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*(A joint stock limited company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 00816)**

## **AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014**

This announcement is made by Huadian Fuxin Energy Corporation Limited (the “Company”) pursuant to Rules 13.09(2) and 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong).

Reference is made to the Company’s announcements dated 5 May 2014 and 10 October 2014.

On 5 May 2014 and 10 October 2014, the Company made the announcements in respect of the issues of the short-term financing instruments and the relevant prospectus. The principal amount of each short-term financing instruments is RMB1.5 billion with a maturity period of 365 days. Details of the relevant documents relating to the short-term financing instruments have been published on the website of China Foreign Exchange Trading System (<http://www.chinamoney.com.cn>).

Pursuant to the relevant regulations in the People’s Republic of China (the “PRC”), the Company’s audited annual financial statements shall be published on the website of China Foreign Exchange Trading System (<http://www.chinamoney.com.cn>).

The following is the audited consolidated annual financial statements of the Company for the year ended 31 December 2014 prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the PRC, which is also published on the website of China Foreign Exchange Trading System (<http://www.chinamoney.com.cn>).

By Order of the Board  
**Huadian Fuxin Energy Corporation Limited**  
**FANG Zheng**  
*Chairman of the Board*

Beijing, the PRC, 24 April 2015

*As at the date of this announcement, the executive Directors are Mr. FANG Zheng, Mr. JIANG Bingsi and Mr. LI Lixin; the non-executive Directors are Mr. ZONG Xiaolei, Mr. TAO Yunpeng and Mr. CHEN Bin; and the independent non-executive Directors are Mr. ZHOU Xiaoqian, Mr. TAO Zhigang and Mr. ZHANG Bai.*

# **Huadian Fuxin Energy Corporation Limited**

## **2014 Financial Report**

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**Important note: there are no false representations, misleading statements or material omissions contained in this Report. The Company is liable for the truthfulness, accuracy and completeness of this Report.**

**Huadian Fuxin Energy Corporation Limited (corporate seal)**  
**24 April 2015**

## I PARTICULARS OF THE COMPANY DURING THE REPORTING PERIOD

### I. Particulars of the Company

Registered company name and abbreviation:	Huadian Fuxin Energy Corporation Limited (“Huadian Fuxin”)
English company and abbreviation:	Huadian Fuxin Energy Co., Ltd.
Legal representative:	FANG Zheng
Registered capital:	RMB8,408 million
Registered company address:	25/F., Yifa Plaza, No. 111 Wusi Road, Gulou District, Fuzhou City
Head office address:	7/F, Block B, 2 Xuanwumennei Avenue, Xicheng District, Beijing
Postal code:	100031
Website of the Company:	www.hdfx.com.cn
Telephone:	010-8356 7500
Facsimile:	010-8356 7357
Email address:	zqb@hdfx.com.cn

### II. Use of proceeds

Use of proceeds by Huadian Fuxin Energy Corporation Limited

Unit: RMB’00 million

Tranche	Size	Utilised amount	Unutilised amount	Actual use	Change of use	Disclosure of change of use	Compliance with the laws and regulations
14 Fuxin Energy CP001	15	15	0	① RMB300 million for repayment of bank loans; ② RMB1,200 million for supplementing working capital	No	Not applicable	Not applicable
14 Fuxin Energy CP002	15	15	0	① RMB300 million for repayment of bank loans; ② RMB1,200 million for supplementing working capital	No	Not applicable	Not applicable
15 Fuxin Energy MTN001	20	0	20	N/A	N/A	N/A	N/A

Huadian Fuxin Energy Corporation Limited

ENGLISH TRANSLATION OF FINANCIAL STATEMENTS  
FOR THE YEAR 1 JANUARY 2014 TO 31 DECEMBER 2014  
IF THERE IS ANY CONFLICT BETWEEN THE CHINESE VERSION AND ITS  
ENGLISH TRANSLATION, THE CHINESE VERSION WILL PREVAIL

## **AUDITORS' REPORT**

KPMG Huazhen Shenzi No. 1501264

The Board of Directors of Huadian Fuxin Energy Corporation Limited:

We have audited the accompanying financial statements of Huadian Fuxin Energy Corporation Limited (“the Company”) on pages 1 to 125, which comprise the consolidated balance sheet and balance sheet as at 31 December 2014, the consolidated income statement and income statement, the consolidated cash flow statement and cash flow statement, the consolidated statement of changes in shareholders’ equity and statement of changes in shareholders’ equity for the year then ended, and notes to the financial statements.

### **Management’s Responsibility for the Financial Statements**

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

### **Auditors’ Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors’ judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the 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 management, as well as evaluating the overall presentation of the financial statements.

## **AUDITORS' REPORT (continued)**

KPMG Huazhen Shenzi No. 1501264

### **Auditors' Responsibility (continued)**

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 financial statements present fairly, in all material respects, the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises issued by the Ministry of Finance of the People's Republic of China.

### **Restriction on distribution and use**

This report is prepared for the use of the Company for the annual disclosure of information in relation to its issuance of short-term financing instruments in the inter-bank market, and for no other purpose.

KPMG Huazhen (Special General Partnership)

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

Gong Weili

China Beijing

Zhang Huan

17 April 2015

Huadian Fuxin Energy Corporation Limited  
Consolidated balance sheet as at 31 December 2014  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Assets</b>			
Current assets			
Cash at bank and on hand	<i>7</i>	3,958,910,931	2,002,406,878
Bills receivable	<i>8</i>	51,055,951	97,974,798
Accounts receivable	<i>9</i>	3,440,676,592	2,951,095,480
Prepayments	<i>11</i>	222,487,048	140,896,868
Interest receivable		332,877	-
Dividends receivable		104,287,233	46,191,700
Other receivables	<i>10</i>	471,076,578	409,294,217
Inventories	<i>12</i>	426,543,333	411,756,050
Other current assets	<i>13</i>	1,073,858,436	910,827,107
		<hr/>	<hr/>
Total current assets		9,749,228,979	6,970,443,098
		<hr/>	<hr/>
Non-current assets			
Available-for-sale financial assets	<i>14</i>	512,300,184	512,300,184
Long-term receivables	<i>15</i>	149,478,928	144,141,505
Long-term equity investments	<i>16</i>	4,433,279,769	3,545,609,391
Fixed assets	<i>17</i>	51,452,743,508	43,539,470,264
Construction in progress	<i>18</i>	14,059,679,454	8,639,378,528
Construction materials	<i>19</i>	561,183,823	85,974,565
Intangible assets	<i>20</i>	1,683,128,663	1,598,073,288
Goodwill	<i>21</i>	496,646,686	496,400,352
Long-term deferred expenses	<i>22</i>	24,432,842	24,493,475
Deferred tax assets	<i>23</i>	303,989,096	304,883,673
Other non-current assets	<i>24</i>	2,509,028,428	1,815,257,043
		<hr/>	<hr/>
Total non-current assets		76,185,891,381	60,705,982,268
		<hr/>	<hr/>
<b>Total assets</b>		<u>85,935,120,360</u>	<u>67,676,425,366</u>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Consolidated balance sheet as at 31 December 2014 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Liabilities and shareholders' equity</b>			
Current liabilities			
Short-term loans	27	4,899,000,000	5,770,135,260
Bills payable	28	2,277,782,273	949,235,338
Accounts payable	29	9,631,333,850	7,230,102,412
Advances from customers	30	56,812,703	31,223,629
Employee benefits payable	31	65,875,483	76,085,055
Taxes payable	32	492,034,366	390,296,274
Interest payable	33	268,168,435	215,265,993
Dividends payable	34	17,929,471	19,793,949
Other payables	35	1,679,111,870	1,163,628,927
Non-current liabilities due within one year	36	4,197,182,056	4,472,520,335
Other current liabilities	37	2,993,500,000	1,498,000,000
		<hr/>	<hr/>
Total current liabilities		26,578,730,507	21,816,287,172
		<hr/>	<hr/>
Non-current liabilities			
Long-term loans	38	37,762,317,740	28,234,525,502
Debentures payable	39	1,991,518,750	1,989,793,750
Long-term payables	40	754,394,239	822,314,910
Deferred tax liabilities	23	820,210,416	781,503,321
Deferred income	41	369,704,539	321,108,973
		<hr/>	<hr/>
Total non-current liabilities		41,698,145,684	32,149,246,456
		<hr/>	<hr/>
<b>Total liabilities</b>		68,276,876,191	53,965,533,628
		<hr/>	<hr/>

The notes on pages 19 to 125 form part of these financial statements.



Huadian Fuxin Energy Corporation Limited  
 Consolidated balance sheet as at 31 December 2014 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Liabilities and shareholders' equity</b> <b>(continued)</b>			
Shareholders' equity			
Share capital	42	8,407,961,520	7,622,616,000
Capital reserve	43	1,799,846,087	345,794,252
Surplus reserve	44	203,211,469	89,581,383
Retained earnings	45	4,601,704,477	3,152,940,237
		<hr/>	<hr/>
Total equity attributable to shareholders of the Company		15,012,723,553	11,210,931,872
Non-controlling interests		2,645,520,616	2,499,959,866
		<hr/>	<hr/>
<b>Total shareholders' equity</b>		17,658,244,169	13,710,891,738
		<hr/> <hr/>	<hr/> <hr/>
<b>Total liabilities and shareholders' equity</b>		85,935,120,360	67,676,425,366
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

<u>Fang Zheng</u>	<u>Yang Yi</u>	<u>Zhu Fenge</u>	
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	(Company stamp)

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
 Balance sheet as at 31 December 2014  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Assets</b>			
Current assets			
Cash at bank and on hand	<i>7</i>	1,633,638,843	203,925,017
Accounts receivable	<i>9</i>	45,248,705	52,598,507
Prepayments		1,651,982	1,964,533
Dividends receivable		254,503,233	176,407,700
Interest receivable		5,654,026	36,823
Other receivables	<i>10</i>	5,599,719,345	3,232,845,717
Inventories		1,520,951	2,015,365
Other current assets	<i>13</i>	966,723	6,068,500
		<hr/>	<hr/>
Total current assets		7,542,903,808	3,675,862,162
		<hr/>	<hr/>
Non-current assets			
Available-for-sale financial assets	<i>14</i>	133,845,084	133,845,084
Long-term receivables	<i>15</i>	500,000,000	500,000,000
Long-term equity investments	<i>16</i>	13,922,228,457	12,413,876,721
Fixed assets	<i>17</i>	1,192,021,227	1,165,968,890
Construction in progress	<i>18</i>	201,661,351	118,233,360
Construction materials		-	2,490,092
Intangible assets	<i>20</i>	86,182,530	86,631,081
Long-term deferred expenses		2,576,500	-
		<hr/>	<hr/>
Total non-current assets		16,038,515,149	14,421,045,228
		<hr/>	<hr/>
<b>Total assets</b>		<u><u>23,581,418,957</u></u>	<u><u>18,096,907,390</u></u>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
 Balance sheet as at 31 December 2014 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Liabilities and shareholders' equity</b>			
Current liabilities			
Short-term loans	27	3,600,000,000	3,840,000,000
Accounts payable	29	67,395,903	76,998,125
Employee benefits payable	31	2,355,870	1,375,102
Taxes payable	32	34,394,530	24,299,152
Interest payable	33	156,411,109	126,023,037
Other payables	35	545,142,797	816,500,305
Non-current liabilities due within one year	36	302,034,727	224,534,727
Other current liabilities	37	2,993,500,000	1,498,000,000
		<hr/>	<hr/>
Total current liabilities		7,701,234,936	6,607,730,448
		<hr/>	<hr/>
Non-current liabilities			
Long-term loans	38	1,944,000,000	630,500,000
Debentures payable	39	1,991,518,750	1,989,793,750
Deferred income		1,831,864	1,866,591
		<hr/>	<hr/>
Total non-current liabilities		3,937,350,614	2,622,160,341
		<hr/>	<hr/>
<b>Total liabilities</b>		11,638,585,550	9,229,890,789
		<hr/>	<hr/>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
 Balance sheet as at 31 December 2014 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Liabilities and shareholders' equity</b> <b>(continued)</b>			
Shareholders' equity			
Share capital	42	8,407,961,520	7,622,616,000
Capital reserve	43	2,367,421,015	908,430,196
Surplus reserve	44	203,211,469	89,581,383
Retained earnings	45	964,239,403	246,389,022
<b>Total shareholders' equity</b>		11,942,833,407	8,867,016,601
<b>Total liabilities and shareholders' equity</b>		23,581,418,957	18,096,907,390

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

<u>Fang Zheng</u> Legal Representative	<u>Yang Yi</u> The person in charge of accounting affairs	<u>Zhu Fenge</u> The head of the accounting department	(Company stamp)
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The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Consolidated income statement for the year ended 31 December 2014  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
Operating income	<i>46</i>	14,334,911,181	13,242,608,052
Less: Operating costs	<i>46</i>	8,657,544,063	8,011,793,417
Business taxes and surcharges	<i>47</i>	106,354,816	81,240,065
Selling and distribution expenses		89,036	-
General and administrative expenses		850,193,578	811,591,915
Financial expenses	<i>48</i>	2,448,663,355	2,129,110,367
Impairment losses	<i>49</i>	983,869	250,778,683
Add: Investment income	<i>50</i>	187,533,966	167,313,159
Including: Income from investment in associates		83,721,467	93,552,513
Operating profit		<u>2,458,616,430</u>	<u>2,125,406,764</u>
Add: Non-operating income	<i>51</i>	286,784,583	87,215,993
Including: Gains from disposal of non-current assets		45,181,488	3,051,382
Less: Non-operating expenses	<i>52</i>	64,567,312	27,375,958
Including: Losses from disposal of non-current assets		57,905,976	23,594,171
Profit before income tax		<u>2,680,833,701</u>	<u>2,185,246,799</u>
Less: Income tax expense	<i>53</i>	533,521,195	483,966,986
Net profit for the year		<u>2,147,312,506</u>	<u>1,701,279,813</u>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
 Consolidated income statement for the year ended 31 December 2014  
 (continued)  
 (Expressed in Renminbi Yuan)

	2014	2013
Attributable to:		
Shareholders of the Company	1,867,214,722	1,467,887,612
Non-controlling interests	280,097,784	233,392,201
	<u>2,147,312,506</u>	<u>1,701,279,813</u>
Total comprehensive income for the year	<u>2,147,312,506</u>	<u>1,701,279,813</u>
Attributable to:		
Shareholders of the Company	1,867,214,722	1,467,887,612
Non-controlling interests	280,097,784	233,392,201

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

<u>Fang Zheng</u> Legal Representative	<u>Yang Yi</u> The person in charge of accounting affairs	<u>Zhu Fenge</u> The head of the accounting department	(Company stamp)
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The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Income statement for the year ended 31 December 2014  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
Operating income	46	654,940,130	525,893,773
Less: Operating costs	46	271,783,637	241,398,630
Business taxes and surcharges	47	18,595,301	11,689,283
General and administrative expenses		226,858,666	193,976,618
Financial expenses	48	389,430,331	247,651,066
Impairment losses		18,000	-
Add: Investment income	50	1,390,650,999	661,160,195
Including: Income from investment in associates		69,258,637	94,334,070
Operating profit		<u>1,138,905,194</u>	<u>492,338,371</u>
Add: Non-operating income	51	1,276,690	4,056,566
Including: Gains from disposal of non-current assets		803,463	2,727,925
Less: Non-operating expenses	52	3,881,021	624,579
Including: Losses from disposal of non-current assets		1,034,451	312,133
Profit before income tax		<u>1,136,300,863</u>	<u>495,770,358</u>
Less: Income tax expense	53	-	31,956,741
Net profit for the year		<u>1,136,300,863</u>	<u>463,813,617</u>
Total comprehensive income for the year		<u><u>1,136,300,863</u></u>	<u><u>463,813,617</u></u>

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

<u>Fang Zheng</u>	<u>Yang Yi</u>	<u>Zhu Fenge</u>	
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	(Company stamp)

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Consolidated cash flow statement  
for the year ended 31 December 2014  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		16,448,997,075	15,109,147,191
Refund of taxes		14,915,184	7,832,576
Proceeds from other operating activities	<i>54(1)</i>	51,409,163	100,608,101
		<hr/>	<hr/>
Sub-total of cash inflows		16,515,321,422	15,217,587,868
		<hr/>	<hr/>
Payment for goods and services		6,647,723,257	6,077,171,376
Payment to and for employees		1,073,984,160	982,266,585
Payment of various taxes		1,369,855,836	1,089,101,636
Payment for other operating activities	<i>54(2)</i>	249,130,511	447,363,621
		<hr/>	<hr/>
Sub-total of cash outflows		9,340,693,764	8,595,903,218
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<i>55(1)</i>	7,174,627,658	6,621,684,650
		<hr/>	<hr/>

The notes on pages 19 to 125 form part of these financial statements.



Huadian Fuxin Energy Corporation Limited  
Consolidated cash flow statement  
for the year ended 31 December 2014 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Cash flows from investing activities:</b>			
Proceeds from disposal of investments		-	24,175,000
Investment returns received		132,915,549	95,595,305
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		228,490	530,172
Proceeds from other investing activities	<i>54(3)</i>	119,952,005	75,594,275
		<hr/>	<hr/>
Sub-total of cash inflows		253,096,044	195,894,752
		<hr/>	<hr/>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		12,755,038,345	7,174,387,078
Restricted deposits		405,163,328	12,380,837
Payment for acquisition of investments		891,947,494	754,800,000
Net payment for acquisition of subsidiaries	<i>55(4)</i>	205,459,705	811,290,283
		<hr/>	<hr/>
Sub-total of cash outflows		14,257,608,872	8,752,858,198
		<hr/>	<hr/>
<b>Net cash outflow from investing activities</b>		<b>(14,004,512,828)</b>	<b>(8,556,963,446)</b>
		<hr/>	<hr/>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Consolidated cash flow statement  
for the year ended 31 December 2014 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Cash flows from financing activities:</b>			
Proceeds from investors		2,304,656,339	68,400,000
Including: Proceeds from non-controlling shareholders of subsidiaries		60,320,000	68,400,000
Proceeds from borrowings		21,367,976,131	14,752,290,520
Proceeds from other financing activities	<i>54(4)</i>	131,853,210	100,413,137
		<hr/>	<hr/>
Sub-total of cash inflows		23,804,485,680	14,921,103,657
		<hr/>	<hr/>
Repayments of borrowings		12,198,958,282	11,188,618,353
Payment for dividends, profit distributions or interest		3,258,030,578	2,593,462,378
Including: Dividends and profits paid to non-controlling shareholders of subsidiaries		193,128,502	157,051,659
Payment for other financing activities	<i>54(5)</i>	10,428,984	-
		<hr/>	<hr/>
Sub-total of cash outflows		15,467,417,844	13,782,080,731
		<hr/>	<hr/>
<b>Net cash inflow from financing     activities</b>		8,337,067,836	1,139,022,926
		<hr/>	<hr/>
<b>Effect of foreign exchange rate changes on     cash and cash equivalents</b>		15,056,619	(10,696,574)
		<hr/>	<hr/>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
 Consolidated cash flow statement  
 for the year ended 31 December 2014 (continued)  
 (Expressed in Renminbi Yuan)

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Net increase / (decrease) in cash and cash equivalents</b>	55(2)	1,522,239,285	(806,952,444)
<b>Add: cash and cash equivalents at the beginning of the year</b>		1,768,747,492	2,575,699,936
<b>Cash and cash equivalents at the end of the year</b>	55(3)	3,290,986,777	1,768,747,492

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

Fang Zheng	Yang Yi	Zhu Fenge	
Legal Representative	The person in charge of accounting affairs	The head of the accounting department	(Company stamp)

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Cash flow statement  
for the year ended 31 December 2014  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Cash flows from operating activities:</b>			
Proceeds from sale of goods and rendering of services		765,508,106	602,196,794
Proceeds from other operating activities	<i>54(1)</i>	9,095,208	37,461,818
		<hr/>	<hr/>
Sub-total of cash inflows		774,603,314	639,658,612
		<hr/>	<hr/>
Payment for goods and services		38,471,212	32,668,329
Payment to and for employees		241,543,918	199,410,536
Payment of various taxes		149,450,423	134,612,889
Payment for other operating activities	<i>54(2)</i>	137,204,167	124,267,650
		<hr/>	<hr/>
Sub-total of cash outflows		566,669,720	490,959,404
		<hr/>	<hr/>
<b>Net cash inflow from operating activities</b>	<i>55(1)</i>	207,933,594	148,699,208
		<hr/>	<hr/>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Cash flow statement  
for the year ended 31 December 2014 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Cash flows from investing activities:</b>			
Investment returns received		1,029,769,258	538,660,785
Net proceeds from disposal of fixed assets		118,734	52,603
Net proceeds from disposal of subsidiaries and other business units	<i>55(5)</i>	758,260,400	-
Proceeds from other investing activities	<i>54(3)</i>	160,596,413	125,863,198
Sub-total of cash inflows		<u>1,948,744,805</u>	<u>664,576,586</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		184,982,888	339,640,327
Payment for acquisition of investments		4,165,855,033	3,212,260,390
Net payment for acquisition of subsidiaries	<i>55(4)</i>	225,846,866	857,386,535
Sub-total of cash outflows		<u>4,576,684,787</u>	<u>4,409,287,252</u>
<b>Net cash outflow from investing activities</b>		<u>(2,627,939,982)</u>	<u>(3,744,710,666)</u>

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Cash flow statement  
for the year ended 31 December 2014 (continued)  
*(Expressed in Renminbi Yuan)*

	<i>Note</i>	<i>2014</i>	<i>2013</i>
<b>Cash flows from financing activities:</b>			
Proceeds from investors		2,244,336,339	-
Proceeds from borrowings		9,210,521,454	8,971,450,063
Proceeds from other financing activities	<i>54(4)</i>	-	1,910,000
Sub-total of cash inflows		<u>11,454,857,793</u>	<u>8,973,360,063</u>
Repayments of borrowings		6,829,875,912	5,622,499,800
Payment for dividends, profit distributions or interest		840,898,995	476,295,902
Sub-total of cash outflows		<u>7,670,774,907</u>	<u>6,098,795,702</u>
<b>Net cash inflow from financing activities</b>		<u>3,784,082,886</u>	<u>2,874,564,361</u>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>		<u>14,616,407</u>	<u>(10,696,574)</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<i>55(2)</i>	1,378,692,905	(732,143,671)
<b>Add: cash and cash equivalents at the beginning of the year</b>		<u>200,100,167</u>	<u>932,243,838</u>
<b>Cash and cash equivalents at the end of the year</b>	<i>55(3)</i>	<u>1,578,793,072</u>	<u>200,100,167</u>

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

<u>Fang Zheng</u> Legal Representative	<u>Yang Yi</u> The person in charge of accounting affairs	<u>Zhu Fenge</u> The head of the accounting department	(Company stamp)
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The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
 Consolidated statement of changes in shareholders' equity  
 for the year ended 31 December 2014  
 (Expressed in Renminbi Yuan)

	Attributable to shareholders of the Company				Sub-total	Non-controlling interests	Total
	Share Capital	Capital reserve	Surplus reserve	Retained earnings			
At 1 January 2013	7,622,616,000	956,639,542	43,200,021	1,951,727,590	10,574,183,153	2,134,631,348	12,708,814,501
Changes in equity for the year							
1. Total comprehensive income for the year	-	-	-	1,467,887,612	1,467,887,612	233,392,201	1,701,279,813
2. Capital contribution by non-controlling shareholders of subsidiaries	-	-	-	-	-	68,400,000	68,400,000
3. Impact of consolidation under common control	-	(610,845,290)	-	-	(610,845,290)	-	(610,845,290)
4. Acquisition of subsidiaries	-	-	-	-	-	226,946,041	226,946,041
5. Appropriation of profits:							
- Appropriation for surplus reserve	-	-	46,381,362	(46,381,362)	-	-	-
- Distributions to shareholders	-	-	-	(220,293,603)	(220,293,603)	-	(220,293,603)
- Distributions to non-controlling shareholders by subsidiaries	-	-	-	-	-	(163,409,724)	(163,409,724)
At 31 December 2013	7,622,616,000	345,794,252	89,581,383	3,152,940,237	11,210,931,872	2,499,959,866	13,710,891,738
At 1 January 2014	7,622,616,000	345,794,252	89,581,383	3,152,940,237	11,210,931,872	2,499,959,866	13,710,891,738
Changes in equity for the year							
1. Total comprehensive income for the year	-	-	-	1,867,214,722	1,867,214,722	280,097,784	2,147,312,506
2. Shareholders' contribution							
- Issuance upon placing	785,345,520	1,458,990,819	-	-	2,244,336,339	-	2,244,336,339
- Non-controlling shareholders of subsidiaries	-	-	-	-	-	60,320,000	60,320,000
3. Acquisition of non-controlling interest	-	(4,938,984)	-	-	(4,938,984)	(5,490,000)	(10,428,984)
4. Acquisition of subsidiaries	-	-	-	-	-	3,090,000	3,090,000
5. Appropriation of profits:							
- Appropriation for surplus reserve	-	-	113,630,086	(113,630,086)	-	-	-
- Distributions to shareholders	-	-	-	(304,820,396)	(304,820,396)	-	(304,820,396)
- Distributions to non-controlling shareholders by subsidiaries	-	-	-	-	-	(192,457,034)	(192,457,034)
At 31 December 2014	8,407,961,520	1,799,846,087	203,211,469	4,601,704,477	15,012,723,553	2,645,520,616	17,658,244,169

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

Fang Zheng  
 Legal Representative

Yang Yi  
 The person in charge of  
 accounting affairs

Zhu Fenge  
 The head of the  
 accounting department

(Company stamp)

The notes on pages 19 to 125 form part of these financial statements.

Huadian Fuxin Energy Corporation Limited  
Statement of changes in owners' equity  
for the year ended 31 December 2014  
(Expressed in Renminbi Yuan)

	<i>Share Capital</i>	<i>Capital Reserve</i>	<i>Surplus Reserve</i>	<i>Retained Earnings</i>	<i>Total</i>
At 1 January 2013	7,622,616,000	1,059,564,443	43,200,021	49,250,370	8,774,630,834
Changes in equity for the year					
1. Total comprehensive income for the year	-	-	-	463,813,617	463,813,617
2. Impact of consolidation under common control	-	(151,134,247)	-	-	(151,134,247)
3. Appropriation of profits:					
- Appropriation for surplus reserve	-	-	46,381,362	(46,381,362)	-
- Distributions to shareholders	-	-	-	(220,293,603)	(220,293,603)
At 31 December 2013	<u>7,622,616,000</u>	<u>908,430,196</u>	<u>89,581,383</u>	<u>246,389,022</u>	<u>8,867,016,601</u>
At 1 January 2014	7,622,616,000	908,430,196	89,581,383	246,389,022	8,867,016,601
Changes in equity for the year					
1. Total comprehensive income for the year	-	-	-	1,136,300,863	1,136,300,863
2. Shareholders' contribution by issuance upon placing	785,345,520	1,458,990,819	-	-	2,244,336,339
3. Appropriation of profits:					
- Appropriation for surplus reserve	-	-	113,630,086	(113,630,086)	-
- Distributions to shareholders	-	-	-	(304,820,396)	(304,820,396)
At 31 December 2014	<u>8,407,961,520</u>	<u>2,367,421,015</u>	<u>203,211,469</u>	<u>964,239,403</u>	<u>11,942,833,407</u>

These financial statements were approved by the Board of Directors of the Company on 17 April 2015.

<u>Fang Zheng</u> Legal Representative	<u>Yang Yi</u> The person in charge of accounting affairs	<u>Zhu Fenge</u> The head of the accounting department	(Company stamp)
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The notes on pages 19 to 125 form part of these financial statements.



The notes on pages 19 to 142 form part of these financial statements.  
Huadian Fuxin Energy Corporation Limited  
Notes to the financial statements  
*(Expressed in Renminbi Yuan unless otherwise stated)*

## 1 Company status

Huadian Fuxin Energy Corporation Limited (the “Company”) was established in Fuzhou, Fujian province, with its head office located in Beijing. The parent and its ultimate holding company is China Huadian Corporation (“Huadian Group”).

The Company is a joint stock company established by restructuring and transforming Huadian Fuxin Energy Company Limited (“Huadian Fuxin”). Pursuant to the “Reply on the Establishment of Huadian Fuxin Energy Corporation Limited” (Guo Zi Gai Ge[2011] No.838) by the State-owned Assets Supervision and Administration Commission of the State Council (SASAC) on 15 August 2011, Huadian Fuxin was turned into a joint stock company. The Company had total stock of 6 billion shares of RMB 1 at par, of which Huadian Group, China Power Engineering Consulting Group Corporation (“CPECC”), Kunlun Trust Co., Ltd. (“Kunlun Trust”), Guizhou Wujiang Hydropower Development Co., Ltd. (“Wujiang Hydropower”), China Huadian Engineering Co., Ltd. (“CHEC”), Industrial Innovation Capital Management Co., Ltd. (“Industrial Capital”), Fujian Datong Venture Capital Investment Co., Ltd. (“Datong VC”) held 85.80%, 4.37%, 3.49%, 3.24%, 1.35%, 1.31% and 0.44% of the total share capital respectively. On 19 August 2011, the Company obtained a business licence (No. 350000100004157) issued by the Fujian Province Administration of Industry and Commerce of the PRC.

With the approval of the China Securities Regulatory Commission given in the “Reply on the Issuance of Overseas Listed Foreign Shares by Huadian Fuxin Energy Corporation Limited” (Zheng Jian Xu Ke [2012] No.435), the Company launched an initial public offering to Hong Kong and overseas investors in June and July 2012, issuing 1,622,616,000 overseas shares (H shares) with a par value of RMB 1. Meanwhile, Huadian Group, CPECC, Kunlun Trust, Wujiang Hydropower, CHEC, Industrial Capital and Datong VC transferred their 162,261,600 domestic shares at the par value of RMB 1 to H shares at the ratio of 1:1, and then transferred the H shares to the National Council for Social Security Fund (NSSF). The overseas shares (H shares) of the Company have listed on the Stock Exchange of Hong Kong Limited (HKEx) on 28 June 2012. In February and December 2014, the Company completed the placing of an aggregate of 785,345,520 new H shares with a par value of RMB 1. Therefore, the share capital (stock) of the Company has changed to RMB 8,407,961,520, representing 8,407,961,520 ordinary shares with a par value of RMB 1, including 5,837,738,400 domestic shares and 2,570,223,120 overseas shares (H shares).

The Company and its subsidiaries (together the “Group”) primarily engage in the production and sales of electricity in mainland China.

## 2 Basis of preparation

The financial statements have been prepared on the going concern basis.

As at 31 December 2014, the Group's current liabilities exceeded its current assets by RMB16,829,501,528, and there were RMB22,492,304,612 of banking facilities available for use. Given the Group's sound credit rating, management believes that the Group can obtain new loans to meet operating needs when existing loans are due. Meanwhile, management will increase effort to collect receivables. Furthermore, management believes that as part of Huadian Group, the Group will be able to receive support from Huadian Group. Therefore, the financial statements have been prepared on the basis of going concern.

The financial statements have been prepared for the annual disclosure purpose of issuing short-term financing instruments in the inter-bank market.

### (1) Statement of compliance

The financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises or referred to as China Accounting Standards ("CAS"). These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 2014, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the year then ended.

### (2) Accounting year

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

### (3) Functional currency and presentation currency

The Company's functional currency is Renminbi and these financial statements are presented in Renminbi. Functional currency is determined by the Company and its subsidiaries on the basis of the currency in which major income and costs are denominated and settled. Some of the Company's subsidiaries have functional currencies that are different from the Company's functional currency. Their financial statements have been translated based on the accounting policy set out in Note 3(2).

### 3 Significant accounting policies and accounting estimates

#### (1) Business combinations and consolidated financial statements

##### (a) Business combinations involving enterprises under common control

A business combination involving enterprises under common control is a business combination in which all of the combining enterprises are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amounts of the net assets acquired and the consideration paid for the combination (or the total face value of shares issued) is adjusted against the capital premium in the capital reserve, with any excess adjusted against retained earnings. Any costs directly attributable to the combination is recognised in profit or loss when incurred. The combination date is the date on which one combining enterprise obtains control of other combining enterprises.

##### (b) Business combinations not involving enterprises under common control

A business combination not involving enterprises under common control is a business combination in which all of the combining enterprises are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill. If (1) is less than (2), the difference is recognised in profit or loss for the current period. Other acquisition-related costs are expensed when incurred. The acquiree's identifiable asset, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair value. The acquisition date is the date on which the acquirer obtains control of the acquiree.

##### (c) Consolidated financial statements

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries controlled by the Company. Control exists when the investor has all of following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

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

Where a subsidiary was acquired during the reporting period, through a business combination not involving enterprises under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair value of those identifiable assets and liabilities at the acquisition date. For a business combination not involving enterprises under common control and achieved in stages, the Group remeasures its previously-held equity interest in the acquiree to its fair value at the acquisition date and recognises any resulting difference between the fair value and the carrying amount as investment income for the current period. In addition, any amount recognised in other comprehensive income that can be reclassified to profit or loss, in prior reporting periods relating to the previously-held equity interest, and any other changes in the owners' equity under equity accounting (see Note 3(7)(b)), are transferred to investment income in the period in which the acquisition occurs.

Where the Company acquires a non-controlling interest from a subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the difference between the amount by which the non-controlling interests are adjusted and the amount of the consideration paid or received is adjusted to the capital reserve (capital surplus) in the consolidated balance sheet, with any excess adjusted to retained earnings.

When the Group loses control of a subsidiary due to the disposal of a portion of an equity investment, the Group derecognises assets, liabilities, non-controlling interests and other related items in owners' equity in relation to that subsidiary.

Non-controlling interests are presented separately in the consolidated balance sheet within owners' equity. Net profit or loss attributable to non-controlling shareholders is presented separately in the consolidated income statement below the net profit line item. Total comprehensive income attributable to non-controlling shareholders is presented separately in the consolidated income statement below the total comprehensive income line item.

When the amount of loss for the current period attributable to the non-controlling shareholders of a subsidiary exceeds the non-controlling shareholders' portion of the opening balance of owners' equity of the subsidiary, the excess is still allocated against the non-controlling interests.

When the accounting period or accounting policies of a subsidiary are different from those of the Company, the Company makes necessary adjustments to the financial statements of the subsidiary based on the Company's own accounting period or accounting policies. Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in the financial statements.

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

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

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

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, construction of qualifying assets (see Note 3(19)). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

Assets and liabilities of foreign operations are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding "Retained earnings", are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operations are translated to Renminbi at the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in owners' equity with respect to a foreign operation is transferred to profit or loss in the period when the foreign operation is disposed.

(3) Cash and cash equivalents

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

(4) Inventories

Inventories include coal, fuel oil, spare parts and low-value consumables.

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

Cost of inventories transferred out is calculated using the weighted average method. Low-value consumables are amortised in full when received for use. The amortisations are included in the cost of the related assets or recognised in profit or loss for the current period.

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

Any excess of the cost over the net realisable value of each category of inventories is recognised as a provision for impairment, and is recognised in profit or loss. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale including relevant taxes.

(5) Long-term equity investments

(a) Investments in subsidiaries

In the Group's consolidated financial statements, investments in subsidiaries are accounted for in accordance with the principles described in Note 3(1)(c).

In the Company's separate financial statements, investments in subsidiaries are measured as follows:

- The initial cost of a long-term equity investment acquired through a business combination involving enterprises under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amounts of the consideration given is adjusted to the capital premium in the capital reserve, with any excess adjusted to retained earnings.

- For a long-term equity investment obtained through a business combination not involving enterprises under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree. For a long-term equity investment obtained through a business combination not involving enterprises under common control and achieved in stages, the initial cost comprises the carrying value of the previously-held equity investment in the acquiree immediately before the acquisition date, and the additional investment cost at the acquisition date.
- An investment in a subsidiary acquired other than through a business combination is initially recognised in accordance with the principles described in Note 3(5)(b).

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method. Except for cash dividends or profit distributions declared but not yet distributed that have been included in the price or consideration paid in obtaining the investments, the Company recognises its share of the cash dividends or profit distributions declared by the subsidiary as investment income in the current period. The investments in subsidiaries are stated in the balance sheet at cost less impairment losses (see Note 3(11)(b))

(b) Investments in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control and rights to the net assets of the arrangement.

An associate is an enterprise over which the Group has significant influence.

An investment in a joint venture or an associate is initially recognised in accordance with the following principles: at the amount of cash paid if the Group acquires the investment by cash.

An investment in a joint venture or an associate is accounted for using the equity method, unless the investment is classified as held for sale.

Under the equity method:

- Where the initial cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is recognised in profit or loss.

- After the acquisition of the investment, the Group recognises its share of the investee’s profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group.

In calculating its share of the investee’s net profits or losses, other comprehensive income and other changes in owners’ equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee’s identifiable net assets at the date of acquisition. Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group’s interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

- The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group’s net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The Group makes provision for impairment of investments in joint ventures and associates in accordance with the principles described in Note 3(11)(b).

#### (6) Fixed assets and construction in progress

Fixed assets represent the tangible assets held by the Group for use in production of goods, in supply of services, rental to others or administrative purposes with useful lives over one accounting year.

Fixed assets are stated in the balance sheet at cost less accumulated depreciation and impairment losses (see Note 3(11)(b)). Construction in progress is stated in the balance sheet at cost less impairment losses (see Note 3(11)(b)).

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note 3(19)), and any other costs directly attributable to bringing the asset to working condition for its intended use.



Construction in progress is transferred to fixed assets when it is ready for its intended use. No depreciation is provided against construction in progress.

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

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

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

The cost of fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the fixed asset is classified as held for sale. The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

	<i>Estimated useful life (years)</i>	<i>Residual value rate (%)</i>	<i>Depreciation rate (%)</i>
Buildings and structures	8-55 years	0-5%	1.73%-12.50%
Generators and related equipment	4-35 years	0-5%	2.71%-25.00%
Motor vehicles	6-10 years	0-5%	9.50%-16.67%
Furniture and others	5-18 years	0-5%	5.28%-20.00%

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

#### (7) Leases

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

(a) Assets acquired under finance leases

When the Group acquires an asset under a finance lease, the asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments, each determined at the inception of the lease. At the commencement of the lease term, the minimum lease payments are recorded as long-term payables. The difference between the carrying amount of the leased assets and the minimum lease payments is recognised as unrecognised finance charges. Initial direct costs attributable to a finance lease that are incurred by the Group are added to the carrying amounts of the leased asset. Depreciation and impairment losses are accounted for in accordance with the accounting policies described in Notes 3(6) and 3(11)(b), respectively.

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

Unrecognised finance charge under a finance lease is amortised using an effective interest method over the lease term. The amortisation is accounted for in accordance with the principles of borrowing costs (see Note 3(19)).

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

(b) Operating lease charges

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

(c) Assets leased out under operating leases

Fixed assets leased out under operating leases are depreciated in accordance with the Group's depreciation policies described in Note 3(6). Impairment losses are recognised in accordance with the accounting policy described in Note 3(11)(b). Income derived from operating leases is recognised in profit or loss using the straight-line method over the lease term. If initial direct costs incurred in respect of the assets leased out are material, the costs should be capitalised and subsequently amortised in profit or loss over the lease term on the same basis as the lease income. Otherwise, the costs are charged to profit or loss immediately

(d) Sales and leaseback arrangement resulting in finance lease

For sale and leaseback transactions which are considered as finance leases, the difference between the selling price and the carrying amount of the asset is deferred in recognition as unrealised profit or loss of sales and leaseback arrangement, and amortised over the amortisation period of the leased asset to adjust the depreciation expenses.

(8) Intangible assets

Intangible assets are stated in the balance sheet at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see Note 3(11)(b)).

For an intangible asset with finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised using the straight-line method over its estimated useful life, unless the intangible asset is classified as held for sale. The respective amortisation periods for such intangible assets are as follows:

	<i>Amortisation period (years)</i>
Land use rights	25-50 years
Concession assets	23 years
Software and others	5-10 years

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

The concession assets obtained by the Group to take part in wind power projects are initially recognised at the fair value of the consideration received or receivable for the construction service provided. Pursuant to the concession contract, if the income received during the operation period is not a fixed amount, the concession assets are recognised as intangible assets during the construction period and amortised over the concession period.

(9) Good will

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

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note 3(11)(b)). On disposal of an asset group or a set of asset groups, any attributable goodwill is written off and included in the calculation of the profit or loss on disposal.

(10) Financial instruments

Financial instruments include cash at bank and on hand, investment in equity securities other than those classified as long-term equity investments (see Note 3(5)), receivables, payables, loans and borrowings, debentures payable and share capital.

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

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

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

Financial assets and financial liabilities are measured initially at fair value. For financial assets and financial liabilities at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. Subsequent to initial recognition, financial assets and liabilities are measured as follows:

- Financial assets and financial liabilities at fair value through profit or loss (including financial assets or financial liabilities held for trading)

A financial asset or financial liability is classified as at fair value through profit or loss if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if it is a derivative.

Subsequent to initial recognition, financial assets and financial liabilities at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

- Receivables

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

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

– Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group has the positive intention and ability to hold to maturity.

Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method.

– Available-for-sale financial assets

Available-for-sale financial assets include non-derivative financial assets that are designated upon initial recognition as available for sale and other financial assets which do not fall into any of the above categories.

Available-for-sale investments in equity instruments whose fair value cannot be measured reliably are measured at cost subsequent to initial recognition. Other available-for-sale financial assets are measured at fair value subsequent to initial recognition and changes therein are generally recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses from monetary financial assets which are recognised directly in profit or loss. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss. Dividend income is recognised in profit or loss when the investee approves the dividends. Interest is recognised in profit or loss using the effective interest method (see Note 3(17)(e)).

– Other financial liabilities

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

Other financial liabilities include liabilities arising from financial guarantee contracts. Financial guarantees are contracts that require the Group (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Where the Group issues a financial guarantee, subsequent to initial recognition, the guarantee is measured at the higher of the amount initially recognised less accumulated amortisation and the amount of a provision determined in accordance with the principles for contingent liabilities (see Note 3(16)).

Liabilities other than those arising from financial guarantee contracts are measured at amortised cost using the effective interest method.

(b) Presentation of financial assets and financial liabilities

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

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

(c) Derecognition of financial assets and financial liabilities

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

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

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

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is discharged or cancelled or expires.

(d) Equity instrument

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

(11) Impairment of assets

Except for impairment of assets set out in Notes 3(4) and (15), impairment of assets is accounted for using the following principles:

(a) Impairment of financial assets

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

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

- (i) significant financial difficulty of the issuer or obligor;
- (ii) a breach of contract by the borrower, such as a default or delinquency in interest or principal payments;
- (iii) it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (iv) the disappearance of an active market for that financial asset because of financial difficulties faced by the issuer;
- (v) significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, indicating that the cost of an investment in an equity instrument may not be recovered by the investor;
- (vi) a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

– Receivables and held-to-maturity investments

Held-to-maturity investments and receivables are assessed for impairment on an individual basis and on a collective group basis as followings.

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

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

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

– Available-for-sale financial assets

Available-for-sale financial assets are assessed for impairment on an individual basis and on a collective group basis as followings.

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

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

(b) Impairment of other assets

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

- Fixed assets
- Construction in progress
- Intangible assets
- Goodwill
- Long-term equity investments, etc.

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amount of intangible assets not ready for use at least annually and the recoverable amounts of goodwill at each year-end, irrespective of whether there is any indication of impairment. Goodwill is allocated to each asset group or set of asset groups, that is expected to benefit from the synergies of the combination for the purpose of impairment testing.

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



The recoverable amount of an asset (or asset group, set of asset groups, same as below) is the higher of its fair value (see Note 3(12)) less costs to sell and its present value of expected future cash flows.

The present value of expected future cash flows of an asset is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocation would not reduce the carrying amount of an asset below the highest of its fair value less costs to sell (if measurable), its present value of expected future cash flows (if determinable) and zero.

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

#### (12) Fair value measurement

Unless otherwise specified, the Group determines fair value measurement as below:

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.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

#### (13) Long-term deferred expenses

Long-term deferred expenses are amortised on a straight-line method within the benefit period.

(14) Employee benefits

(a) Short-term employee benefits

Employee wages or salaries, bonuses, social security contributions such as medical insurance, work injury insurance, maternity insurance and housing fund, measured at the amount incurred or at the applicable benchmarks and rates, are recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

(b) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the People's Republic of China, the Group participated in a defined contribution basic pension insurance in the social insurance system established and managed by government organisations. The Group makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. In addition, some of the Group's employees also join an enterprise annuity managed by Huadian Group on a voluntary basis. Basic pension insurance contributions are recognised as part of the cost of assets or charged to profit or loss as the related services are rendered by the employees.

(c) Early retirement benefits

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

- When the Group cannot unilaterally withdraw the offer of early retirement benefits because of an employee termination plan or a curtailment proposal;
- When the Group has a formal detailed restructuring plan involving the payment of early retirement benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

(15) Income tax

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

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

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

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

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

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amount of the assets and liabilities, using tax rates enacted at the reporting date that are expected to be applied in the period when the asset is recovered or the liability is settled.

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

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

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

(16) Provisions and contingent liabilities

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

A contingent liability is disclosed for:

- A possible obligation resulting from past transactions or events and, whose existence will only be confirmed by the occurrence or non-occurrence of uncertain future events, or
- A present obligation resulting from past transactions or events, where it is not probable that its settlement will result in an outflow of economic benefits, or where the amount of the outflow cannot be estimated reliably.

(17) Revenue recognition

Revenue is the gross inflow of economic benefit arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders. Revenue is recognised in profit or loss when it is probable that the economic benefits will flow to the Group, the revenue and costs can be measured reliably and the following conditions are met:

(a) Sales of electricity

Sale of electricity is recognised when electricity is supplied to the provincial grid companies.

(b) Service concession construction revenue

As at the balance sheet date, the Group recognised the construction revenue based on the accumulated construction costs incurred and the fair value of construction service received or receivable. As for construction service not yet provided, and the contracting of construction to other parties, the Group recognised it as a financial asset or an intangible asset rather than construction revenue based on the construction consideration paid in the construction process and other contract terms.

(c) Sales of goods

Revenue is recognised when all of the general conditions stated above and the following conditions are satisfied:

- Significant risks and rewards of ownership of goods have been transferred to the buyer
- The Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable under the sales contract or agreement.

(d) Rendering of services

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

Where the outcome of a transaction involving the rendering of services can be estimated reliably, revenue is recognised by reference to the stage of completion based on the proportion of services performed to date to the total services to be performed.

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

(e) Interest income

Interest income is recognised on a time proportion basis with reference to the principal outstanding and the applicable effective interest rate.

(f) Certified Emission Reductions (“CERs”) income

The Group sells carbon credits known as CERs, generated from the wind farms and other renewable energy facilities which have been registered as Clean Development Mechanism (“CDM”) projects with CDM Executive Board (“CDM EB”) of the United Nations under the Kyoto Protocol. Revenue in relation to the CERs is recognised when following conditions are met:

- The counterparties have committed to purchase the CERs;
- The sales prices have been agreed; and
- Relevant electricity has been generated.

The revenue related to CERs is recognised and recorded in accounts receivable for the volume verified by the independent supervisors assigned by CDM EB and in other receivables for the remaining volume.

(18) Government grants

Government grants are non-reciprocal transfers of monetary or non-monetary assets from the government to the Group except for capital contribution from the government in the capacity as an investor in the Group. Specific transfers from the government, such as investment grants that have been clearly defined in official documents as part of “capital reserve” are also dealt with as capital contributions, rather than government grants.

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

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

A government grant related to an asset is recognised initially as deferred income and amortised to profit or loss on a straight-line basis over the useful life of the asset. A grant that compensates the Group for expenses to be incurred in the future is recognised initially as deferred income, and released to profit or loss in the periods in which the expenses are recognised. A grant that compensates the Group for expenses already incurred is recognised in profit or loss immediately.

(19) Borrowing costs

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

Other borrowing costs are recognised as financial expenses when incurred.

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

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

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

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

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

(20) Profit distributions to shareholders

Dividends or profit distributions proposed in the profit appropriation plan to be approved after the balance sheet date are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

(21) Related parties

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

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

(22) Segment reporting

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

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



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

(23) Significant accounting estimates and judgements

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

Notes 21 and 61 contain information about the assumptions and their risk factors relating to impairment of goodwill and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment of receivables

As described in Note 3(11)(a), receivables that are measured at amortised cost are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, an impairment loss is recognised. Objective evidence of impairment includes observable data that comes to the attention of the Group about loss events such as a significant decline in the estimated future cash flow of an individual debtor or the portfolio of debtors, and significant changes in the financial condition that have an adverse effect on the debtor. If there is objective evidence of a recovery in the value of receivables which can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed.

(b) Provision for impairment of inventories

As described in Note 3(4), the net realisable value of inventories is under management's regular review, and as a result, provision for impairment of inventories is recognised for the excess of inventories' carrying amounts over their net realisable value. When making estimates of net realisable value, the Group takes into consideration the use of inventories held on hand and other information available to form the underlying assumptions, including the inventories' market prices and the Group's historical operating costs. The actual selling price, the costs of completion and the costs necessary to make the sale and relevant taxes may vary based on the changes in market conditions and product saleability, manufacturing technology and the actual use of the inventories, resulting in the changes in provision for impairment of inventories. The net profit or loss may then be affected in the period when the provision for impairment of inventories is adjusted.

(c) Impairment of assets such as fixed assets, intangible assets

As described in Note 3(11)(b), assets such as fixed assets, intangible assets are reviewed at each balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset (asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. Since a market price of the asset (the asset group) cannot be obtained reliably, and the fair value of the asset cannot be estimated reliably, the recoverable amount was calculated based on the present value of estimated future cash flows. In assessing the present value of estimated future cash flows, significant judgements are exercised over the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

(d) Depreciation and amortisation of assets such as fixed assets, intangible assets

As described in Note 3(6) and 3(8), assets such as fixed assets and intangible assets are depreciated and amortised over their useful lives after taking into account residual value. The estimated useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experience of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

(e) Deferred tax assets

The Company and its subsidiaries recognized the deferred tax assets to the extent that it is probable that future taxable profit will be available against which the asset can be utilized, using tax rates that are expected to be applied in the period when the asset is recovered. The management assesses the deferred tax assets based on the expected amount and timing of future taxable profit, the enacted tax laws and applicable tax rates. It is reasonably possible, based on existing knowledge, the outcomes within the next financial period that are different from assumptions could require a material adjustment to the carrying amount of deferred tax assets.

#### 4 Changes in accounting policies

The Company has adopted the following new standards and revised standards from 1 July 2014:

- (a) Accounting Standards for Business Enterprises No. 2 – Long-term Equity Investments (“CAS 2 (2014)”)
- (b) Accounting Standards for Business Enterprises No. 9 – Employee Benefits (“CAS 9 (2014)”)
- (c) Accounting Standards for Business Enterprises No. 30 – Presentation of Financial Statements (“CAS 30 (2014)”)
- (d) Accounting Standards for Business Enterprises No. 33 – Consolidated Financial Statements (“CAS 33 (2014)”)
- (e) Accounting Standards for Business Enterprises No. 39 – Fair Value Measurement (“CAS 39”)
- (f) Accounting Standards for Business Enterprises No. 40 – Joint Arrangements (“CAS 40”)
- (g) Accounting Standards for Business Enterprises No. 41 – Disclosure of Interests in Other Entities (“CAS 41”)

In addition, the Company has adopted “Accounting Rules on Classification between Financial Liabilities and Equity Instruments as well as the Related Accounting Treatment” (“Caikuai [2014] No. 13”) since 17 March 2014 and “Accounting Standards for Business Enterprises No. 37 – Financial Instruments: Presentation and Disclosures” (“CAS 37 (2014)”) in the 2014 annual financial statements.

The significant accounting policies after adopting the above Accounting Standards for Business Enterprises are summarised in Note 3.

Impacts of the adoption of the accounting standards mentioned above are discussed below:

##### (a) Long-term equity investments

Before adopting CAS 2 (2014), investments where the Group does not have control, joint control or significant influence over the investees, and the investments are not quoted in an active market and their fair value cannot be reliably measured, are recognised as other long-term equity investments. Such investments are then accounted for using the cost method. After adopting CAS 2 (2014), such investments are now accounted for using the accounting policy related to financial instruments (see Note 3(10)), and reclassified from long-term equity investments to available-for-sale financial assets (see Note 14). The relevant comparative amounts have been retrospectively adjusted. Therefore, as at 31 December 2013, the amount of available-for-sale financial assets of the Group and the Company was increased by RMB512,300,184 and RMB133,845,084, respectively. And the amount of long-term equity investments of the Group and the Company was decreased by RMB512,300,184 and RMB133,845,084, respectively.

(b) Employee benefits

According to the requirements in CAS 9 (2014) with respect to the classification, recognition and measurement of short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits, the Group has reviewed the treatments for current employee benefits and changed its accounting policy accordingly. The adoption of CAS 9 (2014) does not have any material impact on the financial position and the financial results of the Group.

To the extent that the information disclosed prior to 1 January 2014 is inconsistent with CAS 9(2014), the Group has not restated it. It also has not provided comparative information according to the new disclosure requirements.

(c) Presentation of financial statements

In accordance with CAS 30 (2014), the Group has modified the presentation of its financial statements, including presenting separately the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met from those that will never be reclassified to profit or loss in its income statement.

The revised standard does not have any material impact on the Group's financial statements (including current and comparative periods).

(d) Consolidation scope

CAS 33 (2014) introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the Group has power over the investee, exposure or rights to variable returns from its involvements with the investee and ability to use its power to affect those returns. As a result of the adoption of CAS 33 (2014), the Group has changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates an investee.

The adoption of CAS 33 (2014) does not change any of the control conclusions reached by the Group as at 1 July 2014.

(e) Fair value measurement

CAS 39 redefines fair value, establishes a single framework for fair value measurement and revises the requirements for fair value disclosures. The adoption of CAS 39 does not have any material impact on the fair value measurements of the Group's assets and liabilities. The Group's disclosures in accordance with CAS 39 are set out in Note 62.

For fair value measurements that are inconsistent with the requirements of CAS 39 prior to 1 July 2014, no retrospective application is required. For information disclosed in comparative financial statements that is inconsistent with the requirements of CAS 39, no adjustments are made.

(f) Joint arrangements

Before adopting CAS 40, the Group classified its interests in joint arrangements into jointly controlled operations, jointly controlled assets or jointly-controlled enterprises. Under CAS 40, the Group has classified its interests in joint arrangements as either joint operations or joint ventures. When making this assessment, the Group considered the structure of the arrangements, the legal form, the contractual terms of the arrangements and other facts and circumstances

As a result of the adoption of CAS 40, the Group has changed its accounting policy with respect to its interests in joint arrangements and reassessed its involvement in its joint arrangements. The adoption of CAS 40 does not have any material impact on the financial position and the financial results of the Group.

(g) Disclosure of interests in other entities

CAS 41 modifies and specifies disclosure requirements relevant to an enterprise's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group has provided disclosures accordingly in related notes in accordance with this standard.

(h) Classification between financial liabilities and equity instruments and presentation and disclosures of financial instruments

Caikuai [2014] No. 13 provided guidance on the classification of financial liabilities and equity instruments. The adoption of Caikuai [2014] No. 13 does not have any material impact on the Group's financial statements (including current and comparative periods).

CAS 37 (2014) provided further guidance on the offsetting of a financial asset and a financial liability and revised the disclosure requirements for financial instruments. The offsetting guidance does not have any material impact on the presentation of the Group's financial statements. In addition, the Group has revised disclosures in related notes in accordance with this standard.

## 5 Taxation

(1) Main types of taxes and corresponding tax rates

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

Pursuant to the *Notice of the Ministry of Finance (MOF) and the State Administration of Taxation (SAT) on Issues Related to Policies on Value Added Tax (VAT) on Products Made Through Comprehensive Utilisation of Some Resources and Other Products* (Cai Shui [2001] No.198), VAT levied on electricity generated by wind power is reduced by half from 1 January 2001. Pursuant to the *Notice of the MOF and SAT Concerning Policies on Value Added Tax on Products Made through Comprehensive Utilisation of Resources and Other Products* (Cai Shui [2008] No.156), 50% of VAT levied on the sale of electricity generated by wind power will be refunded immediately from 1 July 2008.

(2) Income tax

The income tax rate applicable to the Company for the year is 25% (2013: 25%).

Except for the following subsidiaries which enjoy preferential tax rates, the income tax rate applicable to the Company's subsidiaries incorporated in mainland China in 2014 is 25% (2013: 25%).

The income tax rate applicable to Huadian Fuxin International Investment Company Limited, a subsidiary of the Group incorporated in Hong Kong, is 16.5% for the year; and that applicable to Elecdey Barchín, S.A.–Sociedad Unipersonal, a subsidiary of the Group incorporated in Spain, is 30% for the year.

Subsidiaries that are entitled to preferential tax treatments are as follows:

<i>Name of enterprises</i>	<i>Preferential rate</i>	<i>Reason</i>
Gansu Huadian Guazhou Wind Power Co., Ltd.	7.5%	i/ii
Gansu Huadian Yumen Wind Power Co., Ltd. Project Phase I and II	7.5%	i/ii
Gansu Huadian Yumen Wind Power Co., Ltd. Project Phase III and IV	exemption	i
Inner Mongolia Huadian Huitengxile Wind Power Co., Ltd. Project Phase I, II and Kulun Project Phase I	15%	ii
Inner Mongolia Huadian Huitengxile Wind Power Co., Ltd. Kulun Project Phase II	7.5%	i/ii
Inner Mongolia Huadian Huitengxile Wind Power Co., Ltd. Kulun 20MW Solar Power	exemption	i
Inner Mongolia Huadian Bayin Wind Power Co., Ltd.	exemption	i
Xinjiang Huadian Xiaocaohu Wind Power Co., Ltd.	15%	ii
Jiangsu Huadian Guanyun Wind Power Co., Ltd.	12.5%	i
Inner Mongolia Huadian Hongnijing Wind Power Co., Ltd. Project Phase I	7.5%	i/ii
Inner Mongolia Huadian Hongnijing Wind Power Co., Ltd. Project Phase II	exemption	i
Inner Mongolia Huadian Jieji Wind Power Co., Ltd. Project Phase I	7.5%	i/ii

<i>Name of enterprises</i>	<i>Preferential rate</i>	<i>Reason</i>
Inner Mongolia Huadian Jieji Wind Power Co., Ltd. Project Phase II	exemption	i
Inner Mongolia Huadian Wutaohai Wind Power Co., Ltd.	exemption	i
Xinjiang Huadian Bu'erjin Wind Power Co., Ltd. Project Phase I	7.5%	i/ii
Xinjiang Huadian Bu'erjin Wind Power Co., Ltd. Project Phase II	exemption	i
Xinjiang Huadian Caohu Wind Power Co., Ltd. Project Phase I	7.5%	i/ii
Xinjiang Huadian Caohu Wind Power Co., Ltd. Project Phase II	exemption	i
Huadian Tieling Wind Power Co., Ltd. Project Phase I	12.5%	i
Huadian Tieling Wind Power Co., Ltd. Project Phase II and III	exemption	i
Huadian Tangyuan Wind Power Co., Ltd.	exemption	i
Hunan Huadian Chenzhou Wind Power Co., Ltd.	12.5%	i
Inner Mongolia Huadian Meiguiying Wind Power Co., Ltd. Project Phase I	7.5%	i/ii
Inner Mongolia Huadian Meiguiying Wind Power Co., Ltd. Project Phase II	exemption	i
Inner Mongolia Huadian Meiguiying Wind Power Co., Ltd. Solar Power	exemption	i
Shanghai Huadian Solar Power Co., Ltd.	12.5%	i
Huadian Shangde Dongtai Solar Power Co., Ltd. Project Phase I	12.5%	i
Huadian Shangde Dongtai Solar Power Co., Ltd. Project Phase II and III	exemption	i
Huadian Hulin Wind Power Co., Ltd.	12.5%	i
Heilongjiang Huafu Wind Power Muling Co., Ltd. Project Phase II	12.5%	i
Harbin Yilan Huafu Wind Power Co., Ltd. Project Phase I	12.5%	i
Harbin Yilan Huafu Wind Power Co., Ltd. Project Phase II	exemption	i
Heilongjiang Dongning Huafu Wind Power Co., Ltd.	12.5%	i
Huadian (Fuqing) Wind Power Co., Ltd. Niutouwei	12.5%	i
Huadian (Fuqing) Wind Power Co., Ltd. Liyushan	exemption	i
Inner Mongolia Sansheng Wind Power Co., Ltd.	exemption	i
Shanxi Huadian Guangling Wind Power Co., Ltd. Project Phase I	12.5%	i
Shanxi Huadian Guangling Wind Power Co., Ltd. Project Phase II and III	exemption	i
Gansu Huadian Jingtai Wind Power Co., Ltd.	exemption	i
Guangdong Huadian Qianshan Wind Power Co., Ltd.	exemption	i
Gansu Huadian Minqin Power Generation Co., Ltd.	exemption	i
Gansu Huadian Aksai Power Generation Co., Ltd.	exemption	i

<i>Name of enterprises</i>	<i>Preferential rate</i>	<i>Reason</i>
Huadian Jilin Da'an Wind Power Co., Ltd.	12.5%	i
Zhoushan Huadian Wind Power Co., Ltd.	12.5%	i
Huadian Jilin Shuangliao Wind Power Co., Ltd.	exemption	i
Huadian Jiayuguan New Energy Co., Ltd. Project Phase I, II and III	7.5%	i/ii
Huadian Jiayuguan New Energy Co., Ltd. Project Phase IV and V	exemption	i
Hebei Huadian Shangyi Wind Power Co., Ltd. Project Phase I	12.5%	i
Hebei Huadian Shangyi Wind Power Co., Ltd. Project Phase II	exemption	i
Huadian Golmud Solar Power Co., Ltd.	exemption	i
Maoming Zhong'ao Wind Power Co., Ltd.	exemption	i
Gansu Huadian Huanxian Wind Power Co., Ltd.	exemption	i
Xinjiang Huadian Xuehu Wind Power Co., Ltd.	exemption	i
Guangzhou University Town Huadian New Energy Co., Ltd.	15%	iii
Qitaihe Fengrun Wind Power Co., Ltd.	exemption	i
Yunnan Huadian Duogu Wind Power Co., Ltd.	exemption	i
Yunnan Huadian Weidi Solar Power Co., Ltd.	exemption	i
Inner Mongolia Fulida Wind Power Co., Ltd.	exemption	i
Inner Mongolia Huadian Qintian Wind Power Co., Ltd.	exemption	i
Hubei Huadian Longgan Lake Biogas Power Co., Ltd.	exemption	i
Shanxi Huadian Yanggao Wind Power Co., Ltd.	exemption	i
Huadian Nanning New Energy Co., Ltd.	15%	ii
Huadian Shandong Rushan New Energy Co., Ltd.	exemption	i
Xinjiang Huaran New Energy Co., Ltd.	exemption	i
Huadian Xinghua Solar Power Co., Ltd.	exemption	i
Huasheng Jiangyan Solar Power Co., Ltd.	exemption	i
Gansu Minle Huadian Fuxin Solar Power Co., Ltd.	exemption	i
Gansu Dunhuang Huadian Fuxin Solar Power Co., Ltd.	exemption	i
Wuweishi Tianhe Solar Power Co., Ltd.	exemption	i
Qitaixian Xinte Energy Co., Ltd.	exemption	i



- i: Pursuant to the *Notice of the MOF and SAT on Issues Related to Implementation of the List of Public Infrastructure Projects Enjoying Preferential Corporate Income Tax Treatment* (Cai Shui [2008] No.46) and the *Notice of the SAT on Issues Related to Implementation of Preferential Corporate Income Tax Treatment for Key Public Infrastructure Projects Supported by the State* (Guo Shu Fa [2009] No.80), for companies engaged in projects included in the “List of Public Infrastructure Projects Enjoying Preferential Corporate Income Tax Treatment” that meet the relevant requirements and technical standards, as well as the relevant investment management requirements of the State, their revenue from investing in and operating the public infrastructure projects approved after 1 January 2008 is exempted from paying corporate income tax for three years counting from the tax year in which the first income is generated, and can enjoy half rate reduction in the following three years.
  
- ii: Pursuant to the *Notice of the MOF, General Administration of Customs and SAT on Tax Policy Issues Concerning Further Implementation of the Strategy for Developing Western Region* (Cai Shui [2011] No.58), companies engaged in encouraged industries in the western area can enjoy the preferential corporate tax rates of 15% from 1 January 2011 to 31 December 2020, and this will not affect the tax exemption period they are entitled to.
  
- iii: According to Article 28 of the Corporate Income Tax Law of the People’s Republic of China, companies engaged in new and high-technology industries supported by the State can enjoy the preferential tax rate of 15%.

## 6 Business combinations and the consolidated financial statements

(1) As at 31 December 2014, the consolidated financial statements included the following subsidiaries:

No.	Name	Principal place of Business and Registration place	Business nature	Registered capital	Shareholding percentage direct / indirect	Voting rights direct / indirect
1	Fujian Huadian Electric Power Engineering Co., Ltd.	Fuzhou, Fujian	Power development and investment	RMB 276,314,033	100%	100%
2	Fujian Huadian Kemen Power Generation Company Limited	Lianjiang, Fujian	Coal-fired power generation	RMB 900,000,000	100%	100%
3	Fujian Mianhuatan Hydropower Development Co., Ltd. (i)(ii)	Longyan, Fujian	Hydropower generation	RMB 800,000,000	60%	82%
4	Mindong Hydropower Development Co., Ltd. (i)(ii)	Ningde, Fujian	Hydropower generation	RMB 250,404,900	51%	100%
5	Fujian Huadian Shaowu Power Generation Co., Ltd. (i)(ii)	Shaowu, Fujian	Coal-fired power generation	RMB 10,000,000	60%	100%
6	Fujian Huadian Yong'an Power Generation Co., Ltd.	Yong'an, Fujian	Coal-fired power generation	RMB 663,000,000	100%	100%
7	Fujian Huadian Zhangping Coal-fired Power Co., Ltd.	Zhangping, Fujian	Coal-fired power generation	RMB 610,000,000	100%	100%
8	Fujian Huadian Zhangping Power Co., Ltd.	Zhangping, Fujian	Coal-fired power generation	RMB 80,000,000	100%	100%
9	Huadian Fujian Quanzhou Power Generation Co., Ltd.	Quanzhou, Fujian	Power development and investment	RMB 20,000,000	51%	51%
10	Fujian Jinhu Power Generation Co., Ltd. (i)(ii)	Jiangle, Fujian	Hydropower generation	RMB 100,000,000	48%	55%
11	Taining Jinhu Holiday Hotel Co., Ltd. (i)	Taining, Fujian	Hotel management	RMB 3,000,000	44%	90%
12	Fujian Gaosha Hydropower Co., Ltd. (i)(ii)	Shaxian, Fujian	Hydropower generation	RMB 66,000,000	62%	65%
13	Fujian Shaxian Chengguan Hydropower Co., Ltd. (i)(ii)	Shaxian, Fujian	Hydropower generation	RMB 66,000,000	40%	65%
14	Fujian Longyan Wan'anxi Hydropower Co., Ltd. (i)(ii)	Longyan, Fujian	Hydropower generation	RMB 40,000,000	41%	51%
15	Fujian Minking Hydropower Co., Ltd.	Nanping, Fujian	Hydropower generation	RMB 81,000,000	100%	100%
16	Fujian Yong'an Gongchuan Hydropower Co., Ltd.	Yong'an, Fujian	Hydropower generation	RMB 50,000,000	61%	61%
17	Fujian Huatou Ximen Power Generation Co., Ltd.	Yong'an, Fujian	Hydropower generation	RMB 49,000,000	100%	100%

<i>No.</i>	<i>Name</i>	<i>Principal place of Business and Registration place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage direct / indirect</i>	<i>Voting rights direct / indirect</i>
18	Bayannao'er Jianji-zhongyan Wind Power Co., Ltd.	Bayannao'er, Inner Mongolia	Wind power generation	RMB 21,000,000	100%	100%
19	Huadian Nanning New Energy Co., Ltd.	Nanning, Guangxi	Distributed energy power generation	RMB 140,222,700	55%	55%
20	Huadian Shandong Rushan New Energy Co., Ltd.	Rushan, Shandong	Wind power generation	RMB 40,000,000	100%	100%
21	Inner Mongolia Huadian Hongtu Wind Power Co., Ltd.	Zhengxiangbaiqi, Inner Mongolia	Wind power generation	RMB 58,000,000	100%	100%
22	Zhoushan Huadian Xiaosha Wind Power Co., Ltd.	Zhoushan, Zhejiang	Wind power generation	RMB 7,000,000	100%	100%
23	Yunnan Huadian Lianhuashan Wind Power Co., Ltd.	Gejiu, Yunnan	Wind power generation	RMB 57,000,000	100%	100%
24	Yunnan Huadian Duogu Wind Power Co., Ltd.	Mengzi, Yunnan	Wind power generation	RMB 50,000,000	100%	100%
25	Jiangxi Huadian Jiujiang Distributed Energy Co., Ltd.	Jiujiang, Jiangxi	Distributed energy power generation	RMB 90,000,000	70%	70%
26	Inner Mongolia Huadian Guanghui Wind Power Co., Ltd.	Tuquan, Inner Mongolia	Wind power generation	RMB 3,000,000	100%	100%
27	Gansu Huadian Huanxian Wind Power Co., Ltd.	Huanxian, Gansu	Wind power generation	RMB 454,000,000	100%	100%
28	Huadian Hebei Qian'an New Energy Power Generation Co., Ltd.	Qian'an, Hebei	Distributed energy power generation	RMB 10,000,000	65%	65%
29	Tianjin Huadian Beichen Distributed Energy Co., Ltd.	Tianjin	Distributed energy power generation	RMB 10,000,000	65%	65%
30	Shanghai Huadian Min Hang Energy Co., Ltd.	Shanghai	Distributed energy power generation	RMB 150,000,000	100%	100%
31	Huadian Xiamen Distributed Energy Power Co., Ltd.	Xiamen, Fujian	Distributed energy power generation	RMB 50,000,000	100%	100%
32	Xinjiang Huadian Xuehu Wind Power Co., Ltd.	Urumqi, Xinjiang	Wind power generation	RMB 153,000,000	100%	100%
33	Yunnan Huadian Weidi Solar Power Co., Ltd.	Yongren, Yunnan	Solar power generation	RMB 44,000,000	100%	100%
34	Huadian Taizhou Medical City New Energy Co., Ltd.	Taizhou, Jiangsu	Distributed energy power generation	RMB 8,000,000	55%	55%
35	Huadian (Fujian) Wind Power Co., Ltd.	Pingtian, Fujian	Wind power generation	RMB 40,000,000	100%	100%
36	Fujian Huadian Quanhui Energy Co., Ltd.	Hui'an, Fujian	Coal-fired power generation	RMB 100,000,000	90%	90%

<i>No.</i>	<i>Name</i>	<i>Principal place of Business and Registration place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage direct / indirect</i>	<i>Voting rights direct / indirect</i>
37	Fujian Fuxin Coal Industry Co., Ltd.	Pingtang, Fujian	Coal purchases and sales	RMB 50,000,000	100%	100%
38	Yunnan Huadian Daheishan Wind Power Co., Ltd.	Kaiyuan, Yunnan	Wind power generation	RMB 85,000,000	100%	100%
39	Hubei Huadian Chuangyi Tiandi New Energy Co., Ltd.	Wuhan, Hubei	Distributed energy power generation	RMB 26,000,000	80%	80%
40	Huadian Fuxin Jiangmen Energy Co., Ltd.	Jiangmen, Guangdong	Distributed energy power generation	RMB 40,000,000	70%	70%
41	Hunan Huadian Fuxin Taipingli Wind Power Co., Ltd.	Yizhang, Hunan	Wind power generation	RMB 58,000,000	100%	100%
42	Huadian Fuxin Qingyuan Energy Co., Ltd.	Yingde, Guangdong	Distributed energy power generation	RMB 20,000,000	100%	100%
43	Huasheng Jiangyan Solar Power Co., Ltd.	Taizhou, Jiangsu	Solar power generation	RMB 10,000,000	100%	100%
44	Huadian Xinghua Solar Power Co., Ltd.	Taizhou, Jiangsu	Solar power generation	RMB 10,000,000	100%	100%
45	Huadian Fuxin Zhejiang Changxing Wind Power Co., Ltd.	Changxing, Zhejiang	Wind power generation	RMB 25,000,000	100%	100%
46	Gansu Minle Huadian Fuxin Solar Power Co., Ltd.	Zhangye, Gansu	Solar power generation	RMB 55,000,000	100%	100%
47	Gansu Dunhuang Huadian Fuxin Solar Power Co., Ltd.	Dunhuang, Gansu	Solar power generation	RMB 30,000,000	100%	100%
48	Huadian New Energy Development Co., Ltd.	Beijing	Wind power investment	RMB 3,691,512,500	100%	100%
49	Gansu Huadian Guazhou Wind Power Co., Ltd.	Guazhou, Gansu	Wind power generation	RMB 100,000,000	100%	100%
50	Gansu Huadian Yumen Wind Power Co., Ltd.	Yumen, Gansu	Wind power generation	RMB 360,000,000	100%	100%
51	Huadian Jilin Da'an Wind Power Co., Ltd.	Da'an, Jilin	Wind power generation	RMB 169,020,000	100%	100%
52	Inner Mongolia Huadian Huitengxile Wind Power Co., Ltd.	Wulanchabu, Inner Mongolia	Wind power generation	RMB 547,000,000	100%	100%
53	Inner Mongolia Huadian Bayin Wind Power Co., Ltd.	Baotou, Inner Mongolia	Wind power generation	RMB 239,000,000	100%	100%
54	Inner Mongolia Huadian Hongnijing Wind Power Co., Ltd.	Baotou, Inner Mongolia	Wind power generation	RMB 128,750,000	100%	100%
55	Inner Mongolia Huadian Wutaohai Wind Power Co., Ltd.	Keshiketengqi, Inner Mongolia	Wind power generation	RMB 160,000,000	100%	100%

<i>No.</i>	<i>Name</i>	<i>Principal place of Business and Registration place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage direct / indirect</i>	<i>Voting rights direct / indirect</i>
56	Inner Mongolia Huadian Jieji Wind Power Co., Ltd.	Kailu, Inner Mongolia	Wind power generation	RMB 110,000,000	100%	100%
57	Xinjiang Huadian Xiaocaohu Wind Power Co., Ltd.	Turpan, Xinjiang	Wind power generation	RMB 130,000,000	100%	100%
58	Xinjiang Huadian Bu'erjin Wind Power Co., Ltd.	Bu'erjin, Xinjiang	Wind power generation	RMB 98,000,000	100%	100%
59	Xinjiang Huadian Caohu Wind Power Co., Ltd.	Tuokexun, Xinjiang	Wind power generation	RMB 100,000,000	100%	100%
60	Huadian Tieling Wind Power Co., Ltd.	Tieling, Liaoning	Wind power generation	RMB 183,500,000	100%	100%
61	Huadian Tangyuan Wind Power Co., Ltd.	Tangyuan, Heilongjiang	Wind power generation	RMB 75,000,000	100%	100%
62	Hunan Huadian Chenzhou Wind Power Co., Ltd.	Chenzhou, Hunan	Wind power generation	RMB 60,000,000	100%	100%
63	Zhoushan Huadian Wind Power Co., Ltd.	Zhoushan, Zhejiang	Wind power generation	RMB 25,000,000	100%	100%
64	Huadian (Fuqing) Wind Power Co., Ltd.	Fuqing, Fujian	Wind power generation	RMB 140,000,000	100%	100%
65	Huadian Jilin Shuangliao Wind Power Co., Ltd.	Shuangliao, Jilin	Wind power generation	RMB 39,650,000	99.62%	99.62%
66	Huadian Jiayuguan New Energy Co., Ltd.	Jiayuguan, Gansu	Solar power generation	RMB 200,000,000	80%	80%
67	Hebei Huadian Shangyi Wind Power Co., Ltd.	Shangyi, Hebei	Wind power generation	RMB 173,310,000	70%	70%
68	Inner Mongolia Huadian Meiguiping Wind Power Co., Ltd.	Wulanchabu, Inner Mongolia	Wind power generation	RMB 335,250,000	75%	75%
69	Inner Mongolia Huadian Qintian Wind Power Co., Ltd.	Naimanqi, Inner Mongolia	Wind power generation	RMB 66,000,000	90%	90%
70	Shanxi Huadian Guangling Wind Power Co., Ltd. (i)(ii)	Guangling, Shanxi	Wind power generation	RMB 230,000,000	65%	100%
71	Huadian Hulin Wind Power Co., Ltd.	Hulin, Heilongjiang	Wind power generation	RMB 87,400,000	82%	82%
72	Shanghai Huadian Solar Power Co., Ltd.	Shanghai	Solar power generation	RMB 8,000,000	51%	51%
73	Huadian Shangde Dongtai Solar Power Co., Ltd.	Dongtai economic zone	Solar power generation	RMB 112,222,200	90%	90%

<i>No.</i>	<i>Name</i>	<i>Principal place of Business and Registration place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage direct / indirect</i>	<i>Voting rights direct / indirect</i>
74	Hubei Huadian Longgan Lake Biogas Power Co., Ltd.	Huanggang, Hubei	Biogas power generation	RMB 8,000,000	80%	80%
75	Huadian Baoqing Wind Power Co., Ltd.	Shuangyashan, Heilongjiang	Wind power generation	RMB 5,000,000	100%	100%
76	Huadian Jilin Gongzhuling Wind Power Co., Ltd.	Gongzhuling, Jilin	Wind power generation	RMB 1,000,000	100%	100%
77	Gansu Huadian Jingtai Wind Power Co., Ltd.	Jingtai, Gansu	Wind power generation	RMB 85,000,000	100%	100%
78	Huadian Weihai Wind Power Co., Ltd.	Weihai, Shandong	Wind power generation	RMB 5,000,000	80%	80%
79	Guangdong Huadian Qianshan Wind Power Co., Ltd.	Zhanjiang, Guangdong	Wind power generation	RMB 100,000,000	100%	100%
80	Huadian Tongyu Wind Power Co., Ltd.	Tongyu, Jilin	Wind power generation	RMB 10,000,000	100%	100%
81	Huadian Huachuan Heat Power Co., Ltd.	Jiamusi, Heilongjiang	Heat generation and sales	RMB 21,000,000	100%	100%
82	Huadian Golmud Solar Power Co., Ltd.	Golmud, Qinghai	Solar power generation	RMB 55,000,000	100%	100%
83	Gansu Huadian Minqin Power Generation Co., Ltd.	Minqin, Gansu	Solar power generation	RMB 75,000,000	100%	100%
84	Gansu Huadian Aksai Power Generation Co., Ltd.	Jiuquan, Gansu	Power generation	RMB 89,000,000	100%	100%
85	Inner Mongolia Huadian Bayinhangai Wind Power Co., Ltd.	Wulatezhongqi, Inner Mongolia	Wind power generation	RMB 5,000,000	80%	80%
86	Shanxi Huadian Yanggao Wind Power Co., Ltd. (i)(ii)	Yanggao, Shanxi	Wind power generation	RMB 80,000,000	65%	100%
87	Jiangsu Huadian Guanyun Wind Power Co., Ltd.	Guanyun, Jiangsu	Wind power generation	RMB 176,000,000	51%	51%
88	Inner Mongolia Sansheng Wind Power Co., Ltd.	Huade, Inner Mongolia	Wind power generation	RMB 90,000,000	90%	90%
89	Guangzhou University Town Huadian New Energy Co., Ltd.	Guangzhou, Guangdong	Distributed energy power generation	RMB 294,360,000	55%	55%
90	Fujian Huadian Kemen II Power Generation Co., Ltd.	Lianjiang, Fujian	Coal-fired power generation	RMB 250,000,000	100%	100%
91	Huadian (Xiamen) Energy Co., Ltd.	Xiamen, Fujian	Investment holding and wholesale	RMB 166,258,000	100%	100%
92	Fujian Gutian Shuangkoudu Hydropower Generation Co., Ltd.	Gutian, Fujian	Hydropower generation	RMB 49,008,000	100%	100%

<i>No.</i>	<i>Name</i>	<i>Principal place of Business and Registration place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage direct / indirect</i>	<i>Voting rights direct / indirect</i>
93	Zhouningxian Houlongxi Hydropower Generation Co., Ltd. (i)(ii)	Zhouning, Fujian	Hydropower generation	RMB 60,000,000	70%	100%
94	Yong'an Fenghai Power Generation Co., Ltd.	Yong'an Fujian	Hydropower generation	RMB 43,000,000	95%	95%
95	Yong'an Yinhe Power Generation Co., Ltd.	Yong'an Fujian	Hydropower generation	RMB 40,000,000	100%	100%
96	Fujian Jinxi Investment Co., Ltd.	Taining, Fujian	Hydropower generation	RMB 11,487,300	100%	100%
97	Nanjing Hengying Power Generation Co., Ltd.	Nanjing, Fujian	Hydropower generation	RMB 3,000,000	100%	100%
98	Hua'an Huashun Power Generation Co., Ltd.	Hua'an Fujian	Hydropower generation	RMB 500,000	100%	100%
99	Heilongjiang Huafu Power Investment Co., Ltd.	Harbin, Heilongjiang	Investment holding	RMB 260,000,000	80%	80%
100	Heilongjiang Huafu Wind Power Mulan Co., Ltd. (i)	Mulan, Heilongjiang	Wind power generation	RMB 30,000,000	47%	59%
101	Heilongjiang Huafu Wind Power Muling Co., Ltd. (i)	Muling, Heilongjiang	Wind power generation	RMB 186,000,000	49%	61%
102	Harbin Yilan Huafu Wind Power Co., Ltd. (i)	Yilan, Heilongjiang	Wind power generation	RMB 185,000,000	71%	89%
103	Heilongjiang Dongning Huafu Wind Power Co., Ltd. (i)	Dongning, Heilongjiang	Wind power generation	RMB 126,000,000	64%	80%
104	Harbin ChenHua Power New Technology Development Co., Ltd. (i)	Harbin, Heilongjiang	Provision of wind power technology	RMB 2,000,000	80%	100%
105	Inner Mongolia Huo-linguole Huafu Wind Power Co., Ltd. (i)	Huilinguole, Inner Mongolia	Wind power generation	RMB 10,000,000	80%	100%
106	Sanming Boyuan Investment Co., Ltd.	Shaxian, Fujian	Investment holding	RMB 15,000,000	100%	100%
107	Longyan Wanye Investment Co., Ltd.	Longyan, Fujian	Investment holding	RMB 10,000,000	99%	99%
108	Xiamen Gaoleike Investment Co., Ltd.	Xiamen, Fujian	Investment holding	RMB 36,000,000	87%	87%
109	Maoming Zhong'ao Wind Power Co., Ltd. (i)(ii)	Maoming, Guangdong	Wind power generation	RMB 83,288,000	51%	100%
110	Inner Mongolia Fulida Wind Power Co., Ltd.	Wulanchabu, Inner Mongolia	Wind power generation	RMB 100,000,000	80%	80%
111	Huachuan Biomass Co-generation Heat power Co., Ltd.	Jiamusi, Heilongjiang	Biomass power generation	RMB 60,130,000	100%	100%
112	Qitaihe Honghao Wind Power Co., Ltd. (i)(ii)	Qitaihe, Heilongjiang	Wind power generation	RMB 33,333,320	60%	100%

<i>No.</i>	<i>Name</i>	<i>Principal place of Business and Registration place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage direct / indirect</i>	<i>Voting rights direct / indirect</i>
113	Qitaihe Fengrun Wind Power Co., Ltd.	Qitaihe, Heilongjiang	Wind power generation	RMB 67,000,000	60%	60%
114	Zhangping Yongfu Hydropower Development Co., Ltd. (i)	Zhangping, Fujian	Hydropower generation	RMB 54,064,000	60%	100%
115	Beijing Yuandongtenghui Consulting Co., Ltd.	Fengtai, Beijing	Investment holding	RMB 1,000,000	100%	100%
116	Inner Mongolia Jiayao Wind Power Co., Ltd.	Xilinguole-meng, Inner Mongolia	Wind power generation	RMB 53,000,000	100%	100%
117	Dongning Ruixin Wind Power Development Co., Ltd.	Mudanjiang, Heilongjiang	Wind power generation	RMB 90,000,000	100%	100%
118	Xinjiang Huaran New Energy Co., Ltd.	Urumqi, Xinjiang	Wind power generation	RMB 100,000,000	67%	67%
119	Longyan Hexi Hydropower Co., Ltd. (i)	Zhangping, Fujian	Hydropower generation	RMB 20,000,000	60%	100%
120	Fujian Taiyu Investment (Group) Co., Ltd.	Nanping, Fujian	Investment holding	RMB 161,553,052	100%	100%
121	Fujian Shunchang Yangkou Hydropower Co., Ltd. (i)(ii)	Shunchang, Fujian	Hydropower generation	RMB 66,000,000	55%	75%
122	Nanping Xingyang Hydropower Co., Ltd.	Nanping, Fujian	Hydropower generation	RMB 1,000,000	55%	55%
123	Nanping Lanxi Hydropower Co., Ltd.	Nanping, Fujian	Hydropower generation	RMB 2,200,000	60%	60%
124	Nanping Xingfeng Hydropower Co., Ltd.	Nanping, Fujian	Hydropower generation	RMB 5,000,000	65%	65%
125	Jian'ou Xingdi Hydropower Development Co., Ltd.	Jian'ou Fujian	Hydropower generation	RMB 15,000,000	60%	60%
126	Fujian Jian'ou Xingguang Hydropower Development Co., Ltd.	Jian'ou Fujian	Hydropower generation	RMB 35,000,000	57%	57%
127	Jianyang Xingtai Hydropower Co., Ltd.	Jianyang, Fujian	Hydropower generation	RMB 8,000,000	51%	51%
128	Jianyang Xinghu Hydropower Co., Ltd.	Jianyang, Fujian	Hydropower generation	RMB 25,000,000	86%	86%
129	Jianyang Xingxin Hydropower Co., Ltd.	Jianyang, Fujian	Hydropower generation	RMB 6,000,000	54%	54%
130	Jianyang Xingda Hydropower Development Co., Ltd. (i)	Jianyang, Fujian	Hydropower generation	RMB 12,000,000	52%	100%
131	Zhenghexian Jinhe Hydropower Co., Ltd.	Zhenghe, Fujian	Hydropower generation	RMB 28,500,000	88%	88%
132	Fujian Songxixian Jinxing Hydropower Co., Ltd. (i)(ii)	Songxi, Fujian	Hydropower generation	RMB 13,000,000	45%	80%
133	Gutianxian Xingpu Hydropower Co., Ltd.	Gutian, Fujian	Hydropower generation	RMB 6,000,000	68%	68%



<i>No.</i>	<i>Name</i>	<i>Principal place of Business and Registration place</i>	<i>Business nature</i>	<i>Registered capital</i>	<i>Shareholding percentage direct / indirect</i>	<i>Voting rights direct / indirect</i>
134	Jiangsu Huadian Binhai Wind power Co., Ltd.	Yancheng, Jiangsu	Wind power generation	RMB 25,000,000	100%	100%
135	Urumqi Longyuan Jiafeng New energy investment Co., Ltd.	Urumqi, Xinjiang	Investment holding	RMB 90,000,000	100%	100%
136	Bu'erjin Jiyuan Wind Power Co., Ltd.	Bu'erjin, Xinjiang	Wind power generation	RMB 53,710,000	98.29%	98.29%
137	Habahe Jiyuan Wind Power Co., Ltd.	Habahe, Xinjiang	Wind power generation	RMB 13,142,000	97.32%	97.32%
138	Huadian Fuxin Xinjiang Energy Co., Ltd.	Hami, Xinjiang	Power generation	RMB 5,000,000	100%	100%
139	Huadian Fuxin Xinjiang Mulei Energy Co., Ltd.	Changji, Xinjiang	Wind power generation	RMB 5,000,000	100%	100%
140	Qitaixian Xinte Energy Co., Ltd.	Changji, Xinjiang	Solar power generation	RMB 1,000,000	100%	100%
141	Shanghai Huadian Fuxin Jiading Energy Co., Ltd.	Shanghai	Distributed energy power generation	RMB 5,000,000	90%	90%
142	Shanghai Huadian Fuxin Energy Co., Ltd.	Shanghai	Distributed energy power generation	RMB 48,000,000	51%	51%
143	Siziwangqi Xiehe Xiari Wind Power Co., Ltd.	Siziwangqi, Inner Mongolia	Wind power generation	RMB 40,000,000	100%	100%
144	Wulatezhongqi Xiehe Wind Power Co., Ltd.	Wulatezhongqi, Inner Mongolia	Wind power generation	RMB 40,000,000	100%	100%
145	Damaoqi Xiehe Wind Power Co., Ltd.	Baotou, Inner Mongolia	Wind power generation	RMB 40,000,000	100%	100%
146	Guyuan Xiehe Wind Power Co., Ltd.	Guyuan, Hebei	Wind power generation	RMB 5,000,000	100%	100%
147	Kangbao Xiehe Wind Power Co., Ltd.	Kangbao, Hebei	Wind power generation	RMB 10,000,000	100%	100%
148	Yiyang Xiehe Wind Power Co., Ltd.	Yiyang, Henan	Wind power generation	RMB 23,000,000	51%	51%
149	Gansu Jingyuan Hangtian Wind Power Co., Ltd.	Jingyuan, Gansu	Wind power generation	RMB 60,278,445	98%	98%
150	Fujian Huadian Shaowu Energy Co., Ltd.	Shaowu, Fujian	Coal-fired power generation	RMB 500,000,000	100%	100%
151	Huadian Fuxin Guangdong Energy Co., Ltd.	Guangzhou, Guangdong	Power generation	RMB 10,000,000	100%	100%
152	Huadian Fuxin Anhui New Energy Co., Ltd.	Wuhu, Anhui	Wind power generation	RMB 75,000,000	100%	100%
153	Wuweiishi Tianhe Solar Power Co., Ltd.	Minqin, Gansu	Solar power generation	RMB 161,180,000	100%	100%
154	Huadian Fuxin International Investment Co., Ltd.	Hong Kong	Investment holding	HKD 390,000,000	100%	100%
155	Elecedey Barchin, S.A.	Spain	Wind power generation	EUR 200,000	100%	100%

- i: The “proportion of shareholding” is smaller than the “proportion of voting rights” in the above because: “proportion of shareholding” refers to the proportion of interests in the investee (the impact of indirect shareholding is calculated where there is indirect shareholding), while “proportion of voting rights” refers to the proportion of voting rights controlled by the investee’s decision-making body (including the voting rights of indirect shareholding and the voting rights controlled through shareholder voting agreements, where applicable).
  - ii: During the above financial statement period, the Group signed shareholder voting agreements with some of the investee’s minority shareholders. Pursuant to the agreements, these minority shareholders agree to take the same stance as the Group when voting on the investee’s financial and operating decisions from the date the investee is established, and continue to do so throughout their entire shareholding period.
- (2) Business combinations not involving enterprises under common control during the year
- (a) The acquisition of Wuweishi Tianhe Solar Power Co., Ltd. (“Wuwei Tianhe”)

At the acquisition date of 3 April 2014, the Company acquired a 100% interest in Wuwei Tianhe, by paying RMB190,357,894 in cash as combination cost. As at 31 December 2014, a balance of RMB10,357,894 of cash consideration remained unsettled.

The fair value of 100% of Wuwei Tianhe’s equity acquired by the Company was RMB190,357,894 at the acquisition date.

Wuwei Tianhe is a company registered in Minqin, Gansu on 23 July 2012, and is engaged in solar power generation.

Wuwei Tianhe’s financial information is as follows:

	<i>From acquisition date to 31 December 2014</i>
Revenue	25,902,614
Net loss	(6,496,399)
Net cash outflow	32,370,533

The carrying amount of assets and liabilities are as follows:

	<u>3 Apr 2014</u>		<u>31 Dec 2013</u>
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>
Cash at bank and on hand	33,149,540	33,149,540	7,502,559
Bills receivable	1,300,000	1,300,000	850,000
Accounts receivable	23,680,352	23,680,352	15,543,149
Prepayments	120,000	120,000	-
Other receivables	100,000	100,000	63,663
Fixed assets	386,017,569	416,657,918	392,296,864
Other non-current assets	42,770,116	42,770,116	45,522,149
Accounts payable	(18,541,958)	(18,541,958)	(227,062,535)
Employee benefits payable	(20,793)	(20,793)	(23,102)
Taxes payable	-	-	(1,342,783)
Interest payable	(1,197,194)	(1,197,194)	(140,097)
Other payables	-	-	(560)
Deferred tax liabilities	-	(7,660,087)	-
Long-term loans	(300,000,000)	(300,000,000)	(70,000,000)
	<hr/>	<hr/>	<hr/>
Identifiable net assets	167,377,632	190,357,894	163,209,307
	<hr/>	<hr/>	<hr/>

- (b) The acquisition of Elecdey Barchín, S.A. – Sociedad Unipersonal (“Elecdey Barchin”)

At the acquisition date of 15 December 2014, the Company’s subsidiary, Huadian Fuxin International Investment Co., Ltd. acquired a 100% interest in Elecdey Barchin, by paying EUR3,669,093 in cash as combination cost.

The fair value of 100% of Elecdey Barchin’s equity acquired by the Company was EUR3,669,093 at the acquisition date.

Elecdey Barchin is a company registered in Spain on 29 October 2009, and is engaged in wind power generation.

The identifiable assets and liabilities:

	<u>15 Dec 2014</u>		<u>31 Dec 2013</u>
	<i>Carrying amount</i>	<i>Fair value</i>	<i>Carrying amount</i>
Cash at bank and on hand	8,622,108	8,622,108	6,676
Accounts receivable	10,400,552	10,400,552	9,523,180
Prepayments	1,779,802	1,779,802	558,698
Other current assets	906,778	906,778	-
Fixed assets	224,082,097	228,002,272	267,923,874
Deferred tax assets	1,287,888	1,287,888	1,454,289
Other non-current assets	16,645,105	16,645,105	42,095
Short-term loans	(234,155,114)	(234,155,114)	(241,646,968)
Accounts payable	(5,570,059)	(5,570,059)	(2,138,230)
Taxes payable	-	-	(5,630,326)
Interest payable	-	-	(14,213,940)
Identifiable net assets	<u>23,999,157</u>	<u>27,919,332</u>	<u>15,879,348</u>

(3) Material non-controlling interests

Ownership interests held by non-controlling interests (“NCI”) of the Company’s subsidiaries that are material to the Group are set out as follows:.

2014

<i>Name of the Subsidiary</i>	<i>Proportion of ownership interest held by NCI</i>	<i>profit or loss allocated to NCI during the year</i>	<i>Dividend paid to NCI during the year</i>	<i>Accumulated NCI at the end of the year</i>
Fujian Mianhuatan Hydropower development Co., Ltd. (“Mianhuatan Hydropower”)	40%	69,115,424	64,000,682	717,120,590
Mindong Hydropower Development Co., Ltd. (“Mindong Hydropower”)	49%	67,510,744	44,100,000	243,278,841
Guangzhou University Town Huadian New Energy Co., Ltd. (“University Town”)	45%	20,076,243	18,450,000	169,004,371
Fujian Jinhu Power Generation Co., Ltd. (“Fujian Jinhu”) (note 1)	50%	25,352,119	2,796,648	165,465,247

2013

<i>Name of the Subsidiary</i>	<i>Proportion of ownership interest held by NCI</i>	<i>profit or loss allocated to NCI during the year</i>	<i>Dividend paid to NCI during the year</i>	<i>Accumulated NCI at the end of the year</i>
Mianhuatan Hydropower	40%	102,333,918	59,703,310	712,005,848
Mindong Hydropower	49%	26,543,575	22,050,000	219,868,097
University Town	45%	20,798,073	18,900,000	167,378,128
Fujian Jinhu (note 1)	50%	5,369,451	10,510,590	142,909,776

Note 1: Fujian Huadian Electric Power Engineering Co., Ltd. and Xiamen Gaoleike Investment Co., Ltd (“Xiamen Gaoleike”) hold 38% and 12% equity interests in Fujian Jinhui, respectively. Xiamen Gaoleike is not a wholly owned subsidiary of the Group. Only is the equity attributable to non-controlling interests of Fujian Jinhui presented here, not including the non-controlling interests of Fujian Jinhui shared by the non-controlling shareholders of Xiamen Gaoleike.

The following table sets out the key financial information of the above subsidiaries without offsetting internal transactions, but with adjustments made in light of the fair value at the consolidation date and difference in accounting policies:

	<i>Mianhuatan Hydropower</i>		<i>Mindong Hydropower</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Current assets	67,650,351	216,759,503	52,248,460	33,708,900
Non-current assets	3,353,577,755	3,478,329,934	1,062,350,603	1,089,635,543
<b>Total assets</b>	<b>3,421,228,106</b>	<b>3,695,089,437</b>	<b>1,114,599,063</b>	<b>1,123,344,443</b>
Current liabilities	592,974,322	1,449,856,119	197,680,178	234,256,310
Non-current liabilities	1,035,452,309	465,218,698	420,431,454	440,377,731
<b>Total liabilities</b>	<b>1,628,426,631</b>	<b>1,915,074,817</b>	<b>618,111,632</b>	<b>674,634,041</b>
Operating income	524,289,692	667,084,643	336,575,568	222,641,994
Net profit	172,788,560	255,834,795	137,777,029	54,170,562
Total comprehensive income	172,788,560	255,834,795	137,777,029	54,170,562
Cash flows from operating activities	372,316,258	565,903,166	245,472,680	199,834,391
	<i>University Town</i>		<i>Fujian Jinhui</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Current assets	91,289,894	81,801,304	61,522,800	32,016,775
Non-current assets	492,990,073	527,933,000	771,540,099	795,244,893
<b>Total assets</b>	<b>584,279,967</b>	<b>609,734,304</b>	<b>833,062,899</b>	<b>827,261,668</b>
Current liabilities	65,994,923	74,156,561	173,591,114	132,282,416
Non-current liabilities	142,719,776	163,626,348	326,022,460	406,504,075
<b>Total liabilities</b>	<b>208,714,699</b>	<b>237,782,909</b>	<b>499,613,574</b>	<b>538,786,491</b>
Operating income	429,061,678	421,295,390	243,345,014	190,723,257
Net profit	44,613,874	46,217,939	50,625,405	10,742,350
Total comprehensive income	44,613,874	46,217,939	50,625,405	10,742,350
Cash flows from operating activities	96,684,470	102,739,452	141,668,643	134,398,798

7 Cash at bank and on hand

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Cash on hand	740,920	607,161	17,896	10,239
Deposits with banks	3,958,170,011	2,001,799,717	1,633,620,947	203,914,778
<b>Total</b>	<b>3,958,910,931</b>	<b>2,002,406,878</b>	<b>1,633,638,843</b>	<b>203,925,017</b>
Less: Guarantee deposit (i)	662,598,576	228,347,933	51,012,000	-
Deposit with banks for specific purpose (ii)	5,325,578	5,311,453	3,833,771	3,824,850
<b>Cash and cash equivalents</b>	<b>3,290,986,777</b>	<b>1,768,747,492</b>	<b>1,578,793,072</b>	<b>200,100,167</b>

- (i) Guarantee deposits refer to those for bank acceptance bills and performance bond.
- (ii) Deposit with banks for specific purpose are mainly “amounts from unit sale in housing reform” and public maintenance funds. According to the Notice on Opinions on Strengthened Administration of Income from Sale of State-owned Houses (Guo Ban [1996] No.34), income from the sale of state-owned houses will be put under the special account of “amounts from unit sale in housing reform” and public maintenance funds for specific use.

8 Bills receivable

	<i>The Group</i>	
	<i>2014</i>	<i>2013</i>
Bank acceptance bills	51,055,951	97,974,798

All of the above bills held by the Group are due within one year.

9 Accounts receivable

(1) Accounts receivable by nature are as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Sales of electricity	3,317,794,040	2,755,201,194	43,889,705	50,598,507
Others	157,372,212	229,502,735	1,359,000	2,000,000
Sub-total	3,475,166,252	2,984,703,929	45,248,705	52,598,507
Less: provision for bad and doubtful debts	34,489,660	33,608,449	-	-
Total	3,440,676,592	2,951,095,480	45,248,705	52,598,507

All of the amounts of accounts receivable are due from the third parties.

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

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Within 1 year (inclusive)	2,367,206,850	2,342,919,364	45,248,705	52,598,507
Over 1 year but within 2 years (inclusive)	477,455,632	133,341,139	-	-
Over 2 years but within 3 years (inclusive)	133,242,288	490,739,921	-	-
Over 3 years	497,261,482	17,703,505	-	-
Sub-total	3,475,166,252	2,984,703,929	45,248,705	52,598,507
Less: provision for bad and doubtful debts	34,489,660	33,608,449	-	-
Total	3,440,676,592	2,951,095,480	45,248,705	52,598,507

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

- (3) An analysis of the movements of provisions for impairment of receivables for the year is as follows:

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Balance at the beginning of the year	33,608,449	137,768
Addition during the year	881,211	33,470,681
	<u>34,489,660</u>	<u>33,608,449</u>

The Group's accounts receivable of RMB34,489,660 as at 31 December 2014 (31 December 2013: RMB33,608,449) were individually determined to be impaired. The individually impaired receivables related to the counterparties that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised. The Group does not hold any collateral over these balances.

## 10 Other receivables

- (1) Other receivables by customer are as follows:

	<i>The Group</i>		<i>The Company</i>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Amounts due from subsidiaries	-	-	5,568,629,238	3,209,999,238
Amounts due from other parties	66,750,387	42,889,056	14,757,000	-
Amounts due from non-related parties:				
- Loans and interests due from third parties	140,518,260	205,515,652	-	-
- CER receivable	166,783,951	179,292,308	-	-
- Others	278,971,381	177,741,782	23,020,642	29,516,014
Sub-total	<u>653,023,979</u>	<u>605,438,798</u>	<u>5,606,406,880</u>	<u>3,239,515,252</u>
Less: provision for bad and doubtful debts	181,947,401	196,144,581	6,687,535	6,669,535
Total	<u>471,076,578</u>	<u>409,294,217</u>	<u>5,599,719,345</u>	<u>3,232,845,717</u>



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

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Within 1 year (inclusive)	200,028,939	135,998,066	3,835,376,998	2,282,472,150
Over 1 year but within 2 years (inclusive)	125,560,582	111,426,321	1,217,316,909	303,173,152
Over 2 years but within 3 years (inclusive)	91,263,064	141,895,478	64,925,853	647,200,415
Over 3 years	236,171,394	216,118,933	488,787,120	6,669,535
Sub-total	653,023,979	605,438,798	5,606,406,880	3,239,515,252
Less: provision for bad and doubtful debts	181,947,401	196,144,581	6,687,535	6,669,535
Total	471,076,578	409,294,217	5,599,719,345	3,232,845,717

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

(3) An analysis of the movements of provisions for impairment of receivables for the year is as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Balance at the beginning of the year	196,144,581	60,972,893	6,669,535	6,669,535
Addition during the year	408,529	216,289,071	18,000	-
Reversal during the year	(1,706,823)	-	-	-
Write-off during the year	(12,898,886)	(81,117,383)	-	-
Balance at the end of the year	181,947,401	196,144,581	6,687,535	6,669,535

The Group's other receivables of RMB181,947,401 as at 31 December 2014 (31 December 2013: RMB196,144,581) were individually determined to be impaired. The individually impaired receivables related to the counterparties that were in financial difficulties and management assessed that the receivables are not expected to be recovered. Consequently, specific allowances for doubtful debts were recognised. The Group does not hold any collateral over these balances.

## 11 Prepayments

(1) Prepayments by category are as follows:

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Fuels and spare parts prepayments	160,294,741	79,639,547
Others	62,214,521	61,276,131
	<hr/>	<hr/>
Sub-total	222,509,262	140,915,678
Less: provision for impairment	22,214	18,810
	<hr/>	<hr/>
Total	<u>222,487,048</u>	<u>140,896,868</u>

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

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Within 1 year (inclusive)	197,874,218	119,379,780
Over 1 year but within 2 years (inclusive)	4,385,728	6,476,994
Over 2 years but within 3 years (inclusive)	5,190,412	15,058,904
Over 3 years	15,058,904	-
	<hr/>	<hr/>
Sub-total	222,509,262	140,915,678
Less: provision for impairment	22,214	18,810
	<hr/>	<hr/>
Total	<u>222,487,048</u>	<u>140,896,868</u>

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

(3) An analysis of the movements of provisions for impairment for the year is as follows:

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Balance at the beginning of the year	18,810	18,810
Addition during the year	3,404	-
	<hr/>	<hr/>
Balance at the end of the year	<u>22,214</u>	<u>18,810</u>

## 12 Inventories

(1) Movements of inventories for the year are as follows:

<i>The Group</i>	<i>Balance at 1 Jan 2014</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at 31 Dec 2014</i>
Coal	300,344,246	4,521,406,903	4,520,714,133	301,037,016
Fuel oil	6,041,786	8,517,681	9,837,156	4,722,311
Spare parts and others	117,512,630	419,162,877	403,748,889	132,926,618
Sub-total	423,898,662	4,949,087,461	4,934,300,178	438,685,945
Less: Provision for impairment of inventories	12,142,612	351,592	351,592	12,142,612
Total	411,756,050	4,948,735,869	4,933,948,586	426,543,333
<i>The Group</i>	<i>Balance at 1 Jan 2013</i>	<i>Additions during the year</i>	<i>Reductions during the year</i>	<i>Balance at 31 Dec 2013</i>
Coal	221,218,765	4,446,235,092	4,367,109,611	300,344,246
Fuel oil	8,697,918	23,129,609	25,785,741	6,041,786
Spare parts and others	125,781,108	356,982,363	365,250,841	117,512,630
Sub-total	355,697,791	4,826,347,064	4,758,146,193	423,898,662
Less: Provision for impairment of inventories	13,212,739	1,018,931	2,089,058	12,142,612
Total	342,485,052	4,825,328,133	4,756,057,135	411,756,050

The provision for impairment of inventories mainly represents the provision for impairment of spare parts of retired fixed assets.

At the beginning and the end of the year, no inventories were pledged as security by the Group.

(2) An analysis of provision for impairment of inventories is as follows:

<i>The Group</i>	<i>Balance at 1 Jan 2014</i>	<i>Provision made for the year</i>	<i>Written back during the year</i>		<i>Balance at 31 Dec 2014</i>
			<i>Reversal</i>	<i>Transferred out</i>	
Spare parts and others	12,142,612	351,592	8,547	343,045	12,142,612
<i>The Group</i>	<i>Balance at 1 Jan 2013</i>	<i>Provision made for the year</i>	<i>Written back during the year</i>		<i>Balance at 31 Dec 2013</i>
			<i>Reversal</i>	<i>Transferred out</i>	
Spare parts and others	13,212,739	1,018,931	-	2,089,058	12,142,612

### 13 Other current assets

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Deductible VAT input tax	1,052,490,641	873,798,175	966,723	6,001,900
Income tax paid in advance	17,626,550	33,221,087	-	-
Others	3,741,245	3,807,845	-	66,600
Total	1,073,858,436	910,827,107	966,723	6,068,500

### 14 Available-for-sale financial assets

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Equity instruments	517,100,184	517,100,184	133,845,084	133,845,084
Less: provision for impairment (i)	4,800,000	4,800,000	-	-
Total	512,300,184	512,300,184	133,845,084	133,845,084

(i) The Company's subsidiary, Heilongjiang Huafu Power Investment Company Limited ("Heilongjiang Huafu") held 24% equity interest in Hainan Fangyuan Water World Company Limited. In recent years, Heilongjiang Huafu had lost contact with Hainan Fangyuan Water World Company Limited. The Group believed that the investment was not recoverable, thus fully provided for impairment.

15 Long-term receivables

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Disposal of fixed assets by installments	121,300,228	115,962,805	-	-
Loans due from related party	28,178,700	28,178,700	500,000,000	500,000,000
Total	149,478,928	144,141,505	500,000,000	500,000,000

16 Long-term equity investments

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Investments in subsidiaries	-	-	10,113,633,416	9,160,918,532
Investments in a joint venture	9,800,000	-	9,800,000	-
Investments in associates	4,423,479,769	3,545,609,391	3,798,795,041	3,252,958,189
Total	4,433,279,769	3,545,609,391	13,922,228,457	12,413,876,721

- (1) As at 31 December 2014, the Company's investments in subsidiaries were as follows:

	<i>The Company</i>	
	2014	2013
Huadian New Energy Development Co., Ltd.	3,878,741,982	3,878,741,982
Fujian Huadian Kemen Power Generation Co., Ltd.	900,000,000	900,000,000
Huadian (Xiamen) Energy Co., Ltd.	678,705,178	678,705,178
Fujian Huadian Yong'an Power Generation Co., Ltd.	663,000,000	663,000,000
Fujian Huadian Zhangping Coal-fired Power Co., Ltd.	610,000,000	610,000,000
Mianhuatan Hydropower	483,331,534	483,331,534
Fujian Huadian Electric Power Engineering Co., Ltd.	478,408,499	478,408,499
Fujian Taiyu Investment (Group) Co., Ltd.	370,113,408	369,867,074
Huadian Fuxin International Investment Co., Ltd.	308,111,700	-
Wuwei Tianhe	190,357,894	-
Huadian Xinghua Solar Power Co., Ltd.	153,000,000	10,000,000
Urumqi Longyuan Jiafeng New Energy Investment Co., Ltd.	115,000,000	-
Mindong Hydropower	111,031,500	111,031,500
Yunnan Huadian Daheishan Wind Power Co., Ltd.	85,000,000	5,000,000
Xiamen Gaoleike Investment Co., Ltd.	79,733,395	79,733,395
Fujian Minxing Hydropower Co., Ltd. (i)	75,330,000	75,330,000
Huadian Fuxin Anhui New Energy Co., Ltd.	75,000,000	-
Yong'an Yinhe Power Generation Co., Ltd.	61,919,025	61,919,025
Hunan Huadian Fuxin Taipingli Wind Power Co., Ltd.	58,000,000	10,000,000
Gansu Minle Huadian Fuxin Solar Power Co., Ltd.	55,000,000	10,000,000
Sanming Boyuan Investment Co., Ltd.	54,246,013	54,246,013
Fujian Fuxin Coal Industry Co., Ltd.	50,000,000	50,000,000
Huadian (Fujian) Wind Power Co., Ltd.	40,000,000	40,000,000
Gansu Dunhuang Huadian Fuxin Solar Power Co., Ltd.	40,000,000	10,000,000
Damaoqi Xiehe Wind Power Co., Ltd.	40,000,000	-
Wulatezhongqi Xiehe Wind Power Co., Ltd.	40,000,000	-
Siziwangqi Xiehe Xiari Wind Power Co., Ltd.	40,000,000	-
Fujian Huadian Shaowu Energy Co., Ltd.	40,000,000	-
Kangbao Xiehe Wind Power Co., Ltd.	37,000,000	-
Huadian Fuxin Jiangmen Energy Co., Ltd.	28,000,000	28,000,000
Fujian Huadian Quanhui Energy Co., Ltd.	27,000,000	18,000,000
Huadian Fuxin Zhejiang Changxing Wind Power Co., Ltd.	25,000,000	5,000,000
Jiangsu Huadian Binhai Wind Power Co., Ltd.	25,000,000	-
Longyan Wanye Investment Co., Ltd.	24,693,288	24,693,288
Shanghai Huadian Fuxin Energy Co., Ltd.	24,480,000	-
Yiyang Xiehe Wind Power Co., Ltd.	21,930,000	-
Qitaixian Xinte Energy Co., Ltd.	21,000,000	-
Hubei Huadian Chuangyitiandi New Energy Co., Ltd.	20,800,000	16,000,000
Huadian Fuxin Qingyuan Energy Co., Ltd.	20,000,000	10,000,000
Huadian Fuxin Xinjiang Mulei Energy Co., Ltd.	20,000,000	-
Huadian Fujian Quanzhou Power Generation Co., Ltd.	10,200,000	10,200,000
Huasheng Jiangyan Solar Power Co., Ltd.	10,000,000	10,000,000
Huadian Fuxin Guangdong Energy Co., Ltd.	10,000,000	-
Guyuan Xiehe Wind Power Co., Ltd.	5,000,000	-
Huadian Fuxin Xinjiang Energy Co., Ltd.	5,000,000	-
Shanghai Huadian Fuxin Jiading Energy Co., Ltd.	4,500,000	-
Fujian Huadian Kemen II Power Generation Co., Ltd. (ii)	-	459,711,044
Sub-total	10,113,633,416	9,160,918,532
Less: Provision for impairment	-	-
Total	10,113,633,416	9,160,918,532

Detailed information about the subsidiaries is set out in Note 6.

- (i) The Company acquired 31% equity interest in Fujian Minxing Hydropower Co., Ltd. (“Minxing Hydropower”) in 2010, while its wholly owned subsidiary Fujian Huadian Electric Power Engineering Co., Ltd. held the remaining 69% share. As such, the Group treated its 31% equity interest in Minxing Hydropower as investment in subsidiary and accounted for it using the cost method.
- (ii) In November 2014, the Company transferred its 100% equity interest in Fujian Huadian Kemen II Power Generation Co., Ltd. (“Kemen II”) to its wholly owned subsidiary, Fujian Huadian Kemen Power Generation Co., Ltd., at an aggregate consideration of RMB758,260,400. Therefore, Kemen II was not a directly controlled subsidiary of the Company as at 31 December 2014.
- (2) As at 31 December 2014, the Group’s and the Company’s investments in joint ventures were as follows:

	<i>Note</i>	<i>The Group</i>		<i>The Company</i>	
		<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Immaterial joint ventures	<i>(i)</i>	9,800,000	-	9,800,000	-
Sub-total		9,800,000	-	9,800,000	-
Less: Provision for Impairment		-	-	-	-
Total		9,800,000	-	9,800,000	-

- (i) Details of immaterial joint ventures accounted for using the equity method is summarised as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Aggregate carrying amount of investments	9,800,000	-	9,800,000	-

- (3) As at 31 December 2014, the Group's and the Company's investments in associates were as follows:

	Note	<i>The Group</i>		<i>The Company</i>	
		2014	2013	2014	2013
Material associates	(i)	4,167,939,191	3,319,014,577	3,758,292,659	3,227,752,560
Immaterial associates	(ii)	255,540,578	226,594,814	40,502,382	25,205,629
Sub-total		4,423,479,769	3,545,609,391	3,798,795,041	3,252,958,189
Less: Provision for impairment		-	-	-	-
Total		4,423,479,769	3,545,609,391	3,798,795,041	3,252,958,189

- (i) Details of the Group's material associates are as follows:

<i>Name of enterprise</i>	<i>Principal place of business</i>	<i>Registered place</i>	<i>Registered capital</i>	<i>Shareholding percentage</i>	<i>Business nature</i>	<i>Strategic to the Group's activities?</i>
Fujian Fuqing Nuclear Power Co., Ltd. ("Fuqing Nuclear") (note 1)	Fujian China	China	RMB 8,920,000,000	39%	Nuclear power generation	Yes
China WindPower (Group) Co., Ltd. ("China WindPower") (note 2)	Mainland China	Bermuda	HKD 880,000,000	9.84%	Power station construction	Yes
Zhonghai Fujian Gas Power Generation Co., Ltd. ("Zhonghai Gas Power") (note 1)	Fujian China	China	RMB 777,000,000	25%	Gas power generation	No
Pingnan Houlongxi Hydropower Co., Ltd. ("Pingnan Houlongxi") (note 3)	Fujian China	China	RMB 86,000,000	45%	Hydropower generation	No

Note 1: Fuqing Nuclear and Zhonghai Gas Power are also material associates of the Company. The Company holds 39% equity interest in Fuqing Nuclear and 25% equity interest in Zhonghai Gas Power, respectively. The shareholding percentages of the Company are the same as that of the Group. The Company and the Group account for the investments using the equity method.

Note 2: The Group holds 9.84% equity interest and voting rights in China WindPower. Though it holds less than 20% percent of the voting rights, because that the Group has representation on the board of directors and participates in the financial and operating policy-making processes of China WindPower, the management of the Group determine that the Group has significant influence over China WindPower, treats the investment as investment in associates and accounts for it using the equity method.



Note 3: The Company holds 5% equity interest in Pingnan Houlongxi, while its wholly owned subsidiary Huadian (Xiamen) Energy Company Limited holds 40% equity interest in Pingnan Houlongxi. As such, the Company treats its investment of 5% equity interest in Pingnan Houlongxi as having significant influence over Pingnan Houlongxi and accounts for it using the equity method.

The following table sets out the key financial information of the Group's material associates, adjusted for fair value adjustments at the time of acquisition and the differences in adopting accounting policies of the Group. The table also reconciles the key financial information to the carrying amount of the Group's investments in the joint ventures when using the equity method:

	<i>Fuqing Nuclear</i>		<i>China Wind Power</i>		<i>Zhonghai Gas Power</i>		<i>Pingnan Houtouxi</i>	
	2014	2013	2014	2013 (note 4)	2014	2013	2014	2013
Current assets	2,754,558,452	1,383,331,012	3,322,550,028	-	294,332,060	679,498,588	20,912,551	22,699,544
Non-current assets	44,422,629,570	34,611,232,254	3,870,002,502	-	2,971,946,156	3,164,136,743	377,588,038	393,156,186
Total assets	47,177,188,022	35,994,563,266	7,192,552,530	-	3,266,278,216	3,843,635,331	398,500,589	415,855,730
Current liabilities	1,679,054,205	448,552,686	2,755,067,096	-	1,052,702,082	1,357,150,345	63,640,240	62,923,886
Non-current liabilities	36,483,831,237	28,066,010,580	1,216,474,316	-	1,289,000,000	1,289,000,000	103,150,000	125,280,000
Total liabilities	38,162,885,442	28,514,563,266	3,971,541,412	-	2,341,702,082	2,646,150,345	166,790,240	188,203,886
Net assets	9,014,302,580	7,480,000,000	3,221,011,118	-	924,576,134	1,197,484,986	231,710,349	227,651,844
Group's share of net assets	3,515,578,006	2,917,200,000	316,947,494	-	231,144,033	299,371,246	104,269,657	102,443,330
Carrying amount of interests in associates	3,515,578,006	2,917,200,000	316,947,494	-	231,144,033	299,371,246	104,269,657	102,443,330
Operating income	332,724,331	-	2,812,556,519	-	1,845,206,335	2,445,428,236	50,652,126	38,425,549
Net profit	94,302,579	-	242,194,761	-	67,178,285	377,944,041	4,058,505	(8,005,763)
Total comprehensive income	94,302,579	-	242,194,761	-	67,178,285	377,944,041	4,058,505	(8,005,763)
Dividends received from associates for the year	-	-	-	-	85,021,784	48,242,360	-	-

Note 4: As the Group has invested in China WindPower since 19 March 2014, the financial information of China WindPower in 2013 is not disclosed in the financial statements.

There is a quoted price in open markets for the investment in China WindPower. The fair value of the investment is RMB288,095,324 with reference to the quoted price in open market as at 31 December 2014.

(ii) Details of immaterial associates accounted for using the equity method are summarised as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Aggregate carrying amount of investments	255,540,578	226,594,814	40,502,382	25,205,629
Aggregate amount of share of				
- Net profit	10,322,563	2,669,096	15,296,753	61,967
- Total comprehensive income	10,322,563	2,669,096	15,296,753	61,967

## 17 Fixed assets

### (1) Fixed assets by category:

<i>The Group</i>	<i>Buildings &amp; structures</i>	<i>Machinery &amp; related equipment</i>	<i>Motor vehicles</i>	<i>Electronic equipment &amp; Others</i>	<i>Total</i>
<b>Cost</b>					
Balance as at 1 January 2013	11,315,866,088	34,639,825,507	244,285,804	220,160,041	46,420,137,440
Additions during the year					
- Additions	24,042,375	51,768,603	15,590,051	15,910,521	107,311,550
- Acquired through business combination	858,640,906	275,410,834	827,549	1,708,098	1,136,587,387
- Transfer from construction in progress	1,098,276,131	6,864,380,032	10,007,082	25,264,158	7,997,927,403
Reclassification	435,071,022	(443,324,493)	(112,199)	8,365,670	-
Disposal during the year	(23,076,311)	(285,309,520)	(10,103,628)	(5,388,693)	(323,878,152)
Transfer to intangible assets	(249,729,156)	(4,836,233)	-	-	(254,565,389)
Balance as at 31 December 2013	13,459,091,055	41,097,914,730	260,494,659	266,019,795	55,083,520,239
Additions during the year					
- Additions	10,686,845	25,310,969	21,110,389	17,156,238	74,264,441
- Acquired through business combination	65,907,237	749,282,388	-	-	815,189,625
- Transfer from construction in progress	663,767,097	8,974,069,650	8,230,495	50,420,737	9,696,487,979
Reclassification	88,909,487	(87,062,809)	290,389	(2,137,067)	-
Disposal during the year	(88,812,458)	(1,225,235,106)	(12,151,479)	(15,248,972)	(1,341,448,015)
Transfer to intangible assets	(3,750,611)	-	-	-	(3,750,611)
Balance as at 31 December 2014	14,195,798,652	49,534,279,822	277,974,453	316,210,731	64,324,263,658
<b>Less: Accumulated depreciation</b>					
Balance as at 1 January 2013	2,931,004,728	6,342,715,187	115,846,041	110,722,121	9,500,288,077
Charge for the year	351,585,430	1,735,224,242	28,147,146	24,278,918	2,139,235,736
Reclassification	(19,445,432)	7,259,036	5,992,735	6,193,661	-
Written off on disposal	(19,625,191)	(147,229,786)	(9,855,902)	(5,239,060)	(181,949,939)
Transfer to intangible assets	(47,151,569)	(3,168,948)	-	-	(50,320,517)
Balance as at 31 December 2013	3,196,367,966	7,934,799,731	140,130,020	135,955,640	11,407,253,357
Charge for the year	362,921,033	2,175,777,977	28,922,243	33,050,450	2,600,671,703
Reclassification	28,612,430	(28,181,950)	149,521	(580,001)	-
Written off on disposal	(76,861,155)	(1,131,831,978)	(11,278,833)	(12,005,570)	(1,231,977,536)
Transfer to intangible assets	(156,275)	-	-	-	(156,275)
Balance as at 31 December 2014	3,510,883,999	8,950,563,780	157,922,951	156,420,519	12,775,791,249
<b>Less: Provision for impairment</b>					
Balance as at 1 January 2013	55,529,468	94,109,151	648,308	1,952,524	152,239,451
Written off on disposal	-	(15,298,282)	-	(144,551)	(15,442,833)
Balance as at 31 December 2013	55,529,468	78,810,869	648,308	1,807,973	136,796,618
Charge for the year	-	298,708	-	-	298,708
Written off on disposal	-	(40,706,818)	-	(659,607)	(41,366,425)
Balance as at 31 December 2014	55,529,468	38,402,759	648,308	1,148,366	95,728,901
<b>Carrying amounts</b>					
Balance as at 31 December 2014	10,629,385,185	40,545,313,283	119,403,194	158,641,846	51,452,743,508
Balance as at 31 December 2013	10,207,193,621	33,084,304,130	119,716,331	128,256,182	43,539,470,264

<i>The Company</i>	<i>Buildings &amp; structures</i>	<i>Generators &amp; related equipment</i>	<i>Motor vehicles</i>	<i>Furniture &amp; Others</i>	<i>Total</i>
Cost					
Balance as at 1 January 2013	783,535,875	835,253,292	43,306,524	25,471,091	1,687,566,782
Additions during the year					
- Additions	849,057	10,291,500	820,548	595,845	12,556,950
- Transfer from construction in progress	426,042,093	203,038,725	2,107,551	2,595,409	633,783,778
Disposal during the year	-	(11,741,106)	(3,188,799)	(790,473)	(15,720,378)
Balance as at 31 December 2013	1,210,427,025	1,036,842,411	43,045,824	27,871,872	2,318,187,132
Additions during the year					
- Additions	-	16,442,754	1,871,517	1,648,529	19,962,800
- Transfer from construction in progress	70,622,521	3,823,143	-	-	74,445,664
Disposal during the year	(288,723)	(16,188,208)	(1,439,822)	(2,834,197)	(20,750,950)
Balance as at 31 December 2014	1,280,760,823	1,040,920,100	43,477,519	26,686,204	2,391,844,646
Less: Accumulated depreciation					
Balance as at 1 January 2013	541,766,636	504,954,680	29,816,787	19,942,076	1,096,480,179
Charge for the year	13,084,834	36,313,409	3,870,319	1,328,669	54,597,231
Written off on disposal	-	(11,468,064)	(3,147,790)	(788,337)	(15,404,191)
Balance as at 31 December 2013	554,851,470	529,800,025	30,539,316	20,482,408	1,135,673,219
Charge for the year	19,292,967	43,502,231	3,612,583	1,598,624	68,006,405
Written off on disposal	(235,958)	(15,919,493)	(1,411,791)	(2,833,986)	(20,401,228)
Balance as at 31 December 2014	573,908,479	557,382,763	32,740,108	19,247,046	1,183,278,396
Less: Provision for impairment					
Balance as at 1 January 2013	16,545,023	-	-	-	16,545,023
Balance as at 31 December 2013	16,545,023	-	-	-	16,545,023
Balance as at 31 December 2014	16,545,023	-	-	-	16,545,023
Carrying amounts					
Balance as at 31 December 2014	690,307,321	483,537,337	10,737,411	7,439,158	1,192,021,227
Balance as at 31 December 2013	639,030,532	507,042,386	12,506,508	7,389,464	1,165,968,890

The provision for impairment of fixed assets represents full provision for obsolete equipment to be replaced by the Company and its subsidiaries, and thermal power generator units which will be shut down as a result of the Company and its subsidiaries implementing the “emission reduction and energy conservation” policies, and Huadian Group’s arrangement to shut down small thermal power generator units.

Except for those as set out in Note 26, as at 31 December 2014, the Group did not hold any other significant amounts of fixed assets for guarantee or pledged as security.

As at 31 December 2014, the Group and the Company did not hold any assets pending disposal.

(2) Temporarily idle fixed assets

As at 31 December 2014, the Group and the Company did not hold any material temporarily idle fixed assets.

(3) Fixed assets acquired under finance leases

As at 31 December 2014, the Group's fixed assets acquired under finance leases are set out as follows:

	<i>Buildings &amp; Structures</i>	<i>Generators &amp; related equipment</i>	<i>Total</i>
At the end of the year			
Cost	51,626,100	877,783,926	929,410,026
Less: Accumulated depreciation	13,149,639	104,870,275	118,019,914
	<hr/>	<hr/>	<hr/>
Carrying amounts	38,476,461	772,913,651	811,390,112
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<i>Buildings &amp; Structures</i>	<i>Generators &amp; related equipment</i>	<i>Total</i>
At the beginning of the year			
Cost	51,626,100	1,106,630,979	1,158,257,079
Less: Accumulated depreciation	10,644,946	127,033,056	137,678,002
	<hr/>	<hr/>	<hr/>
Carrying amounts	40,981,154	979,597,923	1,020,579,077
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(4) Fixed assets leased out under operating leases

As at 31 December 2014, the carrying amounts of the Group's fixed assets leased out under operating leases was:

	<i>Buildings &amp; structures</i>
Carrying amounts at the end of the year	35,116,320
	<hr/> <hr/>
Carrying amounts at the beginning of the year	39,601,059
	<hr/> <hr/>

18 Construction in progress

	<i>The Group</i>	<i>The Company</i>
Cost		
Balance as at 1 January 2013	9,189,810,864	407,737,039
Acquired through business combination	410,542,624	-
Increase due to other reasons	7,073,099,015	349,131,565
Transfer to fixed assets	(7,997,927,403)	(633,783,778)
Transfer to intangible assets	(30,615,886)	(3,958,129)
Disposal during the year	(4,637,349)	-
	<hr/>	<hr/>
Balance as at 31 December 2013	8,640,271,865	119,126,697
Additions	15,184,106,422	157,873,655
Transfer to fixed assets	(9,696,487,979)	(74,445,664)
Transfer to intangible assets	(66,561,722)	-
	<hr/>	<hr/>
Balance as at 31 December 2014	14,061,328,586	202,554,688
	<hr/> <hr/>	<hr/> <hr/>
Less: Provision for impairment		
Balance as at 1 January 2013	5,530,686	893,337
Written off on disposal	(4,637,349)	-
	<hr/>	<hr/>
Balance as at 31 December 2013	893,337	893,337
Charge for the year	755,795	-
	<hr/>	<hr/>
Balance as at 31 December 2014	1,649,132	893,337
	<hr/> <hr/>	<hr/> <hr/>
Carrying amounts		
Balance as at 31 December 2014	14,059,679,454	201,661,351
	<hr/>	<hr/>
Balance as at 31 December 2013	8,639,378,528	118,233,360
	<hr/> <hr/>	<hr/> <hr/>

19 Construction materials

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Hydropower project materials	3,557,838	2,490,092
Wind power project materials	555,587,919	73,205,071
Coal-fired power project materials	215,802	215,802
Other project materials	1,822,264	10,063,600
	<hr/>	<hr/>
Total	561,183,823	85,974,565
	<hr/> <hr/>	<hr/> <hr/>

## 20 Intangible assets

<i>The Group</i>	<i>Land use rights</i>	<i>Concession assets</i>	<i>Software and others</i>	<i>Total</i>
<b>Cost</b>				
Balance as at 1 January 2013	792,864,468	516,041,985	38,207,931	1,347,114,384
Additions	22,124,692	81,041,275	13,995,256	117,161,223
Acquired through acquisition of business	2,817,697	-	-	2,817,697
Transfer from construction in progress	30,615,886	-	-	30,615,886
Reclassification from fixed assets	249,729,156	-	4,836,233	254,565,389
Balance as at 31 December 2013	1,098,151,899	597,083,260	57,039,420	1,752,274,579
Additions	33,977,853	26,518,710	7,764,438	68,261,001
Transfer from construction in progress	64,944,678	-	1,617,044	66,561,722
Reclassification from fixed assets	3,750,611	-	-	3,750,611
Disposal	-	-	(1,386,227)	(1,386,227)
Balance as at 31 December 2014	1,200,825,041	623,601,970	65,034,675	1,889,461,686
<b>Less: Accumulated amortisation</b>				
Balance as at 1 January 2013	31,016,681	17,847,835	15,363,037	64,227,553
Charge for the year	21,513,883	14,408,900	3,730,438	39,653,221
Reclassification from fixed assets	47,151,569	-	3,168,948	50,320,517
Balance as at 31 December 2013	99,682,133	32,256,735	22,262,423	154,201,291
Charge for the year	21,219,855	25,433,792	6,679,111	53,332,758
Reclassification from fixed assets	156,275	-	-	156,275
Written off on disposal	-	-	(1,357,301)	(1,357,301)
Balance as at 31 December 2014	121,058,263	57,690,527	27,584,233	206,333,023
<b>Carrying amounts</b>				
Balance as at 31 December 2014	1,079,766,778	565,911,443	37,450,442	1,683,128,663
Balance as at 31 December 2013	998,469,766	564,826,525	34,776,997	1,598,073,288



<i>The Company</i>	<i>Land use rights</i>	<i>Software and others</i>	<i>Total</i>
Cost			
Balance as at 1 January 2013	74,956,946	10,749,825	85,706,771
Additions	-	2,564,884	2,564,884
Transfer from construction in construction	3,958,129	-	3,958,129
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2013	78,915,075	13,314,709	92,229,784
Additions	-	998,629	998,629
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2014	78,915,075	14,313,338	93,228,413
	<hr/>	<hr/>	<hr/>
Less: Accumulated amortisation			
Balance as at 1 January 2013	374,461	4,041,629	4,416,090
Charge for the year	97,842	1,084,771	1,182,613
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2013	472,303	5,126,400	5,598,703
Charge for the year	125,909	1,321,271	1,447,180
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2014	598,212	6,447,671	7,045,883
	<hr/>	<hr/>	<hr/>
Carrying amounts			
Balance as at 31 December 2014	78,316,863	7,865,667	86,182,530
	<hr/>	<hr/>	<hr/>
Balance as at 31 December 2013	78,442,772	8,188,309	86,631,081
	<hr/>	<hr/>	<hr/>

Concession assets refer to the operating rights of Fuqing Niutouwei and Liyushan wind farms projects that the Group obtained through the model “Build, Operation and transfer”.

## 21 Goodwill

	<i>The Group</i>
Cost	
Balance as at 1 January 2013	449,432,775
Additions during the year	46,967,577
	<hr/>
Balance as at 31 December 2013	496,400,352
Additions during the year	246,334
	<hr/>
Balance as at 31 December 2014	496,646,686
	<hr/>
Carrying amounts	
Balance as at 31 December 2014	496,646,686
	<hr/>
Balance as at 31 December 2013	496,400,352
	<hr/>

The goodwill increased during the year of 2013 included: (1) The Group paid RMB369,867,074 as combination cost for the purchase of 100% equity interest of Fujian Taiyu Investment (Group) Co., Ltd. (“Fujian Taiyu”) in 2013. The excess of combination cost over the Group’s interest in the fair value of Fujian Taiyu’s identifiable assets and liabilities, amounting to RMB37,848,558 , was recognised as goodwill attributable to Fujian Taiyu. (2) The Group paid RMB80,025,747 as combination cost for the purchase of 100% equity interest of Longyan Hexi Hydropower Co., Ltd. (“Hexi Hydropower”) in 2013. The excess of combination cost over the Group’s interest in the fair value of Hexi Hydropower’s identifiable assets and liabilities, amounting to RMB9,119,019, was recognised as goodwill attributable to Hexi Hydropower.

In 2014, after negotiating with the counterparties, the Group agreed to increase the consideration paid for the acquisition of 100% equity interest of Fujian Taiyu by the amount of RMB246,334, which was recognised as goodwill attributable to Fujian Taiyu.

The Group allocates goodwill to the following asset groups which are determined by operating segments:

	<i>2014</i>	<i>2013</i>
Hydropower	230,134,980	229,888,646
Wind power	266,511,706	266,511,706
	<u>496,646,686</u>	<u>496,400,352</u>

As at 31 December 2014, the Group tested the above goodwill for impairment. According to the testing results, no provision for impairment of the goodwill is necessary.

The Group allocates the carrying value of goodwill to the relevant asset groups. The recoverable amount of an asset group is determined by discounting the estimated future cash flows to its present value. The estimated future cash flows are discounted to their present value using a pre-tax discount rate of 9%-11% for a period of not more than 5 years (“forecast period”). The cash flows beyond the five-year budget period were assumed to keep stable. The estimate of recoverable amount does not result in the recognition of any impairment losses. However, as key assumptions on which management has made in respect of future cash projections are subject to change, management believes that any adverse change in the assumptions would cause the carrying amounts to exceed its recoverable amount.

Other key assumptions used in impairment testing include the electricity price, generators’ estimated hours of operation, etc. Management makes these assumptions based on the past operating experience and future expectation of each asset group.

22 Long-term deferred expenses

The Group's long-term deferred expenses primarily represent prepaid rent for property, etc.

23 Deferred tax assets and liabilities

<i>The Group</i>	<i>Deferred tax assets / (liabilities)</i>			
	<i>Balance at the beginning of the year</i>	<i>Current year increase / decrease charged to profit or loss</i>	<i>Scope changes</i>	<i>Balance at the end of the year</i>
Deductible loss	5,992,932	(1,244,869)	-	4,748,063
Revaluation deficit of assets under business combination				
under non-common control	62,752,735	(3,758,805)	-	58,993,930
Provision for impairment of assets	44,769,426	(5,349,877)	-	39,419,549
MOF subsidy of loans interests	42,962,863	7,613,506	-	50,576,369
Water resource fees and reservoir maintenance fund	10,414,798	1,393,006	-	11,807,804
Early retirement benefits	185,008	(57,240)	-	127,768
Trial run revenue	143,016,261	(2,996,217)	-	140,020,044
Revaluation surplus of assets under business combination				
under non-common control	(294,301,016)	8,985,007	(7,660,087)	(292,976,096)
Depreciation of fixed assets	(516,224,133)	(34,084,383)	1,287,888	(549,020,628)
Others	23,811,478	(3,729,601)	-	20,081,877
<b>Total deferred tax assets / (liabilities)</b>	<b>(476,619,648)</b>	<b>(33,229,473)</b>	<b>(6,372,199)</b>	<b>(516,221,320)</b>

At the balance sheet date, the deferred tax assets and liabilities on the balance sheet, after offsetting each other, were as follows:

	<i>The Group</i>	
	<i>2014</i>	<i>2013</i>
Deferred tax assets, net	303,989,096	304,883,673
Deferred tax liabilities, net	(820,210,416)	(781,503,321)
<b>Total</b>	<b>(516,221,320)</b>	<b>(476,619,648)</b>

#### Deferred tax assets not recognised

In accordance with the accounting policy set out in Note 3(15), the Group has not recognised deferred tax assets in respect of cumulative tax losses of RMB717,913,422 (2013: RMB688,346,240) as it is not probable that future taxable profits against which the losses can be utilised will be available before they expire. The deductible tax losses expire within 5 years from the year when such losses were incurred under current tax law.

In accordance with the accounting policy set out in Note 3(15), the Group has not recognised deferred tax assets in respect of unused tax credit for purchase of environmental protection equipments of RMB14,697,963 (2013: RMB28,421,724) as it is not probable that future taxable profits against which the tax credit can be utilised will be available.

#### Deferred tax liabilities not recognised

At 31 December 2014, taxable temporary differences relating to undistributed profits and statutory surplus reserve of subsidiaries and associates amounted to RMB4,294,519,551 (2013: RMB3,515,657,230). No deferred tax liability was recognised in respect of these taxable temporary differences as dividends from subsidiaries and associates are not subject to PRC income tax and the Group has no plan to dispose of these investments in the foreseeable future.

#### 24 Other non-current assets

	<i>The Group</i>	
	<i>2014</i>	<i>2013</i>
Deductible VAT input tax	2,273,590,337	1,549,454,261
Unrealized profit and loss in sale and leaseback (i)	235,438,091	265,802,782
Total	<u>2,509,028,428</u>	<u>1,815,257,043</u>

- (i) The Group has made sales and leaseback arrangements for certain equipment items and properties. Such arrangements form finance leases. When the selling price of a piece of equipment is below its carrying value, the difference is deferred in recognition as unrealised profit or loss of such arrangement, and evenly amortised over the estimated useful life of the equipment or property.

## 25 Provisions for impairment

As at 31 December 2014, the provisions for impairment of the Group are set out as follows:

	Note	Balance at the beginning of the year	Charge for the year	Decrease during the year			Balance at the end of the year
				Reversal	Transferred out	Write off	
Accounts receivable	9	33,608,449	881,211	-	-	-	34,489,660
Other receivables	10	196,144,581	408,529	1,706,823	-	12,898,886	181,947,401
Prepayments	11	18,810	3,404	-	-	-	22,214
Inventories	12	12,142,612	351,592	8,547	343,045	-	12,142,612
Available-for-sale financial assets	14	4,800,000	-	-	-	-	4,800,000
Fixed assets	17	136,796,618	298,708	-	-	41,366,425	95,728,901
Construction in progress	18	893,337	755,795	-	-	-	1,649,132
<b>Total</b>		<b>384,404,407</b>	<b>2,699,239</b>	<b>1,715,370</b>	<b>343,045</b>	<b>54,265,311</b>	<b>330,779,920</b>

As at 31 December 2013, the provisions for impairment of the Group are set out as follows:

	Note	Balance at the beginning of the year	Charge for the year	Decrease during the year			Balance at the end of the year
				Reversal	Transferred out	Write off	
Accounts receivable	9	137,768	33,470,681	-	-	-	33,608,449
Other receivables	10	60,972,893	216,289,071	-	-	81,117,383	196,144,581
Prepayments	11	18,810	-	-	-	-	18,810
Inventories	12	13,212,739	1,018,931	-	2,089,058	-	12,142,612
Available-for-sale financial assets	14	4,800,000	-	-	-	-	4,800,000
Fixed assets	17	152,239,451	-	-	-	15,442,833	136,796,618
Construction in progress	18	5,530,686	-	-	-	4,637,349	893,337
<b>Total</b>		<b>236,912,347</b>	<b>250,778,683</b>	<b>-</b>	<b>2,089,058</b>	<b>101,197,565</b>	<b>384,404,407</b>

As at 31 December 2014, the provisions for impairment of the Company are set out as follows:

	Note	Balance at the beginning of the year	Charge for the year	Decrease during the year			Balance at the end of the year
				Reversal	Transferred out	Write off	
Other receivables	10	6,669,535	18,000	-	-	-	6,687,535
Fixed assets	17	16,545,023	-	-	-	-	16,545,023
Construction in progress	18	893,337	-	-	-	-	893,337
<b>Total</b>		<b>24,107,895</b>	<b>18,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,125,895</b>

As at 31 December 2013, the provisions for impairment of the Company are set out as follows:

	Note	Balance at the beginning of the year	Charge for the year	Decrease during the year			Balance at the end of the year
				Reversal	Transferred out	Write off	
Other receivables	10	6,669,535	-	-	-	-	6,669,535
Fixed assets	17	16,545,023	-	-	-	-	16,545,023
Construction in progress	18	893,337	-	-	-	-	893,337
<b>Total</b>		<b>24,107,895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24,107,895</b>

## 26 Restricted assets

	Note	The Group			
		Balance at 1 January 2014	Additions during the year	Decrease during the year	Balance at 31 December 2014
Assets pledged as collateral					
- Cash at bank and on hand	7	233,659,386	434,264,768	-	667,924,154
- Net value of fixed assets	i	14,425,407,943	3,283,216,877	1,810,296,416	15,898,328,404
- Tariff collection right	ii	1,767,580,851	84,456,778	-	1,852,037,629
- Construction in progress and construction materials	iii	905,178,255	-	905,178,255	-
<b>Total</b>		<b>17,331,826,435</b>	<b>3,801,938,423</b>	<b>2,715,474,671</b>	<b>18,418,290,187</b>

	Note	The Group			
		Balance at 1 January 2013	Additions during the year	Decrease during the year	Balance at 31 December 2013
Assets pledged as collateral					
- Cash at bank and on hand	7	226,716,838	6,942,548	-	233,659,386
- Net value of fixed assets	i	11,626,331,315	3,980,197,686	1,181,121,058	14,425,407,943
- Tariff collection right	ii	717,973,428	1,049,607,423	-	1,767,580,851
- Construction in progress and construction materials	iii	305,709,113	905,178,255	305,709,113	905,178,255
<b>Total</b>		<b>12,876,730,694</b>	<b>5,941,925,912</b>	<b>1,486,830,171</b>	<b>17,331,826,435</b>

	Note	<i>The Company</i>			
		<i>Balance at 1 January 2014</i>	<i>Additions during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Assets pledged as collateral					
- Cash at bank and on hand	7	3,824,850	51,020,921	-	54,845,771
<b>Total</b>		<b>3,824,850</b>	<b>51,020,921</b>	<b>-</b>	<b>54,845,771</b>

	Note	<i>The Company</i>			
		<i>Balance at 1 January 2013</i>	<i>Additions during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2013</i>
Assets pledged as collateral					
- Cash at bank and on hand	7	6,220,733	-	2,395,883	3,824,850
<b>Total</b>		<b>6,220,733</b>	<b>-</b>	<b>2,395,883</b>	<b>3,824,850</b>

- (i) Some of the Group's subsidiaries pledged fixed assets – power projects to banks to secure short-term and long-term borrowings. As at 31 December 2014, the carrying amounts of fixed assets which had not been released was RMB15,898,328,404 (2013: RMB14,425,407,943).
- (ii) Some of the Group's subsidiaries pledged receivables arising from tariff collection right of power projects to banks to secure short-term and long-term loans. As at 31 December 2014, the balance of pledged receivables was RMB1,852,037,629 (2013: RMB1,767,580,851). In addition, some of the Company's subsidiaries also pledged their tariff collection right on power projects upon completion and all income from the projects to banks to secure long-term loans.
- (iii) Some of the Group's subsidiaries pledged the fixed assets upon completion to secure long-term loans. As at 31 December 2014, the Group did not have any pledged construction in progress and construction materials related to the project had yet to be launched into production (2013: RMB905,178,255).

## 27 Short-term loans

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Unsecured loans	4,736,000,000	5,175,100,000	3,600,000,000	3,840,000,000
Guaranteed loans	-	15,035,260	-	-
Loans secured by mortgage	80,000,000	50,000,000	-	-
Pledged loans	83,000,000	530,000,000	-	-
<b>Total</b>	<b>4,899,000,000</b>	<b>5,770,135,260</b>	<b>3,600,000,000</b>	<b>3,840,000,000</b>

As at 31 December 2014 and 2013, the Group and the Company did not hold any past-due short-term loans.

## 28 Bills payable

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Bank acceptance bills	2,239,782,273	949,235,338
Commercial acceptance bills	38,000,000	-
Total	<u>2,277,782,273</u>	<u>949,235,338</u>

The above bills are due within one year.

## 29 Accounts payable

	<i>The Group</i>		<i>The Company</i>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Payables for equipment	6,808,047,462	5,004,875,736	4,176,507	2,963,662
Payables for projects	2,063,892,690	1,274,491,530	57,999,537	69,454,285
Payables for materials	125,439,238	193,422,992	5,219,859	4,580,178
Payables for coal purchase	387,739,522	506,727,699	-	-
Payables for substituted generation	10,934,454	27,255,000	-	-
Payables for land compensation	78,000,000	83,000,000	-	-
Provision for mianhuatan resettlement compensation (i)	40,000,000	40,000,000	-	-
Others	117,280,484	100,329,455	-	-
Total	<u>9,631,333,850</u>	<u>7,230,102,412</u>	<u>67,395,903</u>	<u>76,998,125</u>

- (i) Mianhuatan Hydropower, one of the Company's subsidiaries, owns and operates a hydropower plant (the "Mianhuatan Project") in Longyan, Fujian. The relevant local government authority disputed the amount of resettlement compensation required and requested Mianhuatan Hydropower to increase the compensation to cover the rising costs associated with the relocation and resettlement of additional residents, the construction of roads and bridges, environmental protection and the preservation of historical relics. To support the local government's relocation and resettlement efforts, Mianhuatan Hydropower agreed in principal and prepaid to the local government additional compensation of RMB15 million, RMB15 million, and RMB360 million in 2009, 2010 and 2011, respectively, totaling RMB390 million in advance payments. In addition, the management of Mianhuatan Hydropower has recognised an additional provision of RMB40 million for this dispute as at 31 December 2011. The advance payments of RMB390 million and the provision of RMB40 million have been capitalised in the property, plant and equipment in the historical financial information. Meanwhile, In response to this dispute, Mianhuatan Hydropower engaged the original independent design institute for this hydropower project, Shanghai Investigation, Design & Research Institute (the "Shanghai Institute"), to assess the need to pay any additional resettlement compensation. After reviewing the assessment report from the Shanghai Institute, Fujian Development and Reform Commission (the "Fujian DRC") and National Development and Reform Commission of the PRC (the "NDRC") will determine the adjusted resettlement compensation for which Mianhuatan Hydropower will be responsible.



So far, the Group's ultimate shareholder, Huadian Group commits that if the additional compensation amount that the National Development and Reform Commission (NDRC) requires the Group to pay exceeds the amount of RMB 40 million provided for, Huadian Group will provide the excess amount. As at the date of the approval of the financial statements, the compensation amount had not been determined. Once determined, the excess amount contributed by Huadian Group will be treated as capital contribution and recognised in capital reserve. The carrying value of related fixed assets will be increased correspondingly, and the amount will be amortised over the remaining useful life of the fixed assets.

30 Advances from customers

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Advances for sale of heat power	24,327,457	19,839,335
Advances for sale of coal	22,364,387	-
Others	10,120,859	11,384,294
Total	<u>56,812,703</u>	<u>31,223,629</u>

31 Employee benefits payable

	<i>Note</i>	<u>2014</u>	
		<i>The Group</i>	<i>The Company</i>
Short-term employee benefits	(1)	18,681,571	1,888,637
Post-employment benefits			
- defined contribution plans	(2)	7,298,461	311,150
Early retirement benefits	(3)	39,895,451	156,083
Total		<u>65,875,483</u>	<u>2,355,870</u>

(1) Short-term employee benefits

<i>The Group</i>	<i>Balance at 1 Jan 2014</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at 31 December 2014</i>
Salaries, bonuses, allowances	72,843	742,535,688	742,608,531	-
Staff welfare	34,235	62,294,732	62,299,019	29,948
Social insurance	6,235,570	74,223,640	74,795,264	5,663,946
Medical insurance	5,134,181	64,738,627	65,433,464	4,439,344
Work-related injury insurance	700,327	5,392,535	5,318,651	774,211
Maternity insurance	401,062	4,092,478	4,043,149	450,391
Housing fund	1,801,025	85,903,825	86,413,434	1,291,416
Labour union fee, staff and workers' education fee	5,044,667	31,526,142	30,346,831	6,223,978
Others	5,672,078	57,028,224	57,228,019	5,472,283
Total	<u>18,860,418</u>	<u>1,053,512,251</u>	<u>1,053,691,098</u>	<u>18,681,571</u>

<i>The Company</i>	<i>Balance at 1 Jan 2014</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at 31 December 2014</i>
Salaries, bonuses, allowances	-	157,754,697	157,754,697	-
Staff welfare	-	15,194,391	15,194,391	-
Social insurance	55,716	15,114,372	15,085,767	84,321
Medical insurance	-	13,159,564	13,084,938	74,626
Work-related injury insurance	32,887	1,112,873	1,142,042	3,718
Maternity insurance	22,829	841,935	858,787	5,977
Housing fund	-	17,751,112	17,751,840	(728)
Labour union fee, staff and workers' education fee	557,237	7,071,025	6,318,634	1,309,628
Others	201,041	1,801,871	1,507,496	495,416
<b>Total</b>	<b>813,994</b>	<b>214,687,468</b>	<b>213,612,825</b>	<b>1,888,637</b>

(2) Post-employment benefits – defined contribution plans

<i>The Group</i>	<i>Balance at 1 Jan 2014</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at 31 December 2014</i>
Basic pension insurance	3,291,526	106,116,760	105,767,463	3,640,823
Unemployment insurance	1,677,477	7,480,501	7,036,526	2,121,452
Annuity	855,211	30,732,895	30,051,920	1,536,186
<b>Total</b>	<b>5,824,214</b>	<b>144,330,156</b>	<b>142,855,909</b>	<b>7,298,461</b>

<i>The Company</i>	<i>Balance at 1 Jan 2014</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at 31 December 2014</i>
Basic pension insurance	-	20,744,146	20,594,929	149,217
Unemployment insurance	241,538	1,872,614	1,951,150	163,002
Annuity	(863)	7,165,746	7,165,952	(1,069)
<b>Total</b>	<b>240,675</b>	<b>29,782,506</b>	<b>29,712,031</b>	<b>311,150</b>

(3) Early retirement benefits

<i>The Group</i>	<i>Balance at 1 Jan 2014</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at 31 December 2014</i>
Early retirement benefits	51,400,423	547,301	12,052,273	39,895,451
<b>Total</b>	<b>51,400,423</b>	<b>547,301</b>	<b>12,052,273</b>	<b>39,895,451</b>

<i>The Company</i>	<i>Balance at 1 Jan 2014</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at 31 December 2014</i>
Early retirement benefits	320,433	-	164,350	156,083
Total	320,433	-	164,350	156,083

## 2013

<i>The Group</i>	<i>Balance at the beginning of the year</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at the end of the year</i>
Salaries, bonuses, allowances	72,843	667,818,279	667,818,279	72,843
Staff welfare	40,948	55,102,299	55,109,012	34,235
Social insurance	9,437,066	199,032,421	196,409,703	12,059,784
Medical insurance	3,031,062	59,001,321	56,898,202	5,134,181
Pension insurance	2,539,526	97,171,246	96,419,246	3,291,526
Unemployment insurance	2,047,114	7,397,678	7,767,315	1,677,477
Work-related injury insurance	508,591	4,847,826	4,656,090	700,327
Maternity insurance	285,053	3,492,477	3,376,468	401,062
Annuity	1,025,720	27,121,873	27,292,382	855,211
Housing fund	1,873,838	79,779,529	79,852,342	1,801,025
Early retirement benefits	64,342,024	-	12,941,601	51,400,423
Labour union fee	1,501,059	12,828,123	12,468,621	1,860,561
Staff and workers' education fee	4,037,050	11,920,595	12,773,539	3,184,106
Others	12,564,504	15,859,740	22,752,166	5,672,078
Total	93,869,332	1,042,340,986	1,060,125,263	76,085,055

<i>The Company</i>	<i>Balance at the beginning of the year</i>	<i>Accrued during the year</i>	<i>Paid during the year</i>	<i>Balance at the end of the year</i>
Salaries, bonuses, allowances	-	126,474,359	126,474,359	-
Staff welfare	-	11,975,441	11,975,441	-
Social insurance	261,140	40,095,100	40,059,849	296,391
Medical insurance	-	12,259,309	12,259,309	-
Pension insurance	-	18,507,979	18,507,979	-
Unemployment insurance	261,111	1,619,528	1,639,101	241,538
Work-related injury insurance	-	1,027,895	995,008	32,887
Maternity insurance	-	722,969	700,140	22,829
Annuity	29	5,957,420	5,958,312	(863)
Housing fund	-	15,946,847	15,946,847	-
Early retirement benefits	653,557	-	333,124	320,433
Labour union fee	81,785	2,529,487	2,449,311	161,961
staff and workers' education fee	419,813	2,075,008	2,099,545	395,276
Others	109,357	1,722,025	1,630,341	201,041
Total	1,525,652	200,818,267	200,968,817	1,375,102

### 32 Taxes payable

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Value added tax	47,095,611	35,850,374	3,708,117	2,403,136
Business tax	8,514,124	8,083,864	3,665,826	2,970,787
Corporate income tax	328,212,600	249,827,882	-	-
Water resource fee and reservoir maintenance fund	76,373,172	62,795,323	21,600,083	16,512,263
Others	31,838,859	33,738,831	5,420,504	2,412,966
<b>Total</b>	<b>492,034,366</b>	<b>390,296,274</b>	<b>34,394,530</b>	<b>24,299,152</b>

### 33 Interests payable

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Interest payable for short-term loans	20,587,522	19,737,476	6,361,944	7,008,278
Interest payable for financing instruments	68,797,222	40,125,000	68,797,222	40,125,000
Interest payable for long-term loans with interest paid in installments and principal repaid on maturity	101,533,691	78,153,517	4,001,943	1,639,759
Interest payable for debentures	77,250,000	77,250,000	77,250,000	77,250,000
<b>Total</b>	<b>268,168,435</b>	<b>215,265,993</b>	<b>156,411,109</b>	<b>126,023,037</b>

### 34 Dividends payable

Dividends payable represents the profits attributable to non-controlling shareholders of the Company's subsidiaries which have not been paid.

### 35 Other payables

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Construction guarantee deposits	1,058,049,902	704,625,710	14,641,736	5,841,190
Staff related payable	10,539,378	14,315,290	4,703,619	1,545,627
Amounts due to subsidiaries	-	-	452,813,600	666,156,058
Amounts related to acquisition of subsidiaries	81,152,269	108,908,647	63,381,072	97,870,191
CDM expenses payable	6,731,434	7,007,030	-	-
Others	522,638,887	328,772,250	9,602,770	45,087,239
<b>Total</b>	<b>1,679,111,870</b>	<b>1,163,628,927</b>	<b>545,142,797</b>	<b>816,500,305</b>

36 Non-current liabilities due within one year

	Note	<i>The Group</i>		<i>The Company</i>	
		2014	2013	2014	2013
Long-term loans due within one year	(1)	4,104,448,713	4,349,113,637	302,000,000	224,500,000
Obligations under finance leases within one year	(2)	64,321,181	98,762,504	-	-
Others		28,412,162	24,644,194	34,727	34,727
Total		4,197,182,056	4,472,520,335	302,034,727	224,534,727

(1) The analysis of loans due within one year is set out as follows:

	<i>The Group</i>		<i>The Company</i>	
	2014	2013	2014	2013
Unsecured loans	2,002,790,819	1,566,465,104	302,000,000	224,500,000
Guaranteed loans	369,300,000	1,373,000,000	-	-
Loans secured by mortgage	878,725,971	744,580,571	-	-
Pledged loans	853,631,923	665,067,962	-	-
Total	4,104,448,713	4,349,113,637	302,000,000	224,500,000

As at 31 December 2014 and 2013, the Group and the Company did not hold any past-due long-term loans due within one year.

(2) Obligations under finance leases due within one year are as follows:

	<i>The Group</i>	
	2014	2013
Payable to lessors	100,969,863	143,592,366
Less: Unrecognised finance charges	36,648,682	44,829,862
Obligations under finance leases	64,321,181	98,762,504

As at 31 December 2014 and 2013, the Group did not hold any past-due obligations under finance leases due within one year.

### 37 Other current liabilities

	<i>The Group and the Company</i>			
	<i>Balance at 1 January 2014</i>	<i>Addition during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Short-term Financing Instruments (2013 first tranche)	1,498,000,000	-	1,498,000,000	-
Short-term Financing Instruments (2014 first tranche)	-	1,498,000,000	-	1,498,000,000
Short-term Financing Instruments (2014 second tranche)	-	1,495,500,000	-	1,495,500,000
<b>Total</b>	<b>1,498,000,000</b>	<b>2,993,500,000</b>	<b>1,498,000,000</b>	<b>2,993,500,000</b>

	<i>The Group and the Company</i>			
	<i>Balance at 1 January 2013</i>	<i>Addition during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2013</i>
Short-term Financing Instruments (2013 first tranche)	-	1,498,000,000	-	1,498,000,000
<b>Total</b>	<b>-</b>	<b>1,498,000,000</b>	<b>-</b>	<b>1,498,000,000</b>

### 38 Long-term loans

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Unsecured loans	18,489,045,962	13,925,754,308	1,944,000,000	630,500,000
Guaranteed loans	2,131,500,000	2,551,500,000	-	-
Loans secured by mortgage	7,298,575,341	6,045,912,263	-	-
Pledged loans	9,843,196,437	5,711,358,931	-	-
<b>Total</b>	<b>37,762,317,740</b>	<b>28,234,525,502</b>	<b>1,944,000,000</b>	<b>630,500,000</b>

As at 31 December 2014 and 2013, the Group and the Company did not hold any past-due long-term loans due within one year.

### 39 Debentures payable

	<i>The Group and the Company</i>			
	<i>Balance at 1 January 2014</i>	<i>Addition during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2014</i>
Corporate Debenture 2013 (five years)	995,121,310	862,695	-	995,984,005
Corporate Debenture 2013 (ten years)	994,672,440	862,305	-	995,534,745
<b>Total</b>	<b>1,989,793,750</b>	<b>1,725,000</b>	<b>-</b>	<b>1,991,518,750</b>

	<i>The Group and the Company</i>			
	<i>Balance at 1 January 2013</i>	<i>Addition during the year</i>	<i>Decrease during the year</i>	<i>Balance at 31 December 2013</i>
Corporate Debenture 2013 (five years)	-	995,121,310	-	995,121,310
Corporate Debenture 2013 (ten years)	-	994,672,440	-	994,672,440
<b>Total</b>	<b>-</b>	<b>1,989,793,750</b>	<b>-</b>	<b>1,989,793,750</b>

#### 40 Long-term payables

	<i>Note</i>	<i>The Group</i>	
		<i>2014</i>	<i>2013</i>
Obligations under finance leases	(1)	742,268,244	844,630,238
Others	(2)	76,447,176	76,447,176
<b>Subtotal</b>		<b>818,715,420</b>	<b>921,077,414</b>
Less: obligations under finance leases due within one year	36	64,321,181	98,762,504
<b>Total</b>		<b>754,394,239</b>	<b>822,314,910</b>

- (1) As at 31 December 2014, the total future minimum lease payments under finance leases are as follows:

	<i>The Group</i>	
	<i>2014</i>	<i>2013</i>
Within 1 year (inclusive)	100,969,863	143,592,366
After 1 year but within 2 years (inclusive)	111,284,212	114,907,566
After 2 years but within 3 years (inclusive)	108,254,870	111,826,062
After 3 years	656,553,312	758,416,943
<b>Sub-total</b>	<b>977,062,257</b>	<b>1,128,742,937</b>
Less: unrecognised finance charges	234,794,013	284,112,699
<b>Carrying amounts</b>	<b>742,268,244</b>	<b>844,630,238</b>

The above obligations under finance leases due within one year, net of unrecognised finance charges is disclosed in Note 36(2).

- (2) Other long-term payables represented the central authorities's state-owned capital operating budget funds for energy saving and emission reduction provided by Huadian Group in December 2012, which should be repaid to Huadian Group in one payment after five years.

#### 41 Deferred income

		<i>The Group</i>	
		<i>2014</i>	<i>2013</i>
Unrealised profit or loss of sales and leaseback arrangement	<i>(i)</i>	13,717,939	15,725,441
MOF Subsidy for basic infrastructure loans interests	<i>(ii)</i>	236,680,430	199,988,028
Other deferred income		119,306,170	105,395,504
<b>Total</b>		<b>369,704,539</b>	<b>321,108,973</b>

- (i) The Group's subsidiary, Fujian Huadian Kemen Power Generation Co., Ltd., made a sale and leaseback arrangement for its thermal power equipment in 2009. Such transactions form finance leases. When the selling price of the equipment is higher than its carrying value, the difference is deferred in recognition as unrealised profit or loss of such transaction, and evenly amortised over the estimated useful life of the equipment.
- (ii) Some of the Group's subsidiaries received subsidies for the loan interests related to their infrastructure projects. The amount related to the assets is evenly amortised over the estimated useful life of the assets.

#### 42 Share capital

The Company's registered capital structure at 31 December is as follows:

	<i>2014</i>		<i>2013</i>	
	<i>Amount</i>	<i>%</i>	<i>Amount</i>	<i>%</i>
Huadian Group	5,008,785,336	59.57%	5,008,785,336	65.71%
CPECC	254,923,074	3.03%	254,923,074	3.34%
Kunlun Trust	203,938,459	2.43%	203,938,459	2.68%
Wujiang Hydropower	189,262,801	2.25%	189,262,801	2.48%
CHEC	78,859,501	0.94%	78,859,501	1.04%
Industrial Capital	76,476,922	0.91%	76,476,922	1.00%
Datong VC	25,492,307	0.30%	25,492,307	0.33%
Investors of overseas listed shares	2,570,223,120	30.57%	1,784,877,600	23.42%
	<b>8,407,961,520</b>	<b>100.00%</b>	<b>7,622,616,000</b>	<b>100.00%</b>



43 Capital reserve

	<i>The Group</i>			
	<i>Balance at 1 January 2014</i>	<i>Additions during the year</i>	<i>Transfers during the year</i>	<i>Balance at 31 December 2014</i>
Capital premiums	345,794,252	1,458,990,819	4,938,984	1,799,846,087
Total	345,794,252	1,458,990,819	4,938,984	1,799,846,087

	<i>The Group</i>			
	<i>Balance at 1 January 2013</i>	<i>Additions during the year</i>	<i>Transfers during the year</i>	<i>Balance at 31 December 2013</i>
Capital premiums	956,639,542	-	610,845,290	345,794,252
Total	956,639,542	-	610,845,290	345,794,252

	<i>The Company</i>			
	<i>Balance at 1 January 2014</i>	<i>Additions during the year</i>	<i>Transfers during the year</i>	<i>Balance at 31 December 2014</i>
Capital premiums	908,430,196	1,458,990,819	-	2,367,421,015
Total	908,430,196	1,458,990,819	-	2,367,421,015

	<i>The Company</i>			
	<i>Balance at 1 January 2013</i>	<i>Additions during the year</i>	<i>Transfers during the year</i>	<i>Balance at 31 December 2013</i>
Capital premiums	1,059,564,443	-	151,134,247	908,430,196
Total	1,059,564,443	-	151,134,247	908,430,196

44 Surplus reserve

<i>The Group and the Company</i>	<i>Note</i>	<i>Statutory surplus reserve</i>
Balance at 1 January 2013		43,200,021
Profit appropriation		46,381,362
Balance at 31 December 2013		89,581,383
Profit appropriation	45(1)	113,630,086
Balance at 31 December 2014		203,211,469

45 Appropriation of profits and retained earnings at the end of the year

(1) Appropriation to surplus reserve

In accordance with the Articles of Association, the Company made appropriations to the following surplus reserve for 2014:

Statutory surplus reserve 10%

(2) Distributions of profit in cash to owners

(a) Distributions of profit in cash declared during the year

Pursuant to the shareholders' approval at the Shareholders' meeting on 30 June 2014, a distribution of profit in cash totalling RMB304,820,396 (2013: RMB220,293,603) was declared and paid to the Company's shareholders on 29 July 2014.

(b) Distributions of profit in cash approved after the balance sheet date

The Board of Directors approved on 20 March 2015 a distribution of profit in cash totalling RMB365,746,326 (2013: RMB304,820,396). The proposal is subject to the approval by the Shareholders' meeting. This distribution of profit in cash has not been recognised as a liability at the balance sheet date.

(3) Retained earnings at the end of the year

Surplus reserve attributable to the Company which is made by the subsidiaries in 2014 is RMB230,292,397 (2013: RMB188,770,067).

As at 31 December 2014, the consolidated retained earnings attributable to the Company included an appropriation of RMB820,854,148 (2013: RMB649,592,851) to surplus reserve made by the subsidiaries.

46 Operating income and costs

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Sale of electricity	13,634,468,796	12,919,981,013	642,712,858	521,325,454
Sale of heat	192,759,988	161,906,696	-	-
Others	507,682,397	160,720,343	12,227,272	4,568,319
Total	<u>14,334,911,181</u>	<u>13,242,608,052</u>	<u>654,940,130</u>	<u>525,893,773</u>
Operating costs	<u>8,657,544,063</u>	<u>8,011,793,417</u>	<u>271,783,637</u>	<u>241,398,630</u>

The information of revenue, expenses and profit about major business have been provided in Note 60.

47 Business taxes and surcharges

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Business tax	19,249,845	10,954,728	10,007,869	4,870,382
City maintenance and construction tax	43,651,271	34,465,335	3,669,917	2,690,415
Education surcharges	41,466,827	33,278,819	4,917,515	4,128,486
Others	1,986,873	2,541,183	-	-
<b>Total</b>	<b>106,354,816</b>	<b>81,240,065</b>	<b>18,595,301</b>	<b>11,689,283</b>

48 Financial expenses

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Interest expenses from loans	2,859,185,111	2,434,523,539	569,691,763	378,510,795
Less: Borrowing costs capitalized	364,170,162	293,645,808	5,358,210	16,912,321
Net interest expenses	2,495,014,949	2,140,877,731	564,333,553	361,598,474
Interest income from deposits and receivables	(54,519,934)	(46,249,353)	(166,213,709)	(125,900,020)
Net exchange (gains) / losses	(15,056,619)	10,696,574	(14,616,407)	10,696,574
Other financial expenses	23,224,959	23,785,415	5,926,894	1,256,038
<b>Total</b>	<b>2,448,663,355</b>	<b>2,129,110,367</b>	<b>389,430,331</b>	<b>247,651,066</b>

The interest rate per annum, at which the borrowing costs were capitalised for the current year by the Group and the Company, were 4.83% - 8.00% and 5.84% - 6.22%, respectively (2013: 4.85% - 7.86% and 5.90% - 6.94%, respectively).

49 Impairment losses

	<i>The Group</i>	
	<i>2014</i>	<i>2013</i>
Accounts receivable	881,211	33,470,681
Other receivables	(1,298,294)	216,289,071
Prepayments	3,404	-
Inventories	343,045	1,018,931
Fixed assets	298,708	-
Construction in progress	755,795	-
<b>Total</b>	<b>983,869</b>	<b>250,778,683</b>

50 Investment income

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Long-term equity investments	83,721,467	93,552,513	1,033,142,860	633,372,495
Available-for-sale financial assets				
- Dividends received or receivable	103,812,499	73,760,646	58,958,783	27,787,700
Disposal of long-term equity investments	-	-	298,549,356	-
<b>Total</b>	<b>187,533,966</b>	<b>167,313,159</b>	<b>1,390,650,999</b>	<b>661,160,195</b>

51 Non-operating income

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Gains on disposal of fixed assets	45,181,488	3,051,382	803,463	2,727,925
Penalty income from equipment Suppliers(i)	114,810,000	19,523,333	-	-
Government grants	87,049,862	35,151,212	74,727	-
-MOF Subsidy for basic infrastructure loans interests	40,120,535	9,637,499	34,727	-
-Other government grants	46,929,327	25,513,713	40,000	-
Others	39,743,233	29,490,066	398,500	1,328,641
<b>Total</b>	<b>286,784,583</b>	<b>87,215,993</b>	<b>1,276,690</b>	<b>4,056,566</b>

- (i) Penalty income from equipment suppliers mainly represents the agreed amounts paid/payable by the third party equipment suppliers to compensate the losses incurred by the Group due to unfavorable warranty services provided by the suppliers.

52 Non-operating expenses

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Losses on disposal of fixed assets	57,905,976	23,594,171	1,034,451	312,133
Others	6,661,336	3,781,787	2,846,570	312,446
<b>Total</b>	<b>64,567,312</b>	<b>27,375,958</b>	<b>3,881,021</b>	<b>624,579</b>

## 53 Income tax expense

### (1) Income tax expense for the year represents

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Current tax expense for the year	498,617,293	384,140,711	-	-
Tax filling differences	1,674,429	(2,015,619)	-	-
Changes in deferred tax assets / liabilities	33,229,473	101,841,894	-	31,956,741
<b>Total</b>	<b>533,521,195</b>	<b>483,966,986</b>	<b>-</b>	<b>31,956,741</b>

### (2) Reconciliation between income tax expense and accounting profit is as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Profits before taxation	2,680,833,701	2,185,246,799	1,136,300,863	495,770,358
Expected income tax expense at tax rate of 25%	670,208,425	546,311,700	284,075,216	123,942,590
Non-deductible expenses	10,019,600	11,148,900	488,275	1,780,744
Non-taxable income	(50,200,949)	(42,956,104)	(273,025,411)	(165,290,049)
Effect of different tax rates applied by certain subsidiaries	(151,958,919)	(151,076,334)	-	-
Tax effect of unrecognized tax losses during the year	84,116,276	76,548,942	-	39,566,715
Tax effect of using unrecognized tax losses in previous years	(9,273,444)	(117,689)	(11,538,080)	-
Tax filling differences	1,674,429	(2,015,619)	-	-
Deductible tax for the purchase of domestic equipment	(17,077,490)	(7,694,847)	-	-
Others	(3,986,733)	53,818,037	-	31,956,741
<b>Income tax expense</b>	<b>533,521,195</b>	<b>483,966,986</b>	<b>-</b>	<b>31,956,741</b>

## 54 Notes to cash flow statement

### (1) Proceeds from other operating activities:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Heat power access fee	5,410,976	33,707,096	-	-
Guarantee fee received	-	-	6,795,738	-
Bid bonds	21,910,561	36,324,581	-	36,324,581
Others	24,087,626	30,576,424	2,299,470	1,137,237
<b>Total</b>	<b>51,409,163</b>	<b>100,608,101</b>	<b>9,095,208</b>	<b>37,461,818</b>

(2) Payments for other operating activities:

	<u>The Group</u>		<u>The Company</u>	
	2014	2013	2014	2013
Operating cost such as insurance premium and lease expense	75,062,243	64,375,798	25,633,920	21,735,622
General expense such as entertainment and travel expense	161,514,795	204,528,421	63,231,864	88,131,521
Insurance premium prepayment and lease prepayment	4,822,711	2,446,213	-	787,798
Others	7,730,762	176,013,189	48,338,383	13,612,709
Total	<u>249,130,511</u>	<u>447,363,621</u>	<u>137,204,167</u>	<u>124,267,650</u>

(3) Proceeds from other investing activities:

	<u>The Group</u>		<u>The Company</u>	
	2014	2013	2014	2013
Interest income	59,198,481	45,594,275	160,596,413	125,863,198
Cash received from loans to third parties	60,753,524	30,000,000	-	-
Total	<u>119,952,005</u>	<u>75,594,275</u>	<u>160,596,413</u>	<u>125,863,198</u>

(4) Proceeds from other financing activities:

	<u>The Group</u>		<u>The Company</u>	
	2014	2013	2014	2013
MOF Subsidy for basic infrastructure loans interests	72,443,343	82,732,000	-	1,910,000
Others	59,409,867	17,681,137	-	-
Total	<u>131,853,210</u>	<u>100,413,137</u>	<u>-</u>	<u>1,910,000</u>

(5) Payments for other financing activities:

	<u>The Group</u>		<u>The Company</u>	
	2014	2013	2014	2013
Cash paid for purchasing non-controlling interests	10,428,984	-	-	-
Total	<u>10,428,984</u>	<u>-</u>	<u>-</u>	<u>-</u>

55 Supplement to cash flow statement

(1) Reconciliation of net profit to cash flows from operating activities:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Net profit	2,147,312,506	1,701,279,813	1,136,300,863	463,813,617
Add: Impairment provisions	983,869	250,778,683	18,000	-
Depreciation of fixed assets	2,616,006,455	2,135,245,786	67,879,242	54,387,754
Amortisation of intangible assets	51,077,173	39,653,221	1,447,180	1,182,613
Amortisation of long-term deferred expenses	4,300,984	8,185,654	66,600	89,990
Amortisation of deferred income	(23,483,284)	(21,429,472)	(34,728)	(8,683)
Other government grants	(59,409,867)	(17,681,137)	-	-
Losses / (gains) on disposal of fixed assets	12,724,488	20,542,789	230,988	(2,415,792)
Financial expense	2,425,438,396	2,105,324,952	383,503,437	246,395,028
Gains arising from investments	(187,533,966)	(167,313,159)	(1,390,650,999)	(661,160,195)
Decrease in deferred tax assets	2,182,465	17,689,823	-	31,956,741
Increase in deferred tax liabilities	31,047,008	84,152,071	-	-
(Increase) / decrease in gross inventories	(15,130,329)	(70,180,491)	494,414	65,915
(Increase) / decrease in operating receivables	(444,793,523)	(291,468,036)	14,148,804	(25,031,981)
Increase / (decrease) in operating payables	613,905,283	826,904,153	(5,470,207)	39,424,201
Net cash inflow from operating activities	7,174,627,658	6,621,684,650	207,933,594	148,699,208

(2) Change in cash and cash equivalents:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Cash and cash equivalents at the end of the year	3,290,986,777	1,768,747,492	1,578,793,072	200,100,167
Less: Cash and cash equivalents at the beginning of the year	1,768,747,492	2,575,699,936	200,100,167	932,243,838
Net increase / (decrease) in cash and cash equivalents	1,522,239,285	(806,952,444)	1,378,692,905	(732,143,671)

(3) Cash and cash equivalents held by the Group and the Company are as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
(a) Cash at bank and on hand				
- Cash on hand	740,920	607,161	17,896	10,239
- Bank deposits available on demand	3,290,245,857	1,768,140,331	1,578,775,176	200,089,928
- Cash with restricted usage	667,924,154	233,659,386	54,845,771	3,824,850
(b) Cash equivalents	-	-	-	-
(c) Closing balance of cash and cash equivalents	3,958,910,931	2,002,406,878	1,633,638,843	203,925,017
Less: Cash with restricted usage	667,924,154	233,659,386	54,845,771	3,824,850
(d) Closing balance of cash and cash equivalents available on demand	3,290,986,777	1,768,747,492	1,578,793,072	200,100,167

(4) Information on acquisition or disposal of subsidiaries and other business units during the current year:

	<i>The Group</i>	<i>The Company</i>
Consideration of acquisition	219,277,234	191,357,894
Cash and cash equivalents paid for acquiring subsidiaries	219,277,234	191,357,894
Less: Unpaid acquisition consideration	10,357,894	10,357,894
Cash and cash equivalents held by subsidiaries	41,820,243	-
Add: Payment of payables for acquisition of subsidiaries in prior years	38,360,608	44,846,866
Net cash paid for the acquisition	205,459,705	225,846,866
Non-cash assets and liabilities held by the acquired subsidiaries		
Current assets	35,396,715	22,309,583
Non-current assets	861,482,373	632,154,935
Current liabilities	(412,153,726)	(189,036,380)
Non-current liabilities	(307,268,371)	(307,268,371)



(5) Information on disposal of subsidiaries by the Company:

	<i>The Company</i>
Consideration of disposal	758,260,400
Cash and cash equivalents received for disposing subsidiaries	758,260,400
Net proceeds for disposing subsidiaries	758,260,400
Non-cash assets and liabilities held by the disposed subsidiaries	
Current assets	803,581,668
Non-current assets	2,756,165,308
Current liabilities	(237,431,716)
Non-current liabilities	(2,717,571,135)

56 Related party relationships and transactions

(1) Information on the parent of the Company is listed as follows:

<i>Company name</i>	<i>Registered place</i>	<i>Business nature</i>	<i>Registered capital (RMB: '0000)</i>	<i>Shareholding percentage</i>	<i>Proportion of voting rights</i>
Huadian Group	Beijing	The development, construction and operation management of power and power related industries, production and sale of electricity and heat	1,479,241	61.66% (i)	62.76% (i)

i: The above proportion of shareholding and proportion of voting rights include those of Huadian Group in the Company controlled via Wujiang Hydropower and CHEC.

(2) For the information on the subsidiaries of the Company, please refer to Note 6(1).

- (3) For a joint venture and associates of the Group and the Company, please refer to Note 16.
- (4) Information on other related parties is listed as follows:

<i>Name of the enterprises</i>	<i>Relationship with the Group and the Company</i>
Guodian Nanjing Automation Co., Ltd.	Under control of the same parent company
Huadian Heavy Industries Corp., Ltd.	Under control of the same parent company
China Huadian Engineering Co., Ltd.	Under control of the same parent company
Huadian Electric Power Research Institute	Under control of the same parent company
Huadian Coal Industry Group Co., Ltd.	Under control of the same parent company
Huadian Coal Industry Group Transportation and Sale Co., Ltd.	Under control of the same parent company
Huadian Trading International (Beijing) Co., Ltd.	Under control of the same parent company
Fujian Huadian Storage and Transportation Co., Ltd.	Under control of the same parent company
Huayuanxing Sea Transportation Co., Ltd.	Under control of the same parent company
China Huadian Finance Corporation Limited	Under control of the same parent company
Beijing Huabin Investments Co., Ltd.	Under control of the same parent company
Huadian Inner Mongolia Kailu Wind Power Co., Ltd.	Under control of the same parent company
Huadian Kezuozhongqi Wind Power Co., Ltd.	Under control of the same parent company
Huadian Ningxia Ningdong Shangde Solar Power Co., Ltd.	Under control of the same parent company
Huadian Energy Co., Ltd.	Under control of the same parent company
Guizhou Huadian Wujiang Hydropower Engineering Management Co., Ltd.	Under control of the same parent company
Tianjin Junliangcheng Power Generation Co., Ltd.	Under control of the same parent company
Hubei Huadian Xiangyang Power Generation Co., Ltd.	Under control of the same parent company
Huadian Hubei Power Generation Co., Ltd.	Under control of the same parent company
China Huadian Corporation Xiamen Power Plant	Under control of the same parent company
China Huadian Corporation Supplies Co., Ltd.	Under control of the same parent company
Hangzhou Huadian Engineering Equipment Supervision Co., Ltd.	Under control of the same parent company
China Huadian Corporation Electricity Construction Technology Economic Consulting Center	Under control of the same parent company
Xinjiang Huadian Engineering Co., Ltd.	Under control of the same parent company
Hangzhou Huadian Electricity Experiment Research Institute	Under control of the same parent company
Guodian Huabei Electricity Engineering Co., Ltd.	Under control of the same parent company
Xiamen Kelier Energy Engineering Co., Ltd.	Under control of the same parent company
Inner Mongolia Mengtai Buliangou Co., Ltd.	Under control of the same parent company
Huadian Distributed Energy Engineering Technology Co., Ltd.	Under control of the same parent company
Huadian Xinjiang Power Generation Co., Ltd.	Under control of the same parent company
Hubei Huadian Xisaishan Power Generation Co., Ltd.	Under control of the same parent company
Huadian Hubei Power Generation Co., Ltd. Huangshi Power Plant	Under control of the same parent company
Sichuan Huadian Xixihe Hydropower Development Co., Ltd.	Under control of the same parent company
Anhui Huadian Suzhou Power Generation Co., Ltd.	Under control of the same parent company
Huadian Finance Leasing Co. Ltd.	Under control of the same parent company
Inner Mongolia Mengtai Buliangou Dalu Coal Logistics Co., Ltd.	Under control of the same parent company

(5) Transactions with its key management personnel

	<i>The Group</i>	
	<u>2014</u>	<u>2013</u>
Remuneration of key management personnel	6,188,700	6,137,166

The Group believes the above transactions with key management personnel were conducted under normal commercial terms or relevant agreements.

(6) Transactions with related parties other than its key management personnel

(a) Transaction amounts with related parties:

	<i>The Group</i>		<i>The Company</i>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Purchase of goods	2,435,021,069	1,382,371,989	70,069,636	-
Receiving services	439,609,726	397,512,552	1,304,180	4,485,304
Sales of goods and rendering of services	13,530,388	3,517,289	-	-
Lease of property and receiving property management service (Releasing) / accepting loan guarantee	16,398,684	16,713,412	16,398,684	13,453,567
Provision guarantee	(1,390,700,000)	2,682,500,000	-	-
Obtaining loans	4,452,000	8,646,000	1,363,162,881	579,689,986
Cash received from loans to other related parties	1,272,663,896	360,000,000	1,600,000,000	300,000,000
Balance of deposits changes	-	28,000,000	-	-
Interest expense	1,236,347,116	1,037,182,732	967,668,622	173,509,703
Interest income	207,090,309	146,900,508	83,464,958	6,317,111
Acquisition of a subsidiary	22,468,007	18,387,640	1,071,392	996,729
Disposal of subsidiaries	-	610,845,290	-	610,845,290
Net amount of funds transactions between the Company and its subsidiaries	-	-	758,260,400	-
	(i)	-	-	(2,571,972,458) (1,175,349,535)

(i): The net amount of funds transactions between the Company and its subsidiaries primarily represents the net amount of advances, financial support provided or received, and tariff collected on behalf of other subsidiaries.

- (b) The balances of transactions with related parties as at 31 December are set out as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Bank deposits	2,556,436,179	1,320,089,063	1,141,178,325	173,509,703
Other receivables	66,750,387	42,889,056	5,583,386,238	3,209,999,238
Provision of bad and doubtful debts				
of other receivables	6,514,896	6,514,896	-	-
Prepayments	1,122,034	18,000,000	-	-
Interest receivable	-	-	5,321,149	-
Dividends receivable	104,287,233	46,191,700	254,503,233	176,407,700
Long-term receivables	28,178,700	28,178,700	500,000,000	500,000,000
Short-term loans	860,000,000	940,000,000	700,000,000	300,000,000
Long-term loans due within one year	14,000,000	-	10,000,000	-
Long-term loans	3,508,663,896	2,170,000,000	1,190,000,000	-
Long-term payables	76,447,176	76,447,176	-	-
Bills payable	147,899,360	1,926,928	-	-
Accounts payable	736,805,626	557,229,987	16,172,513	12,504,439
Other payables	119,523,747	51,443,401	455,617,897	668,632,133
Interest payable	9,672,043	6,784,707	3,302,083	-
Dividends payable	5,564,163	-	-	-
Guarantees secured	2,291,800,000	3,682,500,000	-	-
Guarantees provided	30,878,000	26,426,000	1,942,852,867	579,689,986

The above transactions of the Group and the Company with related parties were conducted under normal commercial terms or relevant agreements.

## 57 Contingencies

### (1) Loans guarantee

- (a) Loans guarantee provided by the Group for related parties as at 31 December 2014 is set out as follows:

<i>Secured party</i>	<i>Starting date</i>	<i>Ending date</i>	<i>Guarantee amount</i>
Fujian Jian'ou Beijin Hydropower Development Co., Ltd.	24 September 2003	23 May 2019	21,678,000
Fujian Jian'ou Beijin Hydropower Development Co., Ltd.	13 November 2014	30 December 2022	9,200,000

- (b) Loans guarantee provided by the Company for its subsidiaries as at 31 December 2014 is set out as follows:

<i>Secured party</i>	<i>Starting date</i>	<i>Ending date</i>	<i>Guarantee amount</i>
Jiangxi Huadian Jiujiang Distributed Energy Co., Ltd.	8 February 2013	19 November 2025	358,482,100
Yunnan Huadian Lianhuashan Wind Power Co., Ltd.	30 April 2014	29 April 2026	206,000,000
Gansu Dunhuang Huadian Fuxin Solar Power Co., Ltd.	13 May 2014	12 May 2029	170,000,000
Guangdong Huadian Qian-shan Wind Power Co., Ltd.	23 June 2014	22 June 2019	90,000,000
Hunan Huadian Fuxin Taipingli Wind Power Co., Ltd.	7 July 2014	6 July 2029	143,829,967
Huadian Nanning New Energy Co., Ltd.	5 August 2014	29 November 2023	59,678,500
Inner Mongolia Huadian Hongtu Wind Power Co., Ltd.	23 September 2014	10 December 2028	95,000,000
Inner Mongolia Huadian Jieji Wind Power Co., Ltd.	26 September 2014	26 September 2021	200,000,000
Inner Mongolia Huadian Wutaohai Wind Power Co., Ltd.	26 September 2014	25 September 2026	265,000,000
Inner Mongolia Huadian Huitengxile Wind Power Co., Ltd.	28 September 2014	27 September 2021	350,000,000
Gansu Minle Huadian Fuxin Solar Power Co., Ltd.	26 December 2014	25 December 2029	4,862,300

(2) Turnover tax on CER income

Since tax authorities do not specify whether turnover tax is applicable to CER income, the Company's management considered the above tax not applicable to CER income after discussing with local tax authorities. Therefore, the Group does not provide for turnover tax in relation to CER income recognised during the historical periods.

(3) Contingent liability related to reallocation compensation of Mianhuatan Hydropower

As stated in note 29, local government departments require the Group's subsidiary, Mianhuatan Hydropower to increase the compensation amount for the land inundated by the reservoir in order to cover the increasing costs related to the reallocation and resettlement of additional residents, construction of roads and bridges, environmental protection, and preservation of historical artifacts. Consequently, the Group estimated and provided for the contingent liability thus arose.

(4) Contingent environmental liabilities

As at the reporting date, the Group had not been involved in any environmental remediation cases, and did not record any significant environmental remediation costs, or make further provisions for environmental remediation for any businesses. Under existing legislation, management believes there will not be liabilities that have material adverse impact on the Group's financial position and operating results. However, the Chinese government is applying more stringent environmental protection standards and may strengthen regulation in this regard. As a result, uncertainty about environmental liabilities increase, and this may affect the Group's ability to estimate the final environmental costs. Uncertain factors include: (i) the exact nature and extent of contamination in the related location (including but not limited to thermal power plants in operation, closed or sold, and land development areas); (ii) the progress of clean-up work; (iii) costs of various remedial measures; (iv) changes in environmental remediation regulations; and (v) the determination of new locations that need environmental protection measures. As it is unable to predict the extent of contamination that may occur or the exact timing and extent of remedial measures required, the Group cannot determine the exact amount of future environmental costs. While the Group cannot reasonably estimate environmental liabilities arising from new environmental protection requirements, the amounts could be material.

58 Commitments

(1) Capital commitments

As at 31 December, the capital commitments of the Group and the Company are summarised as follows:

	<u>The Group</u>		<u>The Company</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Authorized but not contracted for	12,257,225,510	8,529,784,544	163,559,630	-
Contracted for	8,321,848,065	3,060,920,646	78,709,829	151,852,950
Total	<u>20,579,073,575</u>	<u>11,590,705,190</u>	<u>242,269,459</u>	<u>151,852,950</u>

(2) Operating lease commitments

As at 31 December, the total future minimum lease payments under non-cancellable operating leases of properties were payable as follows:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
Within 1 year (inclusive)	54,680,649	14,019,497	18,660,613	12,182,159
After 1 year but within 2 years (inclusive)	49,681,460	12,666,762	8,785,958	10,875,226
After 2 years but within 3 years (inclusive)	48,442,358	11,183,578	8,785,958	9,564,026
After 3 years	427,974,022	115,423,469	98,842,028	109,128,225
Total	580,778,489	153,293,306	135,074,557	141,749,636

59 Post balance sheet date events

(1) Profit appropriation after the balance sheet date

After the balance sheet date, the Board of Directors proposed a final profit distribution. Further details are disclosed in Note 45(2)(b).

(2) Acquire the equity interest of Sanmen Nuclear Power Co., Ltd. (“Sanmen Nuclear”)

As the nuclear power project held by Sanmen Nuclear is one of the national major projects, to accelerate the development of Group’s nuclear power business, the Company entered into an equity transfer agreement with Huadian Group on 23 March, 2015, pursuant to which the Company agreed to acquire the 10% equity interest of Sanmen Nuclear held by Huadian Group at an aggregate consideration of RMB1,115,857,449.29, which will be settled in cash.

(3) Approval of the financial statements

These financial statements were authorized and approved by the Board of Directors of the Company on 17 April 2015.

## 60 Segment reporting

The Group has five reportable segments, which are hydropower, wind power, coal-fired power, solar power and others, determined based on the structure of its internal organisation, management requirements and internal reporting system. Each reportable segment is a separate business unit which offers different products and services, and is managed separately because they require different technology and marketing strategies. The financial information of different segments is regularly reviewed by the Group's management to make decisions about resources to be allocated to each segment and assess its performance.

- Hydropower: this segment constructs, manages and operates hydropower plants and generates electric power for sale to power grid companies.
- Wind power: this segment constructs, manages and operates wind power plants and generates electric power for sale to power grid companies.
- Coal-fired power: this segment constructs, manages and operates coal-fired power plants and generates electric power for sale to power grid companies.
- Solar power: this segment constructs, manages and operates solar power plants and generates electric power for sale to power grid companies.
- Others: other individually immaterial businesses, other than hydropower, wind power and coal-fired power, are categorized as “others” and reviewed as a whole by management.

In the annual financial statements for the year ended 31 December 2013, the results, assets, and liabilities of solar power business had been included into that of the reporting segment of other clean energy business. With the development of solar power business, the Group presents the information of solar power business as an individual reporting segment from the year ended 31 December 2014. The comparative information of solar power business for the year ended 31 December 2013 has also been presented separately.

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible, other non-current and current assets, such as accounts receivable, with the exception of income tax paid in advance, deferred tax assets and other unallocated corporate assets. Segment liabilities include payables, bank borrowings attributable to the individual segments, but exclude income tax payable, deferred tax liabilities and other unallocated corporate liabilities.

Financial performance is operating income after deducting expenses, depreciation, amortisation and impairment losses attributable to the individual segments, and interest income and expenses from cash balances and borrowings managed directly by the segments.



(1) Segment results, assets and liabilities

Information regarding the Group's reportable segments set out below is the measure of segment profit or loss and segment assets and liabilities reviewed by the chief operating decision maker:

	2014						Total	
	Hydropower	Wind power	Coal-fired power	Solar power	Others	Unallocated items	Elimination	
Operating income	2,444,862,561	3,166,538,510	7,183,962,292	485,650,140	1,072,417,735	50,758,271	(69,278,328)	14,334,911,181
Including: operating income from external customers	2,441,337,416	3,166,538,510	7,183,962,292	485,650,140	1,053,349,719	4,073,104	-	14,334,911,181
Profit / (losses)	917,829,561	539,469,377	1,448,838,076	138,651,982	46,298,670	(410,253,965)	-	2,680,833,701
Total assets	10,540,662,334	45,690,733,402	12,613,461,787	6,741,523,450	4,924,300,425	12,408,437,340	(6,983,998,378)	85,935,120,360
Total liabilities	4,643,069,254	37,737,399,932	9,550,205,289	5,456,882,575	3,537,325,323	14,335,992,196	(6,983,998,378)	68,276,876,191
Other material items:								
- Depreciation and amortization	465,930,117	1,301,804,347	649,883,203	166,284,660	80,390,249	2,791,052	-	2,667,083,628
- Impairment for the year	(1,281,845)	330,000	881,211	-	1,054,503	-	-	983,869
- Interest income	7,060,585	29,457,133	8,851,275	2,674,315	3,984,912	191,385,083	(188,893,369)	54,519,934
- Interest expense	210,581,598	1,249,900,349	460,722,874	140,978,143	50,104,524	571,620,830	(188,893,369)	2,495,014,949
- Interest in the profit of associates	3,860,721	18,000,000	2,957,388	-	1,437,021	57,466,337	-	83,721,467
- Investment in associates and a joint venture	114,136,397	316,947,494	24,694,100	-	92,684,139	3,884,817,639	-	4,433,279,769
- The amounts of additions to current assets other than long-term equity investments	279,855,250	12,094,458,477	372,374,376	1,969,805,341	1,055,798,492	21,141,456	-	15,793,433,392

2013

	<i>Hydropower</i>	<i>Wind power</i>	<i>Coal-fired power</i>	<i>Solar power</i>	<i>Others</i>	<i>Unallocated items</i>	<i>Elimination</i>	<i>Total</i>
Operating income	2,117,448,532	2,773,211,996	7,494,662,467	289,322,055	590,137,230	31,738,618	(53,912,846)	13,242,608,052
Including operating income from external customers	2,112,742,193	2,773,211,996	7,494,662,467	289,322,055	568,637,123	4,032,218	-	13,242,608,052
Profit / (losses)	711,635,390	225,753,732	1,461,287,050	87,919,990	8,331,687	(309,681,050)	-	2,185,246,799
Total assets	10,337,621,368	32,493,390,446	12,909,253,394	3,239,883,365	3,382,434,784	9,184,124,245	(3,870,282,236)	67,676,425,366
Total liabilities	4,265,759,108	27,253,420,048	9,189,484,436	2,681,251,317	2,495,041,624	11,950,859,331	(3,870,282,236)	53,965,533,628
Other material items:								
- Depreciation and amortization	390,740,274	1,005,834,223	611,267,451	100,991,990	60,586,903	5,478,166	-	2,174,899,007
- Impairment for the year	12,929,223	236,353,946	1,018,931	768,528	(291,945)	-	-	250,778,683
- Interest income	3,104,117	22,237,309	11,880,521	4,400,796	1,133,510	164,386,066	(160,892,966)	46,249,353
- Interest expense	233,374,535	1,025,746,680	518,355,689	89,022,508	29,324,599	405,946,686	(160,892,966)	2,140,877,731
- Interest in the profit / (losses) of associates	358,729	-	2,248,400	-	(3,388,686)	94,334,070	-	93,552,513
- Investment in associates	111,052,474	-	23,136,712	-	90,494,131	3,320,926,074	-	3,545,609,391
- The amounts of additions to current assets other than long-term equity investments	449,724,205	3,862,960,742	383,198,212	1,525,664,305	760,878,895	9,264,396	-	6,991,690,755

(2) Geographic information

The Group's revenue is substantially generated from the sale of electricity to the customers in the PRC. The Group's operating assets are substantially situated in the PRC. Accordingly, no segment analysis based on geographical locations of the customers and assets is provided.

(3) Major customers

The major customers of the Group are the PRC government controlled power grid companies. Revenue from the sales of electricity to the PRC government controlled power grid companies amounted to RMB13,465,328,025 for the year ended 31 December 2014 (2013: RMB12,744,115,044).

61 Risk analysis and sensitivity analysis for financial instruments

The Group has exposure to the following risks from its use of financial instruments in the normal course of the Group's operations, which mainly include:

- Credit risk
- Liquidity risk
- Interest rate risk
- Foreign currency risk
- Other price risk

This note presents information about the Group's exposure to each of the above risks and their sources, and their changes during the year, as well as the Group's objectives, policies and processes for measuring and managing risks, and their changes during the year.

The Group aims to seek the appropriate balance between the risks and benefits from its use of financial instruments and to mitigate the adverse effects that the risks of financial instruments have on the Group's financial performance. Based on such objectives, the Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

(1) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's credit risk is primarily attributable to cash at bank, accounts receivable and bills receivable. Exposure to these credit risks are monitored by management on an ongoing basis.

The cash at bank of the Group is mainly held with well-known financial institutions, including state-owned banks and the related party of the Group, China Huadian Finance Corporation Limited. Management does not foresee any significant credit risks from these deposits and does not expect that these financial institutions may default and cause losses to the Group.

The Group sells electricity to state-owned regional or provincial grid companies. Its credit risk in this regard is little given its stable, long-term business relationship with these customers. As at 31 December 2014, accounts receivable from these grid companies accounted for 96.43% (2013: 93.34%) of the total. For other trade debtors and other receivables, the Group performs an ongoing individual credit evaluation of its customers' and counterparties' financial conditions. The allowance for doubtful debts has been made in the financial statements.

The maximum exposure to credit risk is represented by the carrying amounts of each financial asset in the balance sheet. Except for the financial guarantees given by the Group and the Company as set out in Note 57(1), the Group and the Company does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in Note 57(1).

## (2) Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations that are settled by delivering cash or another financial asset. The Company and its individual subsidiaries are responsible for their own cash management, including short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. As at 31 December 2014, the Group has unutilized banking facilities of RMB22,492,304,612. The Group manages the proportion of its current liabilities with respect to the total liabilities to mitigate the liquidity risk. The directors have determined that adequate liquidity exists to finance the future working capital and expenditure requirements of the Group.

The following table details the remaining contractual maturities at the end of the reporting period of the Group's and the Company's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

<i>The Group</i>	<i>Contractual undiscounted cash flows of 2014</i>				<i>Carrying amounts in the balance sheet</i>
	<i>Within 1 year or on demand</i>	<i>More than 1 year but less than 2 years</i>	<i>More than 2 years but less than 5 years</i>	<i>More than 5 years</i>	
Short-term loans	5,124,958,727	-	-	-	4,899,000,000
Accounts payable and other payables	11,310,445,720	-	-	-	11,310,445,720
Bills payable	2,277,782,273	-	-	-	2,277,782,273
Other current liabilities	3,147,600,000	-	-	-	2,993,500,000
Long-term loans					
(including due within 1 year)	6,675,493,274	7,012,221,751	18,430,750,558	22,796,160,892	41,866,766,453
Debentures payable	103,000,000	103,000,000	1,259,000,000	1,212,000,000	1,991,518,750
Long-term payables					
(including due within 1 year)	100,969,863	111,284,212	392,279,221	448,976,137	818,715,420
<b>Total</b>	<b>28,740,249,857</b>	<b>7,226,505,963</b>	<b>20,082,029,779</b>	<b>24,457,137,029</b>	<b>66,157,728,616</b>
<i>The Group</i>	<i>Contractual undiscounted cash flows of 2013</i>				<i>Carrying amounts in the balance sheet</i>
	<i>Within 1 year or on demand</i>	<i>More than 1 year but less than 2 years</i>	<i>More than 2 years but less than 5 years</i>	<i>More than 5 years</i>	
Short-term loans	5,988,285,428	-	-	-	5,770,135,260
Accounts payable and other payables	8,393,731,339	-	-	-	8,393,731,339
Bills payable	949,235,338	-	-	-	949,235,338
Other current liabilities	1,561,050,000	-	-	-	1,498,000,000
Long-term loans					
(including due within 1 year)	6,340,786,317	5,158,730,187	13,346,624,352	17,874,396,813	32,583,639,139
Debentures payable	103,000,000	103,000,000	1,309,000,000	1,265,000,000	1,989,793,750
Long-term payables					
(including due within 1 year)	143,592,366	114,907,566	402,462,336	544,227,844	921,077,414
<b>Total</b>	<b>23,479,680,788</b>	<b>5,376,637,753</b>	<b>15,058,086,688</b>	<b>19,683,624,657</b>	<b>52,105,612,240</b>

<i>The Company</i>	<i>Contractual undiscounted cash flows of 2014</i>					<i>Carrying amounts in the balance sheet</i>
	<i>Within 1 year or on demand</i>	<i>More than 1 year but less than 2 years</i>	<i>More than 2 years but less than 5 years</i>	<i>More than 5 years</i>	<i>Total</i>	
Short-term loans	3,724,173,333	-	-	-	3,724,173,333	3,600,000,000
Accounts payable and other payables	612,538,700	-	-	-	612,538,700	612,538,700
Other current liabilities	3,147,600,000	-	-	-	3,147,600,000	2,993,500,000
Long-term loans (including due within 1 year)	442,630,788	197,481,212	655,854,659	1,398,556,965	2,694,523,624	2,246,000,000
Debentures payable	103,000,000	103,000,000	1,259,000,000	1,212,000,000	2,677,000,000	1,991,518,750
Total	8,029,942,821	300,481,212	1,914,854,659	2,610,556,965	12,855,835,657	11,443,557,450

<i>The Company</i>	<i>Contractual undiscounted cash flows of 2013</i>					<i>Carrying amounts in the balance sheet</i>
	<i>Within 1 year or on demand</i>	<i>More than 1 year but less than 2 years</i>	<i>More than 2 years but less than 5 years</i>	<i>More than 5 years</i>	<i>Total</i>	
Short-term loans	3,997,500,000	-	-	-	3,997,500,000	3,840,000,000
Accounts payable and other payables	893,498,430	-	-	-	893,498,430	893,498,430
Other current liabilities	1,561,050,000	-	-	-	1,561,050,000	1,498,000,000
Long-term loans (including due within 1 year)	278,405,518	304,716,353	183,866,203	277,197,638	1,044,185,712	855,000,000
Debentures payable	103,000,000	103,000,000	1,309,000,000	1,265,000,000	2,780,000,000	1,989,793,750
Total	6,833,453,948	407,716,353	1,492,866,203	1,542,197,638	10,276,234,142	9,076,292,180

(3) Interest rate risk

Interest-bearing financial instruments at variable rates expose the Group to cash flow interest rate risk. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure.

(a) As at 31 December, the Group and the Company held the following interest-bearing financial instruments:

	<u>The Group</u>		<u>The Company</u>	
	2014	2013	2014	2013
Fixed rate:				
Financial liabilities				
- Short-term loans	2,343,000,000	3,880,135,260	1,750,000,000	1,550,000,000
- Other current liabilities	2,993,500,000	1,498,000,000	2,993,500,000	1,498,000,000
- Long-term loans (including due within 1 year)	2,774,178,500	2,375,450,000	-	-
- Debentures payable	1,991,518,750	1,989,793,750	1,991,518,750	1,989,793,750
- Long-term payables (including due within 1 year)	185,188,724	190,857,791	-	-
	<u>10,287,385,974</u>	<u>9,934,236,801</u>	<u>6,735,018,750</u>	<u>5,037,793,750</u>
Variable rate:				
Financial liabilities				
- Short-term loans	2,556,000,000	1,890,000,000	1,850,000,000	2,290,000,000
- Long-term loans (including due within 1 year)	39,092,587,953	30,208,189,139	2,246,000,000	855,000,000
- Long-term payables (including due within 1 year)	633,526,696	730,219,623	-	-
	<u>42,282,114,649</u>	<u>32,828,408,762</u>	<u>4,096,000,000</u>	<u>3,145,000,000</u>
Less: financial assets				
- Cash at bank	3,958,170,011	2,001,799,717	1,633,620,947	203,914,778
	<u>38,323,944,638</u>	<u>30,826,609,045</u>	<u>2,462,379,053</u>	<u>2,941,085,222</u>

(b) Sensitivity analysis

As at 31 December 2014, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, would decrease or increase the Group's net profit and equity by RMB250,063,739 (2013: RMB203,455,620), and would decrease or increase the Company's net profit and equity by RMB18,283,165 (2013: RMB21,175,813).

In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group or the Company at the balance sheet date, the impact on the net profit and equity is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for the previous year.

(4) Foreign currency risk

Some cash at bank and bank loans denominated in foreign currencies (mainly the Hong Kong dollar, Euro and US dollar) expose the Group to foreign currency risk. As at 31 December 2014, the proportion of the Group's cash at bank and on hand denominated in foreign currencies accounted for 10.66% (2013: 0.53%) of the total, while the proportions of loans were 0.73% (2013: 0.9%). Its main operating activities are settled in the Renminbi.

In respect of cash at bank and on hand, accounts receivables and payables, short-term loans and other assets and liabilities denominated in foreign currencies other than the functional currency, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

As at 31 December 2014, the Group did not have outstanding foreign currency swap contracts (2013: Nil).

(a) As at 31 December, the Group's and the Company's exposure to currency risk arising from recognised assets or liabilities denominated in foreign currencies is presented in the following tables. For presentation purposes, the amounts of the exposure are shown in Renminbi, translated using the spot rate at the balance sheet date.

<i>The Group</i>	<u>2014</u>			<u>2013</u>		
	<i>USD</i>	<i>EUR</i>	<i>HKD</i>	<i>USD</i>	<i>EUR</i>	<i>HKD</i>
Cash at bank and on hand	12,458	16,597,237	405,492,189	810	2,089,634	8,548,299
Long-term loans	(342,908,760)	(268,401,600)	-	(342,347,452)	-	-
Gross and Net balance sheet exposure	<u>(342,896,302)</u>	<u>(251,804,363)</u>	<u>405,492,189</u>	<u>(342,346,642)</u>	<u>2,089,634</u>	<u>8,548,299</u>
<i>The Company</i>	<u>2014</u>			<u>2013</u>		
	<i>USD</i>	<i>EUR</i>	<i>HKD</i>	<i>USD</i>	<i>EUR</i>	<i>HKD</i>
Cash at bank and on hand	-	-	396,341,439	-	-	8,548,299
Gross and Net balance sheet exposure	<u>-</u>	<u>-</u>	<u>396,341,439</u>	<u>-</u>	<u>-</u>	<u>8,548,299</u>



- (b) The following are the exchange rates for Renminbi against foreign currencies applied by the Group and the Company:

	<i>Average rate</i>		<i>Reporting date mid-spot rate</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
USD	6.1415	6.1970	6.1190	6.0969
EUR	8.1481	8.2456	7.4556	8.4189
HKD	0.7919	0.7989	0.7889	0.7862

- (c) Sensitivity analysis

Assuming all other risk variables remained constant, a 5% strengthening of the Renminbi against the US dollar, Euro and HK dollar at 31 December would have increased (decreased) the Group's and the Company's equity and net profit by the amount shown below, whose effect is in Renminbi and translated using the spot rate at the year-end date:

	<i>The Group</i>		<i>The Company</i>	
	<i>2014</i>	<i>2013</i>	<i>2014</i>	<i>2013</i>
USD	12,858,613	12,837,998	-	-
EUR	9,442,667	(78,363)	-	-
HKD	(15,205,957)	(320,561)	(14,862,804)	(320,561)
Total	7,095,323	12,439,074	(14,862,804)	(320,561)

The sensitivity analysis above assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the balance sheet date. The analysis is performed on the same basis for the previous year.

- (5) Other price risks

Other price risks include stock price risk, commodity price risk and etc.

## 62 Fair value

### (1) Financial instruments carried at fair value

The following table presents the fair value information and the fair value hierarchy, at the end of the current reporting period, of the Group's and the Company's assets and liabilities which are measured at fair value at each balance sheet date on a recurring or non-recurring basis. The level in which fair value measurement is categorised is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels of inputs are defined as follows:

Level 1 inputs: unadjusted quoted prices in active markets that are observable at the measurement date for identical assets or liabilities;

Level 2 inputs: inputs other than Level 1 inputs that are either directly or indirectly observable for underlying assets or liabilities;

Level 3 inputs: inputs that are unobservable for underlying assets or liabilities.

As at 31 December 2014 and 31 December 2013, there were no financial instruments of the Group carried at fair value. During the years ended 31 December 2013 and 2014, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3.

### (2) Fair value of other financial instrument (items not measured at fair value at the end of the year)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost primarily including receivables, payables and borrowings are not materially different from their fair values at the end of the reporting period, which are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

The investments in unquoted equity securities are measured at cost which fair value cannot be measured reliably as these investments in non-listed companies do not have quoted market price in an active market. The Group has no intention to dispose of these investments.

63 Capital management

The Group's primary objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group's capital structure is regularly reviewed and managed to achieve an optimal structure and return for shareholders. Factors for the Group's consideration include: its future funding requirements, capital efficiency, actual and expected profitability, expected cash flows, and expected capital expenditure, etc. Adjustments are made to the capital structure in light of changes in economic conditions affecting the Group.

The Group monitors its capital structure on the basis of liability-to-asset ratio, which is calculated by dividing total liabilities by total assets. The liability-to-asset ratios of the Group as at 31 December 2014 are 79% (2013: 80%).

During 2014, the Group's strategy was unchanged from 2013. Neither the Group nor the Company are subject to externally imposed capital requirements.