Wanchai, Hong Kong

STOCK CODES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

1811 (Shares)
5964 (Bonds due 2018)

COMPANY'S WEBSITE

www.cgnmeiyapower.com

BOARD OF DIRECTORS

Executive Directors

Mr. Chen Sui *(Chairman)* (re-designated from non-executive director to executive director on 26 January 2015) *(Note)*
Mr. Lin Jian *(President) (Note)*

Non-executive Directors

Mr. Xu Yuan (appointed with effect from 18 March 2015)
Mr. Chen Qiming
Mr. Yin Engang (appointed with effect from 18 March 2015)
Mr. Chen Huijiang (resigned with effect from 18 March 2015)
Mr. Dai Honggang
Mr. Lin Beijing (resigned with effect from 18 March 2015)
Mr. Xing Ping

Corporate Information

Independent Non-executive Directors

Mr. Shen Zhongmin *(Note)*
Mr. Leung Chi Ching Frederick
Mr. Fan Ren Da Anthony
Mr. Wang Susheng

Members of the Audit Committee

Mr. Leung Chi Ching Frederick *(Chairman)*
Mr. Fan Ren Da Anthony
Mr. Yin Engang (appointed with effect from 18 March 2015)
Mr. Chen Huijiang (resigned with effect from 18 March 2015)

Members of the Remuneration Committee

Mr. Shen Zhongmin *(Chairman) (Note)*
Mr. Fan Ren Da Anthony
Mr. Dai Honggang

Members of the Nomination Committee

Mr. Chen Sui *(Chairman) (Note)*
Mr. Shen Zhongmin *(Note)*
Mr. Fan Ren Da Anthony

Members of the Investment and Risk Management Committee

Mr. Dai Honggang *(Chairman)*
Mr. Yin Engang (appointed with effect from 18 March 2015)
Mr. Chen Huijiang (resigned with effect from 18 March 2015)
Mr. Xing Ping

Members of the Strategy Development Committee

Mr. Chen Sui *(Chairman) (Note)*
Mr. Lin Jian *(Note)*
Mr. Chen Qiming
Mr. Dai Honggang *(Note)*
Mr. Wang Susheng

Corporate Information

Company Secretary

Mr. Lee Kin

Authorized Representatives

Mr. Lin Jian (with Mr. William Dunn as his alternate)
Mr. Lee Kin

LEGAL ADVISERS

Hong Kong Law

Eversheds
21/F, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
35th Floor, One Pacific Place
88 Queensway
Admiralty
Hong Kong

COMPLIANCE ADVISER

Somerley Capital Limited
20/F, China Building
29 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM 08, Bermuda

Corporate Information

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Center
183 Queen's Road East
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
9/F, Bank of China Tower
1 Garden Road
Hong Kong

China Development Bank Corporation, Hong Kong Branch
Suites 3307–3315
33/F One International Finance Center
1 Harbour View Street
Central, Hong Kong

Standard Chartered Bank (Hong Kong) Limited
13/F, Standard Chartered Bank Building
4–4A Des Voeux Road Central
Hong Kong

Note: Subsequent to the date of this report,

(i) Mr. Shen Zhongmin resigned as an independent non-executive Director of the Company with effect from 13 April 2015;

(ii) Mr. Lin Jian, an executive Director and the President, has been appointed by Mr. Chen Sui, an executive Director and the Chairman of the Board, as his alternate director for the period from 13 April 2015 to 12 July 2015 (both days inclusive); and

(iii) Mr. Dai Honggang replaced Mr. Chen Sui as the chairman of the Strategy Development Committee with effect from 13 April 2015.

Please refer to the announcement of the Company in relation to the matters (i) and (ii) above dated 13 April 2015 for further details.

Chairman's Statement

CHAIRMAN'S STATEMENT

Dear Honourable Shareholders,

In 2014, the global economy experienced many changes, while the economic development of the PRC remained stable with moderate growth. With the transformation shifting towards clean and renewable non-fossil energy in power sector, the Chinese government supports orderly development of hydro power, safe and highly-efficient development of nuclear power, vigorous development of wind power, and promotion of diversified use of solar power, making strategic decisions on clean energy development. The Group expanded its new businesses in the PRC and Korea over the past year. For businesses in the PRC, Unit 2 of Huangshi II Power Project in Hubei commenced commercial operation ("**COD**") in April 2014. The project consists of two domestically manufactured ultra-supercritical coal-fired units with a gross capacity of 2x680 MW and is a base load facility located in Huangshi, near Wuhan, the capital of Hubei province. The Yulchon II Power Project in Korea also achieved COD in April 2014. It is a 946.3 MW gas-fired combined cycle power project located adjacent to Yulchon I Power Project, a 577.4 MW gas-fired project at the Yulchon Industrial Complex, Jeollanam-do, in the southern part of the Korean peninsula.

During the year ended 31 December 2014, the Company underwent a group reorganization (the "**Group Reorganization**"), under which the Company transferred 100% equity interests in some of its wholly-owned subsidiaries together with the net balances of amounts due from certain wholly-owned subsidiaries and certain subsidiaries of these wholly-owned subsidiaries, with all of their rights and obligations transferred to CGNPC Huamei Investment Limited ("**CGNPC Huamei**") with effect from 1 July 2014 (collectively referred to as the "**Disposal Group**"). The Group excluding the Disposal Group is defined as the "**Remaining Group**".

Chairman's Statement

As of 31 December 2014, the attributable installed capacity of the Group's power plant reached 3,659.5 MW, representing a year-on-year increase of approximately 645.3 MW or 21.4%. The net electricity generated (Remaining Group) amounted to approximately 9,478.7 Gwh, representing an increase of 33.2% compared with last year. The revenue amounted to approximately USD1,370.3 million (Remaining Group), representing an increase of approximately 32.1% compared with last year, profit attributable to shareholders amounted to approximately USD85.1 million (Remaining Group), representing an increase of 53.9% compared with last year. Total assets reached approximately USD2,486.9 million, representing a year-on-year increase of 4.8% compared with that of last year for the Remaining Group. Net asset value amounted to approximately USD816.1 million, representing a year-on-year increase of 65.3% compared with that of the same period last year for the Remaining Group due to the profit retained for the year, the issuance of shares and the Group Reorganization that took place before Listing. Basic earnings per share for the Remaining Group amounted to approximately USD2.51 cents, representing an increase of approximately USD0.73 cents compared with last year. The Board does not recommend any final dividend for the financial year ended 31 December 2014.

In October 2014, the Company successfully completed its Listing on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), marking another milestone of the Group in business development and entering the international capital platform. This move brings robust capital strength to the Company for its continuous expansion of domestic and overseas businesses while consolidating its operation mode, and thus provides broader room for development.

The Group has made breakthroughs in the diversification of asset structure, and the share price of The Group has been stable with moderate increase, demonstrating the recognition of the development and works of the Group by the international capital markets. The Group was awarded the Gold award for "Independent Power Producer of the Year" in the 2014 Asian Power Awards ceremony. The award was assessed by an independent judging panel, recognizing the Group's outstanding contributions to clean energy development in Asia, in particular, the notable growth of the clean energy and highly-efficient power generation capacity.

In the future, CGN will spare no effort to support the Group to become a domestically first-rated and world-renowned non-nuclear clean energy developer and operator in the aspects of strategic management, continuous supply chain, preferred option of non-nuclear clean energy assets, excellent talent guarantee and others.

As CGN's sole global platform for development and operation of non-nuclear clean and renewable power generation projects, the Group, with remarkable advantages, has been making a long track record of successfully acquiring, developing, financing and profitably operating high quality power generation projects in Asia, projects that are strategically located in regional markets with solid economic fundamentals and favorable supply and demand dynamics, as well as a diversified portfolio of power projects. Meanwhile, the Company's highly experienced leadership team possesses extensive International experience, and strong technical expertise supported by highly skilled employees.

70% of the proceeds raised from the Listing will be used for selective acquisition of the clean and renewable energy power projects from CGN, while the remaining 30% will be used for acquisition of operational power projects as well as development of greenfield projects acquired from independent third parties. From 2015 to 2018, we intend to selectively acquire clean and renewable power generation projects with solid returns from CGN with an aggregate installed capacity of 3.0 GW to 5.0 GW in several batches to maintain a balanced and diversified clean energy power project portfolio, etc. Accordingly, we will strive to become one of the clean and renewable energy independent power producers with strongest profitability in Asia. In the meantime, the Group grasped the precious opportunity of the public listing to take advantage of the financing and operation platform in Hong Kong capital market. As such, we will further intensify the structure adjustment and accelerate strategic transformation to enhance our core competitiveness and the level of corporate governance. Furthermore, being in strict compliance with the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**"), we will use all proceeds with due diligence and further optimise the corporate governance structure, in addition to the reinforcement of risk control, improvement of incentive mechanism and enhancement of profitability, for purpose of returning the investors, customers, staff and the society with better operating performance of the Company.

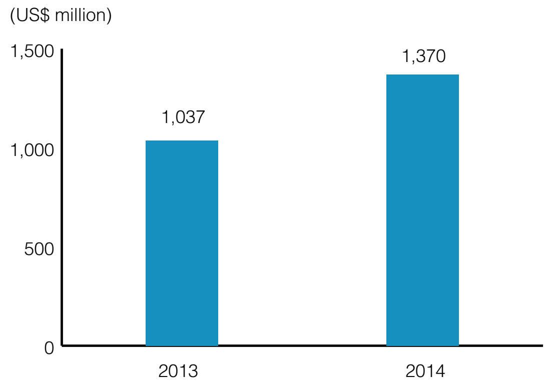
I believe that in 2015, the Group will maintain a favorable development momentum as usual and obtain even more outstanding results so as to create excellent value for investors.

Chen Sui
Chairman

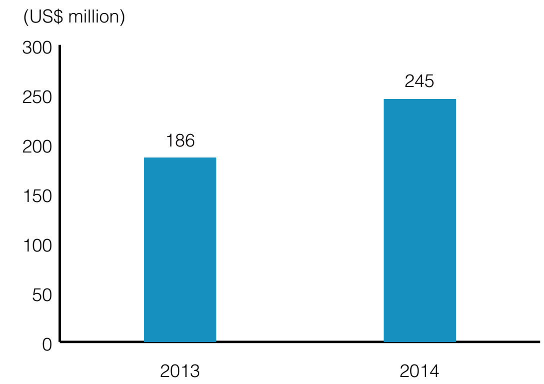
18 March 2015

Financial and Operating Highlights(1)

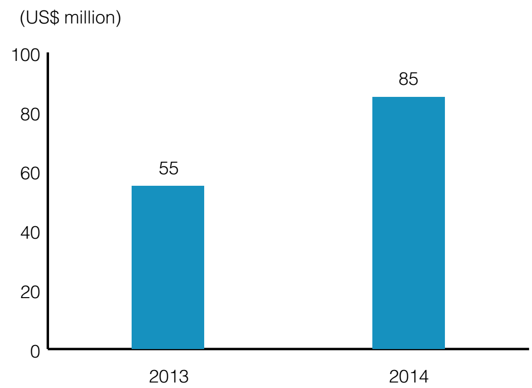
REVENUE



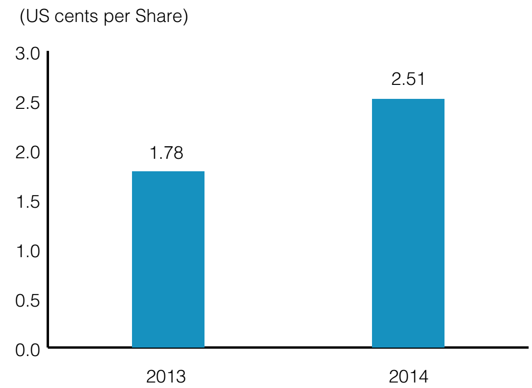
EBITDA(2)



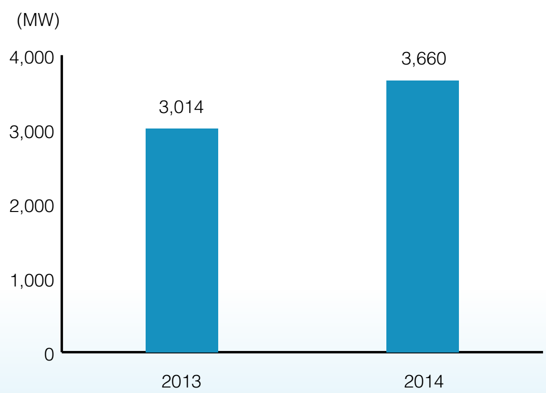
NET PROFIT ATTRIBUTABLE TO OWNER OF THE COMPANY



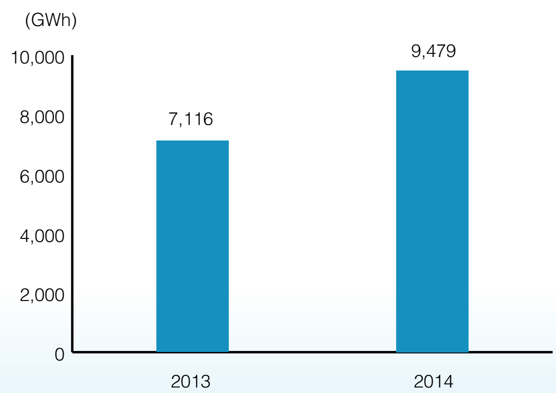
EPS



ATTRIBUTABLE INSTALLED CAPACITY IN OPERATION



ELECTRICITY SALES



Notes:

1. The above highlights pertain to the Remaining Group only.
2. EBITDA is calculated by adding depreciation and amortization to the operating profit.

Management Discussion and Analysis

I. INDUSTRY OVERVIEW

In 2014, facing ever-changing situation in the PRC and overseas, the development of national economy encountered with challenges in different aspects when the macro economy slowed down, and the growth of electricity consumption of China hit a record low in 2014. According to the information published by the National Energy Administration of the PRC, the total electricity consumption in 2014 amounted to 5,523.3 TWh, representing a year-on-year increase of 3.8% with a drop of 3.7 percentage points in the growth rate as compared with that of last year. In this year, the coal price of the PRC continued to decline, and the on-grid tariff of thermal power dropped with the average decrease of RMB0.0093/kWh.

In recent years, the power structure of the PRC was rapidly developing towards the direction of clean and renewable non-fossil energy. In this year, the cumulative grid-connected installed capacity of wind power amounted to 95.81 GW, representing a year-on-year increase of 25.6%; the cumulative grid-connected installed capacity of solar power generation amounted to 26.52 GW, representing a year-on-year increase of 67%. Under the background of slackened growth in the domestic electricity consumption, more intense competition will be seen among power-generating enterprises in 2015.

In 2014, the Korean power market felt the impact of the slowing economy and increased electricity generating capacity. The GDP of Korea grew at a rate of 3.4% in 2014, which was slower than the average growth rate of 3.9% over the past 4 years. The overall electricity consumption in 2013 and 2014 were 474.85 TWh and 477.59 TWh, respectively. The addition of new capacity and the full operation of nuclear assets compounded the impact of slower growth. The commissioning of new gas-fired power plants and other generating capacity including renewable energy and coal-fired assets lowered the system marginal price (SMP) as these new plants are generally more efficient and have lower operating expenses. The average SMP fell from KRW 140.91/kWh in December 2013 to KRW 139.34/kWh in December 2014.

Management Discussion and Analysis

II. BUSINESS REVIEW

The principal businesses of the Group are operated in the Chinese and Korean power markets with balanced regional operations. As of 31 December 2014, the operations in the PRC and Korea accounted for approximately 44.2% and 55.8% of our attributable installed capacity of 3,659.5 MW respectively. Additionally, our business in the PRC covers 4 provinces, an autonomous region and a municipality directly under the Central Government. The principal businesses of the Group involve various fuels. As of 31 December 2014, clean and renewable energy projects, namely gas-fired, hydro and fuel cell projects, accounted for approximately 51.6% of our attributable installed capacity, and conventional energy projects, namely coal-fired, oil-fired and cogen projects, accounted for approximately 48.4% of our attributable installed capacity.

In October 2014, the Company successfully completed its Listing on the Main Board of the Stock Exchange, marking another milestone of the Group in business development and entering the international capital platform. This move brings robust capital strength to the Company for its continuous expansion of domestic and overseas businesses while consolidating its operation mode, and thus provides broader room for development.

The Group was awarded the Gold award for the “Independent Power Producer of the Year” in the 2014 Asian Power Awards ceremony. The award was assessed by an independent judging panel, recognizing the Group’s outstanding contributions to clean energy development in Asia, in particular, the notable growth of the clean energy and highly-efficient power generation capacity.

The following table sets out items selected by us from the results of the Remaining Group (by fuel type):

US$ million	Gas-fired projects	Coal-fired, cogen and steam projects	Oil-fired project	Hydro projects	Corporate	Remaining Group total
For the year ended 31 December 2014						
Revenue	**1,080.4**	**202.1**	**40.3**	**38.5**	**9.0**	**1,370.3**
Operating expenses	**(975.7)**	**(159.0)**	**(25.5)**	**(20.0)**	**(40.2)**	**(1,220.4)**
Operating profit	**104.7**	**43.1**	**14.8**	**18.5**	**(31.2)**	**149.9**
Profit for the year	**59.4**	**73.8**	**7.4**	**14.7**	**(54.4)**	**100.9**
Profit attributable to the owner of the Company	**53.7**	**64.2**	**7.4**	**14.2**	**(54.4)**	**85.1**
For the year ended 31 December 2013						
Revenue	660.1	213.9	125.3	38.0	—	1,037.3
Operating expenses	(588.4)	(174.3)	(113.2)	(19.9)	(26.3)	(922.1)
Operating profit	71.7	39.6	12.1	18.1	(26.3)	115.2
Profit for the year	35.4	64.7	6.7	13.1	(50.3)	69.6
Profit attributable to the owner of the Company	30	56.6	6.7	12.3	(50.3)	55.3

Management Discussion and Analysis

The attributable installed capacity of the Group's power assets from the Remaining Group as of 31 December 2014 and 2013 by fuel type are set out as follows:

	2014 (MW)	2013 (MW)	Rate of change
Clean and renewable energy portfolio			
Gas-fired	**1,770.7**	1,458.6	21.4%
Hydro	**119.3**	119.3	0.0%
Subtotal	**1,890.0**	1,577.9	19.8%
Conventional energy portfolio			
Coal-fired	**1,187.5**	854.4	39.0%
Oil-fired	**507.0**	507.0	0.0%
Cogen	**75.0**	75.0	0.0%
Subtotal	**1,769.5**	1,436.4	23.2%
Total attributable installed capacity	**3,659.5**	3,014.2	21.4%

As of 31 December 2014, the attributable installed capacity of the Group's power plants reached 3,659.5 MW, representing a year-on-year increase of approximately 645.3 MW or 21.4%. The consolidated installed capacity of power plants of the Group reached 2,867.8 MW as at 31 December 2014. During the reporting period, the Group expanded its businesses in the PRC and Korea. For businesses in the PRC, Unit 2 of Huangshi II Coal-fired Project commenced COD in April 2014. The Yulchon II Power Project also achieved COD in April 2014. It is a gas-fired combined cycle power project located adjacent to Yulchon I Power Project at the Yulchon Industrial Complex, Jeollanam-do, in the southern part of the Korean peninsula.

In 2014, the net electricity generated from the consolidated power generation projects of the Group reached 9,478.7 GWh, representing an increase of 33.2% compared with last year, mainly due to the COD of the combined cycle operation of Yulchon II Power Project. The total steam sold by the Group for the year ended 31 December 2014 amounted to 2,681,000 tons, representing a slight decrease of 2.3% as compared with that of last year.

The following table sets out the average utilization hour applicable to our projects for the Remaining Group:

Average utilization hour by fuel type[1]

	For the year ended 31 December 2014	2013
PRC Gas-fired Projects[2]	**1,716**	2,004
Korea Gas-fired Projects[3]	**4,488**	4,258
PRC Coal-fired Projects[4]	**4,340**	5,131
PRC Cogen Projects[4]	**5,803**	6,250
Korea Oil-fired Projects[5]	**53**	478
PRC Hydro Projects	**4,862**	4,784

Management Discussion and Analysis

Notes:

(1) Utilization hour is the gross electricity generated in a specified period divided by the average installed capacity in the same period.

(2) Utilization hour for the PRC gas-fired projects decreased due to the cessation of operation from May 2014 by Hexie Power Project.

(3) Our Korea gas-fired power projects had higher utilization hour in 2014 mainly because Yulchon II Power Project's combined cycle operation commenced.

(4) Average utilization hour for the PRC coal-fired and cogen projects decreased in 2014 because the industrial demand in general was weak.

(5) Our Korea oil-fired power project (i.e. Daesan I Power Project) had less utilization hour in 2014 because of much higher Reserve Margins in Korea compared to 2013, resulting in lower demand for oil-fired power plant.

The table below sets out the weighted average tariffs and steam tariff (inclusive of value-added tax ("**VAT**")) applicable to our projects in the PRC and Korea for the Remaining Group for the periods indicated:

		For the year ended 31 December	
	Unit	**2014**	2013
Weighted average tariff (inclusive of VAT)[(1)]			
PRC Gas-fired Projects[(2)]	RMB per kWh	**0.5971**	0.6252
Korea Gas-fired Projects[(3)]	KRW per kWh	**166.2**	169.4
PRC Coal-fired Projects[(4)]	RMB per kWh	**0.4980**	0.5138
PRC Cogen Projects[(4)]	RMB per kWh	**0.5052**	0.5276
Korea Oil-fired Projects	KRW per kWh	**444.5**	458.5
PRC Hydro Projects	RMB per kWh	**0.3304**	0.3326
Weighted average steam tariff (inclusive of VAT)			
PRC Cogen Projects[(5)]	RMB per ton	**194.5**	206.3

Notes:

(1) The weighted average tariffs are affected not only by the change in the tariff for each project but also the change in net power generation for each project.

(2) The tariff for the PRC gas-fired projects decreased due to the cessation of operation from May 2014 by Hexie Power Project that had a comparatively higher power tariff, resulting in lower average tariff.

(3) The weighted average tariff (inclusive of VAT) for gas-fired power projects includes the tariff (inclusive of VAT) for the 10.4 MW fuel cell project owned by Yulchon I Power Project.

(4) The weighted average tariff (inclusive of VAT) for our cogen projects excludes steam tariff (inclusive of VAT).

The weighted average tariffs for the coal-fired and cogen projects decreased in 2014 since there have been two national on-grid tariff downward adjustments directed by the NDRC in September 2013 and September 2014.

(5) The weighted average steam tariff decreased in 2014 was in line with the decrease in PRC coal price.

Management Discussion and Analysis

The following table sets out the weighted average gas and standard coal and average oil prices (inclusive of VAT) applicable to our projects in the PRC and Korea for the Remaining Group for the periods indicated:

		For the year ended 31 December	
	Unit	**2014**	2013
PRC weighted average gas price[1][2][3]	RMB per normal cubic meter (“**Nm^3**”)	**2.141**	1.861
PRC weighted average standard coal price[1][4]	RMB per ton	**680.3**	756.8
Korea weighted average gas price[1][5]	KRW per Nm^3	**822.7**	797.3
Korea average oil price[6]	KRW per liter	**1,456**	1,499

Notes:

(1) The weighted average standard coal and the weighted average gas prices are weighted based on the consumption of gas or coal in each applicable period.

(2) The PRC weighted average gas price excludes the gas price for Weigang Power Project, which exclusively uses blast furnace gas.

(3) Our PRC weighted average gas price in 2014 increased compared to 2013 due to the directive issued by the NDRC requiring relevant government bodies to increase city gate prices by no greater than RMB0.4 per m^3 in June 2013, with effect from 10 July 2013.

(4) The PRC weighted average standard coal price in 2014 decreased compared to 2013 because the demand in 2014 in general was weak.

(5) Our Korea weighted average gas price in 2014 increased compared to 2013 due to increases in gas prices, as indicated by the Japanese Crude Cocktail, a measurement of average prices of crude oil imported into Japan and an important determinant of natural gas prices in Korean markets. However, the Yulchon I Power Project PPA allows us to contractually incorporate fuel cost fluctuations in the tariff charged to our customer.

(6) We only purchase oil in Korea to supply Daesan I Power Project.

Revenue and segment information

The Group has three reportable segments as follows:

(1) Power plants in the PRC — Generation and supply of electricity;

(2) Power plants in Republic of Korea — Generation and supply of electricity; and

(3) Management companies in the PRC — Provision of management services to power plants operated by CGN and its subsidiaries.

During the year ended 31 December 2014, the Group has started to provide the management services operation, which is reported as a separate operating segment for the purposes of resource allocation and performance assessment.

Management Discussion and Analysis

The following is an analysis of the Whole Group's revenue and results by reportable segment:

For the year ended 31 December 2014

	Power Plants in the PRC US$'000	Power Plants in Republic of Korea US$'000	Management companies in the PRC US$'000	Total US$'000
Segment revenue — external	**305,514**	**1,065,063**	**8,975**	**1,379,552**
Segment results	**75,635**	**66,499**	**427**	**142,561**
Unallocated other income				**691**
Unallocated operating expenses				**(23,338)**
Unallocated finance costs				**(21,206)**
Other gains and losses				**2,728**
Share of result of associates				**42,572**
Share of result of a joint venture				**21,016**
Gain on disposal of subsidiaries, associates and a joint venture				**96,343**
Listing expenses				**(4,087)**
Profit before tax				**257,280**

For the year ended 31 December 2013

	Power Plants in the PRC US$'000	Power Plants in Republic of Korea US$'000	Total US$'000
Segment revenue — external	333,756	720,767	1,054,523
Segment results	76,889	44,670	121,559
Unallocated other income			868
Unallocated operating expenses			(19,619)
Unallocated finance costs			(24,504)
Other gains and losses			3,007
Share of result of associates			28,936
Share of result of a joint venture			55,946
Impairment loss on interest in an associate			(18,758)
Impairment loss on property, plant and equipment			(24,000)
Listing expenses			(6,866)
Profit before tax			116,569

Segment revenue for Power Plants in Republic of Korea increased significantly due to the increase in revenue from Yulchon II Power Project's combined cycle operation and partially offset by a decrease in revenue from Daesan I Power Project.

Pursuant to the Operation and Management Services Framework Agreements that the Company have entered into with CGN Energy and Huamei Holding during 2014, our Group has started to provide operation and management services to PRC power projects that CGN Energy and Huamei Holding have interests. As a result, a new segment on management companies in the PRC was added in 2014.

Management Discussion and Analysis

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment. The segment assets and liabilities as at 31 December 2013 represent the Whole Group while the segment assets and liabilities as at 31 December 2014 represent only the Remaining Group:

	2014 US$'000	2013 US$'000
Segment assets		
Power Plants in the PRC	535,993	818,339
Power Plants in Republic of Korea	1,457,923	1,328,421
Management companies in the PRC	4,366	—
Total segment assets	1,998,282	2,146,760
Interests in a joint venture	—	455,077
Interests in associates	168,271	269,359
Unallocated	320,381	86,393
Consolidated assets	2,486,934	2,957,589

	2014 US$'000	2013 US$'000
Segment liabilities		
Power Plants in the PRC	97,790	240,968
Power Plants in Republic of Korea	1,068,694	977,487
Management companies in the PRC	1,062	—
Total segment liabilities	1,167,546	1,218,455
Unallocated		
— Derivative liabilities	—	2,606
— Bank borrowings	140,000	190,000
— Bond payables	353,726	353,466
— Loan from an intermediate holding company	—	242,300
— Others	9,572	12,904
Consolidated liabilities	1,670,844	2,019,731

Segment assets and liabilities for Power Plants in the PRC decreased significantly in 2014 since segment assets and liabilities as at 31 December 2013 represents the Whole Group while that of 31 December 2014 represent only the Remaining Group.

Segment assets and liabilities for Power Plants in Republic of Korea increased mainly due to the commencement of operation of Yulchon II Power Project's combined cycle in 2014.

The unallocated bank borrowings decreased due to the early repayment of CDB Bank Loan of US$50 million in January 2014.

The unallocated loan from an intermediate holding company of US$242.3 million was transferred to CGNPC Huamei during the Group Reorganization with effect from 1 July 2014.

Management Discussion and Analysis

III. OPERATING RESULTS AND ANALYSIS

During the year ended 31 December 2014, the Company underwent a Group Reorganization, under which the Company transferred 100% equity interests in some of its wholly-owned subsidiaries together with the net balances of amounts due from certain wholly-owned subsidiaries and certain subsidiaries of these wholly-owned subsidiaries, with all of their rights and obligations transferred to CGNPC Huamei with effect from 1 July 2014 (collectively referred to as the "**Disposal Group**"), by way of (1) a distribution in kind as a distribution from the contributed surplus and accumulated profits of the Company; (2) the transfer to CGNPC Huamei of the obligations of the Company under a facility agreement of which an outstanding principal amount of US$242,300,000 owed to an intermediate holding company of the Company, CGNPC International Limited; and (3) the declaration of an interim dividend in an amount of US$3,347,000 to CGNPC Huamei.

The following discussion and analysis pertains to the financial information of the Remaining Group:

Revenue

In 2014, the revenue of the Group amounted to approximately US$1,370.3 million, representing an increase of 32.1% compared with approximately US$1,037.3 million of last year. The increase in revenue was mainly due to an increase in revenue from Yulchon II Power Project, offset by a decrease in revenue from Daesan I Power Project. The increase in revenue was also due to the recognition of operation and management services income charged under the Operation and Management Services Framework Agreements signed by the Company with CGN Energy Development Co., Ltd. and Huamei Holding Company Limited during 2014.

Operating Expenses

In 2014, the operating expenses of the Group amounted to approximately US$1,220.4 million, representing an increase of approximately 32.4% compared with approximately US$922.1 million of last year. The increase in operating expenses was mainly due to an increase in gas consumption and higher depreciation expenses in relation to Yulchon II Power Project, an increase in gas prices in Korea and the PRC, offset by a decrease in oil consumption by Daesan I Power Project.

Operating Profit

In 2014, the operating profit, which is equal to revenue minus operating expenses, of the Group amounted to approximately US$149.9 million, representing an increase of 30.0% compared with approximately US$115.3 million of last year. The increase is in line with the increment in revenue and operating expenses for the year.

Other Income

The other income mainly represented income from sales of scrapped materials, interest income and the refund of value added tax. The other income was stable in 2013 and 2014. In 2014, the other income of the Group amounted to approximately US$12.9 million, representing a slight increase of 6.6% compared with approximately US$12.1 million of last year.

Finance Costs

In 2014, the finance costs of the Group amounted to approximately US$63.1 million, representing an increase of 23.5% compared with approximately US$51.1 million of last year. The increase in finance costs was mainly due to an increase in bank borrowings for Yulchon II Power Project and the interest expense for the construction of the simple cycle operations of Yulchon II Power Project could not be capitalised due to the commencement of operation from June 2013.

Management Discussion and Analysis

Share of Results of Associates

In 2014, the share of results of associates amounted to approximately US$40.9 million, representing an increase of approximately US$3.5 million compared with the share of results of approximately US$37.4 million in last year. The increase in profit of the associates was mainly due to higher power generation from Huangshi II Coal-fired Project, the lower standard coal price in the PRC but being offset by the national tariff reduction in September 2013 and September 2014 for all the PRC coal-fired plants.

Income Tax Expense

In 2014, the income tax expense of the Group amounted to approximately US$37.3 million, representing a decrease of approximately US$2.8 million compared with approximately US$40.1 million of last year. Income tax decreased in spite of higher profit before tax was mainly due to tax credit available for the energy saving facilities and equipment of Yulchon II Power Project.

Liquidity and Capital Resources

The Group's fixed bank deposit, bank balances and cash together with the amount due from a fellow subsidiary (that is the deposits placed with CGNPC Huasheng) increased from US$167.6 million as at 31 December 2013 to US$407.1 million as at 31 December 2014, while some of which was primarily due to the net proceeds raised from the initial public offering of the Company's shares in October 2014, offset by the early repayment of US$50 million under a transferable senior secured term loan facility agreement from CDB ("**CDB Bank Loan**") in January 2014.

Net Debt/Equity Ratio

Our net debt/equity ratio decreased from 3.01 as at 31 December 2013 to 1.20 as at 31 December 2014 due to the decrease in net debt (which equals total debt less available cash) resulting from the proceeds raised from the initial public offering of the Company's shares and the transfer of the loan in the principal amount of US$242.3 million from CGNPC International Limited to CGNPC Huamei under the Group Reorganization as disclosed in note 43 to the consolidated financial statements.

Dividend

The Company

For the year ended 31 December 2014, a distribution in kind of US$144 million, which represented a distribution from the contributed surplus of US$141.5 million and accumulated profits of US$2.5 million were declared and approved by the Board of the Company in relation to the Group Reorganization.

An interim dividend of US$33.47 per share (2013: nil), amounting to US$3.3 million in aggregate was declared and approved by the then sole shareholder of the Company as part of the Group Reorganization.

The Group

The impact on the consolidated Group level in relation to the Group Reorganization included a distribution in kind of US$184.9 million out of contributed surplus of US$141.5 million and accumulated profits of US$43.4 million; and a deemed distribution of US$210.5 million in total out of non-distributable reserves of US$19.6 million and accumulated profits of US$190.9 million.

Management Discussion and Analysis

Earnings per Share

	2014 US cents	2013 US cents
Earnings per share for the Remaining Group, basic — calculated based on the weighted average number of ordinary shares for the year	**2.51**	1.78
Earnings per share for the Remaining Group, basic — calculated based on the number of ordinary shares outstanding at year end	**1.98**	1.78

	Year ended 31 December	
	2014 US$'000	2013 US$'000
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owner of the Remaining Group)	**85,131**	55,338
	2014 '000	2013 '000
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**3,384,786**	3,101,800
Number of ordinary shares outstanding at year end	**4,290,824**	3,101,800

No diluted earnings per share was presented for both years as there was no potential ordinary share in issue.

The number of shares for the purpose of calculating basic earnings per share for the year ended 31 December 2013 was calculated based on the 3,101,800,000 ordinary shares of the Company after retrospective adjustment and assuring the issuance of 3,101,800,000 ordinary shares of HK$0.0001 each and the repurchase of 100,000 ordinary shares of US$0.4 each pursuant to the written resolutions passed by the then sole shareholder of the Company on 15 September 2014, had been effective on 31 December 2013.

Management Discussion and Analysis

Trade Receivables

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
	Remaining Group	Whole Group
Trade receivables	**158,121**	100,362
Less: allowance for doubtful debts	**(118)**	(121)
	158,003	100,241

The Group allows a credit period from 30 to 90 days throughout the year to its trade customers. Over 99% (2013: 99%) of the trade receivables were neither past due nor impaired as at 31 December 2014. The management considers that these receivables have good credit scoring owing to the credit review policy used by the Group.

The following is an aging analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the revenue recognition dates.

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
	Remaining Group	Whole Group
0–60 days	**156,856**	99,661
61–90 days	**371**	377
Over 90 days	**776**	203
	158,003	100,241

Trade Payables

The following is an aging analysis of trade payables presented based on the invoice dates at the end of the reporting period.

	As at 31 December	
	2014	2013
	US$'000	*US$'000*
	Remaining Group	Whole Group
0–60 days	**156,015**	104,287
61–90 days	**59**	1,300
Over 90 days	**933**	1,750
Total	**157,007**	107,337

The average credit period for purchases of goods was 33 (2013: 33) days for the year ended 31 December 2014. The Group has formulated policies regarding financial risk management policies so as to ensure that all payables are settled within the credit period.

Management Discussion and Analysis

Financial Position

Non-current assets increased from US$1,664.7 million as at 31 December 2013 to US$1,699.5 million as at 31 December 2014 mainly because the construction of combined cycle operation of Yulchon II Power Project was offset by the depreciation charge for the year ended 31 December 2014.

Current assets increased from US$707.9 million as at 31 December 2013 to US$787.4 million as at 31 December 2014 attributable to the increase in total bank balances, fixed bank deposits and cash as explained under "Liquidity and Capital Resources" in this report; offset by the transfer of amounts due from the Disposal Group to CGNPC Huamei pursuant to the Group Reorganization.

Current liabilities increased from US$211.7 million as at 31 December 2013 to US$445.5 million as at 31 December 2014, which was resulted from the increased bank borrowings repayable within one year. The increase was primarily due to the fact that US$140 million under the CDB Bank Loan that will be due in June 2015 has become repayable within one year as at 31 December 2014.

Non-current liabilities decreased from US$1,667.1 million as at 31 December 2013 to US$1,225.4 million as at 31 December 2014, which was resulted from the decreased bank borrowing repayable over one year (which equals to total debt less available cash) as explained above; and the transfer of loan with the principal amount of US$242.3 million due to CGNPC International Limited pursuant to the Group Reorganization.

Bank borrowings

	THE REMAINING GROUP As at 31 December	
	2014	2013
	US$'000	*US$'000*
Secured	**1,030,128**	1,058,892
Unsecured	**5,720**	—
	1,035,848	1,058,892
The maturity profile of bank borrowings is as follows:		
Within one year	**197,819**	22,973
More than one year but not exceeding two years	**53,287**	91,983
More than two years but not exceeding five years	**226,435**	350,376
Over five years	**558,307**	593,560
	1,035,848	1,058,892
Less: Amounts due for settlement within one year shown under current liabilities	**(197,819)**	(22,973)
Amounts due for settlement after one year	**838,029**	1,035,919

The Group's total bank borrowings decreased from US$1,058.9 million as at 31 December 2013 to US$1,035.8 million as at 31 December 2014 mainly due to the early repayment of CDB Bank Loan of US$50 million in January 2014, offset by the additional drawdown of bank borrowings for Yulchon II Power Project.

Management Discussion and Analysis

All bank borrowings at the end of the reporting period are denominated in the functional currency of the respective group entities that include RMB, USD and KRW. The bank borrowings of the Group carry interest rates which range from 1.75% to 6.62% (2013: 1.75% to 6.62%) per annum during the year ended 31 December 2014. The analysis of bank borrowings with fixed interest rate and floating interest rate is analysed below:

	THE REMAINING GROUP As at 31 December	
	2014	2013
	US$'000	*US$'000*
Fixed rate	**270,179**	270,252
Floating rate	**765,669**	788,640
	1,035,848	1,058,892

As at 31 December 2014, the Group has committed unutilised banking facilities of US$52.4 million.

Bond Payables

On 19 August 2013, the Company issued a bond in an aggregate principal amount of US$350,000,000 (the "**Bond**"). The Bond was priced at 99.686% of the principal amount of the Bond which is listed on the Stock Exchange. The Bond carries interest calculated at 4% per annum and interest is payable semi-annually in arrears and will become mature on 19 August 2018, unless it is redeemed earlier.

Significant Investments

The Group did not hold any significant investment during the year ended 31 December 2014.

Capital Expenditures

The Group's capital expenditure decreased by US$127.1 million to US$177.7 million in 2014 from US$304.8 million in 2013 due to the completion of construction of the combined cycle operation of Yulchon II Power Project in March 2014.

Contingent Liabilities

As at 31 December 2014, the Group had no material contingent liabilities (as at 31 December 2013: nil).

Pledged Assets

The Group pledged certain property, plant and equipment, land use rights, bank deposits and restricted cash for credit facilities granted to the Group. As at 31 December 2014, the total book value of the pledged assets amounted to US$1,246.7 million.

Employees and Remuneration Policy

As at 31 December 2014, the Group had about 1,472 full-time employees, with the majority based in China. The Group provides its employees with salaries and bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes.

Employees located in China are covered by the mandatory social security schemes required by local practice and regulations of the PRC, which are essentially defined contribution schemes. The Group is required by the PRC law to contribute a certain percentage of the average salaries of the employees to various schemes in accordance with the respective regulatory requirements of each city. The PRC government is directly responsible for the payment of the benefits to these employees.

Management Discussion and Analysis

In Hong Kong, we participate in a mandatory provident fund scheme established under the Mandatory Provident Fund Schemes Ordinance (Chapter 485). Employees should contribute 5.0% of their relevant income, which is currently capped at HK$1,500, to the mandatory provident fund scheme monthly and the Group should contribute 10.0% of the employees' monthly base salary.

In Korea, we are required by law to contribute 0.04% to 4.5% of the average salary of the employees for national pension, national health insurance, unemployment insurance, industrial accident compensation insurance and wage claim guarantee fund.

In the PRC and Korea, we cannot reduce the existing level of contributions by the forfeited contributions made by the employers on behalf of the employees who leave the defined contribution schemes before the vesting period. In Hong Kong, we have utilized HK$275,000 for the year ended 31 December 2014 (HK$283,000 for the year ended 31 December 2013) and there is HK$37,000 available at the balance sheet date for such use.

The remuneration of senior management is determined by making reference to the performance of individuals and the Group and market trends. Remuneration of senior management (excluding directors) for the year ended 31 December 2014 were within the following bands:

	No. of employees
HK$0 to HK$500,000 (Equivalent to US$0 to US$64,000)	3
HK$500,001 to HK$1,000,000 (Equivalent to US$64,0001 to US$129,000)	1
HK$1,000,001 to HK$1,500,000 (Equivalent to US$129,001 to US$193,000)	3
HK$1,500,001 to HK$2,000,000 (Equivalent to US$193,001 to US$258,000)	2
HK$2,000,001 to HK$2,500,000 (Equivalent to US$258,001 to US$322,000)	1
HK$2,500,001 to HK$3,000,000 (Equivalent to US$322,001 to US$387,000)	1
HK$4,500,001 to HK$5,000,000 (Equivalent to US$580,001 to US$644,000)	2
HK$5,500,001 to HK$6,000,000 (Equivalent to US$709,001 to US$773,000)	1
HK$9,000,001 to HK$9,500,000 (Equivalent to US$1,160,001 to US$1,224,000)	1
Total	15

Remarks:

Five individuals ceased to hold positions in the senior management in 2015.

Environmental Policies and Performance

The environmental protection systems and facilities of our power projects comply with applicable national and local environmental protection regulations. Environmental management in all of our operating project companies, including Huangshi I and Huangshi II Power Projects, met the relevant international standards and have been accredited with ISO14001 (environmental management system) certification. Also, most of our power projects have their own environmental protection office and staff responsible for monitoring and operating its environmental protection equipment. Remote Emissions Monitoring Systems (REMS) are equipped in some coal fired projects to continuously monitor power projects emissions condition at the Company. The Company has invested substantially in upgrading the environmental facilities at the projects to comply with the new regulations. By the end of 2014, all de-sulfurization, de-nitration and particulate matter removal facilities would have been installed and put into service as planned. Some projects have not completed installation before the effective date of new national emissions regulation due to tightness of the emission control equipment supply chain. The Company has obtained extension of time from the relevant local authorities and will pay the relevant charges for not meeting the emission requirements in accordance with local regulations, if applicable. As of 31 December 2014, Puguang Power Project and Nantong Cogen Power Project were charged for emission exceedances for the period before completion of environmental facilities. We do not believe that we are in material breach of any applicable environmental laws or regulations.

Management Discussion and Analysis

Air emissions of all existing thermal (coal-fired, oil-fired, gas-fired including cogen) power plants in China have to meet a more stringent new national emissions regulation, which became effective on 1 July 2014. According to the PRC Air Pollution Prevention Law (中華人民共和國大氣污染防治法), a penalty of up to RMB100,000 is levied for non-compliance. Furthermore, according to the PRC Environmental Protection Law (中華人民共和國環境保護法), an additional penalty of up to RMB100,000 is further levied for non-compliance. The environmental laws and regulations also impose fines on enterprises which violate such laws, regulations or decrees and provide for other sanctions including the possible closure of any power project which fails to rectify activities that cause environmental damage. As of 31 December 2014, the Company had not received any sanction to cease operations or rectification to environmental damages.

Major Customers and Suppliers

Our primary customers are the electricity offtakers for our projects. Our primary suppliers are the fuel providers for our projects. Our largest customer is Korea Power Exchange ("**KPX**") and our largest supplier is Korea Gas Corporation ("**KOGAS**").

KPX is a nonprofit, neutral and independent organization in South Korea's power industry. KPX ensures the reliability of power supply by coordinating the flow of electricity in all regions of South Korea. To secure future power reliability, KPX runs a sophisticated national planning process for generation and transmission expansion by active cooperation and coordination with the Korea government. KPX has become our largest customer since the combined cycle of Yulchon II Power Project commenced operations and we have maintained a business relationship with KPX since 2009.

KOGAS is an independent third party supplier of gas for Yulchon I Power Project, Yulchon I Fuel Cell Project and Yulchon II Power Project in Korea. KOGAS is a publicly listed company on the Korean Exchange that engages in the production and distribution of gas in Korea. KOGAS was incorporated by the Korean government in 1983 and is the sole wholesale supplier of natural gas in Korea.

Other Updates

Updates on the Properties in the PRC with Title Defects

(i) Guangxi Zuojiang Meiya Hydropower Company Limited (廣西左江美亞水電有限公司) ("Zuojiang JV")

Zuojiang JV had obtained the relevant building ownership certificates for the dormitories and cafeteria with a total floor area of 5,716.95 square meters in September 2014. An application for the building ownership certificate for the warehouse has been submitted to the local government in April 2015.

(ii) Mianyang Sanjiang Meiya Hydropower Company Limited (綿陽三江美亞水電有限公司) ("Mianyang JV")

The board of Mianyang JV had approved a plan to build certain ancillary facilities on the idle land and an application for construction had been submitted to the local authority in August 2014. We are liaising with the local government with respect to the application.

(iii) Hubei Xisaishan Power Generation Co., Ltd. (湖北西塞山發電有限公司) ("Huangshi I JV")

Huangshi I JV has submitted an application for the building ownership certificates in April 2015.

Updates on Systematic Non-Compliances in Hong Kong and Malta

(i) Non-Compliances in Hong Kong

As set out in the prospectus of the Company dated 19 September 2014, 10 of the Hong Kong incorporated members of the Group (the "**Relevant Members**") failed to lay certain profit and loss accounts and balance sheets before annual general meetings (or approved by their relevant shareholders by written resolutions) within the prescribed time limit, contrary to section 122(1A) of the predecessor Companies Ordinance, Cap. 32 (the "**Predecessor Ordinance**").

For 7 of the Relevant Members, the contraventions involved were either (i) outside of the 3-year limitation period for criminal prosecution set by the Predecessor Ordinance; or (ii) could be regarded as minimal or artificial breaches with delays of less than 6 weeks in duration. It can be considered, based on the legal advice given to the Company, that the contraventions involved are not necessary to be rectified, and hence no Court applications were made in respect of these breaches.

Management Discussion and Analysis

For the other 3 of the Relevant Members, Court applications for rectification of the breaches involved were taken out in November 2014. These applications were heard before the Court in January 2015. However, by the time the hearings came before the Court, the 3-year limitation period under section 351A of the Predecessor Ordinance for the relevant breaches of 2 of these 3 Relevant Members had also passed. Since Court rectification of these breaches also became unnecessary, the applications of these 2 Relevant Members were withdrawn with the leave of the Court.

As for the remaining Relevant Member, the Court heard the application in January 2015 and considered that such Relevant Member did not need the order as sought. Based on the advice given to the Company, it can be considered that the Court is of the opinion that, there is no breach that needs to be rectified by this Relevant Member. The application would therefore be unnecessary and should be withdrawn as well.

The Company was advised that the relevant contraventions of section 122(1A) of the Predecessor Ordinance by the Relevant Members do not need any further action and there would be no realistic prospect of prosecution of any of the relevant contraventions by the Relevant Members.

(ii) Non-Compliances in Malta

The audited financial statements of Meiya Yulchon Power Company Limited for each of the years ended 31 December 2010, 2011 and 2012 have been delivered for registration with the Registry of Companies in April 2015.

IV. RISK FACTORS AND MANAGEMENT

Risks Relating to the Industry

Our power projects are located in the PRC and Korea, both of which have undergone, and may continue to undergo, regulatory changes. Governmental regulations affect all aspects of our power project operations, including the amount and timing of electricity generation, the setting of tariffs, compliance with power grid controls, dispatch directives and environmental protection. Regulatory changes in the PRC and Korea can affect, among other things, dispatch policies, clean and renewable energy and environmental compliance policies and tariffs, and may result in a change of tariff-setting procedures or mandatory installation of costly equipment and technologies to reduce environmental pollutants.

Risk Relating to Fuel Cost

The non-renewable energy power projects of the Group require supplies of coal, oil and gas as fuel. Fuel costs represent a significant portion of our operating expenses and the operating expenses of our associates. The extent to which our profit is ultimately affected by the cost of fuel depends on our ability to pass through fuel costs to our customers as set out under the relevant regulatory guidelines and the terms of our power purchase agreement (PPA) for a particular project, as we currently do not hedge our exposure to fuel price fluctuations. Our fuel costs are also affected by the volume of electricity generated because the coal consumption rate of coal-fired and cogen power projects decrease when we generate more electricity as a result of economies of scale. In the PRC, government tariff regulations limit our ability to pass through changes in fuel costs. In Korea, while our Yulchon I Power Project is able to pass through our exposure to fuel price fluctuations through fuel cost pass-through provisions in the tariff formula, our Yulchon II and Daesan I Power Projects receive payments based on the system marginal price, which is influenced by market demand and supply, and may not fully reflect the power plants' respective fuel price fluctuations. Our diversified generation portfolio enables us to diversify the risks that we would face to utilize a single resource for electricity generation. In particular, our exposure to several fuel types mitigates risks such as price increases in or the availability of any particular fuel source.

Interest Rate Risk

We are exposed to interest rate risk resulting from fluctuations in interest rates on our debt with floating interest rates based on market prevailing rates. We undertake debt obligations to support general corporate purposes including capital expenditures and working capital needs. Certain of our indebtedness is calculated in accordance with floating interest rate or interest that are subject to adjustment by our lenders. We periodically review the ratio of debt with floating interest rates to debt with fixed rates, taking into account the potential impact on our profit, interest coverage and cash flows.

Foreign Exchange Risk

The functional currency of the Group is U.S. dollars, and our profit is affected by fluctuations in foreign currency exchange rates. We collect most of our revenue from our projects in Renminbi and Korean Won, some of which are converted into foreign currencies to (1) purchase foreign-made equipment and parts for repair and maintenance, (2) make investments in certain joint ventures or acquire interests from other companies, (3) pay out dividends to the shareholders of our project companies, and (4) service our outstanding debt. By managing and monitoring the risks of foreign currency, we ensure that appropriate measures are adopted effectively in a timely manner. While we currently do not hedge our exchange rate exposure, we have in the past and may in the future enter into foreign currency hedges if and when it becomes economical to do so.

Management Discussion and Analysis

V. PROSPECTS

In the future, CGN will spare no effort in supporting the Group to become a domestically first-rate and world-renowned non-nuclear clean energy developer and operator in the aspects of strategic management, continuous supply chain, preferred option of non-nuclear clean energy assets, excellent talent guarantee and others.

As CGN's sole global platform for development and operation of non-nuclear clean and renewable power generation projects, the Group, with remarkable advantages, has been making a long track record of successfully acquiring, developing, financing and profitably operating high quality power generation projects in Asia, projects that are strategically located in regional markets with solid economic fundamentals and favorable supply and demand dynamics, as well as a diversified portfolio of power projects. Meanwhile, the Company's highly experienced leadership team possesses extensive international experience, strong technical expertise supported by highly skilled employees.

70% of the proceeds raised from the Listing will be used for selective acquisition of the clean and renewable energy power projects from CGN, while the remaining 30% will be used for acquisition of operational power projects as well as development of greenfield projects acquired from independent third parties. From 2015 to 2018, we intend to selectively acquire clean and renewable power generation projects with solid returns from CGN with an aggregate installed capacity of 3.0 GW to 5.0 GW in several batches to maintain a balanced and diversified clean energy power project portfolio, etc. Accordingly, we will strive to become one of the clean and renewable energy independent power producers with strongest profitability in Asia. In the meantime, the Group grasped the precious opportunity of the public listing to take advantage of the financing and operation platform in Hong Kong capital market. As such, we will further intensify the structure adjustment and accelerate strategic transformation to enhance our core competitiveness and the level of corporate governance. Furthermore, being in strict compliance with the Listing Rules, we will use all proceeds with due diligence and further optimise the corporate governance structure, in addition to the reinforcement of risk control, improvement of incentive mechanism and enhancement of profitability, for purpose of returning the investors, customers, staff and the society with better operating performance of the Company.

USE OF PROCEEDS

The Company was listed on the Main Board of the Stock Exchange on 3 October 2014. Net proceeds from the global offering (including the proceeds from the exercise of the over-allotment option) were approximately HK$1,966.1 million (after deducting the underwriting fees and commissions and other listing-related expenses). As at 31 December 2014, the unutilised proceeds of approximately HK$1,950.0 million were deposited into short-term deposits and/or money market instruments while the remaining proceeds were kept in a current account with bank.

Use of net proceeds from global offering

	Percentage to total amount	Net proceeds *(HK$ million)*	Utilised amount (up to 31 December 2014) *(HK$ million)*	Unutilised amount (up to 31 December 2014) *(HK$ million)*
Selective acquisition of clean and renewable power projects from CGN, the parent company of the Company	70%	1,376.3	—	1,376.3
Acquisition of operational power projects and development of greenfield projects acquired from independent third parties	30%	589.8	—	589.8
		1,966.1	—	1,966.1

Biographies of Directors and Senior Management

DIRECTORS *(Note)*

Executive Directors

(1) Mr. CHEN Sui (陳遂)

Mr. CHEN Sui (陳遂), aged 50, is the Chairman and executive Director. Mr. Chen has been the Chairman and a Director since 3 January 2014. He was re-designated from a non-executive Director to an executive Director on 26 January 2015. He is principally responsible for overall corporate strategies planning and business development of the Group. Mr. Chen also serves as the chairman of each of the Nomination Committee and Strategy Development Committee of the Company. Mr. Chen concurrently serves as the Chairman of CGN Wind Energy Ltd. (中廣核風電有限公司), CGN Solar Energy Development Co., Ltd. (中廣核太陽能開發有限公司) and CGN Energy Service Co., Ltd. (中廣核節能產業發展有限公司), director of CGN Europe Energy Co., Ltd. (中廣核歐洲能源公司), supervisor of CGN Power Co., Ltd. (中國廣核電力股份有限公司) (a company listed on the Stock Exchange, Stock Code: 1816). Mr. Chen has more than 27 years of experience in strategic planning, renewable energy development, construction, operation management and energy conservation management. He has previously served as assistant to the head of infrastructure planning division of the planning department of CGN, deputy general manager and manager of new energy development department of CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司), general manager of CGN Wind Energy Ltd. Prior to joining CGN, Mr. Chen worked as project manager and department manager of the business enterprise department of China Energy Conservation Investment Corporation (中國節能投資公司), general manager of Beijing Guotou Energy Conservation Company (北京國投節能公司) under China Energy Conservation Investment Corporation. Mr. Chen received the qualification of Senior Engineer from the Senior Specialized Technical Services Qualification Committee for China Energy Conservation Investment Corporation (中國節能投資公司高級專業技術職務評審委員會) in December 2000. Mr. Chen obtained a bachelor's degree in engineering with a concentration in liquid rocket engine from National University of Defense Technology (國防科學技術大學) in July 1987 and a master's degree in management engineering from Shanghai Jiao Tong University (上海交通大學) in November 1996.

(2) Mr. LIN Jian (林堅)

Mr. LIN Jian (林堅), aged 51, is the President and executive Director. Mr. Lin has been a Director and Chief Executive Officer (title changed to "President" with effect from January 2014) since 9 October 2012. Mr. Lin also serves as a member of the Strategy Development Committee of the Company. He is principally responsible for leading and managing all the activities of the Group to achieve the goals and objectives set by the Board, identifying and recommending the short, medium and long-term business strategies, directing and executing the Group's plans and budgets, directing and organizing the Group's material, human and economic resources to deliver the corporate results, identifying and developing business opportunities to grow the Group. Mr. Lin also serves as the representative director of three wholly-owned subsidiaries of the Company in Korea. Mr. Lin has over 14 years of experience in the power industry. Mr. Lin was the general manager and a director of CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司) from September 2012 to May 2014. He served as the general manager of Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司) from February 2006 to September 2012, and the general manager of Lingao Nuclear Power Co., Ltd. (嶺澳核電有限公司) and Lingdong Nuclear Power Co., Ltd. (嶺東核電有限公司) from April 2010 to September 2012. Mr. Lin also held various positions with China Guangdong Nuclear Power Group Co., Ltd. (中國廣東核電集團有限公司) (former name of CGN) from November 1999 to February 2006, including positions in the finance department and the business enterprise department, the manager of assets operations department and deputy secretary of finance and economic committee. Mr. Lin obtained a bachelor's degree in engineering with a concentration in industrial automation from Huazhong University of Science and Technology (華中科技大學) (formerly known as Huazhong Institute of Science and Technology (華中工學院)) in July 1984 and a master's degree in engineering with a concentration in electronic precision machinery (電子精密機械專業) from the University of Electro-Communications in Japan (日本電氣通信大學) in March 1988.

Biographies of Directors and Senior Management

Non-executive Directors

(3) Mr. XU Yuan (徐原)

Mr. XU Yuan (徐原), aged 52, has been the non-executive Director since 18 March 2015. Mr. Xu also serves as the general counsel and the general manager of the legal affairs department of CGN concurrently, as well as the general counsel and the general manager of the legal affairs department of CGN Power Co., Ltd. (中國廣核電力股份有限公司) (a company listed on the Main Board of the Stock Exchange, Stock Code: 1816). Mr. Xu has over 17 years of experience in corporate legal issues and he served as the general manager of the legal affairs department of CGN for the period from April 2003 to January 2011. Mr. Xu obtained the Bachelor of Law degree from China University of Political Science and Law in July 1985.

(4) Mr. CHEN Qiming (陳啟明)

Mr. CHEN Qiming (陳啟明), aged 52, is the non-executive Director and has been a Director since 9 March 2012. Mr. Chen also serves as a member of the Strategy Development Committee of the Company. Mr. Chen is also a director of CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司), Shenzhen Neng Zhi Hui Investment Co., Ltd. (深圳市能之匯有限公司), CGNPC Uranium Resources Co., Ltd. (中廣核鈾業發展有限公司), the vice chairman and non-executive director of Silver Grant International Industries Limited (銀建國際實業有限公司) (a company listed on the Stock Exchange, Stock Code: 171), a non-executive director of CGN Mining Company Limited (中廣核礦業有限公司) (a company listed on the Stock Exchange, Stock Code: 1164) and the general manager of asset management department of CGN Power Co., Ltd. (中國廣核電力股份有限公司) (a company listed on the Stock Exchange, Stock Code: 1816). Mr. Chen has over 18 years of experience in commercial contract negotiations and execution. He has served as the general manager of asset management department (formerly known as "**capital operation and property right management department**" and "**capital operation department**") of CGN since October 2011, previously served as the deputy general manager of the same department from June 2011 to October 2011, the deputy general manager of capital operation department of China Guangdong Nuclear Power Group Co., Ltd. (中國廣東核電集團有限公司) (former name of CGN) from November 2009 to June 2011, the manager of contract and procurement department of China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司) from December 2007 to November 2009, the manager of contract purchasing department of Liaoning Hongyanhe Nuclear Power Co., Ltd. (遼寧紅沿河核電有限公司) from September 2006 to December 2007, the sub-division leader of the contract procurement team of the same company's preparatory office from January 2006 to September 2006, the head of contract business division under the capital operation department of China Guangdong Nuclear Power Group Co., Ltd. (中國廣東核電集團有限公司) (former name of CGN) from June 2003 to January 2006. He held various positions with Lingao Nuclear Power Co., Ltd. (嶺澳核電有限公司) from January 1996 to June 2003, including the manager of nuclear island installation contract in the construction contract division and the assistant to the head of construction contract division of engineering department. Prior to that, Mr. Chen was the manager of sales department of Fengjie Digital Network (Shenzhen) Co., Ltd. (峰杰數字網絡(深圳)有限公司) from August 1993 to January 1996. He also worked at the technology department of Framatome-Spie Batignolles Joint Venture Co., Ltd. (大亞灣核電站法馬通斯比公司) from November 1989 to August 1993 and the steelmaking laboratory of Maanshan Iron & Steel Research Institute (安徽馬鋼鋼鐵研究所煉鋼研究室), a subsidiary of Maanshan Iron & Steel Company Limited, from July 1984 to November 1989. Mr. Chen received the qualification of Senior Engineer from Senior Engineer Positions Qualification Committee for CGN Group Engineering Services (中國廣東核電集團工程系列高級工程師職務資格評審委員會) in August 2002. Mr. Chen obtained a bachelor's degree in engineering with a concentration in metallurgy of iron and steel from the East China University of Metallurgy (華東冶金學院) in July 1984 and a master's degree in economics with a concentration in international trade from the University of International Business and Economics (對外經濟貿易大學) in June 2003.

Biographies of Directors and Senior Management

(5) Mr. YIN Engang (尹恩剛)

Mr. YIN Engang (尹恩剛), aged 46, has been the non-executive Director since 18 March 2015. Mr. Yin also serves as a member of the Audit Committee and a member of the Investment and Risk Management Committee of the Company. Mr. Yin holds the position of general manager of the finance department of CGN and serves as a non-executive director of CGN Mining Company Limited (中廣核礦業有限公司) (a company listed on the Main Board of the Stock Exchange, Stock Code: 1164) concurrently. Mr. Yin has almost 20 years of experience in finance and audit and he served as the chief financial officer of China Guangdong Nuclear Power Industry Investment Fund Management Co., Ltd. (中廣核產業投資基金管理有限公司) for the period from July 2008 to March 2014. Mr. Yin graduated from Shaaxi School of Mechanics (陝西機械學院) with a Bachelor of Industrial Accounting degree in July 1990 and obtained a Master of Management Engineering degree from Shaaxi School of Mechanics (陝西機械學院) in April 1993. Mr. Yin is a qualified senior accountant.

(6) Mr. DAI Honggang (戴洪剛)

Mr. DAI Honggang (戴洪剛), aged 44, is the non-executive Director and has been a Director since 7 March 2011. Mr. Dai serves as the chairman of the Investment and Risk Management Committee of the Company, and a member of each of the Remuneration Committee and Strategy Development Committee of the Company. Mr. Dai also serves as a director of CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司) and the deputy general manager of strategies and planning department of CGN Power Co., Ltd. (中國廣核電力股份有限公司) (a company listed on the Stock Exchange, Stock Code: 1816). Mr. Dai has over 11 years of experience in business planning and management. He has served as the assistant to general manager of strategies and planning department of CGN since August 2011, and held various senior positions in the strategies and planning department and the assets operations department of CGN from December 2002 to August 2011, including the head of evaluation and statistics division, senior manager of operations and evaluation, the deputy head of operation and evaluation division of strategies and planning department, the deputy head of operation and management division and the investment management officer of assets operations department. Mr. Dai worked at the business development department of Guangdong Nuclear Power Industrial Development Co., Ltd. (廣東核電實業開發有限公司) from January 2002 to May 2002, the engineering department of CGN Datang Real Estate Co., Ltd. (中廣核電大唐置業有限公司) from February 1996 to September 1999, and the operation division of the production department of Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司) from July 1990 to December 1994. Mr. Dai received the qualification of Economist from the Ministry of Personnel (國家人事部) (former name of the Ministry of Human Resources and Social Security (人力資源與社會保障部)) in November 2004. Mr. Dai obtained a university diploma in nuclear reactor engineering from Shanghai Jiao Tong University (上海交通大學) in July 1990, a bachelor's degree in monetary banking from Shanghai Jiao Tong University (上海交通大學) in July 1997, a master's degree in business administration from the Maastricht School of Management in the Netherlands in August 2000 and a master's degree in computer based information systems from the University of Sunderland in the United Kingdom in November 2001.

(7) Mr. XING Ping (邢平)

Mr. XING Ping (邢平), aged 50, is the non-executive Director and has been a Director since 9 April 2013. Mr. Xing serves as a member of the Investment and Risk Management Committee of the Company. Mr. Xing also serves as a director of the board of several subsidiaries of CGN, including CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司), CGN Solar Energy Development Co., Ltd. (中廣核太陽能開發有限公司) and CGN Wind Energy Ltd. (中廣核風電有限公司), as well as chairman (convener) of the investment and risk management committee on the board of directors of CGN Solar Energy Development Co., Ltd. (中廣核太陽能開發有限公司) and CGN Wind Energy Ltd. (中廣核風電有限公司). Mr. Xing has over 27 years of experience in corporate governance, investment and risk management, having previously served as the senior audit director and chief engineer of China Nuclear Power Engineering Co., Ltd. (中廣核工程有限公司) and senior engineer at Lingao Nuclear Power Co., Ltd. (嶺澳核電有限公司). Mr. Xing received the qualification of Senior Engineer from CGN in December 2000 and the qualification of Registered Supervision Engineer (國家註冊監理工程師) from the Ministry of Personnel (人事部) (former name of the Ministry of Human Resources and Social Security (人力資源與社會保障部)) and the Ministry of Construction (建設部) (former name of the Ministry of Housing and Urban-Rural Development (住房和城鄉建設部)) of the People's Republic of China in December 1997. Mr. Xing graduated from China Three Gorges University (三峽大學) (formerly known as Gezhou Ba Hydro Power Engineering Institute (葛洲壩水電工程學院)) in July 1986, majoring in power automation.

Biographies of Directors and Senior Management

Independent non-executive Directors

(8) Mr. LEUNG Chi Ching Frederick (梁子正)

Mr. LEUNG Chi Ching Frederick (梁子正), aged 56, has been the independent non-executive Director since 17 September 2014. Mr. Leung also serves as the chairman of the Audit Committee of the Company. Mr. Leung has over 30 years of professional and industrial experience in management, corporate governance, corporate finance, banking and accounting. He was previously an executive director, chief finance officer and company secretary of Skyworth Digital Holdings Limited ("**Skyworth**") (a company listed on the Stock Exchange, Stock Code: 751). In his almost nine years of services in Skyworth, he was mainly responsible for the company's successful resumption of trading of its shares and strengthening of its internal controls, accounting system, corporate governance and investor relations management. In 2011 and 2013, Skyworth was awarded by Asia Money as the Best Managed Medium Cap Company in China of 2011 and by Forbes as Asia's Fabulous 50 of 2013, respectively. Furthermore, Mr. Leung accumulated 14 years' working experience in Deloitte Touche Tohmatsu. He left Deloitte Touche Tohmatsu in June 1999 as a principal of corporate finance. Mr. Leung obtained a bachelor's degree of science in business administration (major in accounting) from the University of The East in the Philippines in November 1981. He became an associate member of the Hong Kong Institute of Certified Public Accountants in April 1997 and has been its fellow member since October 2013. He has also been a member of the American Institute of Certified Public Accountants since December 1996 and the Hong Kong Securities and Investment Institute since April 1999.

(9) Mr. FAN Ren Da Anthony (范仁達)

Mr. FAN Ren Da Anthony (范仁達), aged 54, has been the independent non-executive Director since 17 September 2014. Mr. Fan also serves as a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee of the Company. He has been the managing director of AsiaLink Capital Limited (東源資本有限公司) since October, 2003. He is also an independent non-executive director of over ten public companies listed on the Stock Exchange, including Raymond Industrial Ltd. (利民實業有限公司) (a company listed on the Stock Exchange, Stock Code: 229), CITIC Resources Holdings Limited (中信資源控股有限公司) (a company listed on the Stock Exchange, Stock Code: 1205), Uni-President China Holdings Ltd. (統一企業中國控股有限公司) (a company listed on the Stock Exchange, Stock Code: 220); Renhe Commercial Holdings Company Limited (人和商業控股有限公司) (a company listed on the Stock Exchange, Stock Code: 1387); Shanghai Industrial Urban Development Group Limited (上海實業城市開發集團有限公司) (a company listed on the Stock Exchange, Stock Code: 563), Hong Kong Resources Holdings Company Limited (香港資源控股有限公司) (a company listed on the Stock Exchange, Stock Code: 2882), China Development Bank International Investment Limited (國開國際投資有限公司) (a company listed on the Stock Exchange, Stock Code: 1062), Guodian Technology & Environment Group Corporation Limited (國電科技環保集團股份有限公司) (a company listed on the Stock Exchange, Stock Code: 1296), LT Commercial Real Estate Limited (勒泰商業地產有限公司) (a company listed on the Stock Exchange, Stock Code: 112), Technovator International Limited (同方泰德國際科技有限公司) (a company listed on the Stock Exchange, Stock Code: 1206); Tenfu (Cayman) Holdings Company Limited (天福(開曼)控股有限公司) (a company listed on the Stock Exchange, Stock Code: 6868) and Neo-Neon Holdings Limited (同方友友控股有限公司) (a company listed on the Stock Exchange, Stock Code: 1868). Mr. Fan obtained a master's degree in business administration from the University of Dallas in the U.S. in December 1986.

Biographies of Directors and Senior Management

(10) Mr. WANG Susheng (王蘇生)

Mr. WANG Susheng (王蘇生), aged 46, has been the independent non-executive Director since 17 September 2014. Mr. Wang also serves as a member of the Strategy Development Committee of the Company. He is currently a professor and supervisor for doctoral students at the Urban Planning and Management School under Shenzhen Graduate School of Harbin Institute of Technology (哈爾濱工業大學) and president of Shenzhen Public Administration Institute (深圳市公共管理學會). He is also currently an independent non-executive director of several listed companies, including Guangzhou Automobile Group Co., Ltd. (廣州汽車集團股份有限公司) (a company listed on the Stock Exchange, Stock Code: 2238), Shenzhen Rapoo Technology Co., Ltd. (深圳雷柏科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, Stock Code: 002577), Shenzhen KSTAR Science & Technology Co., Ltd. (深圳科士達科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, Stock Code: 002518) and Shenzhen Terca Technology Co., Ltd. (深圳市特爾佳科技股份有限公司) (a company listed on the Shenzhen Stock Exchange, Stock Code: 002213). His prior experience includes financial engineering, investment management, taxation, accounting management, corporate finance, public administration and venture capital management. He has previously worked at various companies, including Weishen Securities Co., Ltd. (蔚深證券有限責任公司). Mr. Wang obtained a Chartered Public Accountants (註冊會計師) qualification from The Chinese Institute of Certified Public Accountants in May 1997 and Chartered Financial Analyst (註冊金融分析師) qualification from CFA Institute in September 2004. He was admitted as an attorney in the PRC in June 1997. Mr. Wang obtained a master's degree in economics from Renmin University of China (中國人民大學) in June 1994, a doctoral degree in law from Peking University (北京大學) in July 2000, a post-doctoral degree in management from Tsinghua University (清華大學) in September 2002 and master of business administration degree from University of Chicago in the U.S. in March 2004.

GENERAL

As at the date of this report, none of the Directors was interested in any shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed above,

(1) the Directors did not hold any directorship in other listed public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years prior to the date of this report and does not hold any other positions with the Company or other members of the Group;

(2) the Directors do not have other relationship with any other director, senior management, substantial shareholder or controlling shareholder of the Company; and

(3) the Directors are not directors or employees of a company which has an interest in the shares or underlying shares of the Company within the meaning of Part XV of the SFO.

Note:

Subsequent to the date of this report,

(i) Mr. Shen Zhongmin resigned as an independent non-executive Director of the Company with effect from 13 April 2015;

(ii) Mr. Lin Jian, an executive Director and the President, has been appointed by Mr. Chen Sui, an executive Director and the Chairman of the Board, as his alternate director for the period from 13 April 2015 to 12 July 2015 (both days inclusive); and

(iii) Mr. Dai Honggang replaced Mr. Chen Sui as the chairman of the Strategy Development Committee with effect from 13 April 2015.

Please refer to the announcement of the Company in relation to the matters (i) and (ii) above dated 13 April 2015 for further details.

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

(1) Mr. CHEN Sui (陳遂)

Mr. CHEN Sui (陳遂) is the Chairman of the Company. See "— Directors — Executive Directors" in this report for details of Mr. Chen's biography.

(2) Mr. LIN Jian (林堅)

Mr. LIN Jian (林堅) is the President of the Company. See "— Directors — Executive Directors" in this report for details of Mr. Lin's biography.

(3) Mr. SUN Yi (孫毅)

Mr. SUN Yi (孫毅), aged 57, joined the Company on 3 January 2014 as the Senior Vice President responsible for the Hydro Power Business Unit. Prior to that, Mr. Sun is primarily responsible for overseeing the Safety and Technical Department, the Internal Audit Department and the Office Administration and Corporate Culture Department. Mr. Sun has over 22 years of experience in engineering and management of power project. Prior to joining the Company, Mr. Sun worked in various subsidiaries of CGN, which he held managerial positions such as Deputy General Manager, Director, and Safety Technical Adviser (STA) from July 2003 to December 2013. Prior to that, Mr. Sun worked at the Production and Nuclear Safety Department, and Engineer Department of CGN and its subsidiaries. He began his career in the power industry in Jiangxi Electric Power Design Institute, where he worked as an engineer from February 1982 to June 1991. Mr. Sun obtained the Nuclear Power Plant Senior Reactor Operator License (核電站反應堆高級操縱員執照) in October 1998, was qualified as Nuclear Safety Engineer (註冊核安全工程師) in June 2004 and awarded as Professor Level Senior Engineer by CGN in December 2008. He also obtained the qualification of certified Senior Enterprise Risk Manager in April 2010. Mr. Sun obtained a bachelor's degree in thermal energy and power engineering from Zhejiang University (浙江大學) in January 1982 and a master's degree in business management from the Renmin University of China (中國人民大學) in July 1996.

(4) Mr. CHEA Man Yin Nigel (謝文彥)

Mr. CHEA Man Yin Nigel (謝文彥), aged 52, joined the Company on 1 December 1995 as Controller, responsible for overseeing the Group and its projects' accounting, taxation and financial management activities in Asia. Mr. Chea was also the key developer and senior asset manager for several key projects of the Group. Mr. Chea was promoted to Vice President — Controller in 1999 and later promoted to Senior Vice President of Asset Management in 2005. He was promoted to Chief Operating Officer in 2009 (title changed to "**Senior Vice President**" with effect from 3 January 2014). Mr. Chea is currently responsible for overseeing the Conventional Energy Business Unit. Mr. Chea also leads the portfolio's overall operational and key growth initiatives. Mr. Chea is also the lead person in maintaining contacts and relationships in key provinces where the Group's projects are located and in the relevant State Departments and being the Company's representative in national industry and related associations in the PRC. Prior to joining the Company, Mr. Chea had over ten years of experience in finance, accounting and auditing and participated in a number of major pioneer infrastructural projects in the PRC, such as Guangdong Shajiao C Power Project 3 x 660 MW and Guangzhou-Shenzhen Superhighway, while he was working at Hopewell Holdings Limited. Mr. Chea had also worked for large US multinational companies including Pepsi Cola International and Digital Equipment International. Mr. Chea obtained a bachelor's degree in business administration from The Chinese University of Hong Kong in July 1985 and a master's degree in commerce from the University of New South Wales, Australia in August 1988. He became a fellow member of CPA Australia and Hong Kong Institute of Certified Public Accountants in June 2007 and July 1998, respectively.

(5) Mr. LEUNG Hok Luen (梁鶴鑾)

Mr. LEUNG Hok Luen (梁鶴鑾), aged 64, joined the Company on 30 May 1995 as Director of Business Development and was promoted to his current position of Senior Vice President on 14 May 2007. Mr. Leung is currently responsible for overseeing the International Business Unit. He identifies new opportunities and formulates business strategies for power project business, involving joint ventures, strategic investments, government relations, strategic partnering and alliances in the overseas market. Prior to joining the Company, Mr. Leung worked at ABB Lummus Global, a division of Combustion Engineering Inc., now Asea Brown Boveri, for 22 years. At ABB Lummus Global, he oversaw all commercial activities in China including project development, contract negotiation, bidding strategy and project financing. Mr. Leung obtained a bachelor's degree and a master's degree in chemical engineering from the Polytechnic University (formerly known as Polytechnic Institute of Brooklyn) in May 1973 and June 1975, respectively (the latter obtained through part-time study). He also earned an MBA from the University of Houston in December 1985. Mr. Leung has been a member of the American Institute of Chemical Engineers (AIChE) since 1973 and a licensed Professional Engineer in New Jersey since February 1980.

Biographies of Directors and Senior Management

(6) Ms. LIANG Bin (梁濱)

Ms. LIANG Bin (梁濱), aged 49, joined the Company in January 2015. She is currently the chief auditor and the secretary of the discipline committee of the Company. Prior to joining the Company, Ms. Liang served in Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司) from July 1987 to July 1994 in the positions of secretary to the construction manager of the engineering department, technical secretary to the office in Europe and secretary to the manager. From August 1994 to July 2011, she served CGN in various positions including the secretary, the secretarial officer, the secretary to the Board, Secretary of the Communist Party Committee, head of the organization division (組幹處處長), assistant to the director of the working department of the Communist Party Committee (黨組工作部主任助理). She was the deputy director of the supervisory and auditing department of China General Nuclear Power Corporation, Ltd. (中國廣核集團有限公司) from July 2011 to January 2015 and concurrently served as the deputy director of CGN Power Co., Ltd. (中國廣核電力股份有限公司) from May 2014 to January 2015. Ms. Liang obtained a bachelor of Arts degree in English from Guangzhou Foreign Language School (廣州外國語學院) in July 1987.

(7) Mr. YAO Wei (姚威)

Mr. YAO Wei (姚威), aged 39, joined the Company in January 2015. He is currently the chief accountant of the Company. Prior to joining the Company, Mr. Yao held several positions in the finance department of Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司) from July 1997 to March 2003. From March 2003 to May 2007, he served in several positions in Daya Bay Nuclear Power Operations and Management Co., Ltd. (大亞灣核電運營管理有限責任公司) including deputy director and director of fixed asset in asset division of finance department, and the head of the internal control unit of account division of the finance department; From May 2007 to September 2011, he served in several positions in the finance department in CGN including budget management director of budget division, tax management manager, senior tax management manager and head of comprehensive finance division. He served as the Company's chief accountant of CGN Wind Energy Ltd. from September 2011 to January 2015. Mr. Yao obtained a bachelor's degree in economics (Accounting) from Zhongnan University of Economics and Law (中南財經大學) in June 1997. He holds professional qualifications as Chartered Public Accountants.

(8) Mr. DUNN William David (鄧比爾)

Mr. DUNN William David (鄧比爾), aged 49, joined the Company on 12 July 2012 as the Chief Financial Officer. Mr. Dunn is primarily responsible for all corporate financial activities including capital raising, financial reporting, managing lender and shareholder relations and providing financial and analytical support to the business development and asset management teams. Mr. Dunn has over 20 years of experience in financial management and planning. Prior to joining the Company, he worked for several large multinational corporations including Honeywell International Inc., American Standard Companies, Inc. and Pentair Inc. Mr. Dunn obtained a MBA (corporate finance) from the Columbia Business School in February 1998 and a bachelor's degree in economics from the Wharton School at the University of Pennsylvania in May 1988.

(9) Mr. LI Jing (李靖)

Mr. LI Jing (李靖), aged 49, joined the Company in January 2015. He is currently the safety director of the Company. Prior to joining the Company, Mr. Li served in the design division of nitrogenous fertiliser factory of Nanning Chemical Industry Co., Ltd. (南化公司氮肥廠) from July 1987 to February 1992; manager office of the engineering department of Lingao Nuclear Power Co., Ltd. from February 1992 to June 1994; the production department of Guangdong Nuclear Power Joint Venture Co., Ltd. from July 1994 to March 2003; and the maintenance department of Daya Bay Nuclear Power Operations and Management Co., Ltd from March 2003 to August 2004. From September 2004 to May 2010, he held several positions in the commissioning department of China Nuclear Power Engineering Co., Ltd., including the head of commissioning division for nuclear islands, manager assistant and head of commissioning division for nuclear islands, manager assistant, manager assistant and director of the commissioning manager office. From May 2010 to January 2013, he held several positions in CGN, including the deputy general manager of safety and engineering management department and deputy general manager of safety and information management department. Mr. Li served as deputy general manager of safety and information management department and deputy general manager of safety and quality assurance department of China General Nuclear Power Corporation, Ltd. from January 2013 to January 2015, and concurrently as deputy general manager of safety and quality assurance department of CGN Power Co., Ltd. since May 2014. He obtained a bachelor's degree in engineering majoring in chemical engineering from Nanjing College of Chemical Engineering (南京化工學院) in July 1987, and a master's degree in engineering majoring in industrial engineering from Huazhong University of Science and Technology (華中科技大學) in February 2001. Mr. Li holds professional qualification as a senior engineer.

Biographies of Directors and Senior Management

(10) Mr. LIU Luping (劉路平)

Mr. LIU Luping (劉路平), aged 51, joined the Company on 3 January 2014 as the Senior Vice President. Mr. Liu served as the chief engineer of the Company on 23 January 2015. Currently, he is principally responsible for the works in the investment and assessment center and Technology Committee of the Company. Mr. Liu has approximately 31 years of experience in technological research and design, construction management and investment management in the renewable energy sectors including hydraulic-and-hydro power, wind power, solar energy. Prior to that, Mr. Liu worked at Hydrochina Corporation Zhongnan Engineering Corporation (中國水電顧問集團中南勘測設計研究院) for 29 years, where he started as a Technician in July 1984 and his last role held was Vice Director. Mr. Liu obtained the Senior Economist (高級經濟師) qualification from Zhongnan Engineering Corporation (國家電力公司中南勘測設計研究院) in December 1998, the State Registered Supervision Engineer (國家註冊監理工程師) qualification from the Ministry of Personnel and the Ministry of Construction of the PRC (中華人民共和國人事部和建設部) in May 1998, the Professor Level Senior Engineer (教授級高級工程師) qualification from Hydrochina Corporation (中國水電工程顧問集團公司) in December 2003 and the Senior Project Manager (高級項目管理師) qualification from Occupational Skills Testing Authority of the Ministry of Labour and Social Security (勞動和社會保障部職業技能鑒定中心) in July 2006. He has also won several Provincial Science and Technology Progress Awards (省部級科技進步獎). Mr. Liu obtained a bachelor's degree in solid mechanics from Central Institute of Technology (華中工學院) (currently known as Huazhong University of Science and Technology (華中科技大學)) in July 1984 and an EMBA degree from Huazhong University of Science and Technology in December 2008.

(11) Mr. HU Dongming (胡冬明)

Mr. HU Dongming (胡冬明), aged 41, joined the Company on 3 January 2014 as the Vice President. He is primarily responsible for overseeing the Asset Management Department. Mr. Hu has approximately 15 years of experience in contract commerce and investment management. Prior to joining the Company, Mr. Hu had worked in CGN and various subsidiaries of CGN, including CGN Energy Development Co., Ltd. (中廣核能源開發有限責任公司), China General Nuclear Power Corporation, Ltd. (中國廣核集團有限公司), CGN Uranium Industry Company (中廣核鈾業有限公司), Daya Bay Nuclear Power Operation and Management Co., Ltd. (大亞灣核電運營管理責任公司) and Guangdong Nuclear Power Joint Venture Co., Ltd. (廣東核電合營有限公司). He held various managerial positions, such as General Manager Assistant, General Legal Counsel, Senior Manager of Commercial Contract and Deputy Director of Investment and Legal Affairs in these organizations. Mr. Hu obtained a bachelor's degree in economic management from the South China Normal University (華南師範大學) in June 2002 and an MBA from the Nankai University (南開大學) and the University of Denver, the United States in July 2005 and March 2007, respectively.

(12) Mr. LEE Kin (李健)

Mr. LEE Kin (李健), aged 42, joined the Company on 1 June 2007 as the Controller. He has been the company secretary of the Company since 26 January 2015. He has been working in public accounting firms and several different industries in commercial sector. He has over 20 years of experience in areas of internal control, financing, investor relations and corporate strategy. Mr. Lee obtained a bachelor's degree in engineering from the Chinese University of Hong Kong in 1994, Master of Business Administration from the University of Warwick, United Kingdom in 2004 and Master of Corporate Governance (with distinction) from the Hong Kong Polytechnic University in 2013. Mr. Lee is a fellow member of the Hong Kong Institute of Certified Public Accountants (HKICPA), the Association of Chartered Certified Accountants (ACCA), the Hong Kong Institute of Chartered Secretaries (HKICS) and the Institute of Chartered Secretaries and Administrators (ICSA), a member of the Chartered Institute of Management Accountants (CIMA), and a Chartered Financial Analyst (CFA) respectively. Mr. Lee is currently the vice-chairman of the Association of Chartered Certified Accountants — Hong Kong, a Standing Committee member of the Chinese University of Hong Kong Convocation, and the Executive Vice-Chairperson of the Youth Committee of the Hong Kong Chinese Enterprises Association.

Biographies of Directors and Senior Management

GENERAL

None of our members of senior management above has been a director of any listed companies in the three years before the date of this report.

Report of the Directors

The directors of the Company (the "**Directors**") are pleased to present the annual report and the audited consolidated financial statements of the Company for the year ended 31 December 2014.

PRINCIPAL ACTIVITIES

The Company and its subsidiaries (the "**Group**") are engaged in the generation and supply of electricity and steam, construction and operation of power stations and other associated facilities in the PRC and Korea.

RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 December 2014 are set out in the consolidated statement of profit or loss and other comprehensive income in the annual report.

The board of Directors (the "**Board**") does not recommend the payment of any final dividend for the year ended 31 December 2014.

CLOSURE OF REGISTER OF MEMBERS

In order to determine the entitlement to attend and vote at the forthcoming annual general meeting for year 2015 of the Company to be held on 29 May 2015 (the "**Annual General Meeting**"), the register of members of the Company will be closed from Wednesday, 27 May 2015 to Friday, 29 May 2015 (both days inclusive), during which period no transfer of shares will be registered. In order to be qualified for attending and voting at the Annual General Meeting, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by not later than 4:30 p.m. on Tuesday, 26 May 2015.

SUMMARY OF FINANCIAL INFORMATION

A summary of the published results, assets and liabilities of the Group for the last four financial years, as extracted from the audited consolidated financial statements, is set out on page 165. The summary does not form part of the audited consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

Movements in property, plant and equipment are set out in note 15 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in the Company's share capital during the year ended 31 December 2014 are set out in note 37 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

The shares are subject to the rights, privileges and restrictions set forth in the memorandum of association and bye-laws of the Company and are not subject to any pre-emptive or similar rights under the Companies Act 1981 of Bermuda or pursuant to the bye-laws of the Company ("**Bye-laws**").

GLOBAL OFFERING

The Company completed its global offering and the Shares were first listed on the Stock Exchange on 3 October 2014. 1,189,024,000 ordinary shares of the Company were issued in the global offering. Net proceeds from the global offering (including the proceeds from the exercise of the over-allotment option) was approximately HK$1,966.1 million (after deducting the underwriting fees and commissions and other listing-related expenses). Please refer to the section headed "Management discussion and analysis" in the annual report for more details of the use of proceeds as at 31 December 2014.

Report of the Directors

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company, nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2014 other than the initial public offering of the shares of the Company in 2014.

OTHER REPURCHASES BY THE COMPANY

As disclosed in the prospectus of the Company dated 19 September 2014 (the "**Prospectus**"), following the increase of authorized share capital of the Company by HK$25,000,000 (the "**Increase**"), 100,000 ordinary shares of US$0.4 each in the share capital of the Company in issue immediately prior to the Increase were repurchased by the Company at US$0.4 each, being an aggregate repurchase price of US$40,000 and the repurchased shares were cancelled on 15 September 2014.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2014 are set out in note 38 to the consolidated financial statements and in the consolidated statement of changes in equity on page 64 respectively.

DISTRIBUTABLE RESERVES

There was no reserves available for distribution to equity shareholders of the Company as of 31 December 2014.

LARGEST CUSTOMERS AND SUPPLIERS

During the year ended 31 December 2014, the Group's five largest customers accounted for approximately 88.2% of the Group's total revenue and the Group's largest customer for the year accounted for approximately 46.7% of the Group's total revenue. The Group's five largest suppliers accounted for approximately 92.1% of the Group's total purchases, while the largest supplier for the year accounted for approximately 86.2% of the Group's total purchases.

To the knowledge of the Directors, none of the Directors or their respective close associates (as defined in the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**")) or any of the shareholders of the Company who owns more than 5% of the Company's issued shares has any interest in any of the Group's five largest customers or suppliers.

DIRECTORS *(Note)*

The Directors since 1 January 2015 and up to the date of this report were:

Executive directors:

Mr. Chen Sui *(Chairman)* (Re-designated from non-executive director to executive director on 26 January 2015)
Mr. Lin Jian *(President)*

Non-executive directors:

Mr. Xu Yuan (appointed with effect from 18 March 2015)
Mr. Chen Qiming
Mr. Yin Engang (appointed with effect from 18 March 2015)
Mr. Chen Huijiang (resigned with effect from 18 March 2015)
Mr. Dai Honggang
Mr. Lin Beijing (resigned with effect from 18 March 2015)
Mr. Xing Ping

Report of the Directors

Independent non-executive directors:

Mr. Shen Zhongmin
Mr. Leung Chi Ching Frederick
Mr. Fan Ren Da Anthony
Mr. Wang Susheng

Note: Subsequent to the date of this report, (i) Mr. Shen Zhongmin resigned as an independent non-executive Director of the Company with effect from 13 April 2015; (ii) Mr. Lin Jian, an executive Director and the President, has been appointed by Mr. Chen Sui, an executive Director and the Chairman of the Board, as his alternate director for the period from 13 April 2015 to 12 July 2015 (both days inclusive).

In accordance with the provisions of the Bye-laws, the Directors are subject to retirement by rotation and re-election at the annual general meetings of the Company. In addition, pursuant to the written resolutions of the then sole shareholder of the Company dated 26 September 2014, all the existing Directors should retire and being eligible, offer themselves for re-election at the upcoming annual general meeting.

The Company has received, from each of the independent non-executive Directors, a confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors being proposed for re-election or election at the Annual General Meeting has or will have a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTION, ARRANGEMENT OR CONTRACT OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company or its subsidiaries was a party and in which a Director or an entity connected with a Director had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2014 or at any time during the year ended 31 December 2014.

CONTROLLING SHAREHOLDER'S INTERESTS IN CONTRACT OF SIGNIFICANCE

Other than the continuing connected transactions as stated in the section headed "Continuing connected transactions" of this report, no contract of significance between the Company or its subsidiaries and the controlling shareholder of the Company or its subsidiaries subsisted at the end of the year ended 31 December 2014 or at any time during the year ended 31 December 2014.

TAXATION

Under present Bermuda law, there is no Bermuda income or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by the Company or its members, other than members ordinarily resident in Bermuda. Further, no such tax is imposed by withholding or otherwise on any payment to be made to or made by the Company.

STAMP DUTY

Under present Bermuda law, the Company is exempt from all stamp duties in Bermuda except on transactions involving "Bermuda property". This term relates, essentially, to real and personal property physically situated in Bermuda, including the shares of local companies (as opposed to exempted companies). Transfers of shares and warrants in all exempted companies are exempt from stamp duty in Bermuda.

DIRECTORS' OR CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As of 31 December 2014, none of the Directors or the chief executive of the Company has any interest and/or short position in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "**SFO**")) which will be required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interest or short positions which they were taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Code for Securities Transactions by Directors of the Company to be notified to the Company.

Report of the Directors

SUBSTANTIAL SHAREHOLDERS

So far as the Directors are aware, as of 31 December 2014, the following persons, other than the Directors and the chief executive of the Company, had or was deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name	Capacity/Nature of Interest	Number of Shares	Approximate % of Shareholding
China General Nuclear Power Corporation, Ltd. ("**CGN**")(1)(2)(3)	Interests in controlled corporation (long position)	3,101,800,000	72.29%
CGNPC International Limited(2)(3)	Interests in controlled corporation (long position)	3,101,800,000	72.29%
CGNPC Huamei Investment Limited ("**CGNPC Huamei**")(3)	Beneficial owner (long position)	3,101,800,000	72.29%

Notes:

(1) CGN indirectly holds 100% of the issued share capital of CGNPC Huamei, which directly holds approximately 72.29% of the issued share capital of the Company, through its wholly-owned subsidiary CGNPC International Limited. Accordingly, CGN is deemed to have an interest in all shares held by CGNPC Huamei.

(2) CGNPC International Limited directly holds 70.59% of the issued share capital of CGNPC Huamei, which directly holds approximately 72.29% of the issued share capital of the Company, and indirectly holds 29.41% of the issued share capital of CGNPC Huamei, through its wholly-owned subsidiary Gold Sky Capital Limited. Accordingly, CGNPC International Limited is deemed to have an interest in all shares held by CGNPC Huamei.

(3) Save as disclosed in the section headed "Biographies of Directors and Senior Management" in the annual report, as of the date of this report, none of the Directors is a director or employee of a company which had interests or short positions in the shares or underlying shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

SHARE OPTION SCHEME

The Company does not have any share option scheme.

CONTINUING CONNECTED TRANSACTIONS

The Group had entered into a number of transactions with connected parties which, upon the listing of the Shares on the Stock Exchange, became connected persons of the Company under the Listing Rules. Details of the continuing connected transactions are as follows:

(A) With CGN and its subsidiaries, excluding the Group (the "CGN Group")

Non-exempt continuing connected transactions subject to reporting, announcement and independent shareholders' approval requirements

1(a) Financial Services (CGNPC Huasheng) Framework Agreement

On 12 September 2014, CGNPC Huasheng Investment Limited ("**CGNPC Huasheng**") and the Company entered into the financial services (CGNPC Huasheng) framework agreement (the "**Financial Services (CGNPC Huasheng) Framework Agreement**") in relation to, inter alia, the deposit arrangement in Hong Kong provided by CGNPC Huasheng to the Group, which was effective from 12 September 2014 to 29 May 2015, being the date of the Annual General Meeting. Subject to the approval by the independent shareholders of the Company of the renewal of the Financial Services (CGNPC Huasheng) Framework Agreement, the term of the same agreement will commence on 30 May 2015 and shall continue up to and including 31 December 2017.

Report of the Directors

CGNPC Huasheng is a wholly-owned subsidiary of CGN, the controlling shareholder of the Company, and is therefore a connected person of the Company under the Listing Rules.

Further details of the Financial Services (CGNPC Huasheng) Framework **Agreement** were disclosed in the Prospectus and the announcement of the Company dated 18 March 2015.

1(b) Financial Services (CGN Finance) Framework Agreement

On 12 September 2014, CGN Finance Investment Limited ("**CGN Finance**") and the Company entered into the financial services (CGN Finance) framework agreement (the "**Financial Services (CGN Finance) Framework Agreement**", together with the Financial Services (CGNPC Huasheng) Framework Agreement, the "**Financial Services Framework Agreements**") in relation to, inter alia, the deposit arrangement in the PRC provided by CGN Finance to the Group, which was effective from 12 September 2014 to 29 May 2015, being the date of the Annual General Meeting. Subject to the approval by the independent shareholders of the Company of the renewal of the Financial Services (CGN Finance) Framework Agreement, the term of the same agreement will commence on 30 May 2015 and shall continue up to and including 31 December 2017.

CGN Finance is a wholly-owned subsidiary of CGN, and is therefore a connected person of the Company under the Listing Rules.

Further details of the Financial Services (CGN Finance) Framework Agreement were disclosed in the Prospectus and the announcement of the Company dated 18 March 2015.

General

As the nature of the services to be provided to the Group under the Financial Services Framework Agreements are similar, the estimated annual cap for the maximum outstanding balance of deposits to be placed by the Group with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements, together with the relevant interest received, for the year ended 31 December 2014 have been aggregated and amounted to US$161.0 million. The actual outstanding balance of deposits placed by the Group with CGNPC Huasheng and CGN Finance under the Financial Services Framework Agreements, together with the relevant interest received for the year ended 31 December 2014 were US$130.1 million.

Non-exempt continuing connected transactions subject to reporting and announcement requirements

2(a) Operation and Management Services (CGN Energy) Framework Agreement

On 20 August 2014, CGN Energy Development Co., Ltd. ("**CGN Energy**") and the Company entered into the operation and management services (CGN Energy) framework agreement (the "**Operation and Management Services (CGN Energy) Framework Agreement**"), pursuant to which the Company has agreed to provide, or procure a subsidiary of the Group to provide, operation and management services to power projects (whether in operation or under construction) in which CGN Energy has interest. The term of the said agreement is from 1 May 2014 to 31 December 2016.

CGN Energy is a wholly-owned subsidiary of CGN, and is therefore a connected person of the Company under the Listing Rules.

Further details of the Operation and Management Services (CGN Energy) Framework Agreement were disclosed in the Prospectus.

Report of the Directors

2(b) Operation and Management Services (Huamei Holding) Framework Agreement

On 15 September 2014, Huamei Holding Company Limited ("**Huamei Holding**") and the Company entered into the operation and management services (Huamei Holding) framework agreement (the "**Operation and Management Services (Huamei Holding) Framework Agreement**", together with the Operation and Management Services (CGN Energy) Framework Agreement, the "**Operation and Management Services Framework Agreements**"), pursuant to which the Company has agreed to provide, or procure a subsidiary of the Group to provide, operation and management services to power projects (whether in operation or under construction) in which a subsidiary of the group of companies which were transferred to CGNPC Huamei as part of the reorganization of the Group as described in the Prospectus under Huamei Holding has interest. The term of this agreement is from 15 September 2014 to 31 December 2016.

Huamei Holding is a wholly-owned subsidiary of CGN, and is therefore a connected person of the Company under the Listing Rules.

Further details of the Operation and Management Services (Huamei Holding) Framework Agreement were disclosed in the Prospectus.

2(c) Hami Coal Consultancy Services Agreement

On 30 September 2012, China Coal Energy Hami Coal-fired Power Project Preparatory Office ("**CGN Hami Coal Project Preparatory Office**") and Yaneng Consulting (Shanghai) Co. Ltd. ("**Yaneng Consulting**"), a wholly-owned subsidiary of the Company, entered into an advisory consultancy services agreement (the "**Hami Coal Consultancy Services Agreement**"), which has an initial term from 1 April 2012 to 31 December 2012. Pursuant to a supplemental agreement dated 1 June 2013, the Hami Coal Consultancy Services Agreement was renewed for one year and covered the period from 1 January 2013 to 31 December 2013, which term has been renewed for another three years covering the period from 1 January 2014 to 31 December 2016. Pursuant to the Hami Coal Consultancy Services Agreement, Yaneng Consulting has agreed to provide advisory services to CGN Hami Coal Project Preparatory Office in relation to corporate management, project development and power related technical, legal and commercial issues. Yaneng Consulting has also agreed to deploy designated management personnel to CGN Hami Coal Project Preparatory Office to perform such services.

CGN Hami Coal Project Preparatory Office is a temporary office established by CGN which is responsible for the project development relating to a coal power project, which is located in Hami City, Xinjiang Uyghur Autonomous Region, the PRC. CGN proposes to hold, through CGN Energy Development Co., Ltd., 70% interest in such coal power project.

Further details of the Hami Coal Consultancy Services Agreement were disclosed in the Prospectus.

General

As the nature of the services to be provided by Yaneng Consulting to CGN Hami Coal Project Preparatory Office under the Hami Coal Consultancy Services Agreement is similar to the nature of the services to be provided under the two Operation and Management Services Framework Agreements, the annual cap for the advisory fee payable by CGN Hami Coal Project Preparatory Office to Yaneng Consulting and the management fees payable under the Operation and Management Services Framework Agreements for the year ended 31 December 2014 were determined on an aggregate basis and amounted to US$12.0 million. The actual advisory fee paid by CGN Hami Coal Preparatory Office to Yaneng Consulting and the management fees paid under the Operation and Management Services Framework Agreements for the year ended 31 December 2014 were US$9.0 million.

Report of the Directors

(B) With connected persons of the Company at the subsidiary level

Non-exempt continuing connected transaction subject to reporting and announcement requirements

1. Weigang Power Purchase Agreement

Shanghai Wei Gang Energy Co. Ltd. ("**Weigang JV**"), a non-wholly owned subsidiary of the Company in which the Company indirectly holds 65% interest and Baosteel Group Shanghai No. 1 Iron & Steel Co. Ltd. ("**Baosteel**") held 35% interest, entered into a power purchase agreement on 10 August 1998 (which has been amended on 2 March 2005 and 16 March 2009) with Baosteel (the "**Weigang Power Purchase Agreement**") pursuant to which Baosteel has agreed to purchase all electricity power generated by the power project operated by Weigang JV for a term expiring on the expiration date of the operation term of Weigang JV (namely, 31 May 2020). The Weigang Power Purchase Agreement has been entered into in respect of Weigang gas-fired power project operated by Weigang JV.

Baosteel is a substantial shareholder of Weigang JV, holding 35% interest in Weigang gas-fired power project and is therefore a connected person of the Company.

Further details of the Weigang Power Purchase Agreement were disclosed in the Prospectus.

The annual cap for the power to be purchased by Baosteel from Weigang JV under the Weigang Power Purchase Agreement for the year ended 31 December 2014 is RMB176.0 million. The actual purchase amount paid by Baosteel to Weigang JV under the Weigang Power Purchase Agreement for the year ended 31 December 2014 amounted to RMB163.4 million.

(C) General

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions of the Group as mentioned above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The independent non-executive Directors have reviewed the above continuing connected transactions for the period since 3 October 2014 to 31 December 2014 (the "**Listing Period**") and have confirmed that the continuing connected transactions have been entered into:

1. in the ordinary and usual course of business of the Group;

2. on normal commercial terms or better (as defined in the Listing Rules); and

3. in accordance with the relevant agreement governing the transactions on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The Company has followed the pricing policies and guidelines as stated in the Prospectus when determining the price and terms of the above mentioned continuing connected transactions during the Listing Period.

RELATED PARTY TRANSACTIONS

Details of the related party transactions undertaken in the normal course of business are provided under note 46 to the financial statements, and other than those set out under the paragraph headed "Continuing Connected Transactions" above, none of which constitutes a discloseable connected transaction or continuing connected transaction as defined under the Listing Rules.

Report of the Directors

NON-COMPETITION DEED

The Company entered into a deed of non-competition (the "**Non-Competition Deed**") with CGN on 15 September 2014 under which CGN agreed not to, and agreed to procure its subsidiaries (other than the Group) not to, compete with the Group in its non-nuclear power business (save for the retention of the existing Retained Business (as defined in the Prospectus) of the CGN Group or any future business which the CGN Group has carried on pursuant to the terms of the Non-Competition Deed) and granted the Company with a right to acquire the Retained Business of the CGN Group and a right to acquire a new business or equity investment opportunity directed to the Group according to the terms of the Non-Competition Deed.

The Company has received a declaration from CGN confirming to the Company on its compliance with the Non-Competition Deed during the Listing Period.

During the Listing Period, Mr. Lin Jian and the independent non-executive Directors (the "**Disinterested Directors**"), being the Directors other than those who are also directors and senior management personnel of the CGN Group, had reviewed 2 business or investment opportunities offered by or referred to by the CGN Group pursuant to the Non-Competition Deed, both of which were related to new equity investment opportunity. The Disinterested Directors considered the opportunities taking into account the following:

(a) whether the investment would create or would likely create competition with the principal business of the Group;

(b) the business and financial performance and potential of the subject investment opportunities;

(c) the feasibility and viability for the Group to acquire, invest or take on the subject investment opportunities (in terms of the availability of management, financial and business resources and expertise);

(d) the terms and conditions of the acquisition of or taking on the subject investment opportunities;

(e) the financial budget and business plan of the Group for undertaking the investment opportunities in the relevant year;

(f) result of a cost-benefit analysis for the Group to acquire, invest or take on the subject investment opportunities, and whether the subject investment opportunities are consistent with the business development strategy of the Group, and whether it is likely to create any strategic or synergy value to the Group's existing business;

(g) the likely risks associated with the subject investment opportunities should we acquire, take on, operate or participate in such subject investment opportunities; and

(h) the equity internal rate of return and/or the expected internal rate of return of the investment opportunities.

As a result, we had not exercised any right to acquire or invest in the new equity investment opportunities.

The Disinterested Directors have reviewed compliance by CGN and confirm that based on the confirmations and information provided by CGN, CGN was in compliance with the Non-Competition Deed during the Listing Period.

Report of the Directors

DIRECTORS' INTERESTS IN COMPETING BUSINESS

As of the date of this report, so far as the Directors were aware, none of the Directors, and their respective close associates had interest in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with the business of the Group.

EMOLUMENT POLICY

We determined the emoluments of our directors and employees based on their respective performance, working experience, roles and responsibilities as well as market factors. We offer our executive Directors and senior management members, who are also employees of our Company, various compensation in the form of fees, salaries, contributions to pension scheme, discretionary bonuses, housing and other benefits in kind. We provide our employees with salaries and discretionary bonuses, as well as employee benefits, including retirement schemes, medical and life insurance schemes, housing and other benefits in kind.

Our independent non-executive Directors receive compensation based on their responsibilities (including being members or chairman of Board committees).

US DOLLAR BOND

In August 2013, the Company completed the issuance of US$350.0 million 4.0% unsecured bonds due 2018 listed on the Stock Exchange (stock code: 5964) to international professional and institutional investors. The investment grade bonds, which were issued to institutional investors, are backed by a keepwell deed and a deed of equity interest purchase undertaking entered into by the Company and CGN in favor of the trustee. In addition to the equity interest purchase undertaking, the Company is subject to additional customary investment grade bond restrictive covenants such as a negative pledge. The outstanding amount of such bond payables as at 31 December 2014 was US$353.7 million.

SUFFICIENCY OF PUBLIC FLOAT

As at the date of this report and based on publicly available information and within the knowledge of the Directors, the Company has sufficient public float as required under Rule 8.08 of the Listing Rules.

Report of the Directors

AUDITOR

A resolution will be submitted to the Annual General Meeting to re-appoint Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

Chen Sui
Chairman

Hong Kong, 18 March 2015

Corporate Governance Report

The board (the "**Board**") of directors (the "**Directors**") of the Company considers effective corporate governance is a key component in the sustained development of the Company and its subsidiaries (collectively, the "**Group**") and believes that good corporate governance practices are increasingly important for maintaining and promoting shareholder value and investor confidence. The Board sets appropriate policies and implements corporate governance practices to the conduct and growth of the Group's business.

Since the date of listing of the Company on 3 October 2014 (the "**Listing Date**"), the Company has adopted the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") as its own code of corporate governance. The Board considers that the Company was in compliance with all applicable code provisions set out in the CG Code from the Listing Date to 31 December 2014 (the "**Listing Period**").

THE BOARD OF DIRECTORS

The overall management of the Company's operation is vested in the Board.

The Board takes responsibility to oversee all major matters of the Company, including the formulation and approval of all policy matters, overall strategies, internal control and risk management systems, and monitoring of the performance of the senior management. The Directors make decisions objectively in the interests of the Company. As at the date of this report, the Board comprised eleven Directors, including two executive Directors, five non-executive Directors and four independent non-executive Directors. Members of the Board since the Listing Date and up to the date of this report are as follows:

Executive directors:

Mr. Chen Sui *(Chairman)* (Re-designated from non-executive Director to executive Director on 26 January 2015) *(Note)*
Mr. Lin Jian *(President) (Note)*

Non-executive directors:

Mr. Xu Yuan (appointed with effect from 18 March 2015)
Mr. Chen Qiming
Mr. Yin Engang (appointed with effect from 18 March 2015)
Mr. Chen Huijiang (resigned with effect from 18 March 2015)
Mr. Dai Honggang
Mr. Lin Beijing (resigned with effect from 18 March 2015)
Mr. Xing Ping

Independent non-executive directors:

Mr. Shen Zhongmin *(Note)*
Mr. Leung Chi Ching Frederick
Mr. Fan Ren Da Anthony
Mr. Wang Susheng

Biographical details and relationships among members of the Board as at 13 April 2015 are set out in the section headed "Biographies of Directors and Senior Management" in the annual report.

The Board delegates the authority and responsibility for implementing day-to-day operations, business strategies and management of the Group's businesses to the executive Directors, senior management and certain specific responsibilities to the Board committees.

Corporate Governance Report

Chairman and Chief Executive

Mr. Chen Sui is the chairman of the Board of the Company and Mr. Lin Jian is the president of the Company. The roles of the chairman and chief executive are served by different individuals to achieve a balance of authority and power, which is in compliance with the code provision A.2.1 of the CG Code. Mr. Chen Sui is principally responsible for overall corporate strategies planning and business development of the Group, while Mr. Lin Jian is principally responsible for leading and managing all the activities of the Group to achieve the goals and objectives set by the Board, identifying and recommending the short, medium and long-term business strategies, directing and executing the Group's plans and budgets, directing and organizing the Group's material, human and economic resources to deliver the corporate results, identifying and developing business opportunities to grow the Group.

Appointments, re-election of Directors

Each Director has entered into a service contract or an appointment letter with the Company for a term of three years, subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the bye-laws of the Company (the "**Bye-laws**"). Pursuant to the written resolutions of the then sole shareholder of the Company dated 26 September 2014, all the existing Directors should retire and being eligible, offer themselves for re-election at the upcoming annual general meeting.

Number of meetings and Directors' attendance

Code provision A.1.1 of the CG Code prescribes that at least four regular Board meetings should be held each year at approximately quarterly intervals with active participation of a majority of the Directors, either in person or through other electronic means of communication.

During the Listing Period, the Board had held one meeting. The Board will schedule to have at least four regular meetings in the year ending 31 December 2015.

During the Listing Period, the Company had not held any general meeting.

The table below sets forth the number of meetings of the Board and Board Committees (as defined below) attended by each Director during the Listing Period:

	Attendance/Number of meetings					
Name of Director	**Board Meeting**	**Nomination Committee**	**Remuneration Committee**	**Audit Committee**	**Investment and Risk Management Committee**	**Strategy Development Committee**
Executive Directors:						
Mr. Chen Sui *(Note)*	1/1	0/0	N/A	N/A	N/A	0/0
Mr. Lin Jian *(Note)*	1/1	N/A	N/A	N/A	N/A	0/0
Non-executive Directors:						
Mr. Xu Yuan (appointed with effect from 18 March 2015)	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Chen Qiming	0/1 *Note a*	N/A	N/A	N/A	N/A	0/0
Mr. Yin Engang (appointed with effect from 18 March 2015)	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Chen Huijiang (resigned with effect from 18 March 2015)	1/1	N/A	N/A	1/1	1/1	N/A
Mr. Dai Honggang *(Note)*	0/1 *Note b*	N/A	0/0	N/A	1/1	0/0
Mr. Lin Beijing (resigned with effect from 18 March 2015)	1/1	N/A	N/A	N/A	N/A	N/A
Mr. Xing Ping	1/1	N/A	N/A	N/A	1/1	N/A
Independent Non-executive Directors:						
Mr. Shen Zhongmin *(Note)*	1/1	0/0	0/0	N/A	N/A	N/A
Mr. Leung Chi Ching Frederick	1/1	N/A	N/A	1/1	N/A	N/A
Mr. Fan Ren Da Anthony	1/1	0/0	0/0	1/1	N/A	N/A
Mr. Wang Susheng	1/1	N/A	N/A	N/A	N/A	0/0

Note a: Attended by Mr. Chen Huijiang as alternate Director.

Note b: Attended by Mr. Xing Ping as alternate Director.

Corporate Governance Report

Corporate Governance

The Board has carried out its duties and responsibilities as set out in D.3 of the CG Code including the development of policies and practices on corporate governance, monitoring the training and continuous professional development of Directors and senior management, reviewing and monitoring the Company's policies and practices on compliance with legal and regulatory requirements, the code of conduct applicable to the employees of the Company and the Directors, the compliance with the CG Code of the Company and the disclosure in this report.

Training and support for Directors

In accordance with code provision A.6.5 of the CG Code with regards to continuous professional development, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills.

To further ensure that all Directors are adequately informed about the Company's business and operations as well as his responsibilities under relevant laws, rules and regulations, the Company Secretary regularly provides all Directors regarding the Company's most recent performance as well as updates on latest amendments and developments to the Listing Rules and other relevant legal and regulatory requirements from time to time.

The Directors received the following training for the year ended 31 December 2014 according to the records provided by the Directors:

	TYPES OF TRAINING:		
Directors *(Note)*	**Attendance for trainings/seminars/ meetings in respect of the Company's business or duties of Directors**	**Reading of materials in respect of updates on the Company's business, duties and responsibilities of Directors and regulatory requirements**	**Visit to power plants and facilities and their respective management personnel**
Executive Directors			
Mr. Chen Sui *(Chairman)*	✓	✓	✓
Mr. Lin Jian *(President)*	✓	✓	✓
Non-executive Directors			
Mr. Xu Yuan (appointed with effect from 18 March 2015)	N/A	N/A	N/A
Mr. Chen Qiming	✓	✓	x
Mr. Yin Engang (appointed with effect from 18 March 2015)	N/A	N/A	N/A
Mr. Chen Huijiang (resigned with effect from 18 March 2015)	✓	✓	x
Mr. Dai Honggang	✓	✓	x
Mr. Lin Beijing (resigned with effect from 18 March 2015)	✓	✓	x
Mr. Xing Ping	✓	✓	✓
Independent non-executive Directors			
Mr. Shen Zhongmin	✓	✓	x
Mr. Leung Chi Ching Frederick	✓	✓	✓
Mr. Fan Ren Da Anthony	✓	✓	✓
Mr. Wang Susheng	✓	✓	x

Directors' insurance

The Company has arranged for appropriate liability insurance for the Directors to cover their liabilities arising out of corporate activities and in the course of carrying out their duties.

Corporate Governance Report

Compliance with the Model Code for Directors' securities transactions

The Company has adopted its own Code for Securities Transactions by Directors (the "**Code**"), which are on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "**Model Code**"), as a code of conduct for dealing in securities of the Company by the Directors. Having made specific enquiries, all the Directors confirmed that they have complied with the Model Code and the Code during the Listing Period.

BOARD COMMITTEES

The Board has established an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**"), a nomination committee (the "**Nomination Committee**"), an investment and risk management committee (the "**Investment and Risk Management Committee**") and a strategy development committee (the "**Strategy Development Committee**") (collectively, the "**Board Committees**"). The terms of reference of the Audit Committee, Remuneration Committee and Nomination Committee are posted on the websites of the Company and The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Members of the Board Committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek independent professional advice in appropriate circumstances, at the Company's expense.

Audit Committee

The Audit Committee was established on 2 September 2014 and its current members include:

Mr. Leung Chi Ching Frederick *(Chairman)*
Mr. Yin Engang (appointed with effect from 18 March 2015)
Mr. Chen Huijiang (resigned with effect from 18 March 2015)
Mr. Fan Ren Da Anthony

The majority of the members of the Audit Committee are independent non-executive Directors. The major duties of the Audit Committee are as follows:

Relationship with the Company's external auditors

(a) to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

(b) to consider the plan for each year's audit submitted by the external auditors and discuss the same at a meeting if necessary;

(c) to review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

(d) to discuss with the auditors the nature and scope of the audit and reporting obligations before the audit commences;

(e) to develop and implement policy on engaging an external auditor to supply non-audit services. For this purpose, "external auditor" includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;

Review of the financial information of the Company

(f) to monitor integrity of the financial statements of the Company and the Company's annual reports and accounts, half-year reports and, if prepared for publication, quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit Committee shall focus particularly on:

  (i) any changes in accounting policies and practices;

  (ii) major judgmental areas;

Corporate Governance Report

(iii) significant adjustments resulting from audit;

(iv) the going concern assumptions and any qualifications;

(v) compliance with accounting standards; and

(vi) compliance with the Listing Rules and legal requirements in relation to financial reporting.

(g) in regard to (f) above:

(i) members of the Audit Committee should liaise with the Board and senior management and the Audit Committee must meet, at least twice a year, with the Company's auditors; and

(ii) the Audit Committee shall consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts and should give due consideration to any matters that have been raised by the Company's staff responsible for the accounting and financial reporting function, internal auditors or external auditors;

Oversight of the Company's financial reporting system and internal control procedures

(h) to review the Company's financial controls, internal control and risk management systems;

(i) to discuss the internal control system with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;

(j) to consider major investigation findings on internal control matters as delegated by the Board or on its own initiative and management's response to these findings;

(k) to ensure co-ordination between the internal and external auditors, and to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness;

(l) to review the Group's financial and accounting policies and practices;

(m) to review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;

(n) to ensure that the Board will provides a timely response to the issues raised in the external auditor's management letter;

(o) to review arrangements which employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters. The Audit Committee should ensure that proper arrangements are in place for fair and independent investigation of these matters and for appropriate follow-up action;

(p) to act as the key representative body for overseeing the Company's relations with the external auditor;

(q) to review the continuing connected transactions to ensure compliance with the terms approved by shareholders of the Company (the "**Shareholders**");

(r) to establish whistleblowing policies and systems to allow employees and others who have dealings with the Company (such as customers and suppliers) to raise their concerns in secret to the Audit Committee about any possible improper matters regarding the Company;

(s) to report to the Board on the above matters; and

(t) to consider other topics, as defined by the Board.

The terms of reference of the Audit Committee were adopted on 2 September 2014 and are in line with the provisions of the CG Code, a copy of which was posted on the websites of the Company and the Stock Exchange respectively.

Corporate Governance Report

During the Listing Period, one Audit Committee meeting was held.The attendance records are set out under the section headed "Number of meetings and Directors' attendance" in this report. The Audit Committee has approved the audit plan for year 2014 and the capped fee for performance of non-audit services by the external auditor. A recent meeting of the Audit Committee was held on 18 March 2015 to consider the audited financial statements of the Group for the year ended 31 December 2014, the external auditor's independence and objectivity, the effectiveness of the audit process and the Group's internal control system, which covers all material controls, including financial, operational and compliance controls and risk management functions. All members of the Audit Committee attended that meeting.

Remuneration Committee

The Remuneration Committee was established on 2 September 2014 and its current members include:

Mr. Shen Zhongmin *(Chairman) (Note)*
Mr. Dai Honggang
Mr. Fan Ren Da Anthony

The majority of the members of the Remuneration Committee were independent non-executive Directors during the Listing Period *(Note)*. The major duties of the Remuneration Committee are as follows:

(a) to assess, review and make recommendations once a year or as and when required, to the Board in respect of the remuneration packages and overall benefits for the Directors;

(b) to make recommendations to the Board in relation to all consultancy agreements and service contracts or any variations, renewals or modifications thereof, entered into between the Company and the Directors or any associate company of any of them;

(c) to consider what details of the remuneration/benefits of the Directors should be reported in the Company's annual reports and accounts in addition to those required by law and how those details should be presented;

(d) to make recommendations to the Board on the policy and structure for remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;

(e) to review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;

(f) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;

(g) to make recommendations to the Board on the remuneration of non-executive Directors;

(h) to consider salaries paid by comparable companies, time commitment and responsibilities as well as employment conditions of other positions in the Group;

(i) to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and reasonable and not excessive;

(j) to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and

(k) to ensure that no Director or any of his associates is involved in deciding his/her own remuneration.

The terms of reference of the Remuneration Committee were adopted on 2 September 2014 and are in line with the provisions of the CG Code, a copy of which was posted on the websites of the Company and the Stock Exchange respectively.

Since the Company was only listed on 3 October 2014, the Remuneration Committee has not held any meeting during the Listing Period.

Corporate Governance Report

Nomination Committee

The Nomination Committee was established on 2 September 2014 and its current members include:

Mr. Chen Sui *(Chairman) (Note)*
Mr. Shen Zhongmin *(Note)*
Mr. Fan Ren Da Anthony

The majority of the members of the Nomination Committee were independent non-executive Directors during the Listing Period *(Note)*. The major duties of the Nomination Committee are as follows:

(a) to review the structure, size, composition and diversity (including gender, age, cultural and education background, ethnicity, skills, knowledge and experience) of the Board at least annually and to make recommendations on any proposed changes to the Board to complement the corporate strategy of the Company;

(b) to develop the criteria for identifying and assessing the qualifications of and evaluating candidates for directorship, including but not limited to assessing the balance of skills, knowledge and experience as well as diversification of Board members, and based on the assessment results, to prepare a description of the roles and capabilities required for individual appointments;

(c) to identify individuals suitably qualified to become members of the Board and to select or make recommendations to the Board on the selection of individuals nominated for directorships;

(d) to assess the independence of independent non-executive Directors;

(e) to make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the president of the Company;

(f) to do any such things to enable the Nomination Committee to discharge its powers and functions conferred on it by the Board;

(g) to conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Bye-laws or imposed by the Listing Rules or applicable law; and

(h) to review the Board's diversity policy, as appropriate; and review the measurable objectives that the Board has set for implementing the Board's diversity policy.

The terms of reference of the Nomination Committee were adopted on 2 September 2014 and are in line with the provisions of the CG Code, a copy of which was posted on the websites of the Company and the Stock Exchange respectively.

Where vacancy on the Board exists, the Nomination Committee will carry out a selection process by making reference to the skills, experience, professional knowledge, personal integrity and time commitments of the proposed candidates, the Company's needs and other relevant statutory requirements and regulations, and select or make recommendations to the Board on the selection of candidates for directorship.

Since the Company was only listed on 3 October 2014, the Nomination Committee has not held any meeting during the Listing Period.

The Board has also adopted the following diversity policy on the Board on 2 September 2014:

"The Board recognises that board diversity is an essential element contributing to the sustainable development of the Company and enhances Board effectiveness and corporate governance. In determining the optimum composition of the Board, all Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, with due regard for the benefits of diversity on the Board. The Board aims to maintain a Board which has an appropriate mix of diversity, skills, experience and expertise, as well as a balanced composition of executive and non-executive directors (including independent non-executive directors) so that there is also independent element on the Board."

Corporate Governance Report

The Company has an unwavering commitment to talent as a prime resource for development. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, industry experience, skills, knowledge and length of service in related business areas.

No candidate was appointed as a Director during the Listing Period. For the year ending 31 December 2015, the Board will report on the Board's composition under diversified perspectives, and monitor the implementation of the diversity policy.

Investment and Risk Management Committee

The Investment and Risk Management Committee was established on 21 March 2014 and its current members include:

Mr. Dai Honggang *(Chairman)*
Mr. Yin Engang (appointed with effect from 18 March 2015)
Mr. Chen Huijiang (resigned with effect from 18 March 2015)
Mr. Xing Ping

All of the members of the Investment and Risk Management Committee are non-executive Directors. The major duties of the Investment and Risk Management Committee are as follows:

(a) to review major investment and strategy and objectives of project financing of the Group;

(b) to review the Group's major investment, financing proposal and operating project matters;

(c) to review the development and objectives of the Group's risk management system;

(d) to supervise the soundness, reasonableness and effectiveness of the risk management system, and instruct the comprehensive risk management of the Group;

(e) to study the risks of significant matters in major investment and financing activities and operation management of the Group and make necessary recommendations to the Board; and

(f) to study the significant investigation results and feedbacks from the management concerning the risk management of the Company.

During the Listing Period, one Investment and Risk Management Committee meeting was held on 9 December 2014, which among other matters, reviewed and recommended to the Board an investment proposal for solar photovoltaic project. The attendance records are set out under the section headed "Number of meetings and Directors' attendance" in this report.

Strategy Development Committee *(Note)*

The Strategy Development Committee was established on 2 September 2014 and its current members include:

Mr. Chen Sui *(Chairman)*
Mr. Lin Jian
Mr. Chen Qiming
Mr. Dai Honggang
Mr. Wang Susheng

Corporate Governance Report

The majority of the members of the Strategy Development Committee are non-executive Directors. The major duties of the Strategy Development Committee are as follows:

(a) to research and recommend on the business objective and mid–to long-term development strategy of the Company;

(b) to research and recommend on significant investment and financing plans which are required by the Bye-Laws of the Company to be approved by the Board;

(c) to research and recommend on significant capital operation and asset operation which are required by the Bye-Laws of the Company to be approved by the Board;

(d) to research and recommend on other significant matters affecting the development of the Company; and

(e) to review and monitor the implementation of matters mentioned in (a) to (d) above.

Since the Company was only listed on 3 October 2014, the Strategy Development Committee has not held any meeting during the Listing Period.

Company Secretary

Mr. Lee Kin, the company secretary of the Company, is a full time employee of the Group and has substantial knowledge of the Company's day-to-day affairs. Mr. Lee Kin was appointed as the Company Secretary of the Company on 26 January 2015. Mr. Lee Kin will comply with the relevant professional training requirement under Rule 3.29 of the Listing Rules in the year ending 31 December 2015. The biographical details of Mr. Lee Kin is set out in the section headed "Biographies of Directors and Senior Management" in this report.

Mr. Wat Chi Ping, Isaac, who resigned as the company secretary of the Company on 26 January 2015, complied with the relevant professional training requirement under Rule 3.29 of the Listing Rules for the year ended 31 December 2014.

FINANCIAL REPORTING AND INTERNAL CONTROL

Financial reporting

The Directors acknowledge their responsibility for the preparation of accounts for each financial period which give a true and fair view of the state of affairs of the Group. In preparing the accounts for the year ended 31 December 2014, the Directors have selected suitable accounting policies and applied them consistently, adopted appropriate International Financial Reporting Standards, International Accounting Standards amendments to standards and the related interpretations, made adjustments and estimates that are prudent and reasonable, and have prepared the accounts on a going concern basis. The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement by the external auditor of the Company about their reporting responsibilities is set out in the section headed "Independent Auditor's Report" in this report.

Corporate Governance Report

External auditor's remuneration

Deloitte Touche Tohmatsu ("**Deloitte**") has been appointed as the Company's external auditor since 1995. The Audit Committee has been notified of the scope, nature and the service charges of the audit and non-audit services performed by Deloitte and considered that these audit and non-audit services have no adverse effect on the independence of Deloitte. There was no disagreement between the Board and the Audit Committee on the selection, appointment, resignation or dismissal of Deloitte.

The remuneration paid to Deloitte in respect of audit and non-audit services for the year ended 31 December 2014 is set out below:

Type of services provided by Deloitte	Amount of fees *HK$'000*
Audit services	5,413
Non-audit services	1,135
Total	6,548

The major non-audit services provided by Deloitte mainly include internal control review, local income tax report and filing and financial advisory services.

Internal control

The Board has the responsibility to maintain an effective internal control system in order to safeguard the Group's assets and the Shareholders' interests, and review and monitor the effectiveness of the internal control and risk management systems on a regular basis to ensure that the systems in place are adequate.

The Directors have reviewed the effectiveness of the Group's internal control system, which covers all material controls, including financial, operational and compliance controls and risk management functions.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Company believes that effective communication with the Shareholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. The Group also recognizes the importance of transparency and timely disclosure of corporate information, which enable the Shareholders and investors to make appropriate investment decisions.

Shareholders are provided with contact details of the Company and its public relations firm, such as telephone hotline, fax number, email address and postal address, in order to enable them to make any query that they may have with respect to the Company.

Shareholders or investors can contact the Company in the following ways to make enquiry or to provide suggestions:

Contact Person:	Investors Relations Department
Postal Address:	15th Floor, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong
Email:	ir.cgnmeiyapower@cgnmeiyapower.com

Shareholders can also contact the public relations firm of the Company, Wonderful Sky Financial Group, of which the contact details are as follows:

Tel:	(852) 2851 1038
Fax:	(852) 2598 1638
Email:	cgnmeiyapower@wsfg.hk

In addition, Shareholders can contact Tricor Investor Services Limited, the Hong Kong branch share registrar of the Company, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, if they have any enquiries about their shares of the Company and dividends.

The members of the Board and the Board Committees and the Company's auditor are expected to be present to answer the Shareholders' questions in annual general meetings of the Company ("**AGM**"). Meeting circulars are distributed to all Shareholders before AGM and special general meetings of the Company ("**SGM**") in accordance with the timeline requirement as set out in the Listing Rules and the Bye-laws.

Corporate Governance Report

As a channel to promote effective communication, the Group maintains a website where information on the Company's announcements, financial information and other information are posted.

SHAREHOLDERS' RIGHTS

Convening of SGM and requisition by the Shareholders

The following procedures are subject to the Company's bye-laws, the Bermuda Companies Act 1981, applicable legislation and regulation and the Company's policy on shareholders' rights.

Shareholders holding at the date of deposit of the requisition not less than one-tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition sent to the Company's registered office at Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda and its principal place of business in Hong Kong at 15/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong, for the attention of the Board or the Company Secretary of the Company, to require a SGM to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. The written requisition must state the purposes of the general meeting, signed by the shareholder(s) concerned and may consist of several documents in like form, each signed by one or more of those shareholders. If the requisition is in order, the Company Secretary will ask the Board to convene a SGM by serving sufficient notice in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid, the shareholders concerned will be advised of this outcome and accordingly, a SGM will not be convened as requested.

Procedures for making proposals by the Shareholders other than a proposal of a person for election as director

The following procedures are subject to the Company's bye-laws, the Bermuda Companies Act 1981, applicable legislation and regulation and the Company's policy on shareholders' rights.

The Company holds an AGM every year, and may hold a general meeting known as a special general meeting whenever necessary. Shareholder(s) of the Company holding (i) not less than one-twentieth of the total voting rights of all shareholders having the right to vote at the general meeting; or (ii) not less than 100 shareholders, can submit a written request stating the resolution intended to be moved at the AGM; or a statement of not more than 1,000 words with respect to the matter referred to in any proposed resolution or the business to be dealt with at a particular general meeting. The written request/statements must be signed by the shareholder(s) concern and deposited at the Company's registered office at Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda and its principal place of business in Hong Kong at 15/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong, for the attention of the Company Secretary of the Company, not less than six weeks before the AGM in the case of a requisition requiring notice of a resolution and not less than one week before the general meeting in the case of any other requisition. If the written request is in order, the Company Secretary will ask the Board (i) to include the resolution in the agenda for the AGM; or (ii) to circulate the statement for the general meeting, provided that the shareholder(s) concerned have deposited a sum of money reasonably determined by the Board sufficient to meet the Company's expenses in serving the notice of the resolution and/or circulating the statement submitted by the shareholder(s) concerned in accordance with the statutory requirements to all the registered shareholders. On the contrary, if the requisition is invalid or the shareholder(s) concerned have failed to deposit sufficient money to meet the Company's expenses for the said purposes, the shareholder(s) concerned will be advised of this outcome and accordingly, the proposed resolution will not be included in the agenda for the AGM; or the statement will not be circulated for the general meeting.

Procedures for Shareholders to Propose a Person for Election as a Director

The following procedures are subject to the Company's bye-laws, the Bermuda Companies Act 1981, applicable legislation and regulation and the Company's policy on the procedures for shareholders to propose a person for election as a director.

1. If a shareholder of the Company who is duly qualified to attend and vote at the general meeting convened to deal with appointment/election of director(s), wishes to propose a person (other than the shareholder himself/herself) for election as a director (the "**Candidate**") at that meeting, he/she can deposit a written notice at the Company's principal place of business in Hong Kong at 15/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

2. In order for the Company to inform all shareholders of that proposal, the written notice must state the full name of the person proposed for election as a director, his/her biographical details as required by Rule 13.51(2) of the Listing Rules, and be signed by the shareholder concerned and that person indicating his/her willingness to be elected.

Corporate Governance Report

3. A sample form of the notice to be executed and signed by the shareholder(s) for such proposal can be found from the website of the Company.

4. A sample form of the notice to be executed and signed by the Candidate can also be found from the website of the Company setting out amongst other things, his/her willingness to be elected together with the information of the Candidate as required by Rule 13.51(2) of the Listing Rules as follows:

   (i) full name and age;

   (ii) positions held with the Company and/or other members of the Company (if any);

   (iii) experience including (i) other directorships held in the past three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas, and (ii) other major appointments and professional qualifications;

   (iv) length or proposed length of service with the Company;

   (v) relationships with any directors, senior management, substantial shareholders or controlling shareholders (as defined under the Listing Rules) of the Company, or an appropriate negative statement;

   (vi) interests in shares of the Company within the meaning of Part XV of the SFO, or an appropriate negative statement; and

   (vii) a declaration made by the Candidate in respect of the information required to be disclosed pursuant to Rule 13.51(2)(h) to (w) of the Listing Rules, or an appropriate negative statement to that effect where there is no information to be disclosed pursuant to any of such requirements nor there are any other matters relating to that Candidate's standing for election as a director that should be brought to the attention of the shareholders of the Company.

5. The period for lodgment of the written notice will commence no earlier than the day after the despatch of the notice of the general meeting and end no later than seven (7) clear days prior to the date of such general meeting. If the notice is received less than fifteen (15) business days prior to that general meeting, the Company will need to consider adjournment of the general meeting in order to (i) assess the suitability of the proposed Candidate; and (ii) publish an announcement or circulate a supplementary circular in relation to the proposal to the shareholders at least fourteen (14) clear days and not less than ten (10) business days prior to the general meeting.

6. Shareholders who have enquires about the above procedures or have enquires to put to the Board may write to the Company Secretary at 15/F, Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong.

CONSTITUTIONAL DOCUMENTS

No changes were made in any of the Company's constitutional documents during the Listing Period.

Notes:

Subsequent to the date of this report,

(i) Mr. Shen Zhongmin resigned as an independent non-executive director of the Company ("**INED**") with effect from 13 April 2015. Pursuant to Rules 3.10A, and 3.25 of, and code provision A.5.1 of Appendix 14 to, the Listing Rules, the INEDs must represent at least one-third of the Board, the Remuneration Committee must be chaired by an INED and must comprise a majority of INEDs, and the Nomination Committee must comprise a majority of INEDs, respectively. Upon the resignation of Mr. Shen as an INED, the Board only has three INEDs, which falls below one-third of the Board as required under Rule 3.10A of the Listing Rules. Furthermore, the Remuneration Committee only has two members remain (without the chairman) who are one non-executive Director and one INED, which does not comply with the requirement under Rule 3.25 of the Listing Rules. The Nomination Committee only has two members who are one executive Director (also the chairman of the Board and the Nomination Committee) and one INED, which does not comply with the requirement under code provision A.5.1 of Appendix 14 to the Listing Rules.

(ii) Mr. Lin Jian, an executive Director and the President, has been appointed by Mr. Chen Sui, an executive Director and the Chairman of the Board, as his alternate director for the period from 13 April 2015 to 12 July 2015 (both days inclusive).

(iii) Mr. Dai Honggang replaced Mr. Chen Sui as the chairman of the Strategy Development Committee with effect from 13 April 2015.

Please refer to the announcement of the Company in relation to the matters (i) and (ii) above dated 13 April 2015 for further details.

Independent Auditor's Report

TO THE SHAREHOLDERS OF CGN MEIYA POWER HOLDINGS CO., LTD.
中國廣核美亞電力控股有限公司
(FORMERLY KNOWN AS CGN RENEWABLE ENERGY HOLDINGS COMPANY LIMITED
中國廣核新能源控股有限公司 AND MEIYA POWER COMPANY LIMITED
美亞電力有限公司)
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of CGN Meiya Power Holdings Co., Ltd. (Formerly known as CGN Renewable Energy Holdings Company Limited and Meiya Power Company Limited) (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**") set out on pages 58 to 164, which comprise the consolidated and company statements of financial position as at 31 December 2014, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622) (the "**Hong Kong Companies Ordinance**"), and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the Group's profit and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
18 March 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Notes	2014 US$'000	2013 US$'000
Revenue	5	**1,379,552**	1,054,523
Operating expenses:			
Coal, oil and gas		**996,629**	742,926
Depreciation of property, plant and equipment		**94,752**	71,282
Repair and maintenance		**23,525**	22,521
Staff costs		**60,394**	45,857
Others		**54,351**	54,950
Total operating expenses		**1,229,651**	937,536
Operating profit		**149,901**	116,987
Other income	6	**13,096**	12,901
Other gains and losses	7	**1,713**	3,127
Finance costs	8	**(63,274)**	(51,704)
Share of results of associates		**42,572**	28,936
Share of results of a joint venture		**21,016**	55,946
Impairment loss on interest in an associate		**—**	(18,758)
Impairment loss on property, plant and equipment		**—**	(24,000)
Gain on disposal of subsidiaries, associates and a joint venture	43	**96,343**	—
Initial public offering expenses		**(4,087)**	(6,866)
Profit before tax		**257,280**	116,569
Income tax expense	9	**(39,568)**	(47,242)
Profit for the year	10	**217,712**	69,327
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign subsidiaries, associates and a joint venture		**(27,577)**	42,258
Reclassification adjustments for amounts transferred to profit or loss			
— release of hedging reserve		**(139)**	(158)
— deferred tax credit arising on release of hedging reserve		**33**	38
— cumulative gain included in profit or loss upon disposal of subsidiaries, associates and a joint venture		**(96,343)**	—
Other comprehensive (expenses) income for the year		**(124,026)**	42,138
Total comprehensive income for the year		**93,686**	111,465

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Note	**2014** ***US$'000***	2013 *US$'000*
Profit for the year attributable to:			
Owner of the Company		**202,203**	55,817
Non-controlling interests		**15,509**	13,510
		217,712	69,327
Total comprehensive income attributable to:			
Owner of the Company		**78,835**	93,129
Non-controlling interests		**14,851**	18,336
		93,686	111,465
Earnings per share, basic *(US cents)*	13	**5.97**	1.80

Consolidated Statement of Financial Position

At 31 December 2014

	Notes	2014 US$'000	2013 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**1,483,283**	1,680,963
Prepaid lease payments	16	**13,794**	18,966
Goodwill	17	**844**	844
Interests in a joint venture	19	**—**	455,077
Interests in associates	20	**168,271**	269,359
Amounts due from non-controlling shareholders	21	**860**	2,905
Other financial asset	23	**—**	—
Deferred tax assets	24	**1,356**	1,495
Other assets	25	**31,086**	26,541
		1,699,494	2,456,150
CURRENT ASSETS			
Inventories	26	**30,830**	28,587
Prepaid lease payments	16	**1,938**	2,102
Trade receivables	27	**158,003**	100,241
Other receivables and prepayments		**8,976**	17,433
Amount due from a non-controlling shareholder	21	**1,936**	1,573
Amounts due from associates	28	**37,090**	32,905
Amounts due from fellow subsidiaries	28	**87,943**	86
Tax recoverable		**658**	169
Pledged bank deposits	29	**118,132**	109,635
Fixed deposits with bank	29	**36,098**	—
Bank balances and cash	29	**284,673**	208,708
		766,277	501,439
Disposal entity classified as held-for-sale	44	**21,163**	—
		787,440	501,439
CURRENT LIABILITIES			
Trade payables	30	**157,007**	107,337
Other payables and accruals	31	**62,005**	65,667
Amounts due to fellow subsidiaries	28	**90**	1,695
Amounts due to non-controlling shareholders	32	**7,470**	26,079
Advances from non-controlling shareholders — due within one year	33	**7,533**	7,560
Bank borrowings — due within one year	34	**197,819**	28,878
Bond payables — due within one year	35	**4,718**	4,834
Deferred connection charges		**175**	145
Tax payable		**7,842**	9,128
Derivative liabilities	22	**—**	2,606
		444,659	253,929
Liabilities associated with disposal entity classified as held-for-sale	44	**821**	—
		445,480	253,929

Consolidated Statement of Financial Position

At 31 December 2014

	Notes	2014 US$'000	2013 US$'000
NET CURRENT ASSETS		**341,960**	247,510
TOTAL ASSETS LESS CURRENT LIABILITIES		**2,041,454**	2,703,660
NON-CURRENT LIABILITIES			
Advances from non-controlling shareholders			
— due after one year	33	**791**	4,782
Loan from a fellow subsidiary	36	**—**	6,561
Loan from an intermediate holding company	36	**—**	242,300
Bank borrowings — due after one year	34	**838,029**	1,110,728
Bond payables — due after one year	35	**349,008**	348,632
Deferred connection charges		**278**	179
Deferred tax liabilities	24	**37,258**	52,620
		1,225,364	1,765,802
NET ASSETS		**816,090**	937,858
CAPITAL AND RESERVES			
Share capital	37	**55**	40
Reserves		**708,993**	778,501
Equity attributable to owner of the Company		**709,048**	778,541
Non-controlling interests		**107,042**	159,317
TOTAL EQUITY		**816,090**	937,858

The consolidated financial statements on pages 58 to 164 were approved and authorised for issue by the Board of Directors on 18 March 2015 and are signed on its behalf by:

CHEN Sui
DIRECTOR

LIN Jian
DIRECTOR

Statement of Financial Position

At 31 December 2014

	Notes	2014 US$'000	2013 US$'000
NON-CURRENT ASSETS			
Property, plant and equipment	15	**934**	271
Investments in subsidiaries	18	**459,520**	893,797
		460,454	894,068
CURRENT ASSETS			
Other receivables and prepayments		**1,616**	2,072
Amounts due from fellow subsidiaries	28	**87,740**	—
Fixed deposits with bank	29	**36,098**	—
Bank balances and cash	29	**193,993**	75,987
		319,447	78,059
CURRENT LIABILITIES			
Other payables and accruals	31	**9,573**	15,652
Amounts due to subsidiaries	28	**26,369**	14,748
Bank borrowings — due within one year	34	**140,000**	—
Bond payables — due within one year	35	**4,718**	4,834
Derivative liabilities	22	**—**	2,606
		180,660	37,840
NET CURRENT ASSETS		**138,787**	40,219
TOTAL ASSETS LESS CURRENT LIABILITIES		**599,241**	934,287
NON-CURRENT LIABILITIES			
Loan from an intermediate holding company	36	**—**	242,300
Bank borrowings — due after one year	34	**—**	190,000
Bond payables — due after one year	35	**349,008**	348,632
		349,008	780,932
NET ASSETS		**250,233**	153,355
CAPITAL AND RESERVES			
Share capital	37	**55**	40
Reserves	38	**250,178**	153,315
TOTAL EQUITY		**250,233**	153,355

CHEN Sui
DIRECTOR

LIN Jian
DIRECTOR

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to owner of the Company									
	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000 (Note a)	Other non-distributable reserves US$'000 (Note b)	Hedging reserve US$'000	Translation reserve US$'000	Accumulated profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2013	40	17,984	123,482	20,425	1,339	198,634	323,508	685,412	156,243	841,655
Profit for the year	—	—	—	—	—	—	55,817	55,817	13,510	69,327
Exchange difference arising on translation of foreign subsidiaries, associates and a joint venture	—	—	—	—	—	37,432	—	37,432	4,826	42,258
Release of hedging reserve	—	—	—	—	(158)	—	—	(158)	—	(158)
Deferred tax credit arising on release of hedging reserve	—	—	—	—	38	—	—	38	—	38
Total comprehensive (expenses) income for the year	—	—	—	—	(120)	37,432	55,817	93,129	18,336	111,465
Acquisition of subsidiaries *(Note 42)*	—	—	—	—	—	—	—	—	428	428
Capital contribution from non-controlling shareholders	—	—	—	—	—	—	—	—	1,859	1,859
Dividend paid to non-controlling shareholders	—	—	—	—	—	—	—	—	(17,549)	(17,549)
Transfer of non-distributable reserves	—	—	—	6,869	—	—	(6,869)	—	—	—
Reduction of share premium *(Note c)*	—	(17,984)	17,984	—	—	—	—	—	—	—
At 31 December 2013	40	—	141,466	27,294	1,219	236,066	372,456	778,541	159,317	937,858

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to owner of the Company									
	Share capital US$'000	Share premium US$'000	Contributed surplus US$'000 (Note a)	Other non-distributable reserves US$'000 (Note b)	Hedging reserve US$'000	Translation reserve US$'000	Accumulated profits US$'000	Total US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2014	40	—	141,466	27,294	1,219	236,066	372,456	778,541	159,317	937,858
Profit for the year	—	—	—	—	—	—	202,203	202,203	15,509	217,712
Exchange difference arising on translation of foreign subsidiaries, associates and a joint venture	—	—	—	—	—	(26,919)	—	(26,919)	(658)	(27,577)
Release of hedging reserve	—	—	—	—	(139)	—	—	(139)	—	(139)
Deferred tax credit arising on release of hedging reserve *(Note 24)*	—	—	—	—	33	—	—	33	—	33
Cumulative gain included in profit or loss upon disposal of subsidiaries, associates and a joint venture *(Note 43)*	—	—	—	—	—	(96,343)	—	(96,343)	—	(96,343)
Total comprehensive (expenses) income for the year	—	—	—	—	(106)	(123,262)	202,203	78,835	14,851	93,686
Disposal of subsidiaries, associates and a joint venture *(Note 43)*	—	—	—	—	—	—	—	—	(51,820)	(51,820)
Dividend paid to non-controlling shareholders	—	—	—	—	—	—	—	—	(15,306)	(15,306)
Transfer of non-distributable reserve	—	—	—	173	—	—	(173)	—	—	—
Special dividend *(Note 12)*	—	—	—	—	—	—	(3,347)	(3,347)	—	(3,347)
Distribution in kind *(Note 43b)*	—	—	(141,466)	—	—	—	(43,394)	(184,860)	—	(184,860)
Deemed distribution *(Note 43a)*	—	—	—	(19,669)	—	—	(190,873)	(210,542)	—	(210,542)
Repurchase of shares *(Note 37)*	(40)	—	—	—	—	—	—	(40)	—	(40)
Issuance of shares on 15 September 2014 *(Note 37)*	40	—	—	—	—	—	—	40	—	40
Issuance of shares on 3 October 2014 *(Note 37)*	13	227,987	—	—	—	—	—	228,000	—	228,000
Issuance of shares on 27 October 2014 *(Note 37)*	2	34,198	—	—	—	—	—	34,200	—	34,200
Share issue expenses *(Note 37)*	—	(11,779)	—	—	—	—	—	(11,779)	—	(11,779)
At 31 December 2014	55	250,406	—	7,798	1,113	112,804	336,872	709,048	107,042	816,090

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

Notes:

(a) The contributed surplus of the Company represents cash contributions to the Company made by the shareholder other than for subscription of shares, net of dividends declared. In addition to accumulated profits, the contributed surplus of the Company is also available for distribution to shareholder under the Companies Act 1981 of Bermuda. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that:

(i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; or

(ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(b) Other non-distributable reserves principally represent statutory reserves required to be appropriated from profit after income tax of the subsidiaries established in the People's Republic of China (the "**PRC**"), under the relevant laws and regulations. Allocation to the statutory reserves shall be approved by the board of directors of the relevant subsidiaries. The appropriation to statutory reserves may cease if the balance of the statutory reserves has reached 50% of the registered capital of the respective subsidiaries. The statutory reserves may be used to make up losses or for conversion into capital. The relevant subsidiaries may, upon the approval by a resolution of shareholders' general meeting/board of directors' meeting, convert their statutory reserves into capital in proportion to their then existing shareholdings. However, when converting the statutory reserves into capital, the balance of such reserve remaining unconverted must not be less than 25% of the registered capital.

(c) Pursuant to the resolutions of directors and the then sole member of the Company, share premium of the Company was reduced by US$17,984,000, and transferred to its contributed surplus with effect from 30 December 2013.

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Notes	2014 US$'000	2013 US$'000
OPERATING ACTIVITIES			
Profit before tax		**257,280**	116,569
Adjustments for:			
Depreciation of property, plant and equipment		**94,752**	71,282
Release of prepaid lease payments		**2,082**	2,096
Loss on disposal of property, plant and equipment		**78**	571
Change in fair value of derivative financial instruments, net		**(2,606)**	(3,167)
(Recovery) allowance for bad and doubtful receivables		**(3)**	8
Amortisation of deferred connection charges		**(193)**	(464)
Interest income		**(3,520)**	(3,227)
Finance costs		**63,274**	51,704
Share of results of associates		**(42,572)**	(28,936)
Share of results of a joint venture		**(21,016)**	(55,946)
Impairment loss on interest in an associate		**—**	18,758
Impairment loss on property, plant and equipment		**—**	24,000
Gain on disposal of subsidiaries, associates and a joint venture	43	**(96,343)**	—
Operating cash flows before movements in working capital		**251,213**	193,248
Increase in other assets		**(7,267)**	(13,999)
Increase in inventories		**(3,878)**	(1,175)
(Increase) decrease in trade receivables		**(61,712)**	29,717
Decrease in other receivables and prepayments		**4,634**	22,714
Increase in amount due from a non-controlling shareholder		**(363)**	(1,404)
Decrease in amount due from an associate		**—**	(268)
Increase (decrease) in trade payables		**55,990**	(26,048)
Increase in other payables and accruals		**7,397**	14,775
Increase in deferred connection charges		**324**	58
Cash generated from operations		**246,338**	217,618
Income taxes paid		**(40,363)**	(28,543)
NET CASH FROM OPERATING ACTIVITIES		**205,975**	189,075
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(184,492)**	(390,031)
Acquisitions of subsidiaries	42	**—**	(3,996)
Capital contribution to an associate		**—**	(37,523)
Advance to fellow subsidiaries		**(132,961)**	(419,845)
Additions to prepaid lease payments		**—**	(1,872)
Receipt of minimum guarantee income		**—**	4,877
Repayment from fellow subsidiaries		**44,638**	430,132
Repayment from non-controlling shareholders		**2,028**	—
Net cash outflow from disposal of subsidiaries, associates and a joint venture	43	**(28,269)**	—
Proceeds from disposal of property, plant and equipment		**—**	22
Interest received		**3,520**	3,227
Dividends received from associates		**39,166**	3,825
Placement of fixed deposits with bank		**(36,098)**	—
Placement of pledged bank deposits		**(1,278,279)**	1,029,100
Withdrawal of pledged bank deposits		**1,265,636**	(903,064)
NET CASH USED IN INVESTING ACTIVITIES		**(305,111)**	(285,148)

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	2014 US$'000	2013 US$'000
FINANCING ACTIVITIES		
Repayment of bank borrowings	**(77,152)**	(557,600)
Interest paid	**(72,160)**	(66,502)
Dividends paid to non-controlling shareholders	**(13,732)**	(17,549)
Dividend paid to immediate holding company	**—**	(33,000)
Contribution from non-controlling shareholders	**—**	1,859
Advance from non-controlling shareholders	**985**	9,637
Repayment to non-controlling shareholders	**(176)**	—
Loan arrangement fee paid	**—**	(1,750)
Loan from an intermediate holding company	**—**	242,300
Advance from a fellow subsidiary	**—**	1,695
Repayment to a fellow subsidiary	**(1,409)**	—
Repayment to immediate holding company	**—**	(50,546)
New bank borrowings raised	**100,439**	319,945
Proceeds from issuance of bond	**—**	348,901
Proceeds from issuance of shares	**262,200**	—
Transaction costs paid for issuance of bond	**—**	(787)
Transaction costs paid for issuance of shares	**(11,779)**	—
NET CASH FROM FINANCING ACTIVITIES	**187,216**	196,603
NET INCREASE IN CASH AND CASH EQUIVALENTS	**88,080**	100,530
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**208,708**	104,751
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**(827)**	3,427
CASH AND CASH EQUIVALENTS AT END OF YEAR	**295,961**	208,708
Represented by:		
Bank balance and cash	**284,673**	208,708
Bank balance and cash under disposal entity classified as held-for-sale	**11,288**	—
	295,961	208,708

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability under the Companies Act 1981 of Bermuda and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") in October 2014. The registered office of the Company is at Victoria Place, 31 Victoria Street, Hamilton HM10, Bermuda. The principal place of business of the Company is at 15/F., Harbour Centre, 25 Harbour Road, Wanchai, Hong Kong. Its immediate holding company is CGNPC Huamei Investment Limited ("**CGNPC Huamei**"), a company incorporated in Hong Kong with limited liability and its ultimate holding company is China General Nuclear Power Corporation ("**CGN**"), a state-owned enterprise established in the PRC.

The Company is an investment holding company. The principal activities of its subsidiaries are engaged in the generation and supply of electricity and steam, construction and operation of power stations and other associated facilities in the PRC and Republic of Korea ("**Korea**"). Details of subsidiaries are set out in note 18.

These consolidated financial statements are presented in United States dollars ("**US$**"), which is also the functional currency of the Company.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs")

(a) Application of new and revised IFRSs

The Group has applied the following new and revised IFRSs issued by the International Accounting Standards Board ("**IASB**") and International Financial Reporting Interpretations Committee ("**IFRIC**") for the first time in the current year:

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The application of the new and revised IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

(b) New and revised IFRSs issued but not yet effective

The Group has not early applied the following new and revised IFRSs that have been issued but are not yet effective:

IFRS 9	Financial Instruments[1]
IFRS 14	Regulatory Deferral Accounts[2]
IFRS 15	Revenue from Contracts with Customers[3]
Amendments to IAS 1	Disclosure Initiative[4]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[4]
Amendments to IAS 16 and IAS 41	Agriculture: Bearer Plants[4]
Amendments to IAS 19	Defined Benefit Plans: Employee Contributions[5]
Amendments to IAS 27	Equity Method in Separate Financial Statements[4]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to IFRS 10, IFRS 12 and IAS 28	Investment Entities: Applying the Consolidation Exeption[4]
Amendments to IFRS 11	Accounting for Acquisitions of Interests in Joint Operations[4]
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle[6]
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle[5]
Amendments to IFRSs	Annual Improvements to IFRSs 2012-2014 Cycle[4]

1 Effective for annual periods beginning on or after 1 January 2018
2 Effective for first annual IFRS financial statements beginning on or after 1 January 2016
3 Effective for annual periods beginning on or after 1 January 2017
4 Effective for annual periods beginning on or after 1 January 2016
5 Effective for annual periods beginning on or after 1 July 2014
6 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions

IFRS 9 *Financial Instruments*

IFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" (FVTOCI) measurement category for certain simple debt instruments.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

(b) New and revised IFRSs issued but not yet effective *(Continued)*

Key requirements of IFRS 9 are described below:

- All recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities' credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.

- In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The directors of the Company anticipate that the adoption of IFRS 9 in the future may not have a significant impact on the amounts reported in respect of the Group's financial assets and financial liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

(b) New and revised IFRSs issued but not yet effective *(Continued)*

IFRS 15 *Revenue from Contracts with Customers*

In July 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related Interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

The directors of the Company anticipate that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

(b) New and revised IFRSs issued but not yet effective *(Continued)*

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortisation*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) when the intangible asset is expressed as a measure of revenue; or

b) when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after 1 January 2016. Currently, the Group uses the straight-line method for depreciation for its property, plant and equipment. The directors of the Company believe that the straight-line method is the most appropriate method to reflect the consumption of economic benefits inherent in the respective assets and accordingly, the directors of the Company do not anticipate that the application of these amendments to IAS 16 and IAS 38 will have a material impact on the Group's consolidated financial statements.

Amendments to IAS 27 *Equity Method in Separate Financial Statements*

The amendments allow an entity to account for investments in subsidiaries, joint ventures and associates in its separate financial statements.

- At cost,
- In accordance with IFRS 9 *Financial Instruments* (or IAS 39 *Financial Instruments: Recognition and Measurement* for entities that have not yet adopted IFRS 9), or
- Using the equity method as described in IAS 28 *Investments in Associates and Joint Ventures*.

The accounting option must be applied by category of investments.

The amendments also clarify that when a parent ceases to be an investment entity, or becomes an investment entity, it shall account for the change from the date when the change in status occurred.

In addition to the amendments to IAS 27, there are consequential amendments to IAS 28 to avoid a potential conflict with IFRS 10 *Consolidated Financial Statements* and to IFRS 1 *First-time Adoption of Hong Kong Financial Reporting Standards*.

The directors of the Company do not anticipate that the application of these amendments to IAS 27 will have a material impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

(b) New and revised IFRSs issued but not yet effective *(Continued)*

Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Amendments to IAS 28:

- The requirements on gains and losses resulting from transactions between an entity and its associate or joint venture have been amended to relate only to assets that do not constitute a business.
- A new requirement has been introduced that gains or losses from downstream transactions involving assets that constitute a business between an entity and its associate or joint venture must be recognised in full in the investor's financial statements.
- A requirement has been added that an entity needs to consider whether assets that are sold or contributed in separate transactions constitute a business and should be accounted for as a single transaction.

Amendments to IFRS 10:

- An exception from the general requirement of full gain or loss recognition has been introduced into IFRS 10 for the loss control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method.
- New guidance has been introduced requiring that gains or losses resulting from those transactions are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement at fair value of investments retained in any former subsidiary that has become an associate or a joint venture that is accounted for using the equity method are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.

The directors of the Company do not anticipate that the application of these amendments to IFRS 10 and IAS 28 will have a material impact on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

The *Annual Improvements to IFRSs 2010-2012 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of "vesting condition" and "market condition"; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit and loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

(b) New and revised IFRSs issued but not yet effective *(Continued)*

Annual Improvements to IFRSs 2010-2012 Cycle *(Continued)*

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The *Annual Improvements to IFRSs 2011-2013 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement itself.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) the property meets the definition of investment property in terms of IAS 40; and

(b) the transaction meets the definition of a business combination under IFRS 3.

The directors of the Company do not anticipate that the application of these amendments will have a material effect on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRSs") *(Continued)*

(b) New and revised IFRSs issued but not yet effective *(Continued)*

Annual Improvements to IFRSs 2012-2014 Cycle

The *Annual Improvements to IFRSs 2012-2014 Cycle* include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 5 introduce specific guidance in IFRS 5 for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), or when held-for-distribution accounting is discontinued. The amendments apply prospectively.

The amendments to IFRS 7 provide additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset for the purpose of the disclosures required in relation to transferred assets and clarify that the offsetting disclosures (introduced in the amendments to IFRS 7 *Disclosure — Offsetting Financial Assets and Financial Liabilities* issued in December 2011 and effective for periods beginning on or after 1 January 2013) are not explicitly required for all interim periods. However, the disclosures may need to be included in condensed interim financial statements to comply with IAS 34 *Interim Financial Reporting*.

The amendments to IAS 19 clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments would result in the depth of the market for high quality corporate bonds being assessed at currency level. The amendments apply from the beginning of the earliest comparative period presented in the financial statements in which the amendments are first applied. Any initial adjustment arising should be recognised in retained earnings at the beginning of that period.

The amendments to IAS 34 clarify the requirements relating to information required by IAS 34 that is presented elsewhere within the interim financial report but outside the interim financial statements. The amendments require that such information be incorporated by way of a cross reference from the interim financial statements to the other part of the interim financial report that is available to users on the same terms and at the same time as the interim financial statements.

The directors of the Company do not anticipate that the application of these will have a material effect on the Group's consolidated financial statements.

The directors of the Company anticipate that the application of the other new and revised IFRSs will have no material impact on the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the following accounting policies which conform with IFRSs. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and the Hong Kong Companies Ordinance which for the year ended 31 December 2014 continue to be those of the predecessor Companies Ordinance (Cap. 32), in accordance with transitional and saving arrangements for Part 9 of the Hong Kong Companies Ordinance (Cap. 622), "Accounts and Audit", which are set out in sections 76 to 87 of Schedule 11 of that Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, leasing transactions that are within the scope of IAS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statements of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owner of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owner of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are presented separately from the equity owner of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

Acquisitions of businesses

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another IFRS.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units), that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit basis pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of an associate is described at "Investments in associates" below.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investments in subsidiaries

Investments in subsidiaries included in the Company's statement of financial position are stated at cost less any identified impairment loss.

The results of the subsidiaries are accounted for on the basis of dividends received and receivable during the year.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with IAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from the sale of electricity and steam are recognised based upon output delivered. Revenue is recognised upon transmission of electricity and steam to the customers.

Capacity charges are payments from independent power purchasers for maintaining availability of some of the Group's power generators for dispatch of electricity, regardless of actual dispatch. The charges are recognised when the relevant dispatch requirements are met.

Connection charges are one-off charges to new customers for connecting into a heat supply network approved by government. The charges are deferred and recognised on a straight-line basis over the estimated service life of the customers which is estimated to be five years.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Revenue from sale of scrap materials is recognised when the materials are delivered and title has passed.

Dividend income from investments is recognised when the group entities to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

In the case of an electricity supply or a power purchase contractual arrangement, where the fulfilment of the arrangement is dependent on the use of specific assets and the arrangement conveys a right to use these assets, such contractual arrangement is accounted for as containing a finance lease or an operating lease, as applicable.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing *(Continued)*

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

In the event that lease incentives are received to enter into operating lease such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expenses on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than entity's the functional currency (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks (see the accounting policies below); and

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. US$) at the rate of exchange prevailing at the end of the reporting period. Income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the heading of translation reserve (attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i. e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Retirement benefit costs

Payments to defined contribution retirement benefit plans including state-managed retirement benefit schemes in the PRC, national retirement benefit scheme in Korea and the Mandatory Provident Fund Scheme in Hong Kong are recognised as an expense when employees have rendered service entitling them to the contributions.

In accordance with the relevant rules and regulations in Korea, all employees with more than one year of service are entitled to lump-sum severance payments equal to one month's pay of service for each year based on their rate of latest salary and the length of service upon termination of their employment or retirement. The accrual for severance indemnities is determined based on the amount that would be payable assuming all employees were to retire at the end of the reporting period.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business consolidation) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to cover or settle the carrying amount of its assets and liabilities.

Current and deferred tax for the year

Current and deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Property, plant and equipment

Property, plant and equipment, are stated in the consolidated statements of financial position at cost, less subsequent accumulated depreciation and accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost assets (other than properties under construction) less their residual values over their useful lives, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment *(Continued)*

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is released over the lease term on a straight-line basis. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

Impairment of assets (other than financial assets)

At the end of the reporting period, the Group reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or a cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or a cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined using the weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sales.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("**FVTPL**")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at FVTPL and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instruments, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than these financial assets classified as at FVTPL.

Financial assets at FVTPL

Financial assets are classified as at FVTPL when the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract to be designated as at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Financial assets at FVTPL *(Continued)*

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial assets and is included in the 'other gains and losses' in the consolidated statements of profit or loss and other comprehensive income. Fair value is determined in the manner described in note 40.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade receivables, other receivables, amounts due from non-controlling shareholders, amounts due from fellow subsidiaries and associates, pledged bank deposits, fixed deposits with bank and bank balances and cash) are carried at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they were assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods (see the accounting policy below).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss. Changes in carrying amount of the allowance account are recognised in profit or loss.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to receive cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest expense is recognised on an effective interest basis other than financial liabilities classified as at FVTPL.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity instruments *(Continued)*

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL as initial recognition.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 Financial Instruments: Recognition and Measurement permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the "other gains and loss" line item.

Other financial liabilities

Other financial liabilities including trade and other payables, amounts due to subsidiaries, amounts due to non-controlling shareholders, fellow subsidiaries, advances from non-controlling shareholders, loan from a fellow subsidiary, loan from an intermediate holding company, bank borrowings and bond payables are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date when the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or losses depends on the nature of the hedge relationship.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Hedge accounting

The Group designates certain derivatives as hedges of the cash flow for the purchase of property, plant and equipment denominated in foreign currency (cash flow hedges).

At the inception of the hedging relationship the Group documents the relationship between the hedging instrument and hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk.

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in hedging reserve. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss and is included in the other gains or losses.

Amounts previously recognised in other comprehensive income and accumulated in equity (hedging reserve) are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item.

Hedge accounting is discontinued when the Group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in profit or loss.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of each reporting period, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year from the end of each reporting period.

Useful lives and impairment assessment of property, plant, and equipment

Property, plant, and equipment are stated in the statements of financial position at cost less accumulated depreciation and identified impairment losses. The estimation of their useful lives impacts the level of annual depreciation expense recorded. Property, plant, and equipment are evaluated for possible impairment on a specific asset basis or in groups of similar assets, as applicable. This process requires management's estimate of future cash flows generated by each asset or group of assets. For any instance where this evaluation process indicates impairment, the appropriate asset's carrying values are written down to the recoverable amount and the amount of the write-down is charged against the results of operations. As at 31 December 2014, the carrying value of property, plant and equipment of the Group is approximately US$1,483,283,000 (2013: US$1,680,963,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Impairment of interests in associates

Determining whether interests in associates are impaired requires an estimation of the value in use of the entire carrying amounts of the investments in associates. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the associates and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than previously estimated, a material impairment loss may arise. As at 31 December 2014, the carrying amount of interests in associates is US$168,271,000 (2013: US$269,359,000). Details of the recoverable amount calculation are disclosed in note 20.

Other financial asset

As described in note 23, the directors of the Company use their judgement in selecting an appropriate valuation technique for assessment of the fair value of the Minimum Guaranteed Return (as defined in note 23) granted by the vendor in the acquisition of subsidiaries in 2011, which is not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The estimation of fair value of the Minimum Guaranteed Return may include some assumptions not supported by observable market prices or rates, including the budgeted sales and gross margin, which is determined based on the management's past performance and expectations for the market development. Any change of these assumptions would impact the assessment of the fair value of the Minimum Guaranteed Return.

During the year ended 31 December 2014, the other financial assets associated with the Minimum Guaranteed Return has been derecognised upon the disposal of Meiya Xiangyuan Development Limited ("**Meiya Xiangyuan**").

As at 31 December 2013, the fair value of the Minimum Guaranteed Return was nil. Details are set out in note 23.

Fair value of derivative financial instruments

As described in note 22, the directors of the Company use their judgement in selecting an appropriate valuation technique for financial instrument not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. As at 31 December 2014, the derivative financial instrument has been matured. As at 31 December 2013, the fair value of derivative financial liabilities is approximately US$2,606,000.

5. REVENUE AND SEGMENT INFORMATION

Information reported to the board of directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses on geographical location are set out below.

Segment revenue and segment results

The board of directors of the Company review operating results and financial information of the Group based on individual power plant, management companies and on a location basis. Each power plant and management company constitutes an operating segment. For certain operating segments that exhibit similar long-term financial performance as they have similar economic characteristics, produce electricity and/or steam by using similar production processes and all of electricity and/or steam are distributed and sold to similar classes of customers, provide similar consulting services to customers, their segment information is aggregated into a single reportable operating segment. The Group has three reportable segments as follows:

(1) Power plants in the PRC — Generation and supply of electricity;

(2) Power plants in Republic of Korea — Generation and supply of electricity; and

(3) Management companies in the PRC — Provision of management services to power plants operated by CGN and its subsidiaries.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and segment results *(Continued)*

During the year ended 31 December 2014, the Group has started to provide the management services operation, which is reported as a separate operating segment to the Chief Executive Officer of the Company for the purposes of resource allocation and performance assessment.

The following is an analysis of the Group's revenue and results by reportable segment:

For the year ended 31 December 2014

	Power plants in the PRC *US$'000*	Power plants in republic of Korea *US$'000*	Management companies in the PRC *US$'000*	Total *US$'000*
Segment revenue — external	305,514	1,065,063	8,975	1,379,552
Segment results	75,635	66,499	427	142,561
Unallocated other income				691
Unallocated operating expenses				(23,338)
Unallocated finance costs				(21,206)
Other gains and losses				2,728
Share of result of associates				42,572
Share of result of a joint venture				21,016
Gain on disposal of subsidiaries, associates and a joint venture				96,343
Initial public offering expenses				(4,087)
Profit before tax				257,280

For the year ended 31 December 2013

	Power plants in the PRC *US$'000*	Power plants in republic of Korea *US$'000*	Total *US$'000*
Segment revenue — external	333,756	720,767	1,054,523
Segment results	76,889	44,670	121,559
Unallocated other income			868
Unallocated operating expenses			(19,619)
Unallocated finance costs			(24,504)
Other gains and losses			3,007
Share of result of associates			28,936
Share of result of a joint venture			55,946
Impairment loss on interest in an associate			(18,758)
Impairment loss on property, plant and equipment			(24,000)
Initial public offering expenses			(6,866)
Profit before tax			116,569

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Segment revenue and segment results *(Continued)*

The accounting policies of the reportable segments are the same as the Group's accounting policies set out in note 3. Segment results represents the profit earned by each segment without allocation of certain other income, other gains and losses, gain on disposal of subsidiaries, associates and a joint venture, general and administrative expenses, finance costs, other expenses, share of result of a joint venture and associates and impairment loss. This is the measure reported to the directors of the Company for the purposes of resource allocation and performance assessment.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	2014 US$'000	2013 US$'000
Segment assets		
Power Plants in the PRC	**535,993**	818,339
Power Plants in Republic of Korea	**1,457,923**	1,328,421
Management companies in the PRC	**4,366**	—
Total segment assets	**1,998,282**	2,146,760
Interests in a joint venture	**—**	455,077
Interests in associates	**168,271**	269,359
Unallocated	**320,381**	86,393
Consolidated assets	**2,486,934**	2,957,589

	2014 US$'000	2013 US$'000
Segment liabilities		
Power Plants in the PRC	**97,790**	240,968
Power Plants in Republic of Korea	**1,068,694**	977,487
Management companies in the PRC	**1,062**	—
Total segment liabilities	**1,167,546**	1,218,455
Unallocated		
— Derivative liabilities	**—**	2,606
— Bank borrowings	**140,000**	190,000
— Bond payables	**353,726**	353,466
— Loan from an intermediate holding company	**—**	242,300
— Others	**9,572**	12,904
Consolidated liabilities	**1,670,844**	2,019,731

For the purposes of monitoring segment performance and allocating resources between segments:

- all assets are allocated to operating segments other than interests in associates, interests in a joint venture, corporate assets of investment holding companies; and
- all liabilities are allocated to operating segments other than payables and corporate loans of the Company, derivative liabilities and other payables of investment holding companies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Other segment information

For the year ended 31 December 2014

	Power plants in the PRC *US$'000*	Power plants in republic of Korea *US$'000*	Management companies in the PRC *US$'000*	Unallocated *US$'000*	Total *US$'000*
Amounts included in the measure of segment profit or loss or segment assets:					
Addition to non-current assets *(Note)*	62,454	137,655	—	—	200,109
Depreciation	49,395	45,357	—	—	94,752
Release of prepaid lease payments	2,082	—	—	—	2,082
Loss on disposal of property, plant and equipment	78	—	—	—	78
Interest income	1,987	941	—	—	2,928
Interest expense	1,509	40,559	—	—	42,068
Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss or segment assets:					
Interest in associates	168,271	—	—	—	168,271
Share of results of associates	42,572	—	—	—	42,572
Share of results of a joint venture	21,016	—	—	—	21,016
Interest income	—	—	—	592	592
Interest expense	—	—	—	21,206	21,206
Income tax expense	26,271	13,226	71	—	39,568
Initial public offering expense	—	—	—	4,087	4,087

Note: Non-current assets excluded financial assets and deferred tax assets.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

For the year ended 31 December 2013

	Power plants in the PRC *US$'000*	Power plants in republic of Korea *US$'000*	Unallocated *US$'000*	Total *US$'000*
Amounts included in the measure of segment profit or loss or segment assets:				
Addition to non-current assets *(Note)*	114,206	296,100	—	410,306
Depreciation	42,922	28,360	—	71,282
Release of prepaid lease payments	2,096	—	—	2,096
Loss on disposal of property, plant and equipment	571	—	—	571
Interest income	2,210	983	—	3,193
Interest expense	3,146	24,054	—	27,200
Amounts regularly provided to the chief operating decision marker but not included in the measure of segment profit or loss or segment assets:				
Interest in associates	269,359	—	—	269,359
Interest in a joint venture	455,077	—	—	455,077
Share of results of associates	28,936	—	—	28,936
Share of results of a joint venture	55,946	—	—	55,946
Impairment loss on interest in an associate	18,758	—	—	18,758
Impairment loss on property, plant and equipment	24,000	—	—	24,000
Interest income	—	—	34	34
Interest expense	—	—	24,504	24,504
Income tax expense	30,345	16,757	140	47,242
Initial public offering expense	—	—	6,866	6,866

Note: Non-current assets excluded financial assets and deferred tax assets.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group is as follows:

	2014 ***US$'000***	2013 *US$'000*
Korea Electric Power Corporation ("**KEPCO**")	**420,391**	488,717
Korea Power Exchange	**643,962**	232,050

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Non-current assets by geographical location

The Group operates in three principal geographical areas — the PRC, Korea and Hong Kong. The Group's information about its non-current assets** by location of assets and its joint venture and associates by location of their business operations are detailed below:

	2014	2013
	US$'000	*US$'000*
PRC	**510,107**	1,317,828
Korea	**1,179,243**	1,124,989
Hong Kong	**7,928**	8,933
	1,697,278	2,451,750

** Non-current assets excluded financial assets and deferred tax assets.

Revenue from major products and services

The following is an analysis of the Group's revenue from its major products:

	2014	2013
	US$'000	*US$'000*
Sales of electricity	**1,150,123**	846,994
Sales of steam	**85,624**	97,854
Capacity charges	**134,505**	109,086
Connection charges and others	**325**	589
Consultancy fee income	**8,975**	—
	1,379,552	1,054,523

6. OTHER INCOME

	2014	2013
	US$'000	*US$'000*
Government grant *(Note)*	**835**	1,071
Income on sales of scrap materials	**3,146**	3,618
Value added tax refund	**3,245**	2,713
Interest income	**3,520**	3,227
Equipment rental income	**955**	828
Others	**1,395**	1,444
	13,096	12,901

Note: The amounts mainly represented subsidies given by the PRC government to certain subsidiaries of the Group in the PRC, for operating cost and environmental protection. There were no specific conditions attached to the incentives and, therefore, the Group recognised the incentives upon receipt.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

7. OTHER GAINS AND LOSSES

	2014 US$'000	2013 US$'000
Change in fair value of derivative financial instruments not under hedge accounting	**2,606**	3,167
Net foreign exchange (losses) gains	**(815)**	531
Loss on disposal of property, plant and equipment	**(78)**	(571)
	1,713	3,127

8. FINANCE COSTS

	2014 US$'000	2013 US$'000
Interest on:		
Bank borrowings wholly repayable		
— Within 5 years	**26,998**	34,041
— Over 5 years	**27,937**	27,198
Loan from a fellow subsidiary	**237**	473
Loan from an intermediate holding company	**2,817**	5,418
Bond payables	**14,260**	5,352
	72,249	72,482
Less: amounts capitalised to construction in progress	**(8,975)**	(20,778)
	63,274	51,704

The weighted average capitalisation rate on funds borrowed generally is 4.09% per annum (2013: 5.25%).

9. INCOME TAX EXPENSE

	2014 US$'000	2013 US$'000
Current tax:		
Provision for the year	**33,546**	29,910
Overprovision in prior years	**(622)**	(1,879)
	32,924	28,031
Dividend withholding tax — current year	**5,559**	2,940
Deferred tax *(Note 24)*:		
Current year	**1,085**	16,271
	39,568	47,242

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

9. INCOME TAX EXPENSE *(Continued)*

The Company is exempted from taxation in Bermuda.

Current tax provision represents provision for PRC Enterprise Income Tax ("**PRC EIT**") and Korean Corporate Income Tax ("**KCIT**").

Under the Law of People's Republic of China on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of PRC subsidiaries is 25% from 1 January 2008 onwards, except for those subsidiaries described below.

Certain subsidiaries of the Group in the PRC are under the Western China Development Plan and a preferential tax rate of 15% is granted for an extended period from 2011 to 2020. As a result, the tax rate of 15% is used to calculate the amount of current taxation.

Pursuant to KCIT law, the statutory income tax of the Group's Korean subsidiaries was calculated at a rate of 24.2% of the estimated assessable profit for the years ended 31 December 2014 and 2013.

For the year ended 31 December 2014, a tax exemption of KRW8,618,000,000, equivalent to approximately US$8,179,000 is granted to a Korean subsidiary under KCIT in relation to the installation of energy saving facilities.

Pursuant to Hong Kong tax law, the statutory income tax was calculated at a rate of 16.5% for the years ended 31 December 2014 and 2013. Pursuant to the tax laws in Republic of Malta and in Mauritius, the statutory income tax was calculated at a rate of 35% and 15%, respectively, for the years ended 31 December 2014 and 2013. However, subsidiaries of the Group operating in these jurisdictions have not generated taxable income during both years and therefore, no tax provision has been made by the Group in relation to these subsidiaries.

The Group's subsidiaries, associates and a joint venture that are tax residents in the PRC are subject to the PRC dividend withholding tax ranging from 5% to 10% for those non-PRC tax resident immediate holding companies incorporated in Hong Kong and other jurisdictions, when and if undistributed earnings are declared and to be paid as dividends out of profits that arose on or after 1 January 2008.

The Group's subsidiaries that are tax residents in Korea are subject to a 10% Korean dividend withholding tax based on the PRC-Korea Tax Treaty when and if undistributed earnings are declared and to be paid to non-PRC or non-Korea residents as dividends out of profits.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

9. INCOME TAX EXPENSE *(Continued)*

The income tax expense for the year can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2014	2013
	US$'000	*US$'000*
Profit before tax	**257,280**	116,569
Tax at PRC EIT of 25% *(Note a)*	**64,320**	29,142
Tax effect of expenses not deductible for tax purpose	**14,751**	12,598
Tax effect of deductible temporary difference in respect of impairment losses not recognised	**—**	10,690
Tax effect of income not taxable for tax purpose	**(1,710)**	(1,094)
Tax effect of share of results of associates	**(10,643)**	(7,234)
Tax effect of share of results of a joint venture	**(5,254)**	(13,987)
Tax effect of preferential tax rates granted to certain PRC subsidiaries	**(1,781)**	(1,694)
Utilisation of tax losses previously not recognised	**(319)**	(413)
Tax effect of tax losses not recognised	**163**	850
Tax effect of gain on disposal of subsidiaries, associates and a joint venture not taxable for tax purpose	**(24,086)**	—
Withholding tax on distributable profits of subsidiaries, associates and a joint venture	**13,460**	20,601
Overprovision in prior years *(Note b)*	**(622)**	(1,879)
Effect of tax exemptions granted to a Korea subsidiary	**(8,179)**	—
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(532)**	(338)
Income tax expense for the year	**39,568**	47,242

Notes:

(a) The tax rate represents the statutory tax rate of the operations in the jurisdiction where the operations of the Group are substantially based.

(b) During the year ended 31 December 2013, included in the overprovision in prior years is the tax refund amounting to approximately US$2,102,000 as a result of winning a tax dispute with National Tax Service in Korea.

Details of deferred tax movement are set out in note 24.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

10. PROFIT FOR THE YEAR

	2014 US$'000	2013 US$'000
Profit for the year has been arrived at after charging:		
Release of prepaid lease payments	2,082	2,096
(Recovery)/allowance for bad and doubtful receivables	(3)	8
Staff costs		
— salaries and wages *(Note)*	50,995	39,107
— retirement benefits scheme contributions, excluding directors	8,994	6,382
Total staff costs, excluding directors	59,989	45,489
Auditor's remuneration	999	1,970

Note: As set out in note 44, included in the salaries and wages, the severance payment of approximately US$1,074,000 were paid to employees of Hexie (as defined in note 18) due to the cessation of operation. No other incentive payments and compensation in relation to closure of operation of Hexie were paid during the year.

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION

Directors' and chief executive's emoluments

2014

Name	Position	Date of appointment as director/ chairman/president	Date of resignation/ re-designation	Directors' fee US$'000	Salaries and allowance US$'000	Performance related incentive payments US$'000 (Note)	Benefits in kind US$'000	Contribution to retirement benefits scheme US$'000	Compensation of loss of office paid US$'000	Total US$'000
Mr. CHEN Sui 陳遂	Chairman and Voting Director	3 January 2014	3 October 2014	–	–	–	–	–	–	–
	Chairman and Non-executive Director	3 October 2014	26 January 2015							
	Chairman and Executive Director	26 January 2015	N/A							
Mr. LIN Jian 林堅	Voting Director and Chief Executive Officer	9 October 2012	3 January 2014	–	108	230	34	7	–	379
	Director and President	3 January 2014	3 October 2014	–	–	–	–	–	–	–
	Voting Executive Director and President	3 October 2014	N/A							
Mr. CHEN Qiming 陳啟明	Voting Director	9 March 2012	3 October 2014	–	–	–	–	–	–	–
	Non-executive Director	3 October 2014	N/A							
Mr. CHEN Huijiang 陳惠江	Voting Director	22 November 2013	3 October 2014	–	–	–	–	–	–	–
	Non-executive Director	3 October 2014	18 March 2015							
Mr. DAI Honggang 戴洪剛	Voting Director	7 March 2011	3 October 2014	–	–	–	–	–	–	–
	Non-executive Director	3 October 2014	N/A							
Mr. LIN Beijing 林北京	Voting Director	7 March 2011	3 October 2014	–	–	–	–	–	–	–
	Non-executive Director	3 October 2014	18 March 2015							
Mr. XING Ping 邢平	Voting Director	9 April 2013	3 October 2014	–	–	–	–	–	–	–
	Non-executive Director	3 October 2014	N/A							
Mr. SHEN Zhongmin 沈忠民	Independent non-executive Director	17 September 2014	N/A	15	–	–	–	–	–	15
Mr. LEUNG Chi Ching Frederick 梁子正	Independent non-executive Director	17 September 2014	N/A	15	–	–	–	–	–	15
Mr. FAN Ren Da Anthony 范仁達	Independent non-executive Director	17 September 2014	N/A	15	–	–	–	–	–	15
Mr. WANG Susheng 王蘇生	Independent non-executive Director	17 September 2014	N/A	11	–	–	–	–	–	11
Mr. HU Wenquan 胡文泉	Chairman	8 March 2011	3 January 2014	–	–	–	–	–	–	–
	Voting Director	7 March 2011	3 January 2014							
				56	108	230	34	7	–	435

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION *(Continued)*

Directors' and chief executive's emoluments *(Continued)*

2013

Name	Position	Date of appointment as director/ chairman/president	Date of resignation	Directors' fee US$'000	Salaries and allowance US$'000	Performance related incentive payments US$'000 (Note)	Benefits in kind US$'000	Contribution to retirement benefits scheme US$'000	Compensation of loss of office paid US$'000	Total US$'000
Mr. LIN Jian 林堅	Voting Director and Chief Executive Director	9 October 2012	N/A	–	100	41	–	7	–	148
Mr. CHEN Qiming 陳啟明	Voting Director	9 March 2012	N/A	–	–	–	–	–	–	–
Mr. CHEN Huijiang 陳惠江	Voting Director	22 November 2013	N/A	–	–	–	–	–	–	–
Mr. DAI Honggang 戴洪剛	Voting Director	7 March 2011	N/A	–	–	–	–	–	–	–
Mr. LIN Beijing 林北京	Voting Director	7 March 2011	N/A	–	–	–	–	–	–	–
Mr. XING Ping 邢平	Voting Director	9 April 2013	N/A	–	–	–	–	–	–	–
Mr. YANG Zhao 楊兆	Deputy Chairman and Voting Director	5 November 2010	9 April 2013	–	–	220	–	–	–	220
Mr. XING Jianhua 幸建華	Voting Director	5 November 2010	22 November 2013	–	–	–	–	–	–	–
Mr. HU Wenquan 胡文泉	Chairman Voting Director	8 March 2011 7 March 2011	N/A N/A	–	–	–	–	–	–	–
				–	100	261	–	7	–	368

Note: The performance related incentive payments are based on the Group's performance for both years.

Certain directors have also been employed by CGN and its subsidiaries and the payments of their emoluments were borne by CGN and its subsidiaries for both years.

Neither the President nor any of the directors of the Company waived any emoluments during both years.

No emoluments were paid to the directors of the Company as an inducement to join for both years.

Notes to the Consolidated Financial Statements

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11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION *(Continued)*

Employees' remuneration

The five highest paid individuals did not include any directors of the Company for the year ended December 31, 2013 and 2014. The emoluments of the 5 individuals for the years ended December 31, 2013 and 2014 are as follow:

	2014	2013
	US$'000	*US$'000*
Salaries and allowances	**1,981**	1,981
Contributions to retirement benefits scheme	**77**	73
Performance related incentive payments *(Note)*	**1,537**	881
	3,595	2,935

Note: The performance related incentive payments are determined by the Board of Directors of the Company based on the Group's performance for the relevant previous years.

No benefits in kind and compensations of loss of office were paid to the individuals and no emoluments were paid to the individuals as an inducement to join for both years.

Their emoluments were within the following bands:

	No. of employees	
	2014	2013
	No. of	*No. of*
HK$2,500,001 to HK$3,000,000 (Equivalent to US$322,001 to US$387,000)	**—**	1
HK$3,500,001 to HK$4,000,000 (Equivalent to US$451,001 to US$515,000)	**1**	—
HK$4,500,001 to HK$5,000,000 (Equivalent to US$580,001 to US$644,000)	**2**	2
HK$5,000,001 to HK$5,500,000 (Equivalent to US$644,001 to US$709,000)	**—**	2
HK$5,500,001 to HK$6,000,000 (Equivalent to US$709,001 to US$773,000)	**1**	—
HK$9,000,001 to HK$9,500,000 (Equivalent to US$1,160,001 to US$1,224,000)	**1**	—

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

11. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS AND EMPLOYEES' REMUNERATION *(Continued)*

Compensation of key management personnel

The remunerations of directors and other key management for the years ended 31 December 2014 and 2013 were as follows:

	2014	2013
	US$'000	*US$'000*
Short-term benefits	**2,715**	3,910
Post-employment benefits	**126**	115
Benefits in kind	**34**	—
	2,875	4,025

The remuneration of directors and key executives is determined by having regard to the performance of individuals and the Group and market trends.

12. DIVIDEND

THE COMPANY

The Company disposed of the equity interest and the net balances due from the Disposal Group excluding Meiya Xiangtou Power Company Limited ("**Meiya Xiangtou**") (note 43) by way of a Distribution in Kind ("**Company level Distribution in Kind**") to CGNPC Huamei, that equals to the book cost of the relevant accounts recorded in the financial statements of the Company. The Company level Distribution in Kind is satisfied through a distribution from the contributed surplus of US$141,466,000 and accumulated profits of US$2,508,000 that was approved by the then sole shareholder of the Company in relation to the group restructuring as defined in note 43.

THE GROUP

The distribution in kind is satisfied through a distribution from the contributed surplus of US$141,466,000 and accumulated profits of US$43,394,000 in relation to the group restructuring as defined in note 43.

In relationship to the Xiangtou Disposal (as defined in note 43), a deemed distribution of US$210,542,000 was resulted, which represents a distribution from the other non-distributable reserves of US$19,669,000 and accumulated profits of US$190,873,000 pursuant to the group restructuring, that was approved by the then sole shareholder of the Company in relation to the group restructuring as defined in note 43. The deemed distribution represents the difference between the net asset value of Meiya Xiangtou amounting to US$372,452,000 and the net consideration of US$161,910,000 (note 43(a)).

THE GROUP AND THE COMPANY

A special interim dividend of US$33.47 per share (2013: nil), amounting to US$3,347,000 in aggregate was declared and approved by the then sole shareholder of the Company in relation to the group restructuring as defined in note 43. The special interim dividend of US$3,347,000 was to offset the cash consideration of US$3,347,000 in relation to the Xiangtou Disposal as defined in note 43.

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13. EARNINGS PER SHARE

	2014	2013
	US cents	*US cents*
Earnings per share, basic *(Note)*	**5.97**	1.80

	2014	2013
	US$'000	*US$'000*
Earnings:		
Earnings for the purpose of calculating basic earnings per share (profit for the year attributable to owner of the Company)	**202,203**	55,817

	2014	2013
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share	**3,384,786**	3,101,800

Note: The earning for calculating basic earnings per share has included the share of profit from the Disposal Group as defined in note 43 before its disposal and an one-off gain on disposal of subsidiaries, associates and a joint venture resulted from the restructuring that amounts to US$96,343,000. Should the profit from Disposal Group and the one-off gain be excluded from the calculation, the earnings per share for the Group only amounts to US cents 2.51 for the year ended 31 December 2014 (2013: US cents 1.78).

The weighted average number of ordinary shares for the purpose of calculating basic earnings per share for the year ended 31 December 2014 has been taken into account the capitalisation issue and the issuance of shares upon initial public offering as described more fully in note 37.

The number of shares for the purpose of basic earnings per share for the year ended 31 December 2013 is calculated based on the 3,101,800,000 ordinary shares of the Company after retrospective adjustment and assuring the issuance of 3,101,800,000 ordinary shares of HK$0.0001 each and the repurchase of 100,000 ordinary shares of US$0.4 each pursuant to the written resolutions passed by the then sole shareholder of the Company on 15 September 2014, had been effective on 1 January 2013.

No diluted earnings per share is presented for the years ended 31 December 2014 and 2013 as there was no potential ordinary share in issue.

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14. EMPLOYEE BENEFITS

Hong Kong

The Group operates a Mandatory Provident Fund Scheme ("**MPF Scheme**") for all qualifying employees in Hong Kong. The assets of the MPF Scheme are held separately from those of the Group, in funds under the control of an independent trustee. During the year ended 31 December 2014, the retirement benefit scheme contributions arising from the MPF Scheme charged to profit or loss were approximately US$635,000 (2013: US$578,000).

The PRC

In accordance with the relevant rules and regulations of the PRC, the Group's PRC subsidiaries are required to make contributions to the retirement fund administered by the PRC government ranging from 10% to 22% of the total monthly basic salaries of the current employees. In addition, the Group's PRC subsidiaries are required by law to contribute 2% to 15% of basic salaries of the employees for social insurance in relating to staff welfare, housing, medical and education benefits. During the year ended 31 December 2014, the costs charged under such arrangements for the Group's PRC subsidiaries amounted to approximately US$7,661,000 (2013: US$5,138,000).

Korea

In accordance with the relevant rules and regulations in Korea, all employees with more than one year of service are entitled to lump-sum severance payments equal to one month's pay of service for each year based on their rate of latest salary and the length of service upon termination of their employment or retirement. The accrual for severance indemnities is determined based on the amount that would be payable assuming all employees were to retire at the end of the reporting period, amounting to US$5,202,000 (2013: US$4,513,000) as at 31 December 2014. In addition, the Group's Korean subsidiaries are required by law to contribute 0.04% to 4.5% of the average salary of the employees for national pension, national health insurance, unemployment insurance, industrial accident compensation insurance and wage claim guarantee fund. During the year ended 31 December 2014, the cost charged under such arrangements for the Group's Korean subsidiaries amounted to approximately US$705,000 (2013: US$673,000). In the opinion of the directors of the Company, the accrual for such severance indemnities is adequate.

The Group does not have any other significant post retirement benefit plans.

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15. PROPERTY, PLANT AND EQUIPMENT

THE GROUP

	Freehold land in Korea US$'000	Buildings US$'000	Electric and steam generating facilities US$'000	Office and electronic equipment US$'000	Motor vehicles US$'000	Construction in progress US$'000	Total US$'000
COST							
At 1 January 2013	24,719	279,500	929,167	10,036	4,380	635,480	1,883,282
Exchange differences	1,230	10,621	28,422	87	268	(889)	39,739
Additions	31,650	543	9,854	617	406	310,201	353,271
Acquired on acquisition of a subsidiary *(Note 42)*	—	—	—	—	—	2,262	2,262
Disposals	—	(11)	(1,835)	(405)	(349)	—	(2,600)
Transfer	—	102,677	369,766	242	—	(472,685)	—
At 31 December 2013	**57,599**	**393,330**	**1,335,374**	**10,577**	**4,705**	**474,369**	**2,275,954**
Exchange differences	**(2,516)**	**(9,434)**	**(36,822)**	**(883)**	**(4)**	**(2,893)**	**(52,552)**
Additions	**20,621**	**1,555**	**5,277**	**1,498**	**446**	**165,849**	**195,246**
Disposal of subsidiaries *(Note 43)*	**—**	**(15,804)**	**(53,029)**	**(1,346)**	**(1,283)**	**(231,555)**	**(303,017)**
Disposals	**—**	**—**	**(142)**	**(355)**	**(306)**	**—**	**(803)**
Transfer	**—**	**101,824**	**284,478**	**118**	**—**	**(386,420)**	**—**
Transfer to disposal entity classified as held-for-sale *(Note 44)*	**—**	**(3,105)**	**(35,221)**	**(150)**	**(171)**	**—**	**(38,647)**
At 31 December 2014	**75,704**	**468,366**	**1,499,915**	**9,459**	**3,387**	**19,350**	**2,076,181**
ACCUMULATED DEPRECIATION AND IMPAIRMENT							
At 1 January 2013	—	112,532	367,255	6,687	2,697	—	489,171
Exchange differences	—	3,452	8,999	42	52	—	12,545
Provided for the year	—	14,837	55,355	728	362	—	71,282
Eliminated on disposals	—	(4)	(1,434)	(379)	(190)	—	(2,007)
Impairment losses recognised in profit or loss	—	—	24,000	—	—	—	24,000
At 31 December 2013	**—**	**130,817**	**454,175**	**7,078**	**2,921**	**—**	**594,991**
Exchange differences	**—**	**(959)**	**(7,261)**	**(925)**	**(21)**	**—**	**(9,166)**
Provided for the year	**—**	**17,488**	**76,104**	**832**	**328**	**—**	**94,752**
Disposal of subsidiaries *(Note 43)*	**—**	**(3,092)**	**(52,436)**	**(1,025)**	**(320)**	**—**	**(56,873)**
Eliminated on disposals	**—**	**—**	**(106)**	**(263)**	**(301)**	**—**	**(670)**
Transfer to disposal entity classified as held-for-sale *(Note 44)*	**—**	**(2,027)**	**(27,959)**	**(112)**	**(38)**	**—**	**(30,136)**
At 31 December 2014	**—**	**142,227**	**442,517**	**5,585**	**2,569**	**—**	**592,898**
CARRYING VALUES							
At 31 December 2014	**75,704**	**326,139**	**1,057,398**	**3,874**	**818**	**19,350**	**1,483,283**
At 31 December 2013	57,599	262,513	881,199	3,499	1,784	474,369	1,680,963

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15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

THE COMPANY

	Office and electronic equipment US$'000	Motor vehicle US$'000	Total US$'000
COST			
At 1 January 2013	1,761	110	1,871
Additions	85	—	85
Disposals	(2)	—	(2)
At 31 December 2013	**1,844**	**110**	**1,954**
Additions	**821**	**—**	**821**
At 31 December 2014	**2,665**	**110**	**2,775**
ACCUMULATED DEPRECIATION			
At 1 January 2013	1,491	110	1,601
Provided for the year	84	—	84
Eliminated on disposals	(2)	—	(2)
At 31 December 2013	**1,573**	**110**	**1,683**
Provided for the year	**158**	**—**	**158**
At 31 December 2014	**1,731**	**110**	**1,841**
CARRYING VALUE			
At 31 December 2014	934	—	934
At 31 December 2013	271	—	271

The above items of property, plant and equipment, except for freehold land in Korea and construction in progress, are depreciated on a straight-line basis at the following useful lives:

Buildings	Over the shorter of the term of the lease, and 20 to 50 years
Electric and steam generating facilities	17 to 30 years
Office and electronic equipment	3 to 12 years
Motor vehicles	5 to 10 years

In October 2013, the local government of Tongzhou city approved an independent third party to develop a gas-fired cogeneration plant nearby the electricity and steam generating facilities held by Tongzhou Meiya Cogeneration Co., Ltd. (the "**Tongzhou Power Plant**"), the then subsidiary of the Group. Upon the completion of this new gas-fired cogeneration plant in 2016, the local government of Tongzhou city will shut down the Tongzhou Power Plant by end of 2016. Pursuant to the above government notice made known to the Group during the year ended 31 December 2013, the management of the Group tested for impairment of property, plant and equipment related to the Tongzhou Power Plant by comparing its recoverable amount with its carrying value. The recoverable amount of this property, plant and equipment was determined based on the value in use. Based on the calculation, an impairment loss of US$24,000,000 in respect of the Group's property, plant and equipment used in the Tongzhou Power Plant was made during the year ended 31 December 2013. Tongzhou Power Plant was disposed during the year and included in note 43.

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15. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

At 31 December 2014, the Group has not yet obtained the ownership certificates of certain buildings with carrying values of US$14,631,000 (2013: US$16,281,000).

At 31 December 2014 and 2013, certain amounts of the property, plant and equipment have been pledged as security for the borrowings. Details are set out in note 34.

16. PREPAID LEASE PAYMENTS

	2014	2013
	US$'000	*US$'000*
Analysed for reporting purposes as:		
Non-current asset	**13,794**	18,966
Current asset	**1,938**	2,102
	15,732	21,068
The Group's prepaid lease payments comprise:		
Long lease	**—**	703
Medium-term lease	**15,732**	20,365
	15,732	21,068

The amount represents the prepaid land use rights and is released to profit or loss on a straight-line basis, over 20 to 70 years which is equal to the original period stated in the land use rights certificates granted for usage to the Group.

During the year ended 31 December 2014, carrying amount of US$2,304,000 of the prepaid lease payment has been disposed of together with the disposal of subsidiaries. Details are set out in note 43.

At 31 December 2014 and 2013, certain amounts of prepaid lease payments have been pledged as security of the borrowings. Details are set out in note 34.

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17. GOODWILL

	US$'000
Cost and carrying value	
At 1 January 2013, 31 December 2013 and 31 December 2014	844

For the purpose of impairment testing, goodwill has been allocated to an individual cash generating unit, comprising one subsidiary, namely Nantong Meiya Co-generation Co., Ltd. 南通美亞熱電有限公司 ("**Nantong**") in the coal-fired and co-generation unit. The recoverable amount of this unit has been determined based on value in use calculation. That calculation uses cash flow projections based on a five-year period financial budget approved by senior management and discount rate of 12.1% (2013: 12.1%) as at 31 December 2014. Nantong's cash flows beyond the five-year period are extrapolated with zero growth rate. Other key assumptions for the value in use calculations relate to the budgeted sales and gross margin, which is determined based on the unit's past performance and management's expectations for the market development. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of Nantong to exceed the aggregate recoverable amount of Nantong. Since the recoverable amount of the cash generating unit is higher than its carrying amount, the directors of the Company consider that the goodwill is not impaired.

18. INVESTMENTS IN SUBSIDIARIES

THE COMPANY

	2014 **US$'000**	2013 US$'000
Unlisted investments, at cost	**444,159**	878,436
Deemed capital contribution	**15,361**	15,361
	459,520	893,797

Deemed capital contribution represented the imputed interest on the interest-free advances provided to the subsidiaries.

During the year ended 31 December 2014, the Company has disposed certain subsidiaries with investment cost of US$389,621,000 to the then sole shareholder of the Company in relation to the group restructuring as defined in note 43. Details are set out in note 43.

During the year ended 31 December 2014, the Company has reduced the investments of US$44,656,000 of certain subsidiaries. During the year ended 31 December 2013, the Company has made additional investment of US$129,270,000 to certain subsidiaries.

During the year ended 31 December 2013, the Company made impairment on investment costs and the amounts due from of its subsidiaries, namely Meiya Tongzhou Cogen Power Ltd. and Meiya Qujing Power Company Limited of US$14,081,000 and US$56,388,000, respectively.

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18. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Details of the Company's principal operating subsidiaries at 31 December 2014 and 2013 are as follows:

Name of subsidiaries	Place of establishment/ incorporation/ operation	Date of' establishment/ incorporation	Legal form	Registered capital/issued and fully paid-up share capital	Attributable equity interest held by the Group 2014	2013	Principal activities
Indirect							
CGN Meineng Corporate Management (Shenzhen) Ltd.	The People's Republic of China (the "**PRC**")	6 December 2013	Foreign investment enterprise with limited liability	Registered capital of RMB10,000,000 and paid-up capital of RMB10,000,000	**100%**	100%	Corporate management advisory
Diqing Rongshun Maopohe Power Generation Company Limited 迪慶榮順毛坡河發電有限責任公司	The PRC	28 November 2012	Sino-foreign equity joint venture	Registered capital of RMB48,000,000 and paid-up capital of RMB48,000,000	**–**	55%	Generation and supply of electricity (under construction)
Fugong Fengyuan Hydropower Development Co., Ltd. 福貢豐源水電發展有限公司	The PRC	20 April 2004	Sino-foreign equity joint venture	Registered capital of RMB310,000,000 and paid-up capital of RMB310,000,000	**–**	51%	Generation and supply of electricity (under construction)
Gongshan Lanxi Hydropower Development Co., Ltd. 貢山縣藍溪水電開發有限責任公司	The PRC	10 August 2006	Sino-foreign equity joint venture	Registered capital of RMB90,000,000 and paid-up capital of RMB90,000,000	**–**	51%	Generation and supply of electricity (under construction)
Guangxi Rongjiang Meiya Company Limited 廣西融江美亞有限公司	The PRC	15 September 1999	Sino-foreign equity joint venture	Registered capital of RMB48,000,000 and paid-up capital of RMB48,000,000	**55%**	55%	Investment in dam and other associated facilities
Guangxi Rongjiang Meiya Hydropower Company Limited 廣西融江美亞水電有限公司	The PRC	15 September 1999	Sino-foreign equity joint venture	Registered capital of RMB72,000,000 and paid-up capital of RMB72,000,000	**80%**	80%	Generation and supply of electricity
Guangxi Rongyuan Hydropower Company Limited 廣西融源水電有限公司	The PRC	4 January 2012	Foreign investment enterprise with limited liability	Registered capital of RMB38,000,000 and paid-up capital of RMB38,000,000	**100%**	100%	Generation and supply of electricity (under construction)
Guangxi Zuojiang Meiya Hydropower Company Limited 廣西左江美亞水電有限公司	The PRC	8 October 1998	Sino-foreign equity joint venture	Registered capital of RMB345,596,455 and paid-up capital of RMB345,596,455	**60%**	60%	Generation and supply of electricity
Haian Meiya Cogeneration Co., Ltd. 海安美亞熱電有限公司	The PRC	20 December 2002	Foreign investment enterprise with limited liability	Registered capital of US$11,920,000 and paid-up capital of US$11,920,000	**100%**	100%	Generation and supply of steam, electricity and other related products

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18. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of establishment/ incorporation /operation	Date of establishment/ incorporation	Legal form	Registered capital/issued and fully paid-up share capital	Attributable equity interest held by the Group 2014	2013	Principal activities
Indirect *(Continued)*							
Mianyang Sanjiang Meiya Hydropower Company Limited 綿陽三江美亞水電有限公司	The PRC	25 October 2002	Sino-foreign cooperative joint venture	Registered capital of RMB100,000,000 and paid-up capital of RMB100,000,000	**75%**	75%	Generation and supply of electricity
MPC Daesan Power Co., Ltd.	Republic of Korea	8 April 2009	Joint stock company	Issued capital of KRW3,430,000,000 and paid-up capital of KRW3,430,000,000	**100%**	100%	Generation and supply of electricity from an oil-fired combined cycle power plant
MPC Korea Holdings Co., Ltd.	Republic of Korea	22 November 1996	Joint stock company	Issued capital of KRW37,311,150,000 and paid-up capital of KRW37,311,150,000	**100%**	100%	Investment holding
MPC Yulchon Generation Co., Ltd.	Republic of Korea	28 July 2009	Joint stock company	Issued capital of KRW18,044,400,000 and paid-up capital of KRW18,044,400,000	**100%**	100%	Generation and supply of electricity from a gas-fired combined cycle power plant
Nantong Meiya Co-generation Co., Ltd. 南通美亞熱電有限公司	The PRC	13 March 1997	Foreign investment enterprise with limited liability	Registered capital of US$16,800,000 and paid-up capital of US$16,800,000	**100%**	100%	Generation and supply of electricity and steam and other related products
Nanyang General Light Electric Co., Ltd. 南陽普光電力有限公司	The PRC	1 January 1997	Sino-foreign cooperative joint venture	Registered capital of RMB476,667,000 and paid-up capital of RMB476,667,000	**59.5%**	59.5%	Generation and supply of electricity and other related services
Shanghai Meiya Jinqiao Energy Co., Ltd. 上海美亞金橋能源有限公司	The PRC	14 July 1995	Sino-foreign equity joint venture	Registered capital of RMB98,000,000 and paid-up capital of RMB98,000,000	**60%**	60%	Generation and supply of steam
Shanghai Wei Gang Energy Co., Ltd. 上海威鋼能源有限公司	The PRC	21 January 1998	Sino-foreign cooperative joint venture	Registered capital of US$29,800,000 and paid-up capital of US$29,800,000	**65%**	65%	Generation and supply of electricity
Shangri-La Tangmanhe Hydropower Development Co., Ltd. 香格里拉縣湯滿河水電開發有限責任公司	The PRC	20 September 2007	Sino-foreign equity joint venture	Registered capital of RMB100,000,000 and paid-up capital of RMB100,000,000	**–**	51%	Generation and supply of electricity (under construction)

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18. INVESTMENTS IN SUBSIDIARIES *(Continued)*

Name of subsidiaries	Place of establishment/ incorporation/ operation	Date of establishment/ incorporation	Legal form	Registered capital/ issued and fully paid-up share capital	Attributable equity interest held by the Group 2014	2013	Principal activities
Indirect *(Continued)*							
Sichuan Hexie Electric Power Co., Ltd. ("**Hexie**") 四川和協電力有限公司	The PRC	25 February 1998	Foreign investment enterprise with limited liability	Registered capital of RMB100,000,000 and paid-up capital of RMB100,000,000	**100%**	100%	Generation and supply of electricity
Suzhou Zhenmei Trading Co., Ltd. 蘇州臻美貿易有限公司	The PRC	4 November 2011	Foreign investment enterprise with limited liability	Registered capital of RMB5,000,000 and paid-up capital of RMB5,000,000	**–**	100%	Trading of coal
Tongzhou Meiya Cogeneration Co., Ltd. 通州美亞熱電有限公司	The PRC	14 March 1997	Sino-foreign cooperative joint venture	Registered capital of US$10,600,000 and paid-up capital of US$10,600,000	**–**	80%	Generation and supply of electricity and steam
Weixi Meiya Hengfa Hydropower Company Limited 維西縣美亞恆發水電有限公司	The PRC	13 August 2010	Sino-foreign equity joint venture	Registered capital of RMB80,000,000 and paid-up capital of RMB80,000,000	**–**	80%	Generation and supply of electricity (under construction)
Weixi Meiya Yongfa Hydropower Company Limited 維西縣美亞永發水電有限公司	The PRC	13 August 2010	Sino-foreign equity joint venture	Registered capital of RMB80,000,000 and paid-up capital of RMB80,000,000	**–**	80%	Generation and supply of electricity (under construction)
Wuhan Han-Neng Power Development Co., Ltd. 武漢漢能電力發展有限公司	The PRC	11 October 1995	Sino-foreign equity joint venture	Registered capital of RMB100,000,000 and paid-up capital of RMB100,000,000	**60%**	60%	Generation and supply of electricity
Xi Wu Zhu Mu Xin Qi International Renewable Energy Wind Power Co., Ltd. 西烏珠穆沁旗國際新能源風電有限公司	The PRC	15 July 2008	Sino-foreign equity joint venture	Registered capital of RMB174,710,000 and paid-up capital of RMB174,710,000	**–**	91%	Generation and supply of electricity
Yaneng Consulting (Shanghai) Co., Ltd. 亞能諮詢(上海)有限公司	The PRC	18 January 2000	Foreign investment enterprise with limited liability	Registered capital of US$500,000 and paid-up capital of US$500,000	**100%**	100%	Provision of consulting services and market research
Yunnan Meiya Minrui Power Investment Co., Ltd. 雲南美亞民瑞電力投資有限公司	The PRC	4 December 2003	Sino-foreign equity joint venture	Registered capital of RMB500,000,000 and paid-up capital of RMB500,000,000	**–**	51%	Investment holding
中廣核太陽能(德州)有限公司	The PRC	29 December 2014	Foreign investment enterprise with limited liability	Registered capital of US$6,000,000 and paid-up capital of nil	**100%**	–	Inactive

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19. INTERESTS IN A JOINT VENTURE

	2014 US$'000	2013 US$'000
Cost of unlisted investment in a joint venture	—	276,038
Share of post-acquisition profits net of dividends received, and exchange realignment	—	179,039
	—	455,077

During the year ended 31 December 2014, the Group has disposed of the entire 50% equity interest in Hunan Xiangtou International Investment Company Limited 湖南湘投國際投資有限公司("**Hunan Xiangtou**"), a company registered and operates in the PRC with effect from July 1, 2014. Details are set out in note 43.

As at 31 December 2013, the Group had a 50% equity interest in the registered capital and voting power in Hunan Xiangtou. The joint venture invests in and manages power generation plants and other kinds of energy projects in the PRC. The joint venture partner was Hunan Xiangtou Holdings Group Company Limited 湖南湘投控股集團有限公司which is also a state-owned enterprise of Hunan Province. The formation of the joint venture was for the strategic purpose of penetration of the Group's investments in Hunan Province.

As at 31 December 2013, the Group had interests in the following joint venture and its investments.

Name of joint venture	Place of establishment/ incorporation	Date of establishment/ incorporation	Legal form	Registered capital/ issued and fully paid-up share capital	Attributable equity interest held by the Group 2013	Principal activities
Hunan Xiangtou International Investment Company Limited ("**Hunan Xiangtou**") 湖南湘投國際投資有限公司	The PRC	28 September 2005	Sino-foreign equity joint venture	Registered capital of RMB4,000,000,000 and paid up capital of RMB4,000,000,000	50%	Investment holding and management of power generation plants
Interests held by the Group's joint venture						
Huade County Huide Wind Power Generation Company Limited ("**Huide Wind Power**") 化德縣滙德風力發電有限責任公司	The PRC	12 July 2006	Sino-foreign equity joint venture	Registered capital of RMB257,390,000 and paid up capital of RMB257,390,000	49%	Generation and supply of electricity
Huaneng Hunan Yueyang Power Generation Co., Ltd. ("**Yueyang Power**") 華能湖南岳陽發電有限責任公司	The PRC	16 December 2003	Sino-foreign equity joint venture	Registered capital of RMB1,935,000,000 and RMB1,935,000,000	22.5%	Generation and supply of electricity
Shangri-La Minhe Hydropower Development Company Limited ("**Minhe Hydropower**") 香格里拉縣民和水電開發有限責任公司	The PRC	21 May 2006	Sino-foreign equity joint venture	Registered capital of RMB240,000,000 and paid up capital of RMB240,000,000	45%	Generation and supply of electricity
Wuling Power Corporation ("**Wu Ling**") 五淩電力有限公司	The PRC	3 May 1995	Sino-foreign equity joint venture	Registered capital of RMB4,242,000,000 and paid up capital of RMB4,242,000,000	18.5%	Generation and supply of electricity
Zhenkang Xiangneng Hydropower Development Company Limited 鎮康湘能水電開發有限公司	The PRC	22 June 2011	Foreign investment enterprise with limited liability	Registered capital of RMB78,850,000 and paid up capital of RMB57,085,300	50%	Generation and supply of electricity (under construction)
Zhenkang Xiangyuan Hydropower Development Company Limited 鎮康湘源水電開發有限公司	The PRC	22 June 2011	Foreign investment enterprise with limited liability	Registered capital of RMB78,850,000 and paid up capital of RMB55,295,600	50%	Generation and supply of electricity (under construction)

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19. INTERESTS IN A JOINT VENTURE *(Continued)*

The summarised financial information represents amounts shown in the joint venture's financial statements prepared in accordance with IFRSs is set out below.

	2014	2013
	US$'000	*US$'000*
Current assets	—	200,926
Non-current assets	—	994,498
Current liabilities	—	(128,226)
Non-current liabilities	—	(157,045)
The above amounts of assets and liabilities include the following:		
Cash and cash equivalents	—	64,016
Current financial liabilities (excluding trade and other payables and provisions)	—	—
Non-current financial liabilities (excluding trade and other payables and provisions)	—	(153,939)
Revenue	**9,957**	23,950
Profit and total comprehensive income for the period/year	**42,032**	111,892
Dividends received from the joint venture during the period/year	—	—
The above profit for the year has ben accounted for with the following:		
Depreciation and amortisation	**(4,874)**	(9,762)
Interest income	**319**	1,275
Interest expense	**(3,656)**	(8,613)
Income tax expense	**(380)**	(1,532)

Reconciliation of the above summarised financial information to the carrying amount of the interest in the joint venture recognised in the consolidated financial statements:

	2014	2013
	US$'000	*US$'000*
Net assets of the joint venture	—	910,153
Proportion of the Group's ownership interest in the joint venture	—	50%
Carrying amount of the Group's interest in the joint venture	—	455,077

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20. INTERESTS IN ASSOCIATES

	2014	2013
	US$'000	*US$'000*
Cost of unlisted investment in associates	**147,782**	252,146
Share of post-acquisition profits net of dividends received, and exchange realignment	**20,489**	43,598
Impairment loss on interest in an associate	**—**	(26,385)
	168,271	269,359

The other shareholders of the associates are state-owned enterprises of the relevant local provinces. The formation of associates is for the strategic purpose of diversification of the Group's investments in relevant provinces including Hubei province, Gansu province and Yunnan province.

During the year ended 31 December 2014, the Group has disposed the entire of its equity interest in Jingyuan Second Power Co., Ltd. 靖遠第二發電有限公司 ("**Jingyuan**"), Dongyuan Quijing Energy Co., Ltd. 東源曲靖能源有限公司(formerly SDIC Qujing Power Generation 國投曲靖發電有限公司), ("**Dongyuan Qujing**"), Indiabulls Power Generation Limited ("**IBPGL**") and Diana Energy Limited, with effect from July 1, 2014. Details are set out in note 43.

In 2013, the Group had contributed its attributable share of capital amounting to RMB230,300,000 (equivalent to US$37,523,000) in Hubei Huadian Xisaishan Power Generation Co., Ltd. 湖北華電西塞山發電有限公司 ("**Hubei Huadian**").

During the year ended 31 December 2013, Dongyuan Qujing in the coal-fired unit, recorded loss and the entire carrying amount of the investment in this associate was tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. The recoverable amount of Dongyuan Qujing was determined based on value in use calculation. That calculation uses cash flow projections based on financial budgets covered its respective project lives approved by senior management and discount rate of 16% for Dongyuan Qujing, representing the cost of equity with specific adjustments as at 31 December 2013. Other key assumptions for the value in use calculations relate to the budgeted sales and gross margin, which were determined based on the unit's past performance and management's expectations for the market development. During the year ended 31 December 2013, impairment loss of approximately US$18,758,000 was made in respect of the Group's interest in Dongyuan Qujing. Dongguan Qujing was disposed of during the year and included in note 43.

During the year ended 31 December 2013, Jingyuan, also in coal-fired unit, recorded loss. Since the recoverable amount of the investment in this associate was higher than its carrying amount as at 31 December 2013, the directors of the Company considered that the investment in this associate was not impaired. Jingyuan was disposed of during the year and included in note 43.

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20. INTERESTS IN ASSOCIATES *(Continued)*

As at 31 December 2014 and 2013, the Group has interests in the following associates:

Name of subsidiaries	Place of establishment/ incorporation	Date of establishment/ incorporation	Legal form	Registered capital/ issued and fully paid-up share capital	Attributable equity interest held by the Group 2014	2013	Principal activities
Hubei Huadian Xisaishan Power Generation Co., Ltd. 湖北華電西塞山發電有公司	The PRC	15 August 2007	Sino-foreign equity joint venture	Registered capital of RMB950,000,000 and paid-up capital of RMB950,000,000	**49%**	49%	Generation and supply of electricity
Hubei Xisaishan Power Generation Co., Ltd. ("**Hubei Xisaishan**") 湖北西塞山發電有限公司	The PRC	18 October 2000	Sino-foreign cooperative joint venture	Registered capital of RMB945,000,000 and paid-up capital of RMB945,000,000	**49%**	49%	Generation and supply
Jingyuan Second Power Co., Ltd. 靖遠第二發電有限公司	The PRC	28 November 1995	Sino-foreign equity joint venture	Registered capital of RMB1,305,000,000 and paid-up capital of RMB1,305,000,000	**–**	30.73%	Generation and supply of electricity
Dongyuan Qujing Energy Co., Ltd. 東源曲靖能源有限公司	The PRC	27 August 2003	Sino-foreign equity joint venture	Registered capital of RMB1,000,000,000 and paid-up capital of RMB1,000,000,000	**–**	37%	Generation and supply of electricity
Indiabulls Power Generation Limited ("**IBPGL**")	India	5 September 2007	Limited liability	Registered capital of India Rupee 220,000,000 and paid-up capital of India Rupee 215,000,000 including paid-up preference shares	**–**	26%	Inactive
Diana Energy Limited	India	25 September 2007	Limited liability	Registered capital of India Rupee 10,000,000 and paid-up capital of India Rupee 5,000,000	**–**	26%	Inactive

Summarised financial information represents amounts shown in relevant associate's financial statements prepared in accordance with IFRSs, in respect of each of the Group's material associates is set out below.

All associates are accounted for using the equity method in the consolidated financial statements.

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20. INTERESTS IN ASSOCIATES *(Continued)*

Hubei Xisaishan

	2014 US$'000	2013 US$'000
Current assets	**72,164**	60,067
Non-current assets	**317,484**	344,906
Current liabilities	**(142,201)**	(146,769)
Non-current liabilities	**(85,163)**	(86,487)
Revenue	**232,472**	259,472
Profit and total comprehensive income for the year	**23,367**	27,778
Dividends received from associate during the year	**12,931**	1,245

Reconciliation of the above summarised financial information to the carrying amount of the interest in Hubei Xisaishan recognised in the consolidated financial statements:

	2014 US$'000	2013 US$'000
Net assets of the associate	**162,284**	171,717
Proportion of the Group's ownership interest in Hubei Xisaishan	**49%**	49%
Carrying amount of the Group's interest in Hubei Xisaishan	**79,519**	84,141

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20. INTERESTS IN ASSOCIATES *(Continued)*

Hubei Huadian

	2014 US$'000	2013 US$'000
Current assets	**142,253**	81,023
Non-current assets	**657,359**	584,090
Current liabilities	**(230,652)**	(140,800)
Non-current liabilities	**(391,080)**	(345,244)
Revenue	**330,149**	279,967
Profit and total comprehensive income for the year	**60,000**	61,196
Dividends received from associate during the year	**26,235**	2,580

Reconciliation of the above summarised financial information to the carrying amount of the interest in Hubei Huadian recognised in the consolidated financial statements:

	2014 US$'000	2013 US$'000
Net assets of the associate	**177,880**	179,069
Proportion of the Group's ownership interest in Hubei Huadian	**49%**	49%
	87,161	87,744
Goodwill	**1,591**	1,591
Carrying amount of the Group's interest in Hubei Huadian	**88,752**	89,335

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20. INTERESTS IN ASSOCIATES *(Continued)*

Jingyuan

	2014 **US$'000**	2013 US$'000
Current assets	**—**	94,392
Non-current assets	**—**	482,271
Current liabilities	**—**	(94,893)
Non-current liabilities	**—**	(169,754)
Revenue	**106,964**	217,928
Profit (loss) and total comprehensive income for the period/year	**5,604**	6,697
Dividends received from associate during the period/year	**—**	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in Jingyuan recognised in the consolidated financial statements:

	2014 **US$'000**	2013 US$'000
Net assets of the associate	**—**	312,016
Proportion of the Group's ownership interest in Jingyuan	**—**	30.73%
Carrying amount of the Group's interest in Jingyuan	**—**	95,883

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20. INTERESTS IN ASSOCIATES *(Continued)*

Dongyuan Quijing

	2014 **US$'000**	2013 US$'000
Current assets	—	47,035
Non-current assets	—	313,543
Current liabilities	—	(189,324)
Non-current liabilities	—	(120,557)
Revenue	**94,688**	133,628
Loss and total comprehensive expense for the period/year	**(6,638)**	(27,996)
Dividends received from associate during the period/year	—	—

Reconciliation of the above summarised financial information to the carrying amount of the interest in Dongyuan Quijing recognised in the consolidated financial statements:

	2014 **US$'000**	2013 US$'000
Net assets of the associate	—	50,697
	—	50,697
Proportion of the Group's ownership interest in Dongyuan Qujing	—	37%
	—	18,758
Goodwill	—	7,627
Impairment loss on the Group's interest in Dongyuan Qujing	—	(26,385)
Carrying amount of the Group's interest in Dongyuan Qujing	—	—

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21. AMOUNTS DUE FROM NON-CONTROLLING SHAREHOLDERS

	2014	2013
	US$'000	*US$'000*
Non-trade related:		
Guangxi Liuzhou Rongjiang Hydropower Development Company Limited 廣西柳州融江水電開發有限責任公司 ("**Guangxi Liuzhou**")	**849**	963
Mianyang Sanjiang Construction Company Limited 綿陽市三江建設有限公司 ("**MSCC**")	**11**	1,942
Xi Lin Guo Le Feng Neng Power Construction Co., Ltd. 錫林郭勒峰能電力建設有限責任公司 ("**Xilinguolefengneng PCC**")	**—**	1,942
Trade related:		
Bao Steel Group Shanghai No. 1 Iron & Steel Co., Ltd. ("**Shanghai No.1 Iron & Steel**")	**1,936**	1,573
	2,796	4,478
Less: Amount due within one year	**(1,936)**	(1,573)
Amount due after one year	**860**	2,905

The amount due from Guangxi Liuzhou, a non-controlling shareholder of a subsidiary of the Group is unsecured, non-interest bearing and has no fixed repayment term. The management of the Group expects to recover this amount through setting off with service fees and dividend entitled by Guangxi Liuzhou; and therefore it is classified as non-current.

The amount due from Xilinguolefengneng PCC, a non-controlling shareholder of the then subsidiary of the Group was unsecured, non-interest bearing and had no fixed repayment terms.

The amount due from Shanghai No.1 Iron & Steel, a non-controlling shareholder of a subsidiary of the Group, is unsecured, non-interest bearing and with a credit term ranging from 0 to 60 days.

The following is an aged analysis of amount due from a non-controlling shareholder (trade-related), presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	2014	2013
	US$'000	*US$'000*
0 – 60 days	**1,936**	1,573

Management of the Group evaluates the recoverability of the amount due from a non-controlling shareholder at the end of the reporting period by assessing the repayment history, financial position and credit quality of the non-controlling shareholder. As the non-controlling shareholder has good track record, the management of the Group considers the Group's credit risk is significantly reduced.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

22. DERIVATIVE FINANCIAL INSTRUMENT

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	USD'000	*USD'000*	***USD'000***	*USD'000*
Other derivatives (not under hedge accounting)				
Interest rate swaps	—	2,606	—	2,606
	—	2,606	—	2,606
Analysed as:				
Non-current	—	—	—	—
Current	—	2,606	—	2,606
	—	2,606	—	2,606

Interest rate swaps

In November 2010, the Group and the Company entered into interest rate swap contract which settled quarterly up to 2014, to manage particular exposure to interest rate movements on its senior secured term loan drawn down in October 2010; however, the instrument did not fulfill the hedge accounting criteria.

The interest rate swap contract has been matured and settled during the year ended 31 December 2014, the Group did not hold any interest rate swap contract as at 31 December 2014.

The fair value of the instrument at 31 December 2013 was estimated at a loss of approximately US$2,606,000. A gain of US$3,167,000 and US$2,606,000 have been directly recognised in profit or loss for the years ended 31 December 2013 and 2014, respectively.

At 31 December 2013

Notional amount	**Commencement date**	**Maturity**	**Swaps**
US$200,000,000	8 October 2013	3 months	From US$ LIBOR to 1.99% per annum
US$150,000,000	8 January 2014	3 months	
US$150,000,000	8 April 2014	3 months	
US$150,000,000	8 July 2014	3 months	

The fair value of interest rate swap was determined based on appropriate valuation technique with assumptions made based on quoted market rates adjusted for specific features of the instrument at the end of the reporting periods.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

23. OTHER FINANCIAL ASSET

During the year ended 31 December 2011, Meiya Xiangyun, the then wholly owned subsidiary of the Company had entered into an equity transfer agreement with 雲南民和水電投資有限公司 ("**Minhe**"), an independent third party to acquire 51% equity interest in Yunan Meiya Minrui Power Investment Co., Ltd. (formerly known as 雲南民發水電開發集團有公司) (the "**Target Company**") and its subsidiaries (collectively referred to as "**Target Group**"). At the same time, Meiya Xiangyun had also entered into an agreement of investment arrangement ("**Agreement of Guaranteed Return**") with Minhe, pursuant to which Minhe agreed to guarantee Meiya Xiangyun a minimum return of 12.5% per annum on the investment in the Target Company ("**Minimum Guaranteed Return**"), i.e. 12.5% of RMB255,000,000 per annum, since the date Meiya Xiangyun paid the consideration of the acquisition. If the share of results of the Target Group by Meiya Xiangyun is less than the Minimum Guaranteed Return in any one financial year, the difference between the Minimum Guaranteed Return and the share of results of the Target Group (the "**Shortfall**") will be compensated by Minhe. If the share of results of the Target Group is higher than the Minimum Guaranteed Return in subsequent financial year, the difference between the Group's share of results of the Target Group and the Minimum Guaranteed Return (the "**Surplus**") will first be allocated to Minhe up to the accumulated Shortfall previously received by Meiya Xiangyun. When the accumulated Shortfall is fully recovered by the accumulated Surplus pursuant to the Minimum Guaranteed Return, the Group will be entitled to share the profits derived from the Target Group in accordance with the proportion of the equity interests held.

Other financial asset represented the fair value of the Minimum Guaranteed Return which the Group has the right to receive from Minhe. The fair value of the other financial assets at the reporting period is determined by the directors of the Company with reference to valuation prepared by an independent professionally qualified valuer. In estimation of such fair value, the directors of the Company take into consideration of the estimated future cash flows to be generated from the Minimum Guaranteed Return. The calculation uses cash flow projections based on financial budgets covering the project lives of Fugong Fengyuan Hydropower Development Co., Ltd. 福貢豐源水電發展有限公司, Gongshan Lanxi Hydropower Development Co., Ltd. 貢山縣藍溪水電開發有限責任公司, and Shangri-La Tangmanhe Hydropower Development Co., Ltd. 香格里拉縣湯滿河水電開發有限責任公司 (collectively referred to as the "**Project Companies**") approved by senior management and applicable discount rates. Other key assumptions for the cash flow projections relate to the timing of commencement of operation of the Project Companies and the budgeted sales and gross margin, which are determined based on the current tariff approved by the relevant power bureau and management's expectations for the market development. Disclosure of the fair value measurement are set out in note 41.

In order to secure Minhe's obligations in settling the Minimum Guaranteed Return to Meiya Xiangyun, Minhe and its associates had deposited and pledged RMB45,000,000 in aggregate in 2011, into a newly set up bank account co-managed by Minhe and Meiya Xiangyun in Hong Kong ("**Guaranteed Investment Return Account**") and also pledged its 49% equity interests of the Target Company to the Group. As at 31 December 2013, the outstanding amount of the Guaranteed Investment Return Account was nil.

During the year ended 31 December 2014, the other financial asset has been disposed together with the disposal of Meiya Xiangyuan as set out in note 43.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

24. DEFERRED TAX ASSETS AND LIABILITIES

The following are the major deferred tax (liabilities) and assets recognised and movements thereon during the current and prior years:

THE GROUP

	Withholding tax on distributable profits	**Accelerated tax depreciation**	**Revaluation of prepaid lease payments**	**Deferred connection charges**	**Others**	**Total**
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
At 1 January 2013	(17,645)	(15,392)	(1,511)	178	(298)	(34,668)
Exchange differences	(19)	(138)	—	4	5	(148)
Credit to hedging reserve	—	—	—	—	(38)	(38)
(Charge) credit to profit or loss	(17,661)	1,454	214	(102)	(176)	(16,271)
At 31 December 2013	(35,325)	(14,076)	(1,297)	80	(507)	(51,125)
Exchange differences	111	(152)	—	—	—	(41)
Disposal of subsidiaries, associates and a joint venture *(note 43)*	12,404	3,096	—	—	—	15,500
Reclassify as disposal entity classified as held-for-sale *(note 44)*	—	816	—	—	—	816
Credit to hedging reserve	—	—	—	—	33	33
(Charge) credit to profit or loss	(7,901)	6,689	216	33	(122)	(1,085)
At 31 December 2014	(30,711)	(3,627)	(1,081)	113	(596)	(35,902)

For the purpose of presentation in the consolidated statements of financial position, certain deferred tax assets and liabilities have been offset. The following is an analysis of the deferred tax balances for financial reporting purposes:

	2014	2013
	US$'000	*US$'000*
Deferred tax assets:		
Difference between tax allowance and accounting depreciation and others	**1,243**	1,415
Deferred connection charges	**113**	80
	1,356	1,495
Deferred tax liabilities:		
Difference between tax allowance and accounting depreciation and others	**(5,466)**	(15,998)
Revaluation of prepaid lease payments	**(1,081)**	(1,297)
Withholding tax on distributable profits of subsidiaries, associates and joint venture	**(30,711)**	(35,325)
	(37,258)	(52,620)
	(35,902)	(51,125)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

24. DEFERRED TAX ASSETS AND LIABILITIES *(Continued)*

As at 31 December 2014, the Group has unused tax losses of approximately US$1,924,000 (2013: US$16,120,000), available for offset against future profits. Unrecognised tax losses of approximately US$13,572,000 was disposed together with the disposal of subsidiaries during the year. Details are set out in note 43. No deferred tax asset has been recognised in respect of the tax losses due to the unpredictability of future profit streams. The tax losses will be expired at various times within a period of five years from the year of origination.

25. OTHER ASSETS

	2014 US$'000	2013 US$'000
Prepayment for maintenance	**25,063**	21,169
Deposit for acquisition of property, plant and equipment	**—**	81
Prepaid insurance expenditure and usage right of electricity transmission facilities *(Note)*	**1,517**	1,736
Others	**4,506**	3,555
	31,086	26,541

Note: Included in the balance, approximately US$680,000 (2013: US$775,000) as at 31 December 2014 represents the prepayment for usage of electricity transmission facilities made to KEPCO.

26. INVENTORIES

	2014 US$'000	2013 US$'000
Coal and oil	**12,097**	16,746
Spare parts and supplies	**18,733**	11,841
	30,830	28,587

27. TRADE RECEIVABLES

	2014 US$'000	2013 US$'000
Trade receivables	**158,121**	100,362
Less: allowance for doubtful debts	**(118)**	(121)
	158,003	100,241

The Group allows a credit period from 30 to 90 days throughout the year to its trade customers. Over 99% (2013: 99%) of the trade receivables are neither past due nor impaired as at 31 December 2014. The management considers that these receivables have good credit scoring attributable under the credit review policy used by the Group.

The following is an aged analysis of trade receivables net of allowance for doubtful debts presented based on the invoice dates at the end of the reporting period, which approximated the revenue recognition dates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

27. TRADE RECEIVABLES *(Continued)*

	2014 US$'000	2013 US$'000
0 – 60 days	156,856	99,661
61 – 90 days	371	377
Over 90 days	776	203
	158,003	100,241

Included in the Group's trade receivable balance are debtors with aggregate carrying amount of approximately US$1,030,000 (2013: US$3,707,000) as at 31 December 2014, which are past due as at the end of the reporting period for which the Group has not provided for impairment loss as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances. The average age of these receivables is 95 days (2013: 45 days) as at 31 December 2014.

Ageing of trade receivables which are past due but not impaired

	2014 US$'000	2013 US$'000
Past due for:		
1 – 90 days	644	3,707
91 – 180 days	17	—
Over 181 days	369	—
Total	1,030	3,707

The Group has provided fully for all receivables over 365 days because historical experience is such that receivables that are past due beyond 365 days are generally not recoverable.

Movement in the allowance for doubtful debts

	2014 US$'000	2013 US$'000
At beginning of the year	121	285
Exchange differences	—	7
Allowance for bad debts	—	8
Recovery of bad debts	(3)	—
Written off during the year	—	(179)
At end of the year	118	121

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date credit initially granted up to the end of the reporting period.

In order to minimise credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. Accordingly, the directors of the Company believe that no further allowance is required in excess of the existing allowance for bad and doubtful debts.

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For the year ended 31 December 2014

28. AMOUNTS DUE FROM (TO) ASSOCIATES/FELLOW SUBSIDIARIES/ SUBSIDIARIES/A FELLOW SUBSIDIARY

THE GROUP AND THE COMPANY

As at 31 December 2014, included in the amounts due from fellow subsidiaries, US$47,609,000 and US$38,663,000 are deposited to CGNPC Huasheng Investment Limited ("**CGN Huasheng**") in relation to the cash-pool arrangement, which are unsecured, interest bearing ranging from 0.01% to 0.25% and from 1.63% to 1.64%, recoverable on demand and within 3 months, respectively. For the remaining balances, all amounts are non-trade nature unsecured, non-interest bearing and recoverable/repayable on demand.

As at 31 December 2013, all amounts are non-trade nature, unsecured, non-interest bearing and recoverable/repayable on demand.

29. BANK BALANCES/PLEDGED BANK DEPOSITS/FIXED DEPOSITS WITH BANK

THE GROUP

Bank balances carry interest at market rates which range from 0% to 3.25% (2013: 0% to 3.25%) per annum as at 31 December 2014. The pledged bank deposits carry interest at market rates ranging from 1.2% to 2.05% (2013: 1.3% to 3.1%) per annum as at 31 December 2014.

As at 31 December 2014, US$43,803,000 (2013: US$36,677,000) of the bank and cash balance are deposited in CGN Finance Co. Ltd 中廣核財務有限責任公司 ("**CGN Finance**"), a fellow subsidiary established in the PRC with limited liability and a non-banking financial institution subject to the regulations of the People's Bank of China and the China Banking Regulatory Commission, in the PRC.

Pledged bank deposits are pledged to banks to secure bank borrowings granted to the Group, and it cannot be withdrawn prior to the maturity of the relevant bank borrowings.

THE COMPANY

Bank balances carry interest at market rates which range from 0% to 1.37% (2013: 0% to 0.01%) per annum as at 31 December 2014.

THE GROUP AND THE COMPANY

Fixed deposits with bank represents deposits with maturity over three months with bank carry interest at market rate at 1.48% per annum as at 31 December 2014, with original maturity dates of 182 days from inception.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

30. TRADE PAYABLES

The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2014 US$'000	2013 US$'000
0 – 61 days	**156,015**	104,287
61 – 90 days	**59**	1,300
Over 90 days	**933**	1,750
Total	**157,007**	107,337

The average credit period on purchases of goods is 33 (2013: 33) days for the year ended 31 December 2014. The Group has financial risk management policies in place to ensure all payables are settled within the credit time frame.

31. OTHER PAYABLES AND ACCRUALS

THE GROUP

	2014 US$'000	2013 US$'000
Advance from a fellow subsidiary of a non-controlling shareholder	**—**	3,328
Construction payable	**15,229**	15,013
Staff costs payable	**13,948**	10,410
Accrued interest expense on borrowings	**657**	1,200
Accrued listing expenses	**1,226**	6,866
Value-added tax payable	**14,515**	5,662
Others	**16,430**	23,188
	62,005	65,667

The advance from a fellow subsidiary of a non-controlling shareholder is unsecured, non-interest bearing and repayable on demand or repayable within twelve months from the end of the reporting period.

THE COMPANY

	2014 US$'000	2013 US$'000
Staff costs payable	**3,730**	3,732
Accrued interest expense on borrowings	**26**	1,177
Accrued listing expenses	**1,226**	6,866
Others	**4,591**	3,877
	9,573	15,652

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

32. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

	2014 US$'000	2013 US$'000
Non-trade related:		
廣西崇左市滙源水電公司 Guangxi Chongzuo Huiyuan Hydropower Company ("**Chongzuo Huiyuan**")	**5,479**	5,149
Minhe *(note)*	**—**	19,744
綿陽市三江建設有限公司 Mianyang Sanjiang Construction Company Limited ("**MSCC**")	**140**	168
通州熱電廠 ("**Tongzhou Cogeneration Plant**") *(note)*	**—**	36
Shanghai No.1 Iron & Steel	**546**	—
迪慶榮順林產品開發有限責任公司 *(note)*	**—**	982
信原實業有限公司 Through In Industries Limited	**1**	—
武漢華原能源物資開發公司 Wuhan Hua Yuan Energy and Material Development Company	**78**	—
中電投河南電力有限公司 CPI Henan Electric Power Co., Ltd.	**1,226**	—
	7,470	26,079

The amounts due to non-controlling shareholders of certain subsidiaries or the then subsidiaries of the Group are unsecured, non-interest bearing and repayable on demand.

Note: It represents the amounts due to the non-controlling shareholders of the then subsidiaries of the Group.

33. ADVANCES FROM NON-CONTROLLING SHAREHOLDERS

	2014 US$'000	2013 US$'000
Chongzuo Huiyuan *(note a)*	**7,533**	7,560
Tongzhou Cogeneration Plant *(note b)*	**—**	4,037
Mianyang Sanjiang *(note c)*	**791**	745
	8,324	12,342
Less: Amounts due for settlement within one year shown under current liabilities	**(7,533)**	(7,560)
Amounts due for settlement after one year	**791**	4,782

Notes:

(a) The advance is unsecured, non-interest bearing and repayable on demand.

(b) As at 31 December 2013, the advance was unsecured, non-interest bearing and the amount should be fully repayable in 2022 and were therefore shown as non-current liabilities.

During the year ended 31 December 2014, the balance has been disposed together with the disposal of Tongzhou Meiya Cogeneration Co., Ltd as set out in note 43.

(c) As at 31 December 2014 and 2013, the advance is unsecured, non-interest bearing and repayable in 2032 and is therefore shown as non-current liabilities.

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34. BANK BORROWINGS

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	US$'000	*US$'000*	***US$'000***	*US$'000*
Secured	**1,030,128**	1,132,454	**140,000**	190,000
Unsecured	**5,720**	7,152	**—**	—
	1,035,848	1,139,606	**140,000**	190,000
The maturity profile of bank borrowings is as follows:				
Within one year	**197,819**	28,878	**140,000**	—
More than one year but not exceeding two years	**53,287**	249,036	**—**	190,000
More than two years but not more than five years	**226,435**	225,717	**—**	—
Over five years	**558,307**	635,975	**—**	—
	1,035,848	1,139,606	**140,000**	190,000
Less: Amounts due for settlement within one year shown under current liabilities	**(197,819)**	(28,878)	**(140,000)**	—
Amounts due for settlement after one year	**838,029**	1,110,728	**—**	190,000

All bank borrowings at the end of the reporting period are denominated in the functional currency of the respective group entities. The bank borrowings of the Group carry interest rates which range from 1.75% to 6.62% (2013: 1.75% to 7.36%) per annum during the year ended 31 December 2014.

The bank borrowings of the Company carry interest rates which range from 3.15% to 3.17% (2013: 3.17% to 3.35%) per annum during the year end 31 December 2014.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

34. BANK BORROWINGS *(Continued)*

The major terms of individually significant bank borrowings of the Company and major subsidiaries, before transaction costs, are as follows:

THE GROUP

	Maturity date	Effective interest rate 2014	Effective interest rate 2013	2014 US$'000	2013 US$'000
Floating-rate borrowings:					
US$ LIBOR plus 3.0%	27 June 2015	**3.16%**	3.35%	**140,000**	190,000
One Year Corporate Bond Rate plus 1.20%	29 September 2029	**3.56%**	4.18%	**177,688**	188,603
Three Year Corporate Bond Rate plus 1.50% (amended as Three Year Corporate Bond Rate plus 1.20% in June 2014)	29 March 2030	**4.03%**	4.78%	**326,643**	308,540

Note: One Year and Three Year Corporate Bond Rate represents mark-to-market base yield for South Korean Won-denominated non-guaranteed corporate bonds with a credit rating of AA- and a maturity of one year and three years, respectively.

THE COMPANY

	Maturity date	Effective interest rate 2014	Effective interest rate 2013	2014 US$'000	2013 US$'000
Floating-rate borrowings:					
US$ LIBOR plus 3.0%	27 June 2015	**3.16%**	3.35%	**140,000**	190,000

As at 31 December 2014 and 2013, the remaining bank borrowings of the Group carry interest at the PRC's lending rate less certain margin, South Korean Government Treasury Bond Rate, One Year Corporate Bond Rate plus 1.3% to 1.95% (2013: 1.2% to 1.9%), or Three Year Corporate Bond Rate plus 1.4% (2013: 1.4% to 1.5%). The maturities of these borrowings are ranging from within twelve months from the reporting period end to 2026.

In June 2012, the Group and the Company entered into a senior term loan facility with an independent commercial bank amounting to US$240,000,000 for the purpose of financing operating capital. The debt facility is guaranteed by CGN and bears interest at US$ LIBOR plus 3.0%. The extent of such facility utilised by the Group and the Company amounted to US$190,000,000 as at 31 December 2013 and reduced to US$140,000,000 as at 31 December 2014.

Further, the loan facility above is subject to restrictions on dividends, indebtedness and other matters.

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For the year ended 31 December 2014

34. BANK BORROWINGS *(Continued)*

The Group and the Company pledged the following assets to banks for credit facilities granted to the Group and the Company:

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	US$'000	*US$'000*	***US$'000***	*US$'000*
Property, plant and equipment	**1,126,062**	939,457	**—**	—
Land use rights	**2,475**	2,623	**—**	—
Bank deposits	**118,132**	109,635	**—**	—
	1,246,669	1,051,715	**—**	—

35. BOND PAYABLES

On 19 August 2013, the Company issued bond in an aggregate principal amount of US$350,000,000 (the "**Bond**"). The Bond was priced at 99.686% of the principal amount of the Bond which is listed on the Stock Exchange of Hong Kong Limited. The Bond carries interest at 4% per annum and interest is payable semi-annually in arrears and will mature on 19 August 2018, unless redeemed earlier.

At any time and from time to time on or after 19 August 2013, the Company or the bondholders may redeem the Bond with the options set forth below:

Redemption for taxation reasons:

The Bond may be redeemed at the option of the Company in whole, but not in part, at their principal amount, together with accrued interest, at any time in the event of certain changes (effective on or after 12 August 2013) affecting taxes of Bermuda, the PRC or Hong Kong or any political subdivision or any authority thereof or therein having power to tax.

Redemption for change of control:

At any time following the occurrence of a change of control (as defined in the terms and conditions of the Bond) of the Company, the bondholders will have the right, at such holder's option, to require the Company to redeem all, but not some only, of such holder's Bond, at 101%, of their principal amount, together with accrued interest.

Redemption at the option of the Company:

On giving not less than 30 nor more than 60 days' notice to Citicorp International Limited (the "**Trustee**") and the bondholders, the Company may at any time redeem the Bond in whole but not in part, at a redemption amount per Bond equal to the amount (i.e. the greater of (i) the present value of the principal amount of the Bond, assuming a scheduled repayment thereof on the maturity date, plus the present value of all required remaining scheduled interest payments due on such Bond through the maturity date (but excluding accrued and unpaid interest to the option redemption date), computed using a discount rate equal to the adjusted treasury rate plus 20 basis points, and (ii) the principal amount of such Bond), together with accrued interest.

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35. BOND PAYABLES *(Continued)*

Redemption at the option of the Company *(Continued)*

The Bond contains a liability component and the above early redemption options:

(i) Liability component represents the present value of the contractually determined stream of future cash flows discounted at the prevailing market interest rate at the time applicable to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the embedded derivatives.

The interest charged for the year is calculated by applying an effective interest rate of approximately 4.18% per annum to the liability component since the Bond was issued.

(ii) Early redemption options are regarded as embedded derivatives not closely related to the host contract. The directors consider that the fair value of the above early redemption options is insignificant on initial recognition and at 31 December 2014 and 2013.

The movement of the liability component in the Bond during the year is set out below:

	US$'000
Proceeds received on 19 August 2013	348,114
Interest expenses charged	5,352
Carrying amount as at 31 December 2013	353,466
Interest expenses charged	14,260
Payment of interest	(14,000)
Carrying amount as at 31 December 2014	353,726

	At 31 December 2014	At 31 December 2013
	US$'000	*US$'000*
Amount represented as:		
Current	**4,718**	4,834
Non-current	**349,008**	348,632
	353,726	353,466

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36. LOANS FROM A FELLOW SUBSIDIARY/AN INTERMEDIATE HOLDING COMPANY

THE GROUP

As set out in note 43, the loan from CGN Finance, a fellow subsidiary of the Company has been included in the net assets disposed of the group restructuring for the year ended 31 December 2014.

The loan from CGN Finance, amounting to US$6,561,000 as at 31 December 2013, was secured by tariff income to be received by the then relevant subsidiary and repayable in 2026, which bore fixed interest at 7.76% per annum. It was shown as non-current liabilities as at 31 December 2013.

THE GROUP AND THE COMPANY

As set out in note 43, the loan from CGNPC International Limited (the "**CGNPC International**"), an intermediate holding company of the Company with principal amount of US$242,300,000 has been set off as part of the consideration of the group restructuring for the year ended 31 December 2014.

The loan from CGNPC International, amounting to US$242,300,000 as at 31 December 2013, was unsecured and repayable in 2015, which bore fixed interest at 2.3% per annum. It was shown as non-current liabilities as at 31 December 2013.

37. SHARE CAPITAL

	Notes	Number of shares	Share capital US$'000	Share capital HK$'000
Ordinary shares of HK$0.0001 each (2013: US$0.40 each)				
Authorised:				
At 1 January 2013 and 31 December 2013		125,000	50	N/A
Cancellation of authorised share capital	(a)	(125,000)	(50)	N/A
Increased in authorised share capital	(a)	250,000,000,000	N/A	25,000
At 31 December 2014		250,000,000,000	N/A	25,000
Issued and fully paid:				
At 1 January 2013 and 31 December 2013		100,000	40	N/A
Repurchase and cancellation of shares	(a)	(100,000)	(40)	N/A
Issuance of shares on 15 September 2014	(a)	3,101,800,000	N/A	310
Issuance of shares on 3 October 2014	(b)	1,033,934,000	N/A	103
Issuance of shares on 27 October 2014	(b)	155,090,000	N/A	16
At 31 December 2014		4,290,824,000	N/A	429

	US$'000
Shown in the consolidated financial statements as	55

Notes to the Consolidated Financial Statements

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37. SHARE CAPITAL *(Continued)*

During year ended 31 December 2014, the movements in share capital were as follows:

(a) Pursuant to the then sole member's resolutions passed on 15 September 2014, (i) the authorised share capital of the Company was increased by HK$25,000,000 by the creation of 250,000,000,000 shares of a nominal of HK$0.0001 each (the "**Increase**"); (ii) following the Increase, 3,101,800,000 shares of HK$0.0001 each, being allotted and issued to CGNPC Huamei (the "**Issue**"), nil-paid at a price of HK$0.0001 each, being an aggregate subscription price of HK$310,180 (the "**Subscription Price**"); (iii) following the Issue, 100,000 shares of US$0.4 each (the "**Existing Shares**") in the share capital of the Company in issue immediately prior to the Increase were repurchased by the Company (the "**Repurchase**") at US$0.4 each, being an aggregate repurchase price of US$40,000 (the "**Repurchase Price**") and the Existing Shares were cancelled; (iv) the Subscription Price was set-off against the Repurchase Price and the 3,101,800,000 nil-paid Shares of par value of HK$0.0001 each was credited as fully paid; and (v) following the Repurchase, the authorised but unissued share capital of the Company was diminished by the cancellation of all 125,000 unissued shares of US$0.4 each in the capital of the Company after which the Company has an authorised share capital of HK$25,000,000 divided into 250,000,000,000 shares of HK$0.0001 each.

(b) In connection with the Company's initial public offering, 1,033,934,000 and 155,090,000 ordinary shares were issued at HK$1.71 per share for a total cash consideration, before expenses, of approximately HK$1,768,027,000, equivalent to approximately US$228,000,000 and HK$265,204,000, equivalent to approximately US$34,200,000 on 3 October 2014 and 27 October 2014, respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

38. FINANCIAL INFORMATION OF THE COMPANY

A. RESERVE

	Share premium US$'000	Contributed surplus US$'000	Accumulated profits (loss) US$'000	Total equity US$'000
At 1 January 2013	17,984	123,482	47,833	189,299
Loss for the year and total comprehensive expense	—	—	(35,984)	(35,984)
Reduction of share premium *(note a)*	(17,984)	17,984	—	—
At 31 December 2013	—	141,466	11,849	153,315
Loss for the year and total comprehensive expense	—	—	(6,222)	(6,222)
Issuance of shares	262,185	—	—	262,185
Issue costs of new shares	(11,779)	—	—	(11,779)
Distribution in kind *(note 12) (note b)*	—	(141,466)	(2,508)	(143,974)
Special dividend *(note 12)*	—	—	(3,347)	(3,347)
At 31 December 2014	250,406	—	(228)	250,178

Notes:

a. Pursuant to the resolutions of directors and the then sole member of the Company, share premium of the Company was reduced by US$17,984,000 and transferred to contributed surplus with effect from 30 December 2013.

b. The Company distributed the Disposal Group excluding Xiangtou Disposal to CGNPC Huamei by way of a Distribution in Kind amounting to US$143,974,000 which includes investment cost of Disposal Group excluding Xiangtou Disposal of US$2,320,000 and the net balance of US$141,654,000 due from Disposal Group excluding Xiangtou Disposal are treated as a Company level Distribution in Kind and recognized in equity.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

38. FINANCIAL INFORMATION OF THE COMPANY *(Continued)*

B. PROFIT OR LOSS

	2014 US$'000	2013 US$'000
Dividend income	**39,292**	84,539
Operating expenses:		
Depreciation of equipment	**158**	84
Staff costs	**13,138**	12,796
Others	**5,679**	8,273
Total operating expenses	**18,975**	21,153
Operating profit	**20,317**	63,386
Other income	**2,049**	27
Other gains and losses	**(2,133)**	3,007
Interest on bank borrowings repayable within five years	**(22,368)**	(25,069)
Impairment loss on investment in subsidiaries and amounts due from subsidiaries	**—**	(70,469)
Initial Public Offering expenses	**(4,087)**	(6,866)
Loss for the year and total comprehensive expense	**(6,222)**	(35,984)

C. CASH FLOW

	2014 US$'000	2013 US$'000
Net cash from operating activities	**50,565**	13,321
Net cash used in investing activities	**(110,084)**	(55,885)
Net cash from financing activities	**177,525**	104,266
Net increase in cash and cash equivalents	**118,006**	61,702
Cash and cash equivalents at beginning of year	**75,987**	14,285
Cash and cash equivalents at end of year, representing bank balances and cash	**193,993**	75,987

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

39. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balances. The Group's overall strategy remains unchanged throughout the year.

The capital structure of the Group consists of debt, which includes amounts due to fellow subsidiaries, amounts due to non-controlling shareholders, advances from non-controlling shareholders, bank borrowings, bond payables, loan from a fellow subsidiary and loan from an intermediate holding company, as disclosed in notes 28, 32, 33, 34, 35 and 36, respectively, net of pledged bank deposits, fixed deposits with bank, cash and cash equivalents, and equity attributable to owner of the Company, comprising issued capital, accumulated profits and other reserves.

The management of the Group reviews the capital structure from time to time. As part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

40. FINANCIAL INSTRUMENTS

a. Categories of financial instruments

	THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013
	US$'000	*US$'000*	***US$'000***	*US$'000*
Financial assets				
Loans and receivables (including cash and cash equivalents)	**727,602**	458,930	**318,379**	76,052
Financial liabilities				
Derivative liabilities not under hedge accounting	**—**	2,606	**—**	2,606
Amortised cost	**1,609,955**	1,934,227	**529,668**	816,166

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies

The Group's and the Company's major financial instruments include trade and other receivables, amounts due from (to) non-controlling shareholders, amounts due from (to) subsidiaries, amounts due from associates, amounts due from (to) fellow subsidiaries, advances from non-controlling shareholders, loan from a fellow subsidiary, loan from an intermediate holding company, derivative liabilities, pledged bank deposits, fixed deposits with bank, bank balances and cash, trade and other payables, bank borrowings and bond payables. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risks (interest rate risk, foreign currency risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

The Group's and the Company's activities expose them primarily to the financial risks of changes in interest rates and foreign currency exchange rate. The Group and the Company enter into a variety of derivative financial instruments to manage their exposure to interest rate and foreign currency risk, including:

- Interest rate swaps to mitigate the risk of rising interest rates; and
- Foreign currency forward contract to hedge the exchange rate risk related to U.S. dollar — denominated purchase of machinery.

There has been no change to the Group's and the Company's exposure to market risks or the manner in which they manage and measure the risk. Details of each type of market risks are described as follows:

(i) Interest rate risk management

The Group and the Company are exposed to cash flow interest rate risk in relation to bank borrowings, pledged bank deposits, fixed deposits with bank and bank balances. The Group and the Company use interest rate swaps to reduce exposure to interest rate fluctuations associated with floating-rate debt. Pledged bank deposits, fixed deposits with bank and bank balances are with counterparties of high credit quality; therefore, the risk of non-performance by the counterparties is considered negligible.

The Group is also exposed to fair value interest rate risk in relation to fixed-rate other payables, bank borrowings, bond payables, loan from a fellow subsidiary and loan from an intermediate holding company (see notes 31, 34, 35 and 36, respectively for details).

The Group's and the Company's exposures to interest rates on financial liabilities are detailed in the liquidity risk management section of this note.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Market risks *(Continued)*

(i) Interest rate risk management *(Continued)*

Sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-hedged bank borrowings, pledged bank deposits, fixed deposits with bank, and bank balances (excluding bank balances carrying interest rate below 0.1%) at the end of the reporting period. The analysis is prepared assuming amounts of these financial instruments outstanding at the end of the reporting period were outstanding for the whole year. 10 basis points for pledged bank deposits, fixed deposits with bank and bank balances (excluding bank balances carrying interest rate below 0.10%) and 50 basis points for variable-rate bank borrowings increase or decrease are used during the year for the Group and the Company when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower for pledged bank deposits, fixed deposits with bank, and bank balances (excluding bank balances carrying interest rate below 0.1%), with all other variables held constant, the Group's post-tax profit for the years ended 31 December 2014 would increase/decrease by approximately US$316,000 (2013: US$182,000).

If interest rates had been 50 basis points higher/lower for variable-rate bank borrowings, with all other variables held constant, and taking into account of the capitalisation effect, the Group's post-tax profit for the years ended 31 December 2014 would decrease/increase by approximately US$2,818,000 (2013: US$1,391,000).

If interest rates had been 10 basis points higher/lower for fixed deposits with bank and bank balances (excluding bank balances carrying interest rate below 0.1%), with all other variables held constant, the Company's post-tax profit for the years ended 31 December 2014 would increase/decrease by approximately US$213,000. No sensitivity analysis of bank balances of the Company is presented for the year ended 31 December 2013 as all bank balances carried interest rate below 0.1%.

For fluctuations of HK$ against USD, there will be no significant impact as HK$ is pegged with USD.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Market risks *(Continued)*

(ii) Foreign currency risk management

The Group's exposure to currency risk attributable to the bank balances and payables which are denominated in the currencies other than the functional currency of the entity to which they related. The management manages and monitors this exposure to ensure approximate measures are implemented on a timely and effective manner.

The carrying amounts of the Group's and the Company's foreign currency denominated monetary assets and monetary liabilities other than the functional currency of the entity to which they related at the end of the reporting period are as follows:

	Liabilities				Assets			
	THE GROUP		THE COMPANY		THE GROUP		THE COMPANY	
	2014	2013	**2014**	2013	**2014**	2013	**2014**	2013
	US$'000	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*	***US$'000***	*US$'000*
HK$	**35**	68	**35**	68	**213,868**	297	**213,868**	297
RMB	**—**	91	**—**	91	**40,783**	3,792	**40,783**	3,792

Sensitivity analysis

The sensitivity analysis below has been determined based on a 10% increase/decrease in functional currency of respective entities against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 10% change in foreign currency rates. A positive number below indicates an increase in post-tax profit, where functional currency of respective foreign entities had weakened 10% against the relevant foreign currency. For a 10% strengthening of functional currency of respective entities against the relevant foreign currency, there would be an equal and opposite impact on the profit for the year.

If currency rate of USD had been 10% weakened/strengthened to RMB for respective RMB denominated monetary assets and liabilities, the Group's post-tax profit for the year ended 31 December 2014 would be increase/decrease by approximately US$4,078,000 (2013: US$370,000).

If interest rates had been 50 basis points higher/lower for variable-rate bank borrowings with all other variables held constant, the Company's post-tax profit for the years ended 31 December 2013 would decrease/increase by approximately US$200,000.

For the exposure of HK$ against USD, there will be no significant impact as HK$ is pegged with USD. Accordingly, no foreign currency sensitivity analysis is presented.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Market risks *(Continued)*

(iii) Other price risk

The Group was exposed to other price risk in relation to its other financial asset, interest rate swaps and foreign currency forward contract. The directors of the Company considered the Group's exposure to other price risk on these derivatives other than other financial asset was insignificant. Accordingly, no other price risk sensitivity analysis is presented.

Sensitivity analysis

If the tariff of the Project Companies had been 0.5% higher/lower, with all other variables held constant, the fair value of other financial asset as at 31 December 2013 would decrease/increase by approximately US$1,520,000 that would result in a decrease/increase in profit for the year during the year.

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents as well as undrawn banking facilities deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings, amounts due to immediate holding company and non-controlling shareholders and other payables and ensures compliance with loan covenants.

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following tables detail the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been derived from interest rate at the end of the reporting period for variable rate borrowings or determined by reference to the projected interest rates as illustrated by the yield curves existing at the end of the reporting period for interest rate swaps. The liquidity analysis for the Group's derivative financial instruments are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(continued)*

b. Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

THE GROUP

	Weighted average effective interest rate %	Repayable on demand or less than 3 months US$'000	3 months to 1 year US$'000	1—2 years US$'000	2—5 years US$'000	Over 5 years US$'000	Total undiscounted cash flows US$'000	Carrying amount US$'000
As at 31 December 2014								
Non-derivative financial liabilities								
Trade payables	—	157,007	—	—	—	—	157,007	157,007
Other payables and accruals	—	47,490	—	—	—	—	47,490	47,490
Amount due to fellow subsidiaries	—	90	—	—	—	—	90	90
Amounts due to non-controlling Shareholders	—	7,470	—	—	—	—	7,470	7,470
Advances from non-controlling shareholders	—	7,533	—	—	—	791	8,324	8,324
Bank borrowings	—							
Fixed-rate	5.07	4,354	25,664	29,276	72,576	203,159	335,029	270,179
Variable-rate	3.78	16,527	191,843	60,102	205,925	388,989	863,386	765,669
Bond payables	4.18	8,375	10,973	14,630	369,714	—	403,692	353,726
		248,846	228,480	104,008	648,215	592,939	1,822,488	1,609,955

	Weighted average effective interest rate %	Repayable on demand or less than 3 months US$'000	3 months to 1 year US$'000	1—2 years US$'000	2—5 years US$'000	Over 5 years US$'000	Total undiscounted cash flows US$'000	Carrying amount US$'000
As at 31 December 2013								
Non-derivative financial liabilities								
Trade payables	—	107,337	—	—	—	—	107,337	107,337
Other payables and accruals	—	60,005	—	—	—	—	60,005	60,005
Amount due to a fellow subsidiary	—	1,695	—	—	—	—	1,695	1,695
Amounts due to non-controlling shareholders	—	26,079	—	—	—	—	26,079	26,079
Advances from non-controlling shareholders	—	7,560	—	—	—	4,782	12,342	12,342
Loan from a fellow subsidiary	7.76	123	370	494	1,482	10,808	13,277	6,561
Loan from an intermediate holding company	2.30	—	5,573	246,975	—	—	252,548	242,300
Bank borrowings								
Fixed-rate	6.37	6,066	22,806	29,127	65,419	215,216	338,634	275,337
Variable-rate	4.50	11,205	39,270	266,486	251,243	454,958	1,023,162	864,269
Bond payables	4.18	8,492	10,973	14,630	389,055	—	423,150	353,466
		228,562	78,992	557,712	707,199	685,764	2,258,229	1,949,391
Derivatives — net settlement								
Interest rate swaps		657	2,011	—	—	—	2,668	2,606

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

THE COMPANY

	Weighted average interest rate %	Repayable on demand or less than 3 months US$'000	3 months to 1 year US$'000	1–2 years US$'000	2–5 years US$'000	Total undiscounted cash flows US$'000	Carrying amount US$'000
As at 31 December 2014							
Non-derivative financial liabilities							
Other payables and accruals	—	9,573	—	—	—	9,573	9,573
Amounts due to subsidiaries	—	26,369	—	—	—	26,369	26,369
Floating-rate borrowings	3.16	1,106	141,106	—	—	142,212	140,000
Bond payables	4.18	8,375	10,973	14,630	369,714	403,692	353,726
		45,423	152,079	14,630	369,714	581,846	529,668

	Weighted average interest rate %	Repayable on demand or less than 3 months US$'000	3 months to 1 year US$'000	1–2 years US$'000	2–5 years US$'000	Total undiscounted cash flows US$'000	Carrying amount US$'000
As at 31 December 2013							
Non-derivative financial liabilities							
Other payables and accruals	—	15,652	—	—	—	15,652	15,652
Amounts due to subsidiaries	—	14,748	—	—	—	14,748	14,748
Loan from an intermediate holding company	2.30	—	5,573	246,975	—	252,548	242,300
Floating-rate borrowings	3.35	1,503	4,510	193,007	—	199,020	190,000
Bond payables	4.18	8,492	10,973	14,630	389,055	423,150	353,466
		40,395	21,056	454,612	389,055	905,118	816,166
Derivatives — net settlement							
Interest rate swaps	—	657	2,011	—	—	2,668	2,606

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest-rates determined at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(Continued)*

b. Financial risk management objectives and policies *(Continued)*

Credit risk

The Group's and the Company's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statements of financial position. The Group's credit risk is primarily attributable to its trade receivables, amounts due from associates, fellow subsidiaries and non-controlling shareholders, pledged bank deposits, fixed deposits with bank and bank balances. For the trade receivable, the Group has been largely dependent on a few number of customers which are state-owned enterprises for a substantial portion of its business. Most of the power plants of the Group sell the electricity generated to their respective sole customer who is the principal grid company where the power plant is located. The failure of these customers to make required payments could have a substantial negative impact on the Group's profits. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade receivable at the end of each reporting period to ensure that adequate allowance are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced. For the amounts due from associates, fellow subsidiaries and non-controlling shareholders, the directors of the Company are in the opinion that the failure of these associates, fellow subsidiaries and non-controlling shareholders to make required payments is unlikely after considering their past settlement records.

The Group has concentration of credit risk as 81% (2013: 65%) of the total trade receivables was due from the Group's major customers in Korea as at 31 December 2014. The Group's remaining customers individually contribute to less than 10% of the total trade receivables of the Group.

The Company has concentration of credit risk on amount due from a fellow subsidiary amounting to US$86,272,000 (2013: nil) at 31 December 2014. Credit risk is considered as limited because the fellow subsidiary is with positive operating result and cash flows.

The credit risk on pledged bank deposits, fixed deposits with bank and bank balances are limited because the counterparties are reputable banks or a financial institution with high credit ratings assigned by international credit-rating agencies.

Other than concentration of credit risk on receivables set out above, and liquid funds and derivative financial instruments which are deposited or contracted with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

40. FINANCIAL INSTRUMENTS *(Continued)*

c. Fair value

The fair value of financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company use their judgement in selecting an appropriate valuation technique for assessing the fair value of financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument (see note 22). For other financial asset where quoted price is not available, its fair value is made of discounted cash flow analysis using the applicable yield curve for the duration of the instrument for non-optional derivative.

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities carried at amortised costs approximate their fair values.

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The Group's and the Company's derivative financial instruments including other financial asset are measured at fair value at the end of the reporting period and they are grouped into Level 2 or Level 3 financial instruments based on the degree to which the fair value is observable.

- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Financial liabilities	Fair value 2014 US$'000	Fair value 2013 US$'000	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
THE GROUP						
Interest rate swaps classified as derivative liabilities in the consolidated statement of financial position	–	2,606	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates from observable yield curves at the end of the reporting period and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties	N/A	N/A
Minimum Guaranteed Return classified as other financial asset in the consolidated statement of financial position	–	–	Level 3	Discounted cash flow. Future cash flows are estimated based on financial budgets covering the project lives of respective Project Company approved by senior management and applicable discount rates	Timing of commencement of operation of the project companies	The earlier the timing of commencement of operation of the project companies, the lower the fair value
					Tariff	The higher the tariff, the lower the fair value
THE COMPANY						
Interest rate swaps classified as derivative liabilities in the consolidated statement of financial position	–	2,606	Level 2	Discounted cash flow. Future cash flows are estimated based on forward interest rates from observable yield curves at the end of the reporting period and contracted interest rates, discounted at a rate that reflects the credit risk of various counterparties.	N/A	N/A

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

41. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS *(Continued)*

Reconciliation of Level 3 fair value measurements of financial assets

	2014	2013
	US$'000	*US$'000*
At 1 January	—	5,120
Settlement received	—	(4,877)
Disposal of subsidiaries	—	—
Exchange difference	—	(243)
At 31 December	—	—

Fair value measurements and valuation processes

The directors of the Company would engage an independent valuer, whenever necessary, which is liaised with the chief financial officer of the Company, to determine the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group will engage the independent valuation team to perform the valuation. The valuation will establish the appropriate valuation techniques and inputs to the model. The chief financial officer reports the valuation team's findings to the board of directors of the Company semi-annually to explain the cause of fluctuations in the fair value of the assets and liabilities. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed above.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

42. ACQUISITION OF THE THEN SUBSIDIARIES

Acquisition of Xi Wu Zhu Mu Xin Qi International Renewable Energy Wind Power Co., Ltd. ("Xi Wu")

On 7 March 2013, the Company entered into a share purchase agreement with Global Green Energy A/S, an independent third party, for the acquisition of 100% of the issued share capital of Global Green Energy HK Limited ("**Global Green Energy HK**").

The transaction was completed on 3 September 2013.

The acquisition of Xi Wu was accounted for as acquisition of assets and assumption of liabilities.

Global Green Energy HK is now in the Disposal Group and holds 91% equity interest in Xi Wu, which owns a wind power project under development in Inner Mongolia, PRC.

Assets acquired and liabilities recognised at date of acquisition are as follows:

	Fair value *US$'000*
Property, plant and equipment	2,262
Land use right	468
Amount due from a non-controlling shareholder	2,081
Other receivables	241
Bank balances and cash	337
Other payables	(628)
	4,761
Non-controlling interest of 9% equity interest in Xi Wu	428
Consideration transferred, satisfied by cash	4,333

Non-controlling interest

The non-controlling interest of 9% equity interest in Xi Wu recognised at the acquisition date amounted to US$428,000 and is measured at the non-controlling interests' proportionate share of the Xi Wu's identifiable net assets.

Net cash outflow arising on acquisition:

	Fair value *US$'000*
Cash consideration paid	(4,333)
Less: bank balances and cash acquired	337
	(3,996)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE

During the year ended 31 December 2014, the Group underwent a group restructuring, that the Group transferred 100% equity interests in certain of its wholly-owned subsidiaries together with the net balances of amounts due from certain wholly-owned subsidiaries and certain subsidiaries of these wholly-owned subsidiaries to the Company, to CGNPC Huamei Investment Limited with all rights and obligations transferred with effect from 1 July 2014 (collectively referred to as the "**Disposal Group**"), by way of (i) a distribution in kind from the Company as a distribution from the contributed surplus and accumulated profits of the Company (the "**Distribution in Kind**"); (ii) the novation of the obligations of the Company under a facility agreement of which an outstanding loan from an intermediate holding company, CGNPC International with an outstanding principal amount of US$242,300,000 due from the Company (the "**Set off of Loan**"); and (iii) the declaration of a special dividend in an amount of US$3,347,000 to its immediate holding company.

The details of the Disposal Group are as follows:

Name of subsidiaries	Attributable equity interest held by the Group		Principal activities
	30 June 2014	31 December 2013	
China U.S. Power Partners I (BVI), Limited	**100%**	100%	Investment holding
China U.S. Power Partners I, Limited	**100%**	100%	Investment holding
Diqing Rongshun Maopohe Power Generation Company Limited 迪慶榮順毛坡河發電有限責任公司	**55%**	55%	Generation and supply of electricity (under construction)
Fugong Fengyuan Hydropower Development Co., Ltd. 福貢豐源水電發展有限公司	**51%**	51%	Generation and supply of electricity (under construction)
Gongshan Lanxi Hydropower Development Co., Ltd. 貢山縣藍溪水電開發有限責任公司	**51%**	51%	Generation and supply of electricity (under construction)
Huamei Holding Company Limited	**100%**	100%	Investment holding
Meiya Haian Cogen Power Limited (in the process of liquidation)	**100%**	100%	Inactive
Meiya Huangshi Power Ltd	**100%**	100%	Dissolved on 11 February 2015
Meiya Incheon Power Company Limited	**100%**	100%	Inactive
Meiya Jinqiao Power Ltd.	**100%**	100%	Dissolved on 11 February 2015
Meiya Power (HD) Limited	**100%**	100%	Inactive
Meiya Power Investment Company Limited	**100%**	100%	Investment holding
Meiya Power (Maopohe) Limited	**100%**	100%	Investment holding
Meiya Power (MPH) Limited	**100%**	100%	Investment holding
Meiya Power Project (BVI) II Limited	**100%**	100%	Investment holding
Meiya Power Suzhou (BVI) Limited	**100%**	100%	Investment holding
Meiya Power Xiwu Limited	**100%**	100%	Investment holding
Meiya Project Development (BVI) Company Limited	**100%**	100%	Investment holding
Meiya Project Development Company Limited	**100%**	100%	Investment holding
Meiya Qujing Power Company Limited	**100%**	100%	Investment holding
Meiya Sanjiang Hydropower (BVI) Limited	**100%**	100%	Investment holding
Meiya Shanghai BFG Company (in the process of liquidation)	**100%**	100%	Investment holding
Meiya Tongzhou Cogen Power (BVI) Limited	**100%**	100%	Investment holding
Meiya Tongzhou Cogen Power Ltd.	**100%**	100%	Investment holding
Meiya Weixi Power (Hong Kong) Limited	**100%**	100%	Investment holding

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

The details of the Disposal Group are as follows:

Name of subsidiaries	Attributable equity interest held by the Group 30 June 2014	Attributable equity interest held by the Group 31 December 2013	Principal activities
Meiya Xiangtou Power Company Limited	**100%**	100%	Investment holding
Meiya Xiangyun (BVI) Limited	**100%**	100%	Investment holding
Meiya Xiangyun Development Limited	**100%**	100%	Investment holding
Shangri-La Tangmanhe Hydropower Development Co., Ltd. 香格里拉縣湯滿河水電開發有限責任公司	**51%**	51%	Generation and supply of electricity (under construction)
Tongzhou Meiya Cogeneration Co., Ltd. 通州美亞熱電有限公司	**80%**	80%	Generation and supply of electricity and steam
Weixi Meiya Hengfa Hydropower Company Limited 維西縣美亞 發水電有限公司	**80%**	80%	Generation and supply of electricity (under construction)
Weixi Meiya Yongfa Hydropower Company Limited 維西縣美亞永發水電有限公司	**80%**	80%	Generation and supply of electricity (under construction)
Yunnan Meiya Minrui Power Investment Co., Ltd. 雲南美亞民瑞電力投資有限公司	**51%**	51%	Investment holding
CanAm Energy China Holdings, LLC	**100%**	100%	Liquidated on 31 December 2014
China U.S. Power Partners I, Ltd.	**100%**	100%	Dissolved on 11 February 2015
Global Green Energy HK Limited 丹麥環球綠色能源有限公司	**100%**	100%	Investment holding
Meiya Project Development (Hong Kong) Company Limited 美亞發展有限公司	**100%**	100%	Inactive
Meiya Sanjiang Hydropower (Hong Kong) Limited	**100%**	100%	Inactive
Meiya Tongzhou Cogen Power Limited	**100%**	100%	Inactive
Meiya Power (Suzhou) Limited	**100%**	100%	Investment holding
Suzhou Zhenmei Trading Co., Ltd. 蘇州臻美貿易有限公司	**100%**	100%	Trading of coal
Xi Wu Zhu Mu Qin Qi International Renewable Energy Wind Power Co., Ltd. 西烏珠穆沁旗國際新能源風電有限責任公司	**91%**	91%	Generation and supply of electricity
Name of joint venture			
Hunan Xiangtou	**50%**	50%	Investment holding and management of power generation plants
Name of associates			
Jingyuan	**30.73%**	30.73%	Generation and supply of electricity
Dongyuan Qujing	**37%**	37%	Generation and supply of electricity
IBPGL	**26%**	26%	Generation and supply of electricity
Diana Energy Limited	**26%**	26%	Generation and supply of electricity

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Calculation of the impact of the restructuring on the group level:

	US$'000
Total consideration satisfied by:	
Set off of Loan and dividend payable *(Note a)*	161,910
Net assets disposed of:	
Property, plant and equipment *(note 17)*	(246,144)
Prepaid lease payments *(note 16)*	(2,304)
Interest in a joint venture *(note 19)*	(467,890)
Interests in associates *(note 20)*	(92,342)
Other assets	(2,262)
Inventories	(684)
Trade receivables	(1,804)
Other receivables and prepayments	(3,070)
Amounts due from associates	(3,595)
Amounts due from fellow subsidiaries	(370)
Tax recoverable	(449)
Trade payables	1,239
Other payables and accruals	10,182
Amounts due to fellow subsidiaries	225,498
Amounts due to non-controlling shareholders	21,073
Bank borrowings	97,830
Advances from non-controlling shareholders	3,797
Tax payable	165
Bank balances and cash	(28,269)
Loan from fellow subsidiaries	6,421
Deferred tax liabilities *(note 24)*	15,500
	(467,478)
Non-controlling interests	51,820
	253,748
Impact recognised on the group level:	
Deemed distribution recognised in equity *(note a)*	(210,542)
Distribution in kind recognised in equity *(note b)*	(43,206)
Total consideration less net assets and non-controlling interests disposed of	(253,748)
Cumulative exchange gain in respect of the net assets of Disposal Group recognised as gain on disposal of subsidiaries, associates and a joint venture	96,343

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Net cash inflow arising from the disposal:

	US$'000
Cash consideration received	—
Bank balances and cash disposed of	(28,269)
	(28,269)

Notes:

a. The amount represents the consideration to dispose of the entire equity interests in Meiya Xiangtou in the Disposal Group together with the amount due from Meiya Xiangtou of US$83,737,000 at total aggregate amount of US$245,647,000 (the "**Xiangtou Disposal**"). This consideration is satisfied by offsetting against the loan from CGNPC International with an outstanding principal amount of US$242,300,000 and the dividend in the amount of US$3,347,000 (Note 12) payable to CGNPC Huamei. The loss at group level of US$210,542,000 in relation to the Xiangtou Disposal is treated as deemed distribution and recognized in equity.

b. The Group distributed of the Disposal Group excluding Xiangtou Disposal to CGNPC Huamei by way of a Distribution in Kind amounting to US$184,860,000 which includes net asset values of Disposal Group excluding Xiangtou Disposal of US$43,206,000 and the net balance of US$141,654,000 due from Disposal Group excluding Xiangtou Disposal are treated as a Distribution in Kind recognized in equity.

The directors of the Company has prepared the financial position, results and cash flows of the Disposal Group and the remaining group which is defined as the Group excluding the Disposal Group (the "**Remaining Group**") for the year ended 31 December 2014 and 2013 as additional information on a combined basis before elimination of transactions and balances between the Disposal Group and Remaining Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Financial performance

For the year ended 31 December 2014

	Remaining Group *US$'000*	Disposal Group up to 30 June 2014 *US$'000*	Intergroup Elimination *US$'000*	The Group *US$'000*
Revenue	1,370,337	9,215	—	1,379,552
Operating expenses:				
Coal, oil and gas	990,422	6,207	—	996,629
Depreciation of property, plant and equipment	93,377	1,375	—	94,752
Repair and maintenance	23,310	215	—	23,525
Staff costs	59,210	1,184	—	60,394
Others	54,082	269	—	54,351
Total operating expenses	1,220,401	9,250	—	1,229,651
Operating profit (loss)	149,936	(35)	—	149,901
Other income	12,851	245	—	13,096
Other gains and losses	1,713	—	—	1,713
Finance costs	(63,081)	(193)	—	(63,274)
Share of results of associates	40,850	1,722	—	42,572
Share of results of a joint venture	—	21,016	—	21,016
Gain on disposal of subsidiaries, associate and a joint venture *(note a)*	—	96,343	—	96,343
Initial public offering expenses	(4,087)	—	—	(4,087)
Profit before tax	138,182	119,098	—	257,280
Income tax expense	(37,290)	(2,278)	—	(39,568)
Profit for the year/period	100,892	116,820	—	217,712
Profit for the year attributable to:				
Owner of the Company	85,131	117,072	—	202,203
Non-controlling interests	15,761	(252)	—	15,509
	100,892	116,820	—	217,712
Earnings per share, basic *(US cent) (note b)*	2.51	3.46	—	5.97

Notes:

a. The amount represents the cumulative translation gain in respect of the Disposal Group recognised as gain on disposal of subsidiaries, associates and a joint venture.

b. The earnings per share presented here is for illustrative purpose only.

It is calculated based on weighted average number of shares of 3,384,786,000 (Note 13).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Financial performance *(Continued)*

For the year ended 31 December 2014 *(Continued)*

	Remaining Group US$'000	Disposal Group up to June 2014 US$'000	Intergroup Elimination US$'000	The Group US$'000
Other information				
Revenue from major products and services				
Sales of electricity	1,146,597	3,526	—	1,150,123
Sales of steam	79,935	5,689	—	85,624
Capacity charges	134,505	—	—	134,505
Connection charges and others	325	—	—	325
Consultancy fee income	8,975	—	—	8,975
	1,370,337	9,215	—	1,379,552
Other income				
Government grant	835	—	—	835
Income on sales of scrap materials	2,932	214	—	3,146
Value added tax refund	3,245	—	—	3,245
Interest income	3,518	2	—	3,520
Equipment rental income	955	—	—	955
Others	1,366	29	—	1,395
	12,851	245	—	13,096
Finance costs				
Interest on bank and other borrowings	(69,457)	(2,792)	—	(72,249)
Less: amounts capitalised	6,376	2,599	—	8,975
	(63,081)	(193)	—	(63,274)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Financial performance *(Continued)*

For the year ended 31 December 2013

	Remaining Group *US$'000*	Disposal Group *US$'000*	Intergroup Elimination *US$'000*	The Group *US$'000*
Revenue	1,037,349	43,628	(26,454)	1,054,523
Operating expenses:				
Coal, oil and gas	736,665	32,715	(26,454)	742,926
Depreciation of property, plant and equipment	68,586	2,696	—	71,282
Repair and maintenance	22,129	392	—	22,521
Staff costs	43,386	2,471	—	45,857
Others	51,291	3,659	—	54,950
Total operating expenses	922,057	41,933	(26,454)	937,536
Operating profit	115,292	1,695	—	116,987
Other income	12,054	847	—	12,901
Other gains and losses	2,973	154	—	3,127
Finance costs	(51,121)	(583)	—	(51,704)
Share of results of associates	37,392	(8,456)	—	28,936
Share of results of a joint venture	—	55,946	—	55,946
Impairment loss on interest in an associate	—	(18,758)	—	(18,758)
Impairment loss on property, plant and equipment	—	(24,000)	—	(24,000)
Initial public offering expenses	(6,866)	—	—	(6,866)
Profit before tax	109,724	6,845	—	116,569
Income tax expense	(40,102)	(7,140)	—	(47,242)
Profit (loss) for the year	69,622	(295)	—	69,327
Profit for the year attributable to:				
Owner of the Company	55,338	479	—	55,817
Non-controlling interests	14,284	(774)	—	13,510
Profit (loss) for the year	69,622	(295)	—	69,327
Earnings per share, basic *(US cent) (Note)*	1.78	0.02	—	1.80

Note: The earnings per share presented here is for illustrative purpose only.

It is calculated based on weighted average number of shares of 3,101,800,000 (Note 13).

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For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Financial performance *(Continued)*

For the year ended 31 December 2013 *(Continued)*

	Remaining Group *US$'000*	Disposal Group *US$'000*	Intergroup Elimination *US$'000*	The Group *US$'000*
Other information				
Revenue from major products and services				
Sales of electricity	841,677	5,317	—	846,994
Sales of steam	85,997	11,857	—	97,854
Capacity charges	109,086	—	—	109,086
Connection charges and others	589	—	—	589
Sales of coal to Remaining Group	—	26,454	(26,454)	—
	1,037,349	43,628	(26,454)	1,054,523
Other income				
Government grant	801	270	—	1,071
Income on sales of scrap materials	3,212	406	—	3,618
Value added tax refund	2,713	—	—	2,713
Interest income	3,119	108	—	3,227
Equipment rental income	794	34	—	828
Consultancy fee income from a joint venture included in Disposal Group	305	—	—	305
Others	1,110	29	—	1,139
	12,054	847	—	12,901
Finance costs				
Interest on bank and other borrowings	(67,403)	(5,079)	—	(72,482)
Less: amounts capitalised	16,282	4,496	—	20,778
	(51,121)	(583)	—	(51,704)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Financial position

As at 31 December 2013

	Remaining Group *US$'000*	Disposal Group *US$'000*	Intergroup Elimination *US$'000*	The Group *US$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	1,445,277	235,686	—	1,680,963
Prepaid lease payments	16,641	2,325	—	18,966
Goodwill	844	—	—	844
Interests in a joint venture	—	455,077	—	455,077
Interests in associates	174,629	94,730	—	269,359
Amounts due from non-controlling shareholders	963	1,942	—	2,905
Deferred tax assets	1,495	—	—	1,495
Other assets	24,819	1,722	—	26,541
	1,664,668	791,482	—	2,456,150
CURRENT ASSETS				
Inventories	28,065	522	—	28,587
Prepaid lease payments	2,023	79	—	2,102
Trade receivables	97,215	3,026	—	100,241
Other receivables and prepayments	15,884	1,549	—	17,433
Amount due from a non-controlling shareholder	1,573	—	—	1,573
Amounts due from associates	32,465	440	—	32,905
Amounts due from fellow subsidiaries	86	—	—	86
Amounts due from Remaining Group	—	3,356	(3,356)	—
Amounts due from Disposal Group	253,119	—	(253,119)	—
Tax recoverable	169	—	—	169
Pledged bank deposits and restricted cash	109,635	—	—	109,635
Bank balances and cash	167,629	41,079	—	208,708
	707,863	50,051	(256,475)	501,439

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Financial position *(Continued)*

As at 31 December 2013 *(Continued)*

	Remaining Group *US$'000*	Disposal Group *US$'000*	Intergroup Elimination *US$'000*	The Group *US$'000*
CURRENT LIABILITIES				
Trade payables	104,661	2,676	—	107,337
Other payables and accruals	51,297	14,370	—	65,667
Amount due to a fellow subsidiary	—	1,695	—	1,695
Amounts due to non-controlling shareholders	5,319	20,760	—	26,079
Advances from non-controlling shareholders — due within one year	7,560	—	—	7,560
Amounts due to Disposal Group	3,356	—	(3,356)	—
Amounts due to Remaining Group	—	253,119	(253,119)	—
Bank borrowings — due within one year	22,973	5,905	—	28,878
Bond payables — due within one year	4,834	—	—	4,834
Deferred connection charges	145	—	—	145
Tax payable	8,911	217	—	9,128
Derivative liabilities	2,606	—	—	2,606
	211,662	298,742	(256,475)	253,929
NET CURRENT ASSETS (LIABILITIES)	496,201	(248,691)	—	247,510
TOTAL ASSETS LESS CURRENT LIABILITIES	2,160,869	542,791	—	2,703,660
NON-CURRENT LIABILITIES				
Advances from non-controlling shareholders — due after one year	745	4,037	—	4,782
Loan from a fellow subsidiary	—	6,561	—	6,561
Loan from an intermediate holding company	242,300	—	—	242,300
Bank borrowings — due after one year	1,035,919	74,809	—	1,110,728
Bond payables — due after one year	348,632	—	—	348,632
Deferred connection charges	179	—	—	179
Deferred tax liabilities	39,330	13,290	—	52,620
	1,667,105	98,697	—	1,765,802
NET ASSETS	493,764	444,094	—	937,858
Non-controlling interest	106,449	52,868	—	159,317

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

43. DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND A JOINT VENTURE *(Continued)*

Cash flows

For the year ended 31 December 2014

	Remaining Group US$'000	Disposal Group up to 30 June 2014 US$'000	Intergroup Elimination US$'000	The Group US$'000
Net cash from (used in) operating activities	**207,073**	**(1,098)**	**—**	**205,975**
Net cash used in investing activities	**(252,384)**	**(24,458)**	**(28,269)**	**(305,111)**
Net cash from financing activities	**174,342**	**12,874**	**—**	**187,216**
Net increase (decrease) in cash and cash equivalents	**129,031**	**(12,682)**	**(28,269)**	**88,080**
Cash and cash equivalents at beginning of year	**167,629**	**41,079**	**—**	**208,708**
Effect of foreign exchange rate changes	**(699)**	**(128)**	**—**	**(827)**
Cash and cash equivalents at end of year/period	**295,961**	**28,269**	**(28,269)**	**295,961**

For the year ended 31 December 2013

	Remaining Group US$'000	Disposal Group US$'000	Intergroup Elimination US$'000	The Group US$'000
Net cash from operating activities	184,853	4,222	—	189,075
Net cash (used in) from investing activities	(286,060)	(36,067)	36,979	(285,148)
Net cash from (used in) financing activities	182,450	51,132	(36,979)	196,603
Net increase (decrease) in cash and cash equivalents	81,243	19,287	—	100,530
Cash and cash equivalents at beginning of year	83,669	21,082	—	104,751
Effect of foreign exchange rate changes	2,717	710	—	3,427
Cash and cash equivalents at end of year, representing bank balances and cash	167,629	41,079	—	208,708

Notes to the Consolidated Financial Statements

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44. DISPOSAL ENTITY CLASSIFIED AS HELD-FOR-SALE

On 3 December 2014, the Group released a public tender in relation to the disposal of Hexie, an indirect wholly-owned subsidiary of the Company on the China Beijing Equity Exchange, in accordance with the relevant laws and regulations of the PRC governing the equity transfer of state-owned assets and enterprises. Hexie is engaged in the generation and supply of electricity. The assets and liabilities attributable to Hexie, which as at 31 December 2014 were expected to be sold within twelve months have been classified as disposal entity held for sale and are presented separately in the consolidated statement of financial position as at 31 December 2014 (see below). The estimated fair value of the assets included in the disposal entity held-for-sale are higher than the carrying amount of the relevant assets and accordingly, no impairment loss has been recognised. The severance payments were paid to employees of Hexie during the year ended 31 December 2014 due to the closure of operation, amounting to US$1,074,000.

The major classes of assets and liabilities of Hexie as at 31 December 2014 have been presented separately in the consolidated statement of financial position and are set out below.

	2014 *US$'000*
Bank balances and cash	**11,288**
Inventories	**439**
Prepaid lease payments *(note a)*	**315**
Trade receivables	**65**
Other receivables and prepayments	**449**
Property, plant and equipment	**8,511**
Amount due from CGN Finance	**96**
Disposal entity classified as held-for-sale	**21,163**
Trade payables	**1**
Other payables and accruals	**4**
Deferred tax liabilities	**816**
Liabilities associated with disposal entity classified as held-for-sale	**821**

Note:

(a) The amount represents the prepaid land use rights and is released to profit or loss on a straight-line basis, over 20 years which is equal to the original period stated in the land use rights certificates granted for usage to the Entity.

Notes to the Consolidated Financial Statements

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45. COMMITMENTS

(a) Operating commitments

The Group as lessee

	2014 US$'000	2013 US$'000
Minimum lease payments under operating leases during the year in respect of premises	**4,257**	4,248

At the end of each reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of premises which fall due as follows:

	2014 US$'000	2013 US$'000
Within one year	**3,272**	3,035
In the second to fifth year inclusive	**2,152**	3,659
Over five years	**2,527**	501
	7,951	7,195

Operating lease payments represent rentals payable by the Group for certain of its premises. Leases are negotiated and rentals are fixed for two to ten years.

In accordance with the power purchase agreement ("**PPA**") entered into between MPC Korea Holdings Co., Ltd. ("**MPC Korea**") and KEPCO in 1996 (the PPA was subsequently transferred from MPC Korea to MPC Yulchon Generation Company Limited ("**MPC Yulchon**") upon the restructuring of the Group's operations in South Korea in July 2009), MPC Korea was required to construct electricity transmission facilities for connection of MPC Korea's power plant ("**Yulchon Plant**") to the power grid of KEPCO and MPC Korea was obligated under the PPA to sell such facilities to KEPCO within six months of commencing operation of Yulchon Plant. MPC Korea constructed electricity transmission facilities with a net book value of approximately US$2,862,000, which was subsequently disposed of to KEPCO in 2005 for an amount approximate to US$1,365,000, resulting in a loss on disposal of approximately KRW1,707 million (equivalent to approximately US$1,497,000) in 2005. The sales proceeds had been fully settled as of 31 December 2008.

In connection with such disposition of the electricity transmission facilities to KEPCO in 2005, MPC Korea has a right of use of the facilities for 20 years, which is the term of the PPA. Accordingly, it is considered as a sale and leaseback transaction and results in an operating lease. The difference between the net book value of the facilities and the related proceeds of approximately US$1,497,000 was considered as future lease payments and was recorded as long-term prepaid expenses. The carrying value of the long-term prepaid expenses as at 31 December 2014 is approximately KRW745 million (equivalent to approximately US$680,000) (2013: KRW832 million (equivalent to approximately US$775,000)) (Note 25). These long-term prepaid expenses are to be amortised over the term of the PPA.

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45. COMMITMENTS *(Continued)*

(a) Operating commitments *(Continued)*

The Group as lessor

Certain of the Group's equipment is held for rental purpose under operating lease since 2007 with a carrying amount of approximately US$1,403,000 (2013: US$1,549,000) as at 31 December 2014, and expected to generate rental yield of 7% on an ongoing basis.

Further, the Group has signed long-term electricity supply contracts with power purchasers since 2005 which, among other matters, require the Group to make some of its generation capacity available for a fixed capacity charge for 20 years.

At the end of each reporting period, the Group had contracted with lessees for future minimum lease payments in respect of leasing of equipment and power purchasers for capacity charge payments as follows:

	2014 ***US$'000***	2013 *US$'000*
Leasing of equipment		
Within one year	**163**	160
In the second to fifth year inclusive	**201**	499
	364	659
Leasing of generation capacity		
Within one year	**42,221**	43,087
In the second to fifth year inclusive	**168,888**	172,351
After five years	**232,220**	280,069
	443,329	495,507

(b) Capital commitments

	2014 ***US$'000***	2013 *US$'000*
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of acquisition of property, plant and equipment	**11,758**	368,511

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

45. COMMITMENTS *(Continued)*

(c) Other commitments

In November 2007, the Company, through a wholly owned subsidiary, became a 26% shareholder of IBPGL, a joint venture company specifically established in India to bid for a power project in Bhaiyathan, India ("**Bhaiyathan Project**"). The remaining 74% of the shares of IBPGL is held by Indiabulls Power Limited ("**IBPL**").

In December 2007, IBPGL submitted a bid to the Chhattisgarh State Electricity Board ("**CSEB**") in India to develop the Bhaiyathan Project. Pursuant to the requirements of such bid documents, the Company also provided an equity undertaking (the "**Equity Undertaking**") to CSEB under which the Company would invest by way of equity contribution the amount not invested by IBPGL in the event that IBPGL failed to invest all or part of the amount proposed to be invested by IBPGL under the bid documents. In consideration for the issuance of the Equity Undertaking by the Company, Indiabulls Real Estate Limited ("**IBREL**"), a public company listed on the Bombay Stock Exchange and the National Stock Exchange of India, provided an indemnity to the Company (the "**Original IBREL Indemnity**") pursuant to which if the Company was called upon to invest more than its 26% equity share in the Bhaiyathan Project, it would invest that additional equity not invested by IBPGL or indemnify the Company in respect of 74% of its obligations under the Equity Undertaking. IBPGL was awarded the right to develop the Bhaiyathan Project in 2008; however, the Company decided not to proceed with the investment in the Bhaiyathan Project in early 2009 in view of the deteriorating condition of the global financial markets. IBPL, which was itself also a public company listed on the Bombay Stock Exchange and the National Stock Exchange of India, formed a new project company, Indiabulls CSEB Bhaiyathan Power Limited ("**ICBPL**"), to proceed with the Bhaiyathan Project on its own. Other than the payment of attributable share capital of IBPGL amounted to Indian Rupee 1.3 million (equivalent to approximately US$28,000) as at 31 December 2013 and 2014, the Company has not made any capital injection to IBPGL. In December 2009, the Original IBREL Indemnity has been supplemented by a new indemnity under which IBREL has agreed that, given that the Company was no longer interested in the project, in the event of: (i) the failure of IBPGL to invest in the Bhaiyathan Project; (ii) if the Company was called upon to invest any amount in the Bhaiyathan Project or IBPGL; or (iii) if the Company or IBPGL was required to otherwise perform any obligations in relation to the Bhaiyathan Project, the Company might, by written notice to IBREL, require IBREL to make payment or contribute equity directly to ICBPL or IBPGL or perform any obligation whether prior to or after the Company being required to make payment under the Equity Undertaking or investing such amount in the Bhaiyathan Project or IBPGL or otherwise perform any obligation (the "**IBREL Indemnity**"). The current estimation of the total project cost for the Bhaiyathan Project was approximately US$1.6 billion of which US$400 million was expected to be funded by equity contributions by the shareholders of IBPGL. The directors of the Company had no reason to believe that ICBPL and IBREL would not fully perform their obligations in relation to the Bhaiyathan Project and under the IBREL Indemnity, respectively. Accordingly, in the opinion of the directors of the Company, the Group's present capital commitments or outstanding obligation on IBPGL and CSEB were insignificant. In July 2013, IBPGL, ICBPL and Chhattisgarh State Power Holding Company Limited (formerly known as CSEB) entered into an agreement to terminate the development of Bhaiyathan Project and accordingly, the relevant Equity Undertaking to CSEB by the Company expired. During the year ended 31 December 2014, the Group has disposed the entire equity interest in IBPGL. Details are set out in note 43.

(d) Acquisition of Xinjiang Project

On 22 December 2011, the Company entered into a joint development agreement (the "**Joint Development Agreement**") with an independent third party being the vendor (the "**Vendor**") and an individual who is a director of the target company (the "**Target Company**") (collectively, the "**Parties**"), upon the satisfaction of certain conditions, to acquire 100% equity interest of the Target Company at a consideration of RMB10 million (the "**Proposed Acquisition**").

The Target Company, through its 93% shareholding in the project company (the "**Project Company**"), owns the right to develop a wind farm project in the north eastern part of Xinjiang Autonomous Region of the PRC (the "**Xinjiang Project**"). The other 7% interest in the Project Company is owned by an independent third party.

At 31 December 2014, the Proposed Acquisition is still pending and has not yet completed as the Parties are still undertaking steps to obtain all of the requisite regulatory approvals for the development and construction of the Xinjiang Project and final negotiation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2014

46. RELATED PARTY DISCLOSURES

The Company is ultimately controlled by CGN, which is a state-owned enterprise under the direct supervision of the State Council of the PRC.

Apart from details of the balances with related parties disclosed in the statements of financial position and other details disclosed elsewhere in the consolidated financial statements, the Group also entered into the following significant transactions with related parties during the year:

Name of related company	Notes	Nature of transactions	2014 US$'000	2013 US$'000
Hubei Xisaishan	(i)	Consultancy fee income	**(56)**	(111)
CGN Finance	(ii)	Interest expense	**237**	473
		Interest income	**(688)**	(194)
		Financial advisory fee	**38**	—
CGN and China Coal Energy Hami Coal-fired Power Project Preparatory Office ("**CGN Hami Coal Project Preparatory Office**")	(iv)	Consultancy fee income	**(391)**	(367)
CGN Energy and its subsidiaries	(ii)	Income from transfer of energy quota	**(187)**	—
		Consultancy fee income	**(5,139)**	—
		Consultancy fee expenses	**—**	120
CGN Huasheng	(ii)	Interest income	**(92)**	—
Huamei Holding and its subsidiaries	(ii)	Consultancy fee income	**(3,445)**	(305)
中廣核中電能源服務(深圳)有限公司	(ii)	Consultancy fee expenses	**85**	—
CGNPC International Limited	(iii)	Interest expense	**2,817**	5,418

Notes:

(i) Hubei Xisaishan is an associate of the Group.

(ii) CGN Finance, CGN Energy and its subsidiaries, 中廣核中電能源服務(深圳)有限公司, CGN Huasheng and Huamei Holding and its subsidiaries are fellow subsidiaries of the Company.

(iii) CGNPC International Limited is an intermediate holding company of the Company.

(iv) CGN Hami Coal Project Preparatory Office is a temporary office established by CGN and is responsible for the project development relating to a coal power project, which is located in Hami City, Xinjiang Uyghur Autonomous Region, the PRC. CGN proposes to hold, through CGN Energy, 70% interest in such coal power project.

The Group has entered into various transactions including deposits placements, borrowings and other general banking facilities, with certain banks and financial institutions which are PRC government-related entities in its ordinary course of business. A majority of the bank deposits and about 16% (2013: 26%) of borrowings the Group are with the PRC government-related entities as at 31 December 2014.

Also, the Group's transactions with other PRC government-related entities include sales of electricity to local power bureau and a state-owned entity. About 16% (2013: 22%) of its sales of electricity and capacity charges are to the PRC government-related entities for the year ended 31 December 2014.

Certain directors have also been employed by CGN and its subsidiaries and the payments of their emoluments were borne by CGN and its subsidiaries for the year.

Four-Year Financial Summary

Consolidated statement of profit or loss account For the Remaining Group	**2014** *USD'000*	2013 *USD'000*	2012 *USD'000*	2011 *USD'000*
Revenue	**1,370,337**	1,037,349	932,409	754,749
Operating expenses:				
Coal, oil and gas	**990,422**	736,665	682,405	523,003
Depreciation of property, plant and equipment	**93,377**	68,586	58,942	54,322
Repair and maintenance	**23,310**	22,129	23,157	24,927
Staff costs	**59,210**	43,386	39,070	33,862
Others	**54,082**	51,291	48,640	40,292
Total operating expenses	**1,220,401**	922,057	852,214	676,406
Operating profit	**149,936**	115,292	80,195	78,343
Other income	**12,851**	12,054	13,563	8,506
Other gains and losses	**1,713**	2,973	193	(4,985)
Finance costs	**(63,081)**	(51,121)	(40,356)	(43,524)
Share of results of associates	**40,850**	37,392	11,319	(5,029)
Listing expenses	**(4,087)**	(6,866)	—	—
Profit before tax	**138,182**	109,724	64,914	33,311
Income tax expense	**(37,290)**	(40,102)	(26,556)	(13,946)
Profit for the year	**100,892**	69,622	38,358	19,365
Profit for the year attributable to:				
Owner of the Company	**85,131**	55,338	29,022	11,344
Non-controlling interests	**15,761**	14,284	9,336	8,021
	100,892	69,622	38,358	19,365
Earnings per share for the Remaining Group *(US cents)*	**2.51**	1.78	0.94	0.37

Note: Figures for the years ended 31 December 2011 and 2012 are extracted from the Company's prospectus dated 19 September 2014.

Four-Year Financial Summary

Consolidated statement of financial position For the Remaining Group	**2014 USD'000**	2013 USD'000	2012 USD'000	2011 USD'000
NON-CURRENT ASSETS				
Property, plant and equipment	**1,483,283**	1,445,277	1,183,002	750,579
Prepaid lease payment	**13,794**	16,641	16,481	18,432
Goodwill	**844**	844	844	844
Interest in associate	**168,271**	174,629	131,260	119,625
Amount due from non-controlling shareholders	**860**	963	1,039	1,286
Deferred tax assets	**1,356**	1,495	1,436	1,556
Other assets	**31,086**	24,819	11,590	13,066
Pledged bank deposits	**—**	—	8,562	8,172
	1,699,494	1,664,668	1,354,214	913,560
CURRENT ASSETS				
Inventories	**30,830**	28,065	25,682	29,121
Prepaid lease payments	**1,938**	2,023	1,938	1,935
Trade receivables	**158,003**	97,215	125,647	132,353
Other receivables and prepayments	**8,976**	15,884	36,948	12,906
Amounts due from a non-controlling shareholder	**1,936**	1,573	—	1,454
Amounts due from Disposal Group	**—**	253,119	221,269	188,419
Amounts due from associates	**37,090**	32,465	—	8,716
Amounts due from fellow subsidiaries	**87,943**	86	10,373	8,000
Tax recoverable	**658**	169	289	611
Derivative assets	**—**	—	—	574
Pledged bank deposits	**118,132**	109,635	224,404	22,382
Bank balances, fixed deposits and cash	**320,771**	167,629	83,669	112,813
	766,277	707,863	730,219	519,284
Disposal entity classified as held-for-sale	**21,163**	—	—	—
	787,440	707,863	730,219	519,284
CURRENT LIABILITIES				
Trade payables	**157,007**	104,661	128,972	106,272
Other payables and accruals	**62,005**	51,297	95,164	38,587
Amounts due to fellow subsidiaries	**90**	—	—	—
Amounts due to immediate holding company	**—**	—	50,546	50,546
Amounts due to non-controlling shareholders	**7,470**	5,319	5,206	11,383
Dividend payable to immediate holding company	**—**	—	33,000	33,000
Advances from non-controlling shareholders – due within one year	**7,533**	7,560	7,334	9,540
Amounts due to Disposal Group	**—**	3,356	1,266	76
Bank borrowings – due within one year	**197,819**	22,973	126,331	48,571
Bond payables – due within one year	**4,718**	4,834	—	—
Deferred connection charges	**175**	145	450	668
Tax payable	**7,842**	8,911	8,083	3,807
Derivative liabilities	**—**	2,606	5,526	2,514
	444,659	211,662	461,878	304,964
Liabilities associated with disposal entity classified as held-for-sale	**821**	—	—	—
	445,480	211,662	461,878	304,964

Four-Year Financial Summary

Consolidated statement of financial position For the Remaining Group	**2014 USD'000**	2013 USD'000	2012 USD'000	2011 USD'000
NET CURRENT ASSETS	**341,960**	496,201	268,341	214,320
TOTAL ASSETS LESS CURRENT LIABILITIES	**2,041,454**	2,160,869	1,622,555	1,127,880
NON-CURRENT LIABILITIES				
Loan from an intermediate holding company	**—**	242,300	—	—
Advance from non-controlling shareholders – due after one year	**791**	745	677	—
Bank borrowings – due after one year	**838,029**	1,035,919	1,172,071	763,981
Bond payables – due after one year	**349,008**	348,632	—	—
Deferred connection charges	**278**	179	264	684
Derivative liabilities	**—**	—	2,474	4,388
Deferred tax liabilities	**37,258**	39,330	28,736	24,665
	1,225,364	1,667,105	1,204,222	793,718
NET ASSETS	**816,090**	493,764	418,333	334,162

Note: The above financials pertains to the Remaining Group only.

Four-Year Financial Summary

Consolidated statement of profit and loss account For the Whole Group	**2014 US$'000**	2013 US$'000	2012 US$'000 (Note)	2011 US$'000 (Note)
Revenue	**1,379,552**	1,054,523	948,306	768,493
Operating expenses:				
Coal, oil and gas	**996,629**	742,926	691,120	533,249
Depreciation of property, plant and equipment	**94,752**	71,282	61,742	56,932
Repair and maintenance	**23,525**	22,521	23,548	25,259
Staff costs	**60,394**	45,857	40,899	35,114
Others	**54,351**	54,950	51,167	42,134
Total operating expenses	**1,229,651**	937,536	868,476	692,688
Operating profit	**149,901**	116,987	79,830	75,805
Other income	**13,096**	12,901	14,014	8,873
Other gains and losses	**1,713**	3,127	5,262	(4,724)
Finance costs	**(63,274)**	(51,704)	(41,065)	(43,935)
Share of results of associates	**42,572**	28,936	(12,386)	(13,734)
Share of results of a joint venture	**21,016**	55,946	20,082	(187)
Impairment loss on interest in an associate	**—**	(18,758)	(7,627)	—
Impairment loss on property, plant and equipment	**—**	(24,000)	—	—
Discount on acquisition recognised in a business combination	**—**	—	—	2,192
Gain on disposal of subsidiaries, associate and a joint venture	**96,343**	—	—	—
Initial public offering expenses	**(4,087)**	(6,866)	—	—
Profit before tax	**257,280**	116,569	58,110	24,290
Income tax expense	**(39,568)**	(47,242)	(29,213)	(13,628)
Profit for the year	**217,712**	69,327	28,897	10,662
Profit for the year attributable to:				
Owner of the Company	**202,203**	55,817	20,159	2,787
Non-controlling interests	**15,509**	13,510	8,738	7,875
	217,712	69,327	28,897	10,662
Earnings per share, basic *(US cents)*	**5.97**	1.80	0.65	0.09

Consolidated condensed statement of financial position For the Whole Group	**2014 US$'000**	2013 US$'000	2012 US$'000	2011 US$'000
ASSETS AND LIABILITIES				
Total assets	**2,486,934**	2,957,589	2,612,982	1,952,438
Total liabilities	**1,670,844**	2,019,731	1,771,327	1,163,289
NET ASSETS	**816,090**	937,858	841,655	789,149
Equity attributable to owner of the Company	**709,048**	778,541	685,412	648,782
Non-controlling interests	**107,042**	159,317	156,243	140,367
TOTAL EQUITY	**816,090**	937,858	841,655	789,149