華電福新能源股份有限公司
HUADIAN FUXIN ENERGY CORPORATION LIMITED

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

Stock Code: 00816

ANNUAL REPORT 2015

Contents

Fang Zheng, Chairman

Dear Shareholders,

For the three years since our listing, the Group had been steadfastly implementing the concept of sustainable value creation and dedicating to the development of clean energy. As a result, the Group has developed our distinctive path for development of new energy through painstaking efforts. By far, our assets and projects have been distributed across 27 provinces and cities in China as well as Spain, with our industrial layout covering 7 areas, namely hydropower, wind power, coal-fired power, nuclear power, solar energy, natural gas distributed energy and biomass energy. Since our listing, the Group's consolidated installed capacity commenced operation had more than doubled to 13,845.2MW as at the end of 2015; the total assets amounted to RMB97,545.3 million, representing a year-on-year increase of 13.5%; equity interest attributable to the owners amounted to RMB21,142.6 million, representing a year-on-year increase of 19.7%; and net profit amounted to RMB2,217.7 million, representing an increase of 3.3% over last year. Accordingly, the Group's overall strength, position in the industry, corporate image and profitability were considerably improved.

At present, China has entered the new development stage of the "Thirteenth Five-year Plan" In the next five years, China's economic growth rate is expected to fluctuate between 6.5% and 7% and the overall power consumption in China will grow at a medium-low-rate ranging from 1% to 5%. Meanwhile, China is still in a period with important strategic opportunities since the favorable fundamentals for economic growth will remain unchanged in the long run. China has made a solemn commitment to the world that it will reduce its carbon dioxide emission per unit of GDP by 40% to 45% by 2020, increase its share of non-fossil energy to around 20% by 2030 and make green, recycling and low-carbon development as the core of its future energy development.

Faced with such new situations, we will persevere with our own distinctive specialty features and fully capitalize on our advantages of management, region, resource and development in the field of new energy. Meanwhile, we will constantly consolidate our structural dominance, namely the complementation among the wind power, solar energy, hydropower, coal-fired power and nuclear power, thus generating stable operating results for the Company and providing strong support for the Company's development.

We consider the ability to create value as the core measurement gauge and put the concept of sustainable development into practice. Based on "Profitable" development and "Quality-oriented" scale, we develop our projects from scientific and rational perspectives. Instead of blind development for the purpose of scale expansion, we develop for the purpose of creating greater value and generating better return for each of our shareholders.

On behalf of the Board, I would like to express my sincere gratitude to all the shareholders and affiliates for their trust and support.

Fang Zheng
Chairman

President's Statement

Shu Fuping, President

Dear Shareholders,

In 2015, the Group proactively coped with the challenging economic situations and market conditions, strived for progress while maintaining stability for various works and fully accomplished the targets and tasks of the year.

Positively responding to the grim situations, we made progress while maintaining stability of operation. The projects of various segments were pressed ahead in an all-round manner. We recorded an increase of over 1,700 MW in the consolidated installed capacity newly put into operation for the year, including 1,528.0 MW for wind power, 50.9 MW for hydropower, 75.5 MW for solar energy, and 128.0 MW for natural gas distributed energy. The power generation for the year amounted to 37,179,639.0 MWh, representing a year-on-year increase of 1.8%; revenue amounted to RMB15,347.0 million, representing a year-on-year increase of 10.4%.

Deploying in advance to lay a solid foundation, we achieved a high record in project development. We continued to speed up the development and layout optimization of wind power and solar energy segments, with wind power and solar energy projects growing rapidly in Central and Southeast China. The first pumped storage demonstration project of hydropower segment– Zhouning 1,200 MW Project was progressing smoothly. Shaowu Phase III 2×660 MW Project, a high efficiency coal-fired power project, was put into full construction, while Kemen Phase III 2×1000 MW Project was approved. The declining natural gas price brings us new opportunities for a large number of natural gas power projects.

With effective management and control of quality progress, we comprehensively upgraded the engineering construction. Before commencement of the construction, the design and optimization were well coordinated in respect of selection of main engines, micro sitting, general layout of roads, and technique system, so as to guarantee the quality through maximizing the benefits during the whole lifespan. Matters in process of construction were accurately analyzed and handled. Meanwhile, we enhanced the management of the owners to promote the progress of construction. Over 4,200 MW of capacity was constructed in the year.

Remarkable results were achieved in capital operation, with guaranteed and reliable funding sources. Through expanding and maintaining the established relationship with partners (equipment manufacturers and general contractors), the Company achieved preliminary results in merger and acquisition of projects. We successfully acquired 10% equity interest in Sanmen Nuclear Power Co., Ltd. We raised funds of RMB6.8 billion through the low cost financing channels such as short-term financing instruments, mid-term notes and overseas financing, thus effectively decreasing the finance costs.

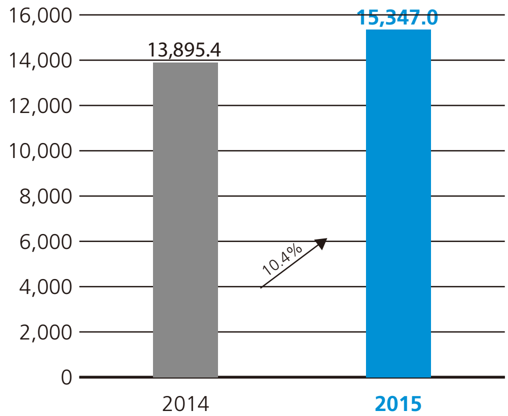
The year 2016 heralds the "Thirteenth Five-year Plan", it is also a crucial year for the Group to maintain steady growth and propel development. Under the leadership of the management team of the Group, our employees will overcome challenges and difficulties together, refine the existing projects to enhance efficiency and optimize the additional projects to increase revenue, thus ensuring the synchronized growth of our scale, quality and results. Meanwhile, we will operate in compliance with relevant laws and regulations, and enhance management and control, so as to bring higher returns for all our shareholders!

Finally, on behalf of the management team of the Group, I would like to extend my sincere gratitude to the shareholders, the Board of Directors and the Board of Supervisors for placing their trust and support on us. I would also like to express my respect to all staff members for their diligence and contributions!

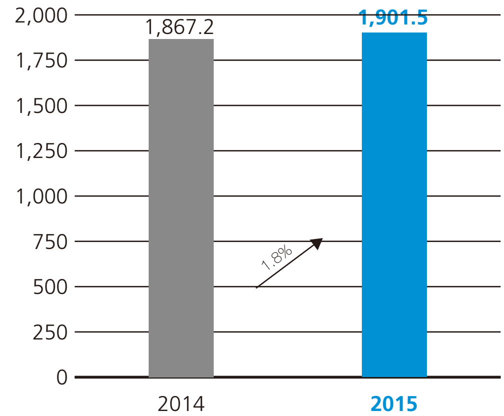
Shu Fuping
President

Key Operating and Financial Data

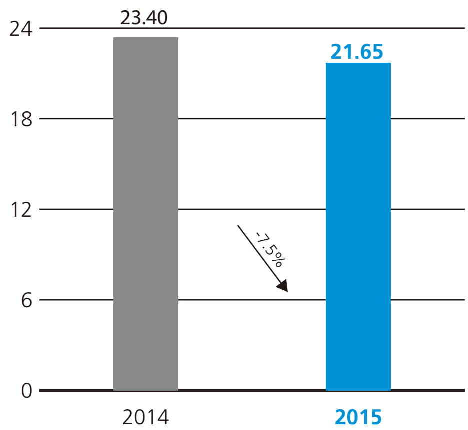
Revenue (RMB million)



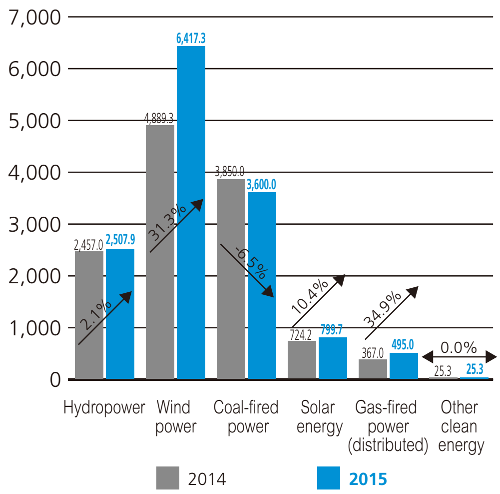
Profit attributable to shareholders of the Company (RMB million)



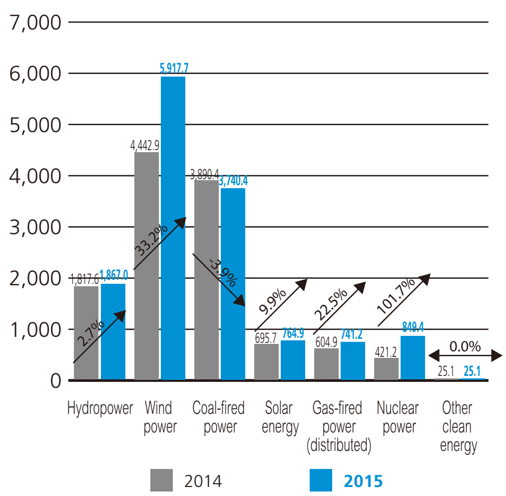
Basic and diluted earnings per share (RMB cents/share)



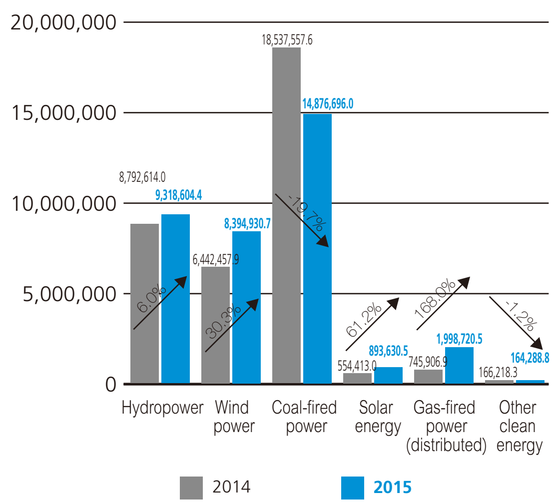
Consolidated installed capacity (MW)



Attributable consolidated installed capacity (MW)



Total electricity sales (MWh)



5 Years Summary of Consolidated Statement of Profit or Loss and Other Comprehensive Income

	2011 *RMB'000* *(Note)*	2012 *RMB'000* *(Note)*	2013 *RMB'000*	2014 *RMB'000*	**2015** ***RMB'000***
Revenue	7,278,494	11,351,638	13,242,409	13,895,445	**15,346,968**
Other net income	309,728	443,228	61,324	236,544	**154,710**
Operating expenses	(5,643,529)	(8,316,992)	(8,906,930)	(9,190,440)	**(10,736,953)**
Operating profit	1,944,693	3,477,874	4,396,803	4,941,549	**4,764,725**
Profit for the year	652,588	1,355,597	1,701,280	2,147,312	**2,217,719**
Attributable to:					
Equity shareholders of the Company and the holders of perpetual medium-term notes	565,910	1,093,111	1,467,888	1,867,214	**1,901,528**
Non-controlling interests	86,678	262,486	233,392	280,098	**316,191**
Total comprehensive income for the year	652,588	1,355,597	1,701,280	2,147,312	**2,244,361**
Attributable to:					
Equity owner of the Company and the holders of perpetual medium-term notes	565,910	1,093,111	1,467,888	1,867,214	**1,928,170**
Non-controlling interests	86,678	262,486	233,392	280,098	**316,191**
Basic and diluted earnings per share *(RMB cents)*	9.43	16.03	19.26	23.40	**21.65**

Note:

As the Company acquired subsidiaries under common control in 2013 and in 2012, the consolidated financial statements of the Group for the period before the acquisition have been restated to include the business results of such subsidiaries.

5 Years Summary of Consolidated Statement of Financial Position

	At 31 December				
	2011	2012	2013	2014	**2015**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	***RMB'000***
	(Note)	*(Note)*			
Total non-current assets	44,688,094	53,728,883	60,705,982	76,185,892	**89,356,188**
Total current assets	5,560,111	7,611,643	6,970,442	9,749,230	**8,189,109**
Total assets	50,248,205	61,340,526	67,676,424	85,935,122	**97,545,297**
Total current liabilities	17,843,650	18,767,130	21,816,286	26,578,731	**27,122,100**
Total non-current liabilities	23,094,973	29,864,582	32,149,246	41,698,146	**49,280,616**
Total liabilities	40,938,623	48,631,712	53,965,532	68,276,877	**76,402,716**
NET ASSETS	9,309,582	12,708,814	13,710,892	17,658,245	**21,142,581**
Total equity attributable to equity shareholders of the Company and the holders of perpetual medium-term notes	7,504,241	10,574,183	11,210,932	15,012,724	**18,469,845**
Non-controlling interests	1,805,341	2,134,631	2,499,960	2,645,521	**2,672,736**
Total equity	9,309,582	12,708,814	13,710,892	17,658,245	**21,142,581**

Note:

As the Company acquired subsidiaries under common control in 2013 and in 2012, the consolidated financial statements of the Group for the period before the acquisition have been restated to include the financial position of such subsidiaries.

Company Profile

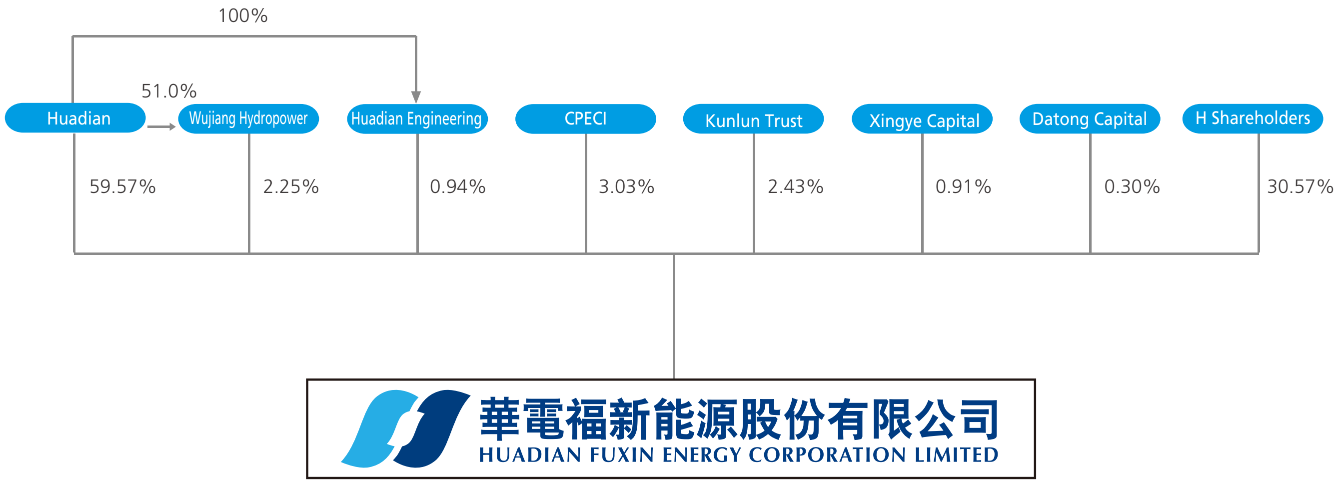
Huadian Fuxin Energy Corporation Limited is the sole listed clean energy company among the members of China Huadian Corporation. With registered capital of RMB8.408 billion, it was listed on the Hong Kong Stock Exchange in June 2012.

The Group possesses a diversified portfolio of power generation business covering hydropower, wind power, high-efficient coal-fired power, solar energy, gas-fired power, nuclear power and biomass energy, and its assets are distributed across 27 provinces, cities and autonomous regions in China, featuring "hydropower and coal-fired power complementing each other, wind power and nuclear energy advancing together". As at the end of 2015, the Group's consolidated installed capacity commenced operation amounted to 13,845.2 MW, consisting of 2,507.9 MW in hydropower, 3,600.0 MW in coal-fired power, 6,417.3 MW in wind power, 799.7 MW in solar energy, 520.3 MW in gas-fired power and biomass energy. In addition, the Group is also an important platform for China Huadian Corporation to develop nuclear power business, holding 39% equity interest in Fuqing Nuclear Power Plant and 10% equity interest in Sanmen Nuclear Power Plant.

The Group adheres to a diversified, clean and efficient energy development path and commits itself to building an internationally leading clean energy listed company so as to bring higher returns to the shareholders with excellent results!

Corporate Shareholding Structure

As at 31 December 2015, the shareholding structure of the Company is as follows:



Corporate Milestones in 2015

On 23 March, the Company successfully acquired 10% equity interest in Sanmen Nuclear Power Co., Ltd. (三門核電有限公司).

On 2 April, Mr. You Quan, the Party Secretary of the Provincial Communist Party Committee of Fujian Province paid a visit to Fujian Huadian Kemen Power Generation Co., Ltd., a subsidiary of the Company, to conduct survey and give instructions.

On 14 April, the Company was awarded an AAA credit rating with a stable outlook by China Chengxin International Credit Rating Co., Ltd. (中誠信國際信用評級有限責任公司).

On 21 April, the Company successfully issued the first tranche of 2015 medium-term notes totaling RMB2 billion (for a term of 5+N years).

On 7 May, the construction of the No. 5 generation unit of Fuqing Nuclear Power plant in which the Company hold the 39% equity interest was officially commenced.

On 11 May, China Bond Rating Co., Ltd. (中債資信評估有限責任公司) conducted a corporate credit rating and awarded an AA credit rating to the Company.

On 24 June, Mr. Yang Xiong, Deputy Secretary and Mayor of Shanghai, visited Shanghai Huadian Min Hang Energy Company Limited (上海華電閔行能源有限公司), a subsidiary of the Company, to conduct a survey and expressed his appreciation of its contribution to regional clean energy development.

On 26 June, the Company convened the 2014 Annual General Meeting in Beijing.

On 17 August, the Company successfully issued the 2015 first tranche of ultra-short-term financing instruments totaling RMB2 billion, for a maturity period of 270 days.

On 24 August, the Company successfully held a press conference to announce its 2015 interim results in Hong Kong.

On 10 October, the Company successfully issued the 2015 second tranche of ultra-short-term financing instruments totaling RMB1.5 billion, for a maturity period of 270 days.

On 16 October, the No. 2 generation unit of Fuqing Nuclear Power Plant (held as to 39% by the Company) was put into commercial operation successfully.

On 18 October, construction of Phase III of Shaowu 1,320 MW coal-fired power project was officially commenced.

On 25 November, the Company successfully issued the 2015 third tranche of ultra-short-term financing instruments totaling RMB1 billion, for a maturity period of 180 days.

On 22 December, construction of the No. 6 generation unit of Fuqing Nuclear Power plant (held as to 39% by the Company) was officially commenced.

The Board hereby presents to shareholders the annual report and the audited financial statements for the year ended 31 December 2015 (the "Financial Statements").

SHARE CAPITAL

As of 31 December 2015, the total issued share capital of the Company was RMB8,407,961,520 divided into 8,407,961,520 shares with a par value of RMB1.00 each.

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

The Company has not redeemed any of its securities and neither the Company nor any of its subsidiaries purchased or sold any of its securities listed on the Hong Kong Stock Exchange.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights for the Company under the Articles of Association or the PRC laws. As a result, the Company is not obliged to offer new shares to existing shareholders in proportion to their shareholdings.

PRINCIPAL BUSINESS

The Group is principally engaged in the development, management and operation of hydropower projects and coal-fired power plants in Fujian province and wind power and other clean energy projects throughout China. Details of major subsidiaries, associates and joint ventures of the Company are set out in notes 16 and 17 to the Financial Statements respectively.

BUSINESS REVIEW

A review of the Group's business during the year, which includes a discussion of the principal risks and uncertainties facing by the Group, an analysis of the Group's performance using financial key performance indicators, particulars of important events affecting the Group during the year, and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 35 to 47 of this annual report. In addition, discussions on the Group's environmental policies, the compliance with relevant laws and regulations which have a significant impact on the Group, relationships with its key stakeholders and charity donation are included in the Social Responsibility set out on pages 51 to 52 of this annual report. The review forms part of this directors' report.

RESULTS

The results of the Company and its subsidiaries for the year ended 31 December 2015 and the financial position of the Company and its subsidiaries as at 31 December 2015 are set out in the audited Financial Statements on pages 73 to 177.

A discussion and analysis of the Company's performance during the year and the material factors underlying its results and financial position are set out in the Management Discussion and Analysis on pages 35 to 47 of this annual report.

PROFIT DISTRIBUTION

The Board recommended distributing a final dividend of RMB0.403 per 10 shares (tax inclusive) in cash for the year ended 31 December 2015 to shareholders. All dividends will be paid upon the approval by the shareholders in the annual general meeting of the Company.

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in properties, plants and equipment of the Company and its subsidiaries during the year are set out in note 13 to the Financial Statements.

RESERVES

Details of the movements in reserves of the Company during the year are set out in note 30(a) to the Financial Statements; details of reserves distributable to the shareholders are set out in note 30(e) to the Financial Statements.

TAX CONCESSION

The Company is not aware of any tax reduction or exemption available to the shareholders of the Company by reason of their holding of the Company's securities.

BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings (including issuance of debentures) of the Company and its subsidiaries as of 31 December 2015 are set out in note 24 to the Financial Statements.

ISSUANCE OF DEBENTURES

To repay bank loans, replenish general working capital and repay existing financing, the Company issued medium-term notes for once and ultra-short-term financing instruments for three times in the year of 2015. For further details about such issuance of debentures, please refer to the note 24(e) and 31 of the Financial Statements.

INFORMATION AND BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

The following table sets forth information concerning the Directors of the 2nd session of the Board, Supervisors of the 2nd session of the Board of Supervisors and senior management of the Company for the year ended 31 December 2015 and up to the date of this annual report:

Name	Age	Position	Date of Appointment
Mr. Fang Zheng	51	Chairman of the Board and Executive Director	30 June 2014
Mr. Jiang Bingsi	46	Executive Director	30 June 2014
		President	30 June 2014, resigned on 14 May 2015
Mr. Li Lixin	49	Executive Director	30 June 2014
Mr. Tao Yunpeng	45	Non-executive Director	30 June 2014
Mr. Zong Xiaolei	50	Non-executive Director	30 June 2014
Mr. Zhou Xiaoqian	74	Independent Non-executive Director	30 June 2014
Mr. Zhang Bai	55	Independent Non-executive Director	30 June 2014
Mr. Tao Zhigang	50	Independent Non-executive Director	30 June 2014
Mr. Chen Bin	58	Non-executive Director	30 June 2014, resigned on 26 June 2015 *(Note 1)*
Mr. Li Changxu	53	Chairman of the Board of Supervisors	30 June 2014
Mr. Wang Kun	45	Supervisor	30 June 2014
Ms. Hu Xiaohong	45	Supervisor	30 June 2014
Mr. Zou Xuanyong	45	Employee Representative Supervisor	30 June 2014
Mr. Chen Wenxin	48	Employee Representative Supervisor	30 June 2014
Ms. Ding Ruiling	51	Independent Supervisor	30 June 2014
Mr. Hou Jiawei	51	Supervisor	26 June 2015
Mr. Xie Chunwang	51	Supervisor	30 June 2014, resigned on 26 June 2015 *(Note 2)*
Mr. Yan Azhang	70	Independent Supervisor	30 June 2014, resigned on 16 March 2015 *(Note 3)*
Ms. Zhang Liying	55	Independent Supervisor	26 June 2015, resigned on 15 December 2015 *(Note 4)*
Mr. Yan Zhongjun	43	Employee Representative Supervisor	2 February 2015
Mr. Shu Fuping	51	President	17 November 2015
Mr. Huo Guangzhao	54	Vice President	30 June 2014
Mr. Wang Zhijun	52	Vice President	3 February 2015
		Employee Representative Supervisor	30 June 2014, resigned on 2 February 2015 *(Note 5)*
Ms. Yang Yi	52	Chief Financial Officer	30 June 2014
Mr. Sun Tao	39	Vice President	26 June 2015
Mr. Liu Lei	42	Vice President	30 June 2014, resigned on 8 September 2015
		Board Secretary	30 June 2014, resigned on 8 September 2015
		Joint Company Secretary	14 December 2011, resigned on 8 September 2015

Notes:

1. Mr. Chen Bin has resigned as the Non-executive Director on 26 June 2015 due to the Group's redeployment of human resources.
2. Mr. Xie Chunwang has resigned as the Supervisor on 26 June 2015 due to the Group's redeployment of human resources.
3. Mr. Yan Azhang has resigned as the Independent Supervisor on 16 March 2015 due to personal reason.
4. Ms. Zhang Liying has resigned as the Employee Representative Supervisor on 15 December 2015 because she will not be able to devote sufficient time to serve as an Independent Supervisor due to her other work commitments.
5. Mr. Wang Zhijun has resigned as the Employee Representative Supervisor on 2 February 2015 due to the Group's redeployment of human resources.

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

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Biographical details of Directors, Supervisors and senior management are set out on pages 25 to 32 of this annual report.

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

Each of the Directors has entered into a service contract with our Company. The principal particulars of these service contracts are (a) for a term of three years commencing from the effective date of such service contracts, and (b) are subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable laws, rules or regulations.

Each of the Supervisors had entered into a contract in respect of, among others, compliance of relevant laws and regulations, observation of the Articles of Association and provisions on arbitration with our Company.

Save as disclosed above, none of our Directors or Supervisors had any existing or proposed service contracts with us (excluding contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

REMUNERATION OF DIRECTORS AND SUPERVISORS

Details of the remuneration of the Company's Directors and Supervisors are set out in note 9 to the Financial Statements.

INTERESTS OF DIRECTORS AND SUPERVISORS IN TRANSACTIONS, ARRANGEMENT AND CONTRACTS

At the end of the year 2015 or at any time during the year, there was no contract, transaction or arrangement of significance to the Group's business in which the Company or its subsidiaries was a party, and in which a Director and Supervisor or an entity connected with a Director and Supervisor had a material interest, either directly or indirectly, subsisted during the year or at the end of the year.

INTERESTS OF DIRECTORS IN COMPETING BUSINESS

During the year of 2015, none of the Directors and their associates had any competing interests in any business which competed or was likely to compete, either directly or indirectly, with the business of the Group.

LIABILITY INSURANCE AND INDEMNITY

Information in relation to the liability insurances provided for Directors and Supervisors of the Company and the permitted indemnity provisions can be found on page 63 in the Corporate Governance Report of this annual report.

EQUITY-LINKED AGREEMENTS

For the year ended 31 December 2015, the Company has not entered into any equity-linked agreement.

INTERESTS AND SHORT POSITIONS OF THE DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVES IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

On 31 December 2015, none of the Directors, Supervisors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Hong Kong Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

On 31 December 2015, so far as known to the Directors, the following persons (other than the Directors, chief executives or Supervisors of the Company) held 5% or above interest in the shares or underlying shares of the Company and according to the records in the register required to be kept by the Company pursuant to Section 336 of the SFO had interest or short positions which should be disclosed to the Company:

A list of shareholders who hold more than 5% of the share capital:

Name of Shareholder	Class of Share	Capacity	Number of Shares/Underlying Shares Held *(Share)*	Percentage in the Relevant Class of Share Capital *(%)*	Percentage in the Total Share Capital *(%)*
Huadian[1]	Domestic Shares	Beneficial owner/Interest of corporation controlled by the substantial shareholder	5,276,907,638 (Long position)	90.39	62.76
Wellington Management Group LLP	H Shares	Interest of corporation controlled by the substantial shareholder	251,612,371 (Long position)	9.79	2.99
Value Partners Group Limited	H Shares	Interest of corporation controlled by the substantial shareholder	226,388,000 (Long position)	8.81	2.69
GIC Private Limited	H Shares	Investment manager	130,298,000 (Long position)	5.07	1.55

Note:

(1) Huadian had an interest in the domestic shares of the Company, with 5,008,785,336 domestic shares (long position) being held in its capacity as beneficial owner. Huadian, through various subsidiaries, had an interest in the domestic shares of the Company, with 268,122,302 domestic shares (long position) being held in its capacity as interest of corporation controlled by the substantial shareholder.

DIRECTORS' AND SUPERVISORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

At no time during the Reporting Period was the Company or any of its subsidiaries a party to any arrangement that would enable the Directors and Supervisors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate, and none of the Directors, Supervisors or any of their spouses or children under 18 were granted any right to subscribe for the equity or debt securities of the Company or any other body corporate or had exercised any such right.

MANAGEMENT CONTRACTS

The Company did not enter into any contracts in respect of the management or administration of the entire or any significant part of the business of the Company nor should any such contracts subsist at any time during 2015.

CONNECTED TRANSACTIONS

Non-exempt Connected Transactions of the Group during 2015 are as follows:

(1) To strengthen the investments in unlisted companies, on 10 March 2015, Shifu No. 1 (Tianjin) Energy Equity Investment Fund Co., Ltd. ("Shifu No. 1") , Huadian Coal (Group) Co., Ltd. ("Huadian Coal") (which is our connected person as it was 42.65% held by Huadian, our controlling shareholder) and the Company entered into the Equity Transfer Agreement, pursuant to which the Company agreed to acquire and Shifu No. 1 agreed to transfer 0.6% of the equity interest in Huadian Coal at a consideration of RMB119,649,229.31, which will be partially settled in cash and partially settled in dividend payable to the Company by Huadian Coal. For further details, please refer to the announcement of the Company dated 10 March 2015.

(2) To accelerate the development of the Group's nuclear power business and strengthen the Group's business in clean energy, on 23 March 2015, the Company entered into the Equity Transfer Agreement with Huadian, the controlling shareholder of the Company, pursuant to which the Company agreed to acquire, and Huadian agreed to transfer the 10% equity interest held by Huadian in Sanmen Power to the Company at an aggregate consideration of RMB1,115,857,449.29, which will be settled in cash. For further details, please refer to the announcement of the Company dated 23 March 2015.

Non-exempt Continuing Connected Transactions of the Group during 2015 are as follows:

The Company has entered into certain non-exempt continuing connected transactions during the year.

In respect of the non-exempt continuing connected transactions (A) and (E) to (G) as set out below, pursuant to the Listing Rules of the Hong Kong Stock Exchange, the Company are qualified to waiver from compliance with independent shareholders' approval requirements upon the Company's entering into these connected transactions framework agreements in 2014; in respect of the non-exempt continuing connected transactions (H) as set out below, pursuant to the Listing Rules of the Hong Kong Stock Exchange, the Company are qualified to waiver from compliance with independent shareholders' approval requirements upon the Company's entering into these connected transactions framework agreements in 2015.

The table below sets out the annual caps and the actual transaction amounts for 2015 of the connected transactions:

Connected Transaction	Connected Person	Annual Cap for 2015 (RMB'000)	Actual Transaction Amount for 2015 (RMB'000)
(A) Property leasing framework agreement	Huadian Group	30,000	25,359
(B) Coal purchasing and shipping service framework agreement	Huadian Group	2,459,000	1,126,002
(C) Project contracting and equipment purchase framework agreement	Huadian Group	2,100,000	1,286,834
(D) Deposit service agreement	Huadian Finance	3,300,000	3,261,359[1]
(E) CDM services framework agreement	Huadian Group	30,000	–
(F) Merchandising framework agreement	Huadian Group	620,000	679
(G) Finance leases framework agreement	Huadian Group	600,000	120,052
(H) On-grid power generation quota transfer agreement	Hubei Huadian (Xiangyang) Power Generation Company Limited (湖北華電襄陽發電有限公司)	42,160	42,160

Note:

(1) Actual transaction amount is recorded as the daily maximum balance of deposits.

(A) Property Leasing Framework Agreement

The Company entered into a property leasing framework agreement (the "Property Leasing Framework Agreement") on 22 April 2014, with Huadian, pursuant to which, our Group may rent properties from Huadian Group. The principal terms of the Property Leasing Framework Agreement are as follows:

- the rents (including property management fee) payable under the Property Leasing Framework Agreement shall be agreed based on arm's-length negotiations between the relevant parties with reference to market rates at the relevant location, but the annual rent per sq. m. shall not exceed 115.0% of that of the previous year;

- the Company and members of Huadian Group shall enter into separate agreements to set out the specific terms and conditions in respect of the relevant leased properties according to the principles, and within the parameters, provided for under the Property Leasing Framework Agreement;

- the Company are entitled to lease the available properties owned by members of Huadian Group during the term of the Property Leasing Framework Agreement;

- either party may, at any time before the Property Leasing Framework Agreement expires, by giving not less than six months' written notice, to terminate any lease made pursuant to and contemplated under such agreement, and the rents will accordingly be reduced; and

- the term of the Property Leasing Framework Agreement is no more than three years commencing on 1 January 2015 and ending on 31 December 2017, subject to renewal.

The annual cap of the transaction for the year ended 31 December 2015 was RMB30,000,000 and the actual rent paid/payable to Huadian Group is RMB25,359,000.

According to the Listing Rules, Huadian is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person (as defined under the Listing Rules) of the Company. Therefore, the transactions contemplated under the Property Leasing Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(B) Coal Purchasing and Shipping Service Framework Agreement

In the ordinary course of business, the Company entered into a coal purchasing and shipping service framework agreement, dated 22 April 2014, with Huadian (the "Coal Purchasing and Shipping Service Framework Agreement"), pursuant to which Huadian Group (for the purpose of the Coal Purchasing and Shipping Service Framework Agreement, including its associates) will sell coal and provide coal shipping services to us. The principal terms of the Coal Purchasing and Shipping Service Framework Agreement are as follows:

- the service fees shall be agreed on arm's-length negotiations between the relevant parties with reference to the price, which an independent third party will charge for such coal purchasing and shipping services in the ordinary course of business; and where the aforementioned pricing mechanism is not applicable, the price shall be agreed on arm's-length negotiations between the relevant parties, based on the calculation of the "Actual Cost and Expense Incurred in Providing Such Coal Purchasing and Shipping Services Plus Reasonable Profits";

- the Company and members of Huadian Group shall enter into separate agreements to set out the specific terms and conditions in respect of the relevant coal shipping according to the principles and within the parameters provided for under the Coal Purchasing and Shipping Service Framework Agreement; and

- the term of the Coal Purchasing and Shipping Service Framework Agreement is no more than three years commencing on 1 January 2015 and ending on 31 December 2017, subject to renewal.

The annual cap of the transaction for the year ended 31 December 2015 was RMB2,459,000,000 and the fees paid/payable by us to Huadian Group for the coal purchasing and shipping is RMB1,126,002,000.

According to the Listing Rules, Huadian is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person (as defined under the Listing Rules) of the Company. Therefore, the transactions contemplated under the Coal Purchasing and Shipping Service Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(C) Project Contracting and Equipment Purchase Framework Agreement

In the ordinary course of business, the Company entered into a project contracting and equipment purchase framework agreement with Huadian on 22 April 2014 (the "Project Contracting and Equipment Purchase Framework Agreement"). Pursuant to the Project Contracting and Equipment Purchase Framework Agreement, Huadian Group agreed that it would undertake general contracting service (such as design, construction, installation and other relevant services) for the power generating projects of our Group and would sell power generation equipment to us. The principal terms of the Project Contracting and Equipment Purchase Framework Agreement are as follows:

- the project contracting fees together with the prices of the equipment shall be determined through a bidding process and in compliance with applicable bidding laws, regulations and rules;

- where the aforementioned pricing mechanism is not applicable, the project contracting fees together with the prices of the equipment shall be agreed on the basis of arm's-length negotiation between the relevant parties, taking into account the calculation principle of "Actual Cost and Expense Plus Reasonable Profits";

- the Company and members of Huadian Group shall enter into separate agreements to set out the specific terms and conditions in respect of the relevant project contracting and equipment purchase according to the principles and within the parameters provided for under the Project Contracting and Equipment Purchase Framework Agreement; and

- the term of the Project Contracting and Equipment Purchase Framework Agreement is no more than three years commencing on the 1 January 2015 and ending on 31 December 2017, subject to renewal.

The annual cap of the transaction for the year ended 31 December 2015 was RMB2,100,000,000 and the fees paid/payable to Huadian Group is RMB1,286,834,000.

According to the Listing Rules, Huadian is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person (as defined under the Listing Rules) of the Company. Therefore, the transactions contemplated under the Project Contracting and Equipment Purchase Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(D) Deposit Service Contract

The Company entered into a deposit service agreement and a supplemental agreement with Huadian Finance on 28 September 2012, 19 October 2012 and 22 April 2014, pursuant to which, Huadian Finance would provide the deposit service to various departments under the Company within the agreed caps.

In 2015, the maximum daily balance of this deposit service transaction was RMB3,300,000,000, while the actual maximum daily balance was RMB3,261,359,000.

The term of the deposit service agreement and a supplemental agreement will end on 31 December 2016, subject to renewal.

According to the Listing Rules, Huadian Finance is a subsidiary of Huadian (the controlling shareholder of the Company), and therefore Huadian Finance is a connected person (as defined under the Listing Rules) of the Company. Therefore, the transactions contemplated under the deposit service agreement (as revised by the supplemental agreement) constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(E) CDM Services Framework Agreement

In the ordinary course of business, the Company entered into a CDM services framework agreement dated 22 April 2014, with Huadian (the "CDM Services Framework Agreement"), pursuant to which the Company will provide clean development mechanism ("CDM") services to Huadian Group (for the purpose of the CDM Services Framework Agreement, including its associates). Our CDM services provided to Huadian Group mainly include consulting and management service, such as assistance in looking for and evaluating potential cooperative parties of the CDM projects, arrangement of the execution of cooperation agreements, registration of the managed CDM projects with Chinese governmental authority and the United Nations, and assistance in looking for an independent appraiser of the CDM projects.

The principal terms of the CDM Services Framework Agreement are as follows:

- the fees shall be agreed between the relevant parties with reference to the price, which an independent third party will charge for such CDM services in the ordinary course of business and the revenue generated by the CDM project, for which the CDM services are provided;

- the Company and members of Huadian Group shall enter into separate agreements to set out the specific terms and conditions in respect of the relevant provision of CDM service according to the principles and within the parameters provided for under the CDM Services Framework Agreement; and

- the term of the CDM Services Framework Agreement is no more than three years commencing on 1 January 2015 and ending on 31 December 2017, subject to renewal.

The annual cap of the transaction for the year ended 31 December 2015 was RMB30,000,000, while the year ended 31 December 2015 with zero amount of such transaction.

According to the Listing Rules, Huadian is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person (as defined under the Listing Rules) of the Company. Therefore, the transactions contemplated under the CDM Services Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(F) Merchandising Framework Agreement

In the ordinary course of business, the Company entered into a merchandising framework agreement with Huadian on 22 April 2014 (the "Merchandising Framework Agreement"), pursuant to which, our Group agreed to sell goods to Huadian Group. The principal terms of the merchandising framework agreement are as follows:

- The selling price of goods shall be determined by negotiation with reference to the price of the third party;
- If the third party is able to provide goods with more favorable price than the Company under the Merchandising Framework Agreement, Huadian Group has rights to purchase goods from the third party;
- the Company and members of Huadian Group shall enter into separate agreements to set out the specific terms and conditions in respect of the merchandising according to the principles, and within the parameters, provided for under the Merchandising Framework Agreement; and
- the term of the Merchandising Framework Agreement is no more than three years commencing on 1 January 2015 and ending on 31 December 2017, subject to renewal.

The annual cap of the transaction for the year ended 31 December 2015 was RMB620,000,000 and the fees received/receivable from Huadian Group is RMB679,000.

According to the Listing Rules, Huadian is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person (as defined under the Listing Rules) of the Company. Therefore, the transactions contemplated under the Merchandising Framework Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(G) Finance Leases Framework Agreement

In the ordinary course of business, the Company entered into a finance leases framework agreement with Huadian on 22 April 2014 (the "Finance Leases Framework Agreement"), pursuant to which, Huadian Group agreed to provide the finance leases service to our Group. The principal terms of the Finance Leases Framework Agreement are as follows:

- The fee of the finance leases shall be determined by negotiation with reference to the price of the third party;

- the Company and members of Huadian Group shall enter into separate agreements to set out the specific terms and conditions in respect of the finance leases according to the principles and within the parameters provided for under the finance leases framework agreement; and

- the term of the Finance leases framework agreement is no more than three years commencing on 1 January 2015 and ending on 31 December 2017, subject to renewal.

The annual cap of the transaction for the year ended 31 December 2015 was RMB600,000,000 and the fees paid/payable to Huadian Group is RMB120,052,000.

According to the Listing Rules, Huadian is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person (as defined under the Listing Rules) of the Company. Therefore, the transactions contemplated under the finance leases framework agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(H) On-grid Power Generation Quota Transfer Agreement

Huadian Fuxin Energy Corporation Limited Gansu Branch entered into an on-grid power generation quota transfer agreement dated 15 December 2015 with Hubei Huadian (Xiangyang) Power Generation Company Limited (the "On-grid Power Generation Quota Transfer Agreement"), pursuant to which Hubei Huadian (Xiangyang) Power Generation Company Limited agreed to transfer its on-grid power generation quota to Huadian Fuxin Energy Corporation Limited Gansu Branch in accordance with the terms and conditions thereof.

The term of the On-grid Power Generation Quota Transfer Agreement commenced on 15 December 2015 and ended on 31 March 2016.

The annual cap of the transaction for the year ended 31 December 2015 was RMB42,160,000 and the fees paid/payable by Huadian Fuxin Energy Corporation Limited Gansu Branch to Hubei Huadian (Xiangyang) Power Generation Company Limited Gansu Branch in respect of the on-grid power generation quota transfer is RMB42,160,000.

According to the Listing Rules, Huadian is the controlling shareholder of the Company and is, together with its subsidiaries, a connected person (as defined under the Listing Rules) of the Company. Hubei Huadian (Xiangyang) Power Generation Company Limited is a subsidiary of Huadian, it is therefore a connected person of the Company. Therefore, the transactions contemplated under the On-grid Power Generation Quota Transfer Agreement constitute the continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Company's independent non-executive Directors have reviewed such continuing connected transactions during the year 2015 and confirmed that:

(a) the transactions have been entered into by the Group in the ordinary and usual course of its business;

(b) the transactions have been entered into either on normal commercial terms or better; and

(c) the transactions have been entered into in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Pursuant to Rule 14A.56 of the Listing Rules, the auditor of the Company, KPMG, has been appointed by the Board and the general meeting and reported on the continuing connected transactions of the Group in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagement Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing their conclusions in respect of the continuing connected transactions set out above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor letter has been provided by the Company to the Hong Kong Stock Exchange.

The related party transactions in 2015 that constitute "connected transaction" or "continuing connected transaction" as defined under Chapter 14A of the Listing Rules were disclosed in this section and Note 35 to the Financial Statements. The Company and all Directors had reviewed all connected transactions and confirmed that the Company was in compliance with the disclosure requirements under Chapter 14A of the Listing Rules.

COMPLIANCE WITH NON-COMPETITION AGREEMENT

We entered into the Non-Competition Agreement with Huadian on 4 June 2012, under which Huadian agreed not to, and to procure its unlisted subsidiaries not to, compete with us in the clean energy businesses and granted to us options for new business opportunities, options for acquisitions, and pre-emptive rights.

Our independent non-executive Directors will be responsible for reviewing, considering and deciding whether or not to take up a new business opportunity referred to us by Huadian and/or its subsidiaries, to exercise the option for an acquisition or to exercise our pre-emptive rights.

During the year, the independent non-executive Directors of the Company have reviewed the implementation of the Non-Competition Agreement and have confirmed that Huadian has been in full compliance with the agreement and there was no breach by Huadian.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2015, the purchase from the Group's five largest coal suppliers in aggregate contributed 72.9% of the Group's total purchase of coal for the year, among which, the total purchase from the largest coal supplier contributed 25.5% of the Group's total purchase of coal for the year.

For the year ended 31 December 2015, the purchase from the Group's five largest equipment suppliers in aggregate contributed 48.0% of the Group's total purchase of equipment for the year, among which, the total purchase from the largest equipment supplier contributed 19.8% of the Group's total purchase of equipment for the year.

For the year ended 31 December 2015, the sales to the Group's five largest customers in aggregate contributed 66.4% of the Group's total sales for the year, among which, the sales to the largest customer contributed 45.5% of the Group's total sales for the year.

RETIREMENT AND EMPLOYEES BENEFIT SCHEME

Details of the Group's retirement and employees benefit scheme are set out in note 36 to the Financial Statements.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND REPORT

As a company listed on the Hong Kong Stock Exchange, the Company strives to maintain a high standard of corporate governance practices and complies with the code provisions as set out in the Corporate Governance Code and Report in Appendix 14 to the Listing Rules. The Company has complied with all code provisions as set out in Appendix 14 of the Listing Rules for the period from 1 January 2015 to 31 December 2015.

The audit and risk management committee of the Company has reviewed the annual consolidated financial statements for the year ended 31 December 2015, and is of the view that the Group's consolidated financial statements for the year ended 31 December 2015 are prepared in accordance with the applicable accounting standards, laws and regulations, and appropriate disclosures have already been made.

The figures in respect of the Group's consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position and the related notes thereto for the year ended 31 December 2015 as set out in the preliminary announcement have been agreed by the Group's auditors, KPMG, to the amounts set out in the Group's audited consolidated financial statements for the year.

Please refer to the Corporate Governance Report as set out on pages 53 to 67 of this annual report for details.

PUBLIC FLOAT

Based on the information publicly available to the Company and so far as the Directors are aware, 30.57% of the issued share capital of the Company was held by the public as at the Latest Practicable Date, which was in compliance with the requirements under the Listing Rules.

MATERIAL LITIGATION

As at 31 December 2015, the Company was not involved in any material litigation or arbitration. So far as the Directors are aware, no such litigation or claim are pending or threatened against the Company.

SIGNIFICANT EVENTS AFTER THE END OF REPORTING PERIOD

On 23 March 2016, the Board proposed a final dividend for the year ended 31 December 2015. Further details are disclosed in note 30(b) to the Financial Statements.

AUDIT AND RISK MANAGEMENT COMMITTEE

The 2015 annual results of the Group and the Financial Statements for the year ended 31 December 2015 prepared in accordance with the International Financial Reporting Standards have been reviewed by the audit and risk management committee of the Company.

AUDITOR

KPMG was appointed as the auditor for the financial statements prepared in accordance with International Financial Reporting Standards for the year ended 31 December 2015. The enclosed Financial Statements prepared in accordance with the International Financial Reporting Standards have been audited by KPMG. The Company has retained the services of KPMG since the date of preparation of its listing.

Yours faithfully,
By order of the Board
Huadian Fuxin Energy Corporation Limited
Chairman of the Board
Fang Zheng

Beijing, the PRC, 23 March 2016

I. BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Executive Directors

Fang Zheng, aged 51, has been the Chairman of the 2nd session of the Board and an Executive Director of the Company since June 2014. Mr. Fang obtained his bachelor's degree in thermal power of power generation plant from Xi'an Jiaotong University and was granted the title of professorate senior engineer with special governmental allowance (2012). He served as deputy division chief and deputy chief engineer of Southwest Electric Power Design Institute (西南電力設計院), division chief of the mechanical department of Electrical Planning and Design Institute (電力規劃設計總院), chief engineer and the vice president of China Power Construction Engineering Consulting Corporation (中國電力建設工程諮詢公司), the division chief of the strategic planning division, the deputy director-general of the planning and development department of China Huadian Corporation, the general manager of Huadian New Energy Development Co., Ltd., the executive Director and the President, the chairman and executive director of the 1st session of the Board of Huadian Fuxin Energy Corporation Limited.

Jiang Bingsi, aged 46, has been an Executive Director of the 2nd session of the Board of the Company since June 2014. Mr. Jiang obtained his MBA degree from Asia International Open University (Macau) and was granted the title of senior administration engineer. He served as the deputy director-general of political work department and the secretary of Commission for Discipline Inspection of Fujian Electric Power Company Limited (福建省電力有限公司), the deputy director-general of general management department and deputy secretary of the Party Committee of directly subordinate organization (division level) of Fujian branch of China Huadian Corporation, the director of Talents Development Division and Cadre Management Division and the deputy director of human resources department of China Huadian Corporation, the general manager of Fujian branch of Huadian Fuxin Energy Corporation Limited, the executive director and the president of the 1st session of the Board of Huadian Fuxin Energy Corporation Limited. Mr. Jiang is currently the chairman of Guodian Nanjing Automation Co., Ltd. (國電南京自動化股份有限公司) (stock code: 600268.SH), a company listed on the Shanghai Stock Exchange.

Li Lixin, aged 49, has been an Executive Director of the 2nd session of the Board of the Company since June 2014. Mr. Li obtained his bachelor's degree in thermal power machinery and equipment and master's degree in power equipment from Shanghai Jiao Tong University and was granted the title of senior engineer. He has become the general manager of Fujian branch of Huadian Fuxin Energy Corporation Limited since April 2013, then the deputy chief engineer, chief engineer and general manager of Fujian No.1 Electric Power Construction Company (福建省第一電力建設公司), the director-general of the planning and infrastructure department of Fujian branch of China Huadian Corporation, the deputy general manager and general manager of Fujian Huadian Kemen Power Generation Co., Ltd., the deputy general manager of Huadian Fujian Power Generation Co., Ltd. (華電福建發電有限公司), the deputy general manager of Fujian branch of Huadian Fuxin Energy Corporation Limited, the deputy general manager of Huadian Fuxin Energy Corporation Limited and the executive director of the 1st session of the Board of Huadian Fuxin Energy Corporation Limited.

Non-executive Directors

Tao Yunpeng, aged 45, has been a Non-executive Director of the 2nd session of the Board of the Company since June 2014. Mr. Tao obtained his bachelor's degree in machinery design and manufacture and his master's degree in industrial engineering from Tsinghua University and was granted the title of senior accountant. Mr. Tao has become the director-general of capital operation and property management department of China Huadian Corporation since September 2012, and he served as the deputy chief accountant of Huadian Power International Corporation Limited, the deputy director of asset management department, the deputy director of capital operation and property management department of China Huadian Corporation, and the vice president of Huadian Fuxin Energy Corporation Limited, and the non-executive director of the 1st session of the Board of Huadian Fuxin Energy Corporation Limited, the director of Guodian Nanjing Automation Co., Ltd. (國電南京自動化股份有限公司) (stock code: 600268.SH), and the director of Guizhou Qianyuan Power Co., Ltd. (貴州黔源電力股份有限公司) (stock code: 002039.SZ), a company listed on the Shenzhen Stock Exchange. Mr. Tao is currently the vice chairman of Huadian Energy Company Limited (華電能源股份有限公司) (stock code: 600726.SH), and the director of Shenyang Jinshan Energy Co., Ltd. (瀋陽金山能源股份有限公司) (stock code: 600396.SH), all of which are companies listed on the Shanghai Stock Exchange.

Mr. Zong Xiaolei, aged 50, has been a Non-executive Director of the 2nd session of the Board of the Company since June 2014. Mr. Zong obtained his bachelor's degree in thermal engineering of power plant from Northeast Dianli University and his master's degree in management science and engineering from Wuhan University of Hydraulic and Electrical Engineering and was granted the title of senior engineer. Mr. Zong has served various positions in China Power Engineering Consulting Group Corporation (中國電力工程顧問集團公司) since May 2004, including division chief, deputy director-general and deputy chief engineer and general manager of the Technology Development Company. He also served as the non- executive director of the 1st session of the Board of Huadian Fuxin Energy Corporation Limited and the deputy director and the director of China Power Construction Engineering Consulting Corporation and held various positions in Electrical Planning and Design Institute.

Independent Non-executive Directors

Zhou Xiaoqian, aged 74, has been an Independent Non-executive Director of the 2nd session of the Board of the Company since June 2014. Mr. Zhou graduated from Zhejiang University majoring in thermal power equipment and was granted the title of professorate senior engineer. Mr. Zhou is the vice chairman of the Fifth Council of China Energy Research Society and the chairman of the Second Council of China Power Development Promotion Committee. He has successively served as an independent non-executive director of XJ Electric Co., Ltd. (stock code: 000400.SZ), the assistant to general manager in State Power Corporation of China and the member of Party committee of State Power Corporation of China. He was the general manager of China Power Grid Construction Corporation, the director of China Southern Power Affiliated Company, the independent non-executive director of the 1st session of the Board of Huadian Fuxin Energy Corporation Limited, and he was also appointed as the director of Fuel Power Industry Projects Agency of State Development Planning Commission and deputy head of Infrastructure Department of Ministry of Hydropower respectively. Currently, he is an independent non-executive director of the following companies, namely, TBEA Co., Ltd. (stock code: 600089.SH), Dalian Heavy Industry Corporation (stock code: 002487.SZ) and China Sunergy Co., Ltd. (NASDAQ: CSUN).

Zhang Bai, aged 55, has been an Independent Non-executive Director of the 2nd session of the Board of the Company since June 2014. Mr. Zhang obtained his bachelor's degree in accounting from Xiamen University and his master's degree in business administration (MBA) from the Open University of Hong Kong. Currently, he is professor of the school of economic and management of Fuzhou University, director of the Eighth Accounting Society of China, director of the Seventh China Commercial Accounting Institute, vice chairman of the Seventh Council of Fujian Auditing Society, and vice chairman of the Fifth Council of Fujian Business Accounting Society. He served as a teacher, director-general of department and deputy president of Fuzhou University, the director Minxing Accountants Firm of Fuzhou University as a certified public accountant himself. He is also an independent non-executive director of the 1st session of the Board of Huadian Fuxin Energy Corporation Limited. Currently, Mr. Zhang is an independent non-executive director of Thaihot Group Co., Ltd. (000732.SZ), Fujian Yong'an Forestry (Group) Joint Stock Co., Ltd. (000663.SZ), Citychamp Dartong Co., Ltd. (600067.SH), Shanghai Greattown Holdings Ltd. (600094.SH) and Fujian New Huadu Supercenter Co., Ltd. (002264.SZ).

Tao Zhigang, aged 50, has been an Independent Non-executive Director of the 2nd session of the Board of the Company since June 2014. Mr. Tao obtained his doctor's degree in economics from Princeton University. Currently, Mr. Tao is professor in strategic management and economics as well as the superintendent of Institute for China and Global Development of University of Hong Kong. He is engaged by China Centre for Economic Research and Centre for China in the World Economy of Tsinghua University as senior researcher and specially-appointed researcher, respectively, and also a specially-appointed professor of Fudan University management school. His major research fields include commercial organizations and management, competing strategies and economy restructure. Currently, Mr. Tao also served as an independent non-executive director of China Lesso Group Holdings Limited (中國聯塑集團控股有限公司) (stock code: 02128.HK).

Supervisors

Li Changxu, aged 53, has been the Chairman of the 2nd session of the Board of Supervisors of the Company since June 2014. Mr. Li obtained his bachelor's degree in finance and accounting through the adult higher education department from Renmin University of China and was granted the title of senior accountant. Mr. Li has been the deputy chief accountant of China Huadian Corporation since July 2014. He also served as deputy division chief of division III of the branch of China National Audit office in Ministry of Electric Power (國家審計署駐電力部審計局), the deputy division chief of the production audit department, deputy division chief of division II of the audit department and the division chief of the integration division of the audit department of State Power Corporation of China, the deputy director-general of the supervision and audit department, the deputy director-general of audit department then the director-general of audit department of China Huadian Corporation, and the chairman of the 1st session of the Board of Supervisors of Huadian Fuxin Energy Corporation Limited. Currently, he is the chairman of the Board of Supervisors of Guodian Nanjing Automation Co., Ltd. (600268.SH) (國電南京自動化股份有限公司), a company listed on the Shanghai Stock Exchange.

Wang Kun, aged 45, has been a Supervisor of the 2nd session of the Board of Supervisors of the Company since June 2014. Mr. Wang obtained his master's degree in finance from Peking University and was granted the title of Chartered Financial Analyst (CFA). Mr. Wang has worked at Kunlun Trust Co., Ltd. (崑崙信託有限責任公司), a subsidiary of China National Petroleum Corporation, as manager of the asset management department since July 2009. He served as manager of the direct investment department of China National Petroleum Corporation Assets Management Co., Ltd. (中油資產管理有限公司), a subsidiary of China National Petroleum Corporation, vice president of the JRJ.com, person-in-charge of the securities project team of Ao Yier Investment Management Company (奧伊爾投資公司), a subsidiary of China National Petroleum Corporation, a fund manager of the futures and funds department of China International Futures Co., Ltd., and the supervisor of the 1st session of the Board of Supervisors of Huadian Fuxin Energy Corporation Limited.

Hu Xiaohong, aged 45, has been a Supervisor of the 2nd session of the Board of Supervisors of the Company since June 2014. Ms. Hu obtained her bachelor's degree in accounting from Shenzhen University and was granted the title of senior accountant. Ms. Hu has been the deputy director of the assets management department of Wujiang Hydropower since July 2009. She previously held positions of deputy director of the finance office of the construction management department of the machinery expansion project, director of the finance department and deputy chief economist in Wujiangdu Hydropower Plant of Wujiang Hydropower, and the supervisor of the first session of the Board of Supervisors of Huadian Fuxin Energy Corporation Limited.

Zou Xuanyong, aged 45, has been an Employee Representative Supervisor of the 2nd session of the Board of Supervisors of the Company since June 2014. Mr. Zou graduated from North China Electric Power University and obtained his bachelor degree in power system automation, then graduated from the college of economic management of the Party School of the Central Committee of the C.P.C (中共中央黨校) with the postgraduate degree. He is also a senior engineer and senior administration engineer. Mr. Zhou served as the deputy secretary of the CPC committee, the secretary of discipline committee, the chairman of the Labor Union of the Fujian Ansha Hydropower Plant (福建安砂水電廠), the general manager of Fujian Province Jinhu Corporation Limited (福建省金湖電力有限責任公司). Mr. Zou is currently the director of General Management Department of the Company.

Chen Wenxin, aged 48, has been an Employee Representative Supervisor of the 2nd session of the Board of Supervisors of the Company since June 2014. Mr. Chen graduated from the undergraduate course of party management in the correspondence college of the Party School of the Central Committee of the C.P.C (中共中央黨校) and is a senior administration engineer. He served as the deputy secretary of the Party committee, chairman of the labor union and secretary of discipline committee of Fujian Longyan Power Plant (福建龍岩電廠), deputy secretary of the Party committee of Fujian Zhangping Power Plant (福建漳平電廠), deputy director-general of the politics work department, secretary of group discipline committee and chairman of group labor union of Huadian Fujian Power Generation Co., Ltd. (華電福建發電有限公司), secretary of the Party committee of Fujian Ansha Hydropower Plant (福建安砂水電廠), and the director-general of the human resources department of the Company.

Ding Ruiling, aged 51, has been an Independent Supervisor of the 2nd session of the Board of Supervisors of the Company since June 2014. Ms. Ding is the professor, doctor and dean of audit department of accounting school with Central University of Finance and Economies (中央財經大學). She has ever conducted further research and studies in Arthur Andersen (日本朝日監查法人) with focus on auditing theory and practices. Ms. Ding's major research fields include accounting, auditing, corporate internal control and auditing theory & practices, especially on the modern corporate internal control and security market.

Hou Jiawei, aged 51, has been a Supervisor of the 2nd session of the Board of Supervisors of the Company since June 2015. Mr. Hou was appointed as the member of the party committee, head of discipline inspection group and the director of the labour committee of China Huadian Engineering (Group) Co., Ltd. (中國華電工程 (集團) 有限公司) since October 2010. Prior to that, he served as the section chief of labor organization planning section of the personnel department of Hebei Electric Power Corporation (河北省電力公司), the director of payroll office of the human resources department of Hebei Electric Power Corporation, the deputy chief and chief of performance assessment office of human resources department of Huadian and the director of performance-based salary office of human resources department of Huadian.

Yan Zhongjun, aged 43, has been a Supervisor of the 2nd session of the Board of Supervisors of the Company since February 2015. Mr. Yan currently serves as the head of the Party Discipline Inspection Committee and the director of the Working Committee of Huadian Fuxin Energy Corporation Limited. He had served as the office director, head of the Political Affairs Department, deputy of political task director, secretary of Discipline Inspection Committee, chairman of labour union of Weifang Power Generation Factory (濰坊發電廠). He was also the manager of the Corporate Culture Section of the Political Work Division of Huadian Power International Corporation Limited (華電國際電力股份有限公司), deputy head and head of the Party Construction Division of the Political Work Department of China Huadian Corporation (中國華電集團公司), the secretary of the Party Committee and deputy general manager of Anhui Huadian Suzhou Power Generation Company (安徽華電宿州發電公司) and the head of Party Discipline Inspection Committee and chairman of labour union of China Huadian Corporation Anhui Branch (中國華電集團公司安徽分公司). Mr. Yan Zhongjun graduated from Renmin University of China with a bachelor's degree in economics management. He is also a senior political analyst.

Senior Management

Shu Fuping, aged 51, was appointed as the President of the Company since November 2015. Mr. Shu has successively served as a deputy director of the thermal process automation department of Sichuan Baima Power Plant (四川省白馬發電廠) of Electric Power Industry Bureau of Sichuan province,, a deputy chief engineer and director of the production plan and technology department of Gaoba Power Plant, Neijiang Power Central Plant (內江發電總廠高壩電廠), the plant director of Gaoba Power Plant, Neijing Power Central Plant, the plant director and secretary of the Party Committee of Baozhusi Power Plant, Huadian Corporation (華電集團寶珠寺水電廠), the general manager of Sichuan Zilanba hydropower Development Company (四川紫蘭壩水電開發公司), a deputy general manager of Huadian New Energy Development Company Limited (華電集團新能源發展有限公司), a deputy general manager of Huadian Fuxin Energy Corporation Limited and a deputy general manager of Fujian branch of China Huadian Corporation (中國華電集團公司福建分公司) before. He obtained the executive master degree in business administration from University of Electronic Science and Technology of China (電子科技大學), with a bachelor degree. Mr. Shu Fuping is also a senior engineer.

Huo Guangzhao, aged 54, has been reelected as the Vice President of the Company since June 2014. Mr. Huo obtained his bachelor's degree in thermal power of power plant from Xi'an Jiaotong University and was granted the title of Senior Engineer. He served as senior engineer and chief engineer with Northeast Electric Power Design Institute of Ministry of Electric Power, the project manager of North China Power Engineering Co., Ltd. of China Power, head of the initial development office of the Planning and Development Department of China Huadian Corporation, and deputy general manager of Huadian New Energy Development Co., Ltd..

Wang Zhijun, aged 52, has been appointed as the Vice President of the Company since February 2015. Mr. Wang graduated from North China Electric Power University and obtained his master degree in Electric HVDC and was granted the title of senior engineer. Mr. Wang served as the director of the general manager working department of Beijing Electric Power Research Institute (北京電力科學研究所), the deputy director of the integration division of China Huadian Fuel Co., Ltd. (中國華電集團燃料有限公司), the deputy general manager (taking charge of works), the general manager of Shaanxi branch of Huadian Coal Industry Group Co., Ltd. (華電煤業集團有限公司), the head of preparatory group of the Yuheng coal-fired power integration projects of Huadian Coal Group, the head of the Human Resources Department of Huadian Coal Industry Group Co., Ltd., the head of the discipline inspection group of Huadian New Energy Development Co., Ltd. (華電新能源發展有限公司), and the head of the discipline inspection group and the director of the Labour Committee of Huadian Fuxin Energy Corporation Limited.

Yang Yi, aged 52, has been reelected as the Chief Financial Officer of the Company since June 2014. Ms. Yang obtained her bachelor's degree in auditing from Shanghai University of Finance and Economics and was granted the titles of Senior Economist and Senior Auditor. She served as the chief officer and division chief of the audit department of State Power Corporation of China, division chief of the audit division and director auditor of the audit department of China Huadian Corporation, the deputy general manager of Hangzhou Banshan Power Plant Limited, and the chief accountant of Huadian New Energy Development Co., Ltd..

Sun Tao, aged 39, was appointed as the deputy general manager of the Company on 26 June 2015. Mr. Sun graduated from the North China Electric Power University majoring in power system automation, He was a Doctor of Philosophy and Senior Engineer. Mr. Sun served as project manager of technology and development department, project manager of engineering and construction department at China Longyuan Power Group Co. Ltd., assistant to the general manager and manager of engineering department at Jilin Longyuan Wind Power Generation Co.,Ltd, project manager of the technology and information department, senior project manager at China Longyuan Power Group Co. Ltd. and the deputy director of the Renewable Energy Research and Development Centre, secretary (vice division level) of the general manager working department of China Guodian Corporation, deputy division chief in the first secretary division of the general manager working department, secretary (division chief level) of the secretary division of the general office, assistant to the director of the general office at China Huadian Corporation.

Company Secretary

Mok Ming Wai, aged 44, a director of KCS Hong Kong Limited, is one of our Joint Company Secretary. Ms. Mok has over 20 years of professional and in-house experience in the company secretarial field. She is a fellow member of the Hong Kong Institute of Chartered Secretaries and the Institute of Chartered Secretaries and Administrators in the United Kingdom.

II. REMUNERATION OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN 2015

(I) Remuneration of Directors and Supervisors

Name	Position	Total remuneration received from the Company for the year ended 31 December 2015 *(RMB'000)*
Mr. Fang Zheng	Chairman of the Board and executive Director	816
Mr. Jiang Bingsi	Executive Director	288
Mr. Li Lixin	Executive Director	746
Mr. Tao Yunpeng	Non-executive Director	–
Mr. Zong Xiaolei	Non-executive Director	–
Mr. Zhou Xiaoqian	Independent non-executive Director	100
Mr. Tao Zhigang	Independent non-executive Director	100
Mr. Zhang Bai	Independent non-executive Director	100
Mr. Chen Bin[1]	Non-executive Director	–
Mr. Li Changxu	Chairman of the Board of Supervisors	–
Mr. Wang Kun	Supervisor	–
Ms. Hu Xiaohong	Supervisor	–
Mr. Hou Jiawei	Supervisor	–
Mr. Yan Zhongjun	Employee representative Supervisor	747
Mr. Zou Xuanyong	Employee representative Supervisor	530
Mr. Chen Wenxin	Employee representative Supervisor	530
Ms. Ding Ruiling	Independent Supervisor	80
Mr. Xie Chunwang[2]	Supervisor	–
Mr. Yan Azhang[3]	Independent Supervisor	20
Ms. Zhang Liying[4]	Independent Supervisor	–
Mr. Wang Zhijun[5]	Employee representative Supervisor	747

Notes:

1 Mr. Chen Bin resigned as the non-executive Director of the Company on 26 June 2015;

2 Mr. Xie Chunwang resigned as the Supervisor of the Company on 26 June 2015;

3 Mr. Yan Azhang resigned as the Independent Supervisor of the Company on 16 March 2015.

4 Ms. Zhang Liying resigned as the Independent Supervisor of the Company on 15 December 2015.

5 Mr. Wang Zhijun resigned as the Employee representative Supervisor of the Company on 2 February 2015.

During the year ended 31 December 2015, except for Ms. Zhang Liying, Independent Supervisor, none of the Directors or Supervisors waived any of their remuneration.

(II) Remuneration of Senior Management

During the year ended 31 December 2015, the remuneration of the senior management of the Group falls within the following bands:

	Number of persons
RMB0.7 million to RMB0.75 million	3
RMB0.1 million to RMB0.7 million	4

Management Discussion and Analysis

In 2015, as China's economy has entered into a state of "New Normal", the economic transformation and upgrading continued to progress in the country. Transformation of the economic growth mode led to the sustained optimization of power supply structure. As a result, the major drivers for power consumption growth were shifted from high energy consumption industries to emerging industries, service sectors and power consumption for residents. As affected by the macroeconomic factors, especially the combined effect of slower industrial production growth, industrial structure adjustment, industrial transformation and upgrading as well as climate change, domestic power consumption grew at a slower pace in 2015. The overall electricity consumption increased by 0.5% from the previous year to 5,550,000 GWh, with the growth rate being 3.3% lower than the previous year.

The power consumption is growing at a remarkably slower pace, since the overall electricity consumption grew at an average annual rate of 5.7% during the "Twelfth Five-year Plan" period, 5.4% lower than that of the "Eleventh Five-year Plan" period. With the gradual optimization of power supply structure, the clean energy is taking a larger proportion in power production. It is expected that the installed capacity of non-fossil energy will further expand its proportion to approximately 36% in 2016.

I. BUSINESS REVIEW

In 2015, the Group proactively coped with the challenging economic situations and market conditions, strived for progress while maintaining stability for various works. In terms of operation and management, the Group recorded more profit from hydropower business than expected, grabbed its share in the squeezed market for the coal-fired power segment, performed admirably in structure optimization of the wind power and solar energy, and was expecting an upward trend for the operations of the distributed businesses. In terms of project development, the Group made new progress in high efficiency coal-fired power projects, advanced the hydropower business smoothly, continued to speed up the development and layout optimization of the wind power and solar energy businesses, embraced new opportunities arising from natural gas-fired power projects, and witnessed more apparent effect of assets acquisition.

After years of overall planning and efforts, we have shaped our business with a stable operational structure, under which the wind power and solar energy businesses stand out, hydropower and coal-fired power complement each other, the distributed business is emerging and the nuclear power business provides strong support. With our economic efficiency steadily improving, regional layout being optimized continually, and growth momentum becoming stronger, our business is becoming more diversified, environment-friendly and globalized.

In 2015, profit attributable to equity owners of the Company was RMB1,901.5 million, representing an increase of 1.8% over 2014; consolidated installed capacity was 13,845.2 MW, representing an increase of 12.4% over the previous year; and gross power generation was 37,179,639.0 MWh, representing an increase of 1.8% over the previous year.

The respective consolidated installed capacity of the power generating assets of the Group as of 31 December 2015 and 2014 by type was:

Consolidated Installed Capacity (MW)

Type	2015	2014	Change percentage
Hydropower	**2,507.9**	2,457.0	2.1%
Wind power	**6,417.3**	4,889.3	31.3%
Coal-fired power	**3,600.0**	3,850.0	-6.5%
Solar energy	**799.7**	724.2	10.4%
Natural gas-fired power (distributed)	**495.0**	367.0	34.9%
Other	**25.3**	25.3	0.0%
Total	**13,845.2**	12,312.8	12.4%

The respective attributable consolidated installed capacity of the power generating assets of the Group as of 31 December 2015 and 2014 by type was:

Attributable Consolidated Installed Capacity (MW)

Type	2015	2014	Change percentage
Hydropower	**1,867.0**	1,817.6	2.7%
Wind power	**5,917.7**	4,442.9	33.2%
Coal-fired power	**3,740.4**	3,890.4	-3.9%
Solar energy	**764.9**	695.7	9.9%
Natural gas-fired power (distributed)	**741.2**	604.9	22.5%
Nuclear power	**849.4**	421.2	101.7%
Other	**25.1**	25.1	0.0%
Total	**13,905.7**	11,897.8	16.9%

The respective gross generation of the power generating assets of the Group in 2015 and 2014 by type was:

Gross Power Generation (MWh)

Type	2015	2014	Change percentage
Hydropower	**9,455,427.4**	8,933,550.9	5.8%
Wind power	**9,070,847.4**	6,764,710.7	34.1%
Coal-fired power	**15,442,391.3**	19,317,684.7	-20.1%
Solar energy	**932,079.5**	541,844.2	72.0%
Natural gas-fired power (distributed)	**2,114,557.8**	783,972.5	169.7%
Other	**164,335.6**	166,368.6	-1.2%
Total	**37,179,639.0**	36,508,131.6	1.8%

1. Hydropower Business

As of 31 December 2015, the Group had consolidated hydropower installed capacity of 2,507.9 MW and new consolidated installed capacity commenced operation of 50.9 MW. One new hydropower project with a capacity of 100.0 MW was approved, the construction of which has been commenced.

In 2015, the water inflow in Fujian Province was almost dried up at first but increased abundantly later, with the accumulated levels of precipitation in the seven key reservoirs amounted to 2,090 mm on average, which was 22.9% higher than the average level of multiple years and represented an increase of 22.4% over the previous year. The Group made sound preparation for flood prevention, typhoon evasion and power generation through overall coordination, proactively conducted optimization and economical dispatch of reservoirs and rivers, devoted more efforts to economical operation of hydropower stations and intensified flood predictions, thus further enhancing the utilisation rate of hydropower. During the period from 1 January 2015 to 31 December 2015 (the "Reporting Period"), the gross hydropower generation of the Group was 9,455,427.4 MWh, representing an increase of 5.8% over the previous year; the average hydropower utilisation time was 3,860 hours, which was 5.8% higher than the 3,649 hours in the previous year. The average on-grid tariff (tax exclusive) was RMB285.6/MWh, representing an increase of RMB9.1/MWh or 3.3% over the previous year.

2. Wind Power Business

As of 31 December 2015, the Group had a consolidated wind power installed capacity of 6,417.3 MW, representing an increase of 31.3% from 31 December 2014. During the Reporting Period, the consolidated installed capacity of the Group's new wind power projects which had commenced operation was 1,528.0 MW. The gross wind power generation was 9,070,847.4 MWh, representing an increase of 34.1% over the previous year. The average on-grid tariff (tax exclusive) was RMB495.4/MWh, representing an increase of RMB6.7/MWh over the previous year. The average wind power utilisation time was 1,745 hours, which decreased by 7.6% from the previous year. The wind power capacity under construction was 995.0 MW.

In 2015, as the abandonment and curtailment of wind power has become serious in Xinjiang, Gansu and some other districts of China, the Group steadily optimized its wind power development layout, intensified the development of qualified wind power projects, increased the projects under pipeline and proactively explored the markets in South China. In 2015, 27 new projects with an aggregate capacity of 1,500.0 MW were approved. As of the end of 2015, we had an accumulated reserves of approximately 2.5 GW of wind power projects which had been approved or included in the first five batches of the approval plan (including the supplemented ones) of the National Energy Administration but had not been put into production.

In the production management process, we performed specific and centralized equipment improvement and defects elimination, promoted standardised maintenance operations and enhanced equipment soundness. As a result, the utilisation of wind turbines reached 97.5% and the operational maintenance costs were kept at a relatively low level.

3. Coal-fired Power Business

As at 31 December 2015, the Group had a consolidated installed coal-fired power capacity of 3,600.0 MW. Shaowu Power Plant closed down 250.0 MW of generating units in response to the national policy concerning energy conservation and emission reduction as well as "Big Replaces Small" policy, while the applicable policy for substituted electricity will be effective until 2017. During the Reporting Period, the gross coal-fired power generation of the Group was 15,442,391.3 MWh, representing a decrease of 20.1% from the previous year. The average coal-fired power utilisation time was 4,011 hours; the average on-grid tariff (tax exclusive) was RMB335.3/MWh, representing a decrease of RMB40.5/MWh or 10.8% from the previous year.

Capitalising on the declining coal price, the Group effectively controlled its fuel purchasing costs in 2015. In the Reporting Period, the average unit price (tax exclusive) of the Group's standard coal is RMB531.4/ton, representing a decrease of RMB85.4/ton, or by 13.8%, from the previous year.

In the Reporting Period, the Group obtained approval for 2 coal-fired power projects with an aggregate capacity of 3,320.0 MW, one of which has commenced construction.

4. Solar Energy Business

In 2015, the Group steadily pushed forward its solar energy project development and seized the favorable opportunities to develop solar energy markets. During the Reporting Period, the Group recorded an increase of 75.5 MW in its consolidated installed capacity newly put into operation in solar energy business, bringing its accumulated consolidated installed capacity put into operation to 799.7 MW. In 2015, the Group's solar power output was 932,079.5 MWh, and the average on-grid tariff (tax exclusive) was RMB899.2/MWh.

In 2015, the Group has obtained the approval for the Group's 12 new projects with total capacity up to 275.7 MW. As of the end of 2015, the Group had 668.2 MW of solar power projects which has completed record process in the national approved plans.

5. Natural Gas-fired Power and Other Business

As at 31 December 2015, the consolidated installed capacity put into operation and the consolidated installed capacity under construction of natural gas-fired power (distributed) projects of the Group amounted to 495.0 MW and 146.4 MW, respectively. With the declining price of natural gas, we will capitalise on the opportunity to push forward the natural gas distributed projects. As at 31 December 2015, the Group had 12 natural gas-fired power projects approved by the National Development and Reform Commission with an accumulated capacity of 1,251.0 MW.

As at 31 December 2015, the Group held 39.0% equity interest in Fuqing Nuclear Power Plant. Currently, construction of the project is progressing smoothly. No. 1 and No. 2 generating units have commenced commercial operation in 2014 and 2015 respectively; the construction of No. 3 and No. 4 generating units are also progressing smoothly; and No. 5 and No. 6 generating units have commenced production in 2015. In addition, on 23 March 2015, the Group entered into an equity transfer agreement with Huadian Group, the controlling shareholder of the Group, to acquire 10% equity interest in Sanmen Nuclear Power Co., Ltd..

II. FINANCIAL POSITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the audited financial statements of the Group together with the accompanying notes.

1. Overview

In 2015, the Group's profit before tax decreased by 2.2% to RMB2,623.1 million as compared with RMB2,680.8 million in 2014. In particular, the profit attributable to equity owners of the Company for the year of 2015 amounted to RMB1,901.5 million, representing an increase of 1.8% as compared with RMB1,867.2 million in 2014.

2. Revenue

The Group's revenue increased by 10.4% to RMB15,347.0 million in 2015 as compared with RMB13,895.4 million in 2014, primarily due to the increase in revenue from electricity sales of the Group's hydropower, wind power and natural gas-fired power (distributed) segments.

The Group's revenue from sales of electricity increased by 3.7% to RMB14,045.2 million in 2015 as compared with RMB13,543.7 million in 2014, primarily due to an increase in the Group's electricity sales. The increase of 1.2% as compared to the previous year in the Group's electricity sales reflected the stable business improvement of the Group during these periods.

The respective segment revenue of the Group in 2015 and 2014 is as follows:

	2015 ***RMB in million***	2014 *RMB in million*	Change percentage
Hydropower	**2,626.9**	2,404.4	9.3%
Wind power	**3,966.7**	3,153.3	25.8%
Coal-fired power	**5,272.3**	7,137.5	-26.1%
Solar energy	**810.2**	484.6	67.2%
Natural gas-fired power (distributed)	**1,587.5**	529.5	199.8%
Other	**1,041.1**	155.5	569.5%
Total revenue of the reported segments	**15,304.7**	13,864.8	10.4%

3. Other net income

In 2015, the Group's other net income decreased by 34.6% to RMB154.7 million as compared with RMB236.5 million in 2014, primarily due to: (1) the supplier compensation of RMB46.4 million this year, representing a decrease of 59.6% compared with RMB114.8 million in 2014; and (2) government grants during the year of RMB62.2 million, as compared with RMB87.1 million in 2014, representing a decrease of 28.6%.

4. Operating expenses

The Group's operating expenses increased by 16.8% to RMB10,737.0 million in 2015 as compared with RMB9,190.4 million in 2014. This increase was mainly attributable to commencement of production of the new generating units: the increases in (1) depreciation and amortization expenses; and (2) labor costs.

In 2015, the Group's fuel cost decreased from RMB4,217.8 million in 2014 to RMB3,854.3 million, representing a decrease of 8.6% due to a decrease in the coal purchasing price. In particular, fuel costs for coal-fired power segment decreased from RMB3,799.3 million to RMB2,659.6 million due to the decrease in coal price and power generation; fuel costs for natural gas (distributed) fired power generation segment increased from RMB335.8 million to RMB1,122.2 million due to the increase in power generation from new generating units put into production.

The Group's depreciation and amortization expenses increased by 21.4% to RMB3,237.1 million in 2015 as compared with RMB2,667.1 million in 2014. This increase was primarily due to commencement of production of the Group's new generating units.

The Group's labor costs increased by 13.4% to RMB1,192.1 million in 2015 as compared with RMB1,051.6 million in 2014, primarily due to additional staff required following the commencement of production of the Group's new generating units and the additional staff recruited for business expansion.

The Group's repair and maintenance costs increased by 0.3% to RMB426.8 million in 2015 as compared with RMB425.5 million in 2014.

The Group's other operating expenses increased by 60.5% to RMB549.4 million in 2015 as compared with RMB342.3 million in 2014, primarily due to an increase in installed capacity in production and the expansion in business scale of the Group.

The Group's costs of substituted electricity increased from RMB54.6 million in 2014 to RMB99.5 million in 2015, representing an increase of 82.2%, primarily due to an increase in the Group's purchasing of substituted electricity in the year.

5. Operating profit

The Group's operating profit decreased by 3.6% to RMB4,764.7 million in 2015 as compared with RMB4,941.5 million in 2014, primarily due to a year-on-year decrease of 26.1% in sales income of electricity caused by the combined influence of a decrease of 20.1% in power generation from the coal-fired power segment as compared to that of last year, as well as a declining tariff. The respective segment operating profit of the Group in 2015 and 2014 is as follows:

	2015 *RMB in million*	2014 *RMB in million*	Change percentage
Hydropower	**1,249.7**	1,093.9	14.2%
Wind power	**1,926.3**	1,742.2	10.6%
Coal-fired power	**1,133.1**	1,898.6	-40.3%
Solar energy	**427.0**	277.0	54.2%
Natural gas-fired power (distributed)	**159.6**	68.9	131.6%
Other	**10.0**	0.1	9,900.0%

6. Finance income

The Group's finance income decreased by 4.6% to RMB165.4 million in 2015 as compared with RMB173.4 million in 2014. Finance income mainly includes the interest income on financial assets and dividend income from other investments.

7. Finance expenses

The Group's finance expenses increased by 8.6% to RMB2,734.9 million in 2015 as compared with RMB2,517.8 million in 2014, primarily due to an increase in the average balance of loans as a result of the Group's business growth.

8. Share of profits of associates and joint ventures

The Group's share of profits of associates and joint ventures was RMB427.8 million in 2015 as compared with RMB83.7 million in 2014, primarily due to an increase in earnings of the invested associates in this year.

9. Income tax

The Group's income tax decreased by 24.0% to RMB405.3 million in 2015 as compared with RMB533.5 million in 2014, primarily due to a decrease of 40.3% in the operating profit of the coal-fired power segment as compared to that in 2014 as well as a tax preferential policy for wind and solar power projects newly put into operation.

10. Net profit for the year

The Group's net profit increased by 3.3% to RMB2,217.7 million in 2015 as compared with RMB2,147.3 million in 2014, primarily because the profit from the wind and solar power projects newly put into operation enjoyed income tax preferential policies.

11. Profit attributable to equity owners of the Company

The profit attributable to equity owners of the Company increased by 1.8% to RMB1,901.5 million in 2015 as compared with RMB1,867.2 million in 2014.

12. Profit attributable to non-controlling interests

The Group's profit attributable to non-controlling interests increased by 12.9% to RMB316.2 million in 2015 as compared with RMB280.1 million in 2014.

13. Liquidity and sources of capital

The Group's cash and cash equivalents decreased by 39.3% to RMB1,996.3 million as at 31 December 2015 as compared with the balance of RMB3,291.0 million as at 31 December 2014, primarily because the cash flow management was strengthened and the cash balance as at the end of the period was reasonably controlled by the Company in 2015. The main sources of the Group's operating capital include: (1) approximately RMB20,691.6 million as at 31 December 2015 of unutilized banking facilities; and (2) approximately RMB1,996.3 million of cash and cash equivalents.

As at 31 December 2015, the Group's borrowings increased by 16.7% to RMB60,475.3 million as compared with RMB51,827.2 million as at 31 December 2014, of which RMB12,903.2 million was short-term borrowings (including the current portion of long-term borrowings), and RMB47,572.1 million was long-term borrowings.

14. Capital expenditure

The Group's capital expenditure decreased by 18.2% to RMB12,924.2 million in 2015 as compared with RMB15,793.4 million in 2014. Capital expenditure mainly comprises costs for purchase and construction of property, plant and equipment.

15. Net gearing ratio

As at 31 December 2015, the Group's net gearing ratio (net debt (i.e., total borrowings less cash and cash equivalents) divided by total equity) was 276.6%, representing an increase of 1.7 percentage points as compared with 274.9% as at 31 December 2014, which was mainly due to the new debts caused by the Company's infrastructural projects in which the Company made new investments during the year.

16. Material acquisitions and disposals

The Company acquired 10% equity interest in Sanmen Nuclear Power Co., Ltd. at a consideration of RMB1,115.9 million in 2015.

17. Significant investment

The Company subscribed for 243,722,000 shares of China Energy Engineering Corporation Limited at a consideration of RMB327.9 million in 2015.

18. Plans for material investments/acquisition of capital assets

The Company has not formulated any plans for material investments/acquisition of capital assets for the coming year.

19. Pledge of assets

Some of the Group's loans are secured by property, plant and equipment. As at 31 December 2015, the total net book value of the pledged assets amounted to RMB16,913.1 million.

20. Contingent liabilities

As at 31 December 2015, the Group provided external guarantee of RMB25.4 million over the balance of bank loans.

III. RISK FACTORS AND RISK MANAGEMENT

1. Industry risk

The development and profitability of our clean energy projects are significantly dependent on the policies and regulations that support such development in the PRC. Since 2005, the PRC government has promulgated a series of laws and regulations. The gross generation and revenue of our hydropower projects are dependent upon the hydrological conditions prevailing from time to time in the broad geographic regions in which our existing and future hydropower projects are located. In addition, the resettlement of relocated residents may cause significant cost increases and/or construction delays in our hydropower projects. Our wind power business is highly dependent on wind conditions. The total amounts of electricity and revenue generated from a wind power project are highly dependent on wind conditions, which vary across seasons and regions. Our coal-fired power plants are fueled by coal, and an increase in coal prices and a disruption in coal supply or its transportation could materially and adversely affect our coal-fired power business. Our natural gas distributed energy projects are fueled by natural gas. As such, a sufficient and timely supply of natural gas is essential to our natural gas-fired power (distributed) business.

2. Competition risk

We may encounter competition from utility companies which are mainly engaged in other clean energy businesses. In particular, other clean energy technologies may become more competitive and appealing. Competition from such companies may become intense if the technology used to generate electricity from these other clean energy resources becomes more sophisticated, or if the PRC government decides to bolster its support of such other clean energy resources. Clean energy resources, such as hydropower and wind power, compete with conventional energy resources, including oil and coal.

3. Risk related to power grid

In certain regions, power grids planning and construction lag behind wind power development layout. Given the insufficient consumption capacity, it is inevitable that wind power will be abandoned in the short run. In addition, power grids with insufficient transmission capacity may not be able to deliver all the potential electricity that the wind farms could generate when operating under full load, which may decrease the gross generation of the Group. In view of this, the Group flexibly adjusted construction strategies and rationally deployed new projects according to the power grid connection conditions. Meanwhile, the Group will continue improving technical innovation to reduce such impact.

4. Exchange rate risk

The Group's transactions are mainly denominated in Renminbi, Euro, United States dollar and Hong Kong dollar. Therefore, the Group is exposed to foreign currency exchange risk. The Group has not implemented any foreign currency hedging policy at the moment. However, the management has carried out continuous monitoring on the foreign exchange exposure and will consider hedging the foreign exchange exposure if it has material impact on the Group.

IV. OUTLOOK AND PROSPECTS

In 2015, the new global climate change agreement was passed at the Paris Climate Change Conference, which defines the global actions against climate change after 2020. The agreement requires all parties to rise up to the threat from global climate change and reduce greenhouse gas emission so as to restrict the global average temperature rise to 2°C as compared to pre-industrial level and strive to maintain it within 1.5°C, and in the second half of this century the whole world's greenhouse gas emission will be nearly zero.

China is an active participant in the global undertaking against climate change and has become the world's largest country in energy conservation and utilization of new and renewable resources. China will increase its investment in clean energy and low-carbon economy to slow down climate change by implementing aggressive emission reduction plans. The Group will leverage on the favorable national policies and economic situation at present to vigorously develop wind and solar power, orderly and properly develop the hydropower, develop natural gas-fired power by adapting to local conditions, as well as optimize the development of super clean coal-fired power, so as to steadily advance the development of the new energy industry and continue to raise the proportion of clean energy in the capital structure.

Wind power and Solar energy business

Adhering to the value-oriented and sustainable development concepts, the Group will continue to adjust the regional layout of assets by shifting more investment to central and southeastern regions with admirable economic efficiency and no power curtailment. In addition, it will prudently select high-quality projects in regions with power curtailment and commence construction when appropriate. Meanwhile, the Group will closely follow up the construction of channels of ultra-high voltage power outgoing transmission base and the new energy base, and strive for more high-quality resources reserves. We will continue to explore the solar energy market and closely monitor changes in the national rationing policy of renewable energies and the national tariff subsidy policy for wind power so as to realize diversified project development by means such as cooperating with wind power investors and wind power equipment manufacturers.

Hydropower business

In 2016, the Group will continue to explore the hydropower market in Fujian province and raise hydropower efficiency. At present, several pumped storage projects have commenced preparatory work. The Group will continue to accelerate the exploration of reserves of hydropower projects, focus on the acquisition of high-quality hydropower projects and ensure healthy growth of the hydropower industry.

Natural gas-fired power business

The National Energy Administration issued a policy on adjustment of pricing of natural gas in 2015, which exerted a positive influence on the development of natural gas-fired power generation. The Group will steadily push forward gas-related businesses by accelerating the progress of natural gas-fired power projects and promoting the development of gas-fired heat and power co-generation projects. Further, we will expand our shares in the new energy market and accelerate the development pace of new energy business of the Group.

Coal-fired business

With certain coal-fired projects including Shaowu Phase III and Kemen Phase III approved, the Group will push forward the construction of new projects in a proactive and orderly manner to lay the foundation for sustainable operation of the Group. At the same time, the Group will keep a close eye on and follow up the subsequent supporting policies for energy conservation transformation of coal-fired units.

I. HUMAN RESOURCES OVERVIEW

As of 31 December 2015, we had a total of 9,483 staffs. The following table sets forth a breakdown of our staffs by business types as of 31 December 2015:

Business types	Number	Percentage
General administration	131	1.38%
Hydropower	2,751	29.01%
Wind power	2,687	28.33%
Coal-fired power	2,856	30.12%
Other clean energy	1,058	11.16%
Total	9,483	100%

II. STAFF INCENTIVES

In order to cater for our development needs, the Group innovated the appraisal mechanism and introduced power-generation-based salary for the wind power enterprises and reward mechanism for lower-tier enterprises which enjoy preferential policies, based on the existing rules and regulations such as Management Measures for Performance Appraisal of the Headquarter of the Company《公司本部績效考核管理辦法》, Interim Management Measures of Systematic Performance Appraisal of the Company《公司系統績效考核管理暫行辦法》 and Implementing Rules of Performance Appraisal of the Company《公司績效考核實施細則》, thus maximizing the vitality of enterprises.

According to the actual condition of enterprises, we adopted dynamic management of salary, under which the total salary to be withdrew was linked to indexes such as profit completion progress and equipment utlisation rate of the lower-tier enterprises, and the payment of salary by subsidiaries was adjusted timely. As a result, the process control and systematic control of unit labor cost were both strengthened.

III. STAFF TRAINING

In 2015, the Group devoted various efforts to intensify the building of its talents team and bolstered its "Strengthening the Enterprise by Talents" strategy.

1. Intensify the team building for headquarter of the Company. The Group improved training activities of"Fuxin Forum", enhanced the team building of headquarter of the Company, further improved their theoretical level, managerial capabilities and professional quality. The internal teachers and external experts in the industry were invited to train the staff, and the internal leaders in the Company, director-generals of departments, staff from the headquarter and various associations also gave their lessons. During the year, seven sessions of "Fuxin Forum" training activities were held.

2. Intensify cultivation of technical (managerial) talents. The Group took full advantage of four major training bases, namely, coal-fired power, hydropower, wind power and natural gas distributed energy bases to accomplish a series of training, including deployment of flood prevention of hydropower plants and optimization of water reservoirs, management of bidding and material procurement, financial ERP, Party building, information technology, simulation of wind turbines and project construction and management of wind farm, thus further catering for the needs of the Company for technological and managerial talents due to the rapid development of the Company.

3. Intensify fostering of skilled operational staff. Firstly, we focused on the position-based training, with an emphasis on practical and innovative ability of skilled talents. The Group conducted a number of trainings for shift leaders and skill trainings on relay protection and excitation, primary electrical inspection, repair and maintenance, mechanical inspection, repair and maintenance of speed controller of hydropower plant as well as operation inspection and repair in respect of wind power generation. Secondly, Occupation Skill Appraisal Stations of various segments were fully utilized, and an appraisal was given after training. Thirdly, the Group motivated the enthusiasm of the staff by holding contests and vigorously carried out skill training on wind power and greatly improved technical and skill level of the staff.

4. The Group conducted the on-duty-with-the-certificate training and examination for technical and skilled staff of the wind power enterprises for the first time. With on-duty-with-the-certificate being fully carried out, the Group intensified the training for technical and skilled staff and organized on-site training and examination for production cadres. Meanwhile, the Group shared its training resources through cloud training and the staff could access such resources and study by themselves at any time.

In 2015, the Group's training headcount totaled 64,433, or 100% of its staff.

IV. STAFF REMUNERATION POLICY

Currently, the staff remuneration of the Group primarily comprises of basic salary and performance-based salary, all being connected with the performance. The performance-based salary is determined by reference to the result of performance appraisal of all staff within the Group.

V. STAFF PROTECTION

The Company had made contributions to the social security fund and housing provident fund for its employees in strict compliance with the Labor Law and Labor Contact Law of the PRC. The social security fund covers basic pension insurance, medical insurance, unemployment insurance, work-related injury insurance and maternity insurance. In addition, the Company also made contributions to the supplementary medical insurance and enterprise annuity fund for its employees.

Social Responsibility

While creating economic benefit, the Group has been promoting the construction of ecological civilization, adhering to the principle of energy conservation, high efficiency, low carbon, and environment protection. Bearing our corporate social responsibility in mind, we implements safety production, sticks to people-oriented policy, realize common development benefiting both employees and the Company. We have served the community sincerely, proactively taken part in the programs for public benefit, and dedicated to the building of a friendly and harmonious environment among the Company, employees, society and ecosystem.

We formulated and owned a series of policies and regulations in relation to environmental protection such as the Environmental Protection Law (《中華人民共和國環境保護法》), Enviroment Compliance Guidance for Thermal Power Enterprise (燃煤火電企業環境守法導則), Technical Specifications on Ash Removal for Thermal Power Plant (火電廠除塵工程技術規範), Supervision and Management Measures on Environmental Protection of China Huadian Corporation (中國華電集團公司環境保護監督管理辦法), China Huadian Group Thermal Power Stations Flue Gas NOx Emission Reduction Related Guidence (中國華電集團公司火電廠煙氣脱硝涉及導則), China Huadian Corporation Environmental Events Accountability Measures (中國華電集團公司環境事件責任追究辦法), and ensured practical implementation in the actual business operations.

We have been focusing on compliance with laws and regulations. Relevant departments and human resources have been appointed to ensure continuous compliance with laws, regulations and various regulatory rules and we maintained good relationships with various regulatory authorities through efficient communication. During the Reporting Period, to the best knowledge of the Board, the Company has complied with the applicable laws and regulations that have a significant impact on the business and operation of the Company.

Our day-to-day operations also relates to other major stakeholders apart from shareholders, including staff, customers, suppliers and regulatory authorities. We formulated and adopted various internal mechanisms and policies to award and praise outstanding staff and help them to grow and get promotion in the Company through provision of appropriate training and opportunities. Further details on the Company's staff are set out in the "Human Resources" section of this report. In terms of customers, As a power supply enterprise, we adhere to provide stable green energy for the electric energy transmission and distribution parties, namely State Grid Corporation of China, China Southern Power Grid Co., Ltd. (中國南方電網有限責任公司) so as to maintain long-term profitability, business expansion and assets growth. In terms of suppliers, we guarantee generation of cost effectiveness and promotion of long-term business interest by way of maintaining sound relationships and close communication and interaction with major coal and equipment suppliers. In addition, the Company is regulated by the State-owned Assets Supervision and Administration Commission of the State Council, National Development and Reform Commission of the People's Republic of China, Securities and Futures Commission, the Hong Kong Stock Exchange. We will constantly update and ensure compliance with new rules and regulations.

We proactively responded to the government's call for energy saving and emission reduction, stepped up efforts in press upgrading and reconstruction of the coal-fired units in terms of desulfurisation, denitrification, dusting and other environment protection technology. In 2015, two coal-fired generation units of Fujian Huadian Yong'an Power Generation Co. Ltd., No. 2 unit of Fujian Huadian Kemen Power Generation Co., Ltd., both subordinating to the Group, achieved the goal of ultra-low emission. For the abovementioned, we have been the first to be granted subsidies equal to RMB0.01 per kilowatt-hour of ultra-low emission electrovalence since January 2016 in Fujian. In particular, Fujian Huadian Yong'an Power Generation Co. Ltd. has become the first coal-fired plant which achieved the goal of ultra-low emission, obtaining admirable environmental, social and economic benefits.

As construction of projects was pressed ahead, our wind power and other new energy businesses have effectively alleviated the issues of road and traffic in rural areas, improved the infrastructure conditions, and indirectly helped local economic development. In 2015, we took an active part in the anti-poverty project named "Connecting Highways from Village to Village (村村通公路)". More than 80 kilometers' road and 5 bridges were constructed and 10 open water sources were repaired for villages in the southern remote mountainous areas. With the development of the new energy projects, we vigorously took on local labors, helped resolve employment issue of the local residents, alleviated stress of local employment, promoted harmonious development of the society.

We actively participates in the public welfare in order to perform its social responsibility and build caring system. We have been carrying out long-term aids to students and the disabled and activities to alleviate the poor so that we can repay the society through multiple channels. In 2015, the total donation of the Group for public welfare amounted to approximately RMB4 million, of which RMB2 million was used to support the environmental protection causes, RMB433,000 used to assist disaster areas, RMB186,000 used to donate to the local education cause and RMB401,000 used to contribute to the fixed-point poverty alleviation areas. In addition, the staff of the Group voluntarily donated and helped the remote mountainside areas and earthquake stricken areas, expressed sympathy and solicitude for the local welfare house and visited poverty stricken students with a total donation up to around RMB400,000.

Corporate Governance Report

I. CORPORATE GOVERNANCE

The Hong Kong Stock Exchange issued the Corporate Governance Code and Report as currently set out in Appendix 14 of the Listing Rules which sets out the principles and the code provisions which listed issuers are required to apply and comply. During the Reporting Period, the Company has applied the principles as set out in the Corporate Governance Code and Report that are considered to be relevant to the Company and has complied with other code provisions of the Corporate Governance Code and Report.

The Board hereby presents to the shareholders the corporate governance report for the Reporting Period.

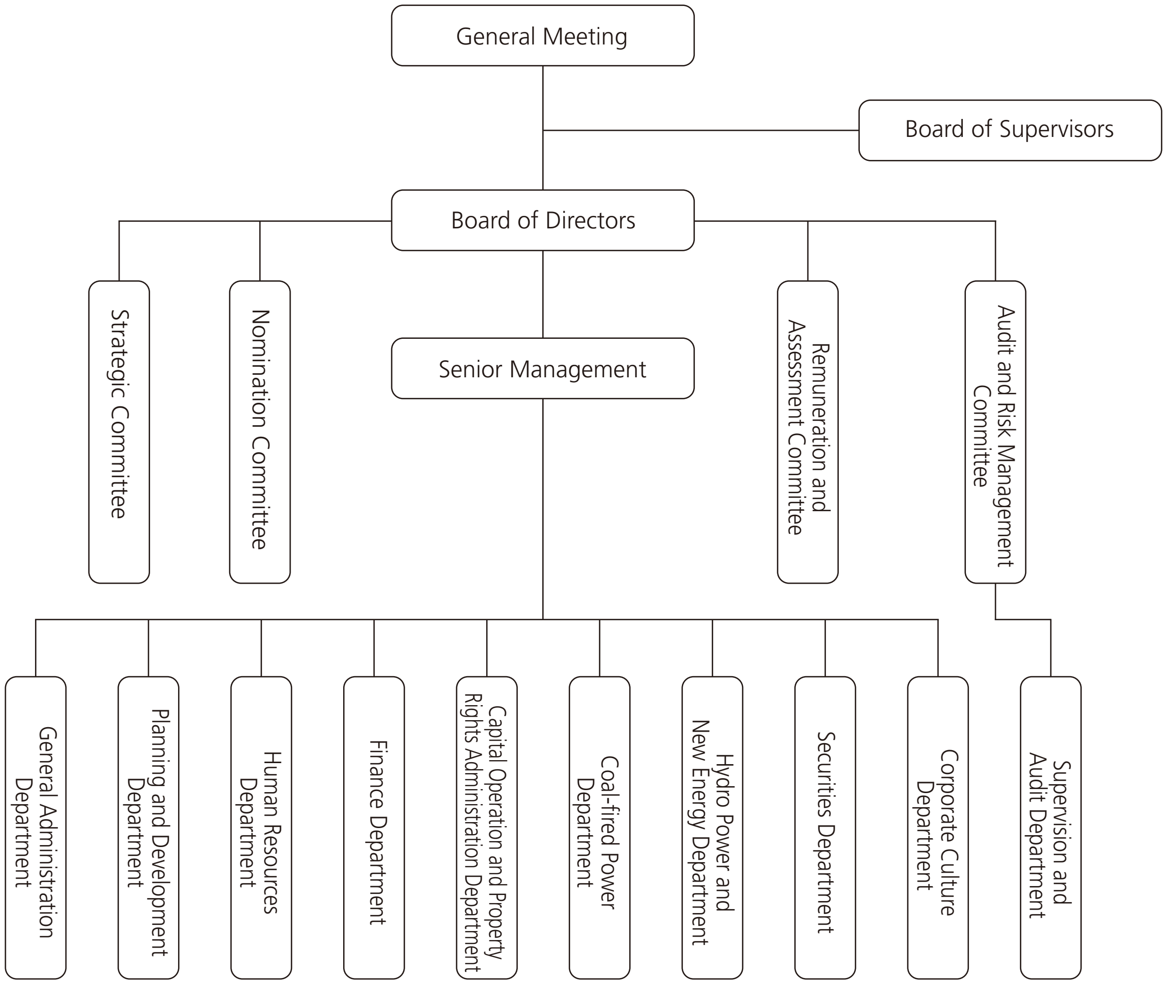
II. COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct and rules governing dealings by its Directors and Supervisors in the securities of the Company. Having made specific enquiry to the Directors and Supervisors of the Company, all Directors and Supervisors have confirmed that they have strictly complied with the required standard set out in the Model Code during the Reporting Period. The Company has also set up guidelines in respect of the dealings by its relevant employees (as defined in the Listing Rules) in the Company's securities, which terms are no less exacting than the Model Code. The Company has not discovered any breach of the guidelines by its relevant employees.

The Board will examine the corporate governance practices and operation of the Company from time to time so as to ensure the compliance with relevant requirements under the Listing Rules and to protect shareholders' interests.

III. CORPORATE GOVERNANCE STRUCTURE

The corporate governance structure of the Company is set out as follow:



IV. THE BOARD

The Board exercises its powers and functions in accordance with the provisions as set out in the Articles of Association. Under the principle of acting in the best interest of the Company and its shareholders, the Board reports its works at the general meetings, implements the resolutions passed thereon and is accountable to the general meetings.

(I) Composition of the Board

The Board currently consists of eight Directors, including two executive Directors, three non-executive Directors and three independent non-executive Directors.

The biographical details of the Directors as at the date of this report are set out on pages 25 to 27 of this annual report. There are no relationships (including financial, business, family or other material or relevant relationship) among members of the Board. The structure of the Board is well balanced with each Director having sound knowledge, experience and expertise relevant to the business operation and development of the Group. All Directors are aware of their joint and several responsibilities to the shareholders.

Since the listing of the Company, the Board has been in compliance with the requirements of the Listing Rules regarding the appointment of at least three independent non-executive Directors and the qualifications of the three independent non-executive Directors of the Company are in full compliance with the requirements under Rules 3.10(1) and (2) of the Listing Rules. In addition, the Company has received annual confirmations from independent non-executive Directors as to their respective independence in accordance with Rule 3.13 of the Listing Rules. The Company therefore considered all independent non-executive Directors to be in compliance with the independence requirements as set out in the Listing Rules.

The composition of the Second session of Board of the Company during the Reporting Period is set out as follows:

Name	Position	Date of Appointment
Mr. Fang Zheng	Chairman of the Board and Executive Director	30 June 2014
Mr. Jiang Bingsi	Executive Director	30 June 2014
Mr. Li Lixin	Executive Director	30 June 2014
Mr. Tao Yunpeng	Non-Executive Director	30 June 2014
Mr. Zong Xiaolei	Non-Executive Director	30 June 2014
Mr. Zhou Xiaoqian	Independent Non-Executive Director	30 June 2014
Mr. Zhang Bai	Independent Non-Executive Director	30 June 2014
Mr. Tao Zhigang	Independent Non-Executive Director	30 June 2014
Mr. Chen Bin	Non-Executive Director	30 June 2014 and resigned on 26 June 2015

(II) Board Meeting

Pursuant to the Articles of Association, the Board is required to hold at least four Board meetings each year, to be convened and hosted by the Chairman of the Board. A notice of at least fourteen days shall be dispatched for a regular Board meeting. The notice shall state the time, venue and means by which the Board meeting will be convened.

Except for the Board's consideration of matters in relation to connected transactions as stipulated by the Articles of Associations, the quorum for a Board meeting is the present of at least half of the total number of the Directors. A Director may attend the Board meeting in person, or appoint another Director in writing as his proxy to attend the Board meeting. The secretary to the Board of the Company is responsible for preparing and keeping the minutes of Board meetings and ensuring that such minutes are available for inspection by any Director.

During the Reporting Period, six meetings were held by the Board. The attendance record of the Directors at the Board meetings is disclosed on page 62 of this report.

(III) Power Exercised by the Board and the Management

The powers and duties of the Board and the management have been clearly defined in the Articles of Association, which aims to provide an adequate check and balances mechanism for good corporate governance and internal control.

The Board is responsible for deciding on the Company's business and investment plans, deciding on the establishment of the Company's internal management structure, formulating the Company's basic administration system, determining other material business and administrative matters of the Company and monitoring the performance of the management.

Led by the President, the management of the Company is responsible to the Board for implementing the resolutions approved by the Board, formulating specific rules and regulations for the Company and administering the Company's day-to-day operation and management.

(IV) Directors' Training

Pursuant to code provision A.6.5 of the Corporate Governance Code and Report, all Directors should participate in continuous professional development to develop and update their knowledge and skills with a view to ensure that their contributions to the Board remains informed and appropriate.

During the Reporting Period, the Directors are regularly briefed on the amendments or updated on the relevant laws, rules and regulations. All Directors have participated in continuous professional development by reading training materials and attending training courses on the topics related to corporate governance and regulations.

According to the records maintained by the Company, the Directors received the following trainings, focusing on the roles, functions and duties of directors of a listed company in compliance with the Corporate Governance Code and Report on continuous professional development during the Reporting Period:

Directors	Studying Material	Participation in Training Courses
Executive Directors		
Fang Zheng	1	1
Jiang Bingsi	1	1
Li Lixin	1	1
Non-Executive Directors		
Tao Yunpeng	1	1
Zong Xiao lei	1	1
Chen Bin[1]	0	1
Independent Non-Executive Directors		
Zhou Xiaoqian	1	1
Zhang Bai	1	1
Tao Zhigang	1	1

Note: [1] Mr. Chen Bin resigned as the Company's non-executive director on 26 June 2015.

(V) Chairman and President

The roles of the Chairman of the Board and President (i.e. chief executive officer pursuant to the relevant Listing Rules) of the Company are segregated and held by different persons to ensure their respective independence of responsibilities, accountability and the balance of power and authority between them. During the Reporting Period, Mr. Fang Zheng acted as the Chairman of the Board; and Mr. Shu Fuping acted as the president (appointed on 17 November 2015) (Mr. Jiang Bingsi acted as the president of the Company from 1 January 2015 to 14 May 2015). The Chairman and President do not have any relationships (including financial, business, family or other material or connected relationship). The rules and procedures of the Board meeting was considered and approved at the general meeting and the rules of duties and authorities specification of Directors and senior management was considered and approved at the Board meeting, which clearly defined the division of duties between the Chairman and the President.

Mr. Fang Zheng, the Chairman of the Board, is responsible for leading the Board in determining the overall development strategies of the Company, ensuring that the Board is functioning effectively in performing its duties, discussing significant and appropriate matters in a timely manner, ensuring the formulation of good corporate governance practices and procedures by the Company and ensuring that the Board acts in the best interest of the Company and all of its shareholders. Mr. Shu Fuping, the President, is mainly responsible for the Company's day-to-day operation and management, including organizing the implementation of Board resolutions, making day-to-day decisions, etc.

(VI) Appointment and Re-election of Directors

Pursuant to the Articles of Association, Directors shall subject to election at general meetings with a term of office of no more than three years and may be re-elected. The Company has implemented a set of effective procedures for the appointment of new Directors. The nomination committee shall, in accordance with provisions of the relevant laws and regulations and the Articles of Association, take into account the practical situations of the Company, consider the selection criteria, selection procedures and terms of office of the Directors of the Company, and record and submit the resolutions to the Board for approval. All newly nominated directors are subject to election and approval at general meetings.

Each of the executive Directors and non-executive Directors has entered into a service contract with our Company. Currently, all the non-executive Directors (including the independent non-executive Directors) have been appointed for a term of three years and subject to re-election and reappointment.

(VII) Remuneration of Directors, Supervisors and Senior Management

The remuneration and assessment committee determines the remuneration plans or packages of Directors and Supervisors according to criteria such as educational background and work experience. Directors' remuneration is determined by the Board with reference to Directors' experience, work performance, position and market condition and subject to approval of general meeting.

The remuneration of the senior management is determined by the Board.

(VIII) Corporate Governance Functions

The Board as a whole is responsible for performing the corporate governance duties. During the Reporting Period, the Board performed the following duties in this regard:

(a) to develop and review the Company's policies and practices on corporate governance;

(b) to review and monitor the training and continuous professional development of directors and senior management;

(c) to review and monitor the Company's policies and practices in compliance with legal and regulatory requirements;

(d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and

(e) to review the Company's compliance with the code and disclosure in the Corporate Governance Report.

V. BOARD COMMITTEE

There are four Board committees, namely the audit and risk management committee, remuneration and assessment committee, nomination committee and strategic committee.

(I) Audit and Risk Management Committee

The Company has established the audit and risk management committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the audit and risk management committee are to make recommendations to engage or replace its external auditor; to oversee the internal audit system of the Company and its implementation, to ensure that the internal audit function of the Company is adequately resourced for operation in the company, and to monitor the effectiveness of the internal audit function; to review and monitor the Company's policies and practices in terms of compliance with legal and regulatory requirements; to review the Company's financial control, risk management and internal control systems, and to provide recommendations and advices for the integrity and soundness of the internal systems of the Company; to monitor the Company's internal control and risk management systems, and consider the findings of any major investigations of internal control matters and the management's response; to coordinate the communication between the internal audit and the external audit functions; to review the Company's financial information and respective disclosure, to examine the Company's accounting practices and policies; to review the Company's internal control system, and to provide advices and recommendations on the soundness and completeness of such system; to make comments and proposals on the appraisal and replacement of the head of the internal audit department of the Company; to report to the Board in respect of the provisions in the Corporate Governance Code. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

During the Reporting Period, the audit and risk management committee consists of three Directors: Mr. Zhang Bai (independent non-executive Director), Mr. Zong Xiaolei (non-executive Director) and Mr. Tao Zhigang (independent non-executive Director). Mr. Zhang Bai serves as the chairman of the audit and risk management committee.

During the Reporting Period, the audit and risk management committee held two meetings, details of which are as follows:

On 20 March 2015, the second meeting of the audit and risk management committee of the second session of the Board was held, at which (1) the report was made by the external auditor in respect of the auditing of the Company's financial statements for the twelve months ended 31 December 2014; (2) the Company's 2014 final financial report was considered and approved; (3) the Company's 2014 annual report and results announcement were considered and approved; (4) the Company's financial statements for the twelve months ended 31 December 2014 were considered and approved; (5) the Company's 2014 profit distribution scheme was approved and proposed; (6) the engagement of KPMG as the Company's 2015 international auditor was approved and proposed; and (7) the internal control functions and the obligation required under Corporate Governance Code and Report are reviewed.

On 21 August 2015, the third meeting of the audit and risk management committee of the second session of the Board was held, at which (1) the report was made by the external auditor in respect of the reviewing of the Company's financial statements for the six months ended 30 June 2015; and (2) the Company's 2015 interim report and results announcement were considered and approved.

(II) Remuneration and Assessment Committee

The Company has established the remuneration and assessment committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the remuneration and assessment committee are: to determine remuneration plans or packages in accordance with the main scope, duties and importance of the management positions held by Directors and senior management as well as the remuneration packages of comparable positions of comparable enterprises and submit to the Board to approval; to review the performance of the Directors (other than independent Directors) and senior management of the Company and to conduct annual performance appraisal thereof; to monitor the implementation of the Company's remuneration system; to ensure that no Directors or any of their associates determine their own remunerations; and to attend to other matters as authorized by the Board. The remuneration plans or packages shall mainly include, but are not limited to, performance appraisal criteria and procedures, the main appraisal system, as well as the major proposals and system of incentives and punishment. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

During the Reporting Period, the remuneration and assessment committee consists of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director), Mr. Zhang Bai (independent non-executive Director) and Mr. Jiang Bingsi (executive Director). Mr. Zhou Xiaoqian serves as the chairman of the remuneration and assessment committee.

During the Reporting Period, the remuneration and assessment committee held one meeting, details of which are as follows:

The first meeting of the remuneration and assessment committee of the second session of the Board was held on 20 March 2015, at which (1) the remuneration for the Company's directors and supervisors in 2014 was approved and proposed; and (2) the remuneration for the Company's senior management in 2014 was approved and proposed.

(III) Nomination Committee

The Company has established the nomination committee with written terms of reference in compliance with the Listing Rules. The primary responsibilities of the nomination committee are: to review the size, structure and composition of the Board at least annually and make recommendations on any proposed changes to the Board, having regard to the operating status, asset scale and shareholding structure of the Company; to assess the independence of independent non-executive Directors; to study the criteria and procedures for selecting Directors and senior management of the Company and to make recommendations thereon to the Board; and to identify qualified candidates for Directors and senior management; and conduct review on candidates of Directors and senior management and to make recommendations to the Board on the appointment, reappointment or succession of Directors and senior management. Its terms of reference are available on both of the websites of the Hong Kong Stock Exchange and the Company.

During the Reporting Period, the nomination committee consists of three Directors: Mr. Zhou Xiaoqian (independent non-executive Director), Mr. Fang Zheng (executive Director) and Mr. Tao Zhigang (independent non-executive Director). Mr. Zhou Xiaoqian serves as the chairman of the nomination committee.

During the Reporting Period, the nomination committee of the Company held one meeting to discuss the structure, size and composition of the Board.

(IV) Strategic Committee

The primary responsibilities of the strategic committee are: to review the long term development strategic planning and approach of the Company and make suggestions thereon; review the material strategic investments and financing proposals which were subject to the approval of the Board in accordance with the requirement of the Articles of Association and make suggestions thereon; review the material capital operation and assets operation projects and make suggestions thereon.

During the Reporting Period, the strategic committee consists of three Directors: Mr. Fang Zheng (executive Director), Mr. Chen Bin (non-executive Director, resigned as the non-executive Director and the member of the strategic committee of the Company on 26 June 2015) and Mr. Zhou Xiaoqian (independent non-executive Director). Mr. Fang Zheng serves as the chairman of the strategic committee.

During the Reporting Period, the strategic committee held two meetings, details of which are as follows:

The second meeting of the strategic committee of the second session of the Board was held on 20 March 2015, at which (1) the proposed grant of the general mandate to issue new domestic shares and H shares of the Company to the Board at the general meeting was approved and proposed; (2) the 2015 annual bank line of credit of the Company was approved and proposed; (3) the general mandate to issue the debt financing instruments denominated in Renminbi was approved and proposed; (4) the establishment of branches such as Xinjiang Branch of Huadian Fuxin Energy Corporation Limited was approved and proposed; (5) the acquisition of 10% equity interest in Samen Nuclear Power Company Limited was approved and proposed; and (6) the 2015 project development report of the Company was approved and proposed.

On 21 August 2015, the third meeting of the strategic committee of the second session of the Board was held, at which (1) the asset integration of Huadian New Energy Development Company Limited (華電新能源發展有限公司) was approved and proposed; (2) the investment in and establishment of Fujian Huadian Zhangzhou Energy Company Limited (福建華電漳州能源有限公司) was approved and proposed.

VI. BOARD OF SUPERVISORS

The Board of Supervisors is the supervisory body of the Company. The number and composition of the Board of Supervisors is in compliance with the provisions and requirements of the relevant laws, regulations and the Articles of Association. During the Reporting Period, the Board of Supervisors is made up of nine members, including three employee representative Supervisors and two independent Supervisors. The Supervisors of the Company shall seriously discharge their duties, and being responsible to the shareholders, shall protect the interests of the shareholders and the Company through reviewing the Company's financial status and monitoring any acts of non-compliance of the Directors, managers and other senior management of the Company to the laws, administrative regulations or the Articles of Association when performing their duties.

VII. ATTENDANCE RECORD OF DIRECTORS

During the Reporting Period, the attendance of Directors to the meetings of the Board and each Board committee as well as general meetings is as follows:

Name of Directors	Board Meetings Attended/Held	Audit and Risk Management Committee Meetings Attended/Held	Remuneration and Assessment Committee Meetings Attended/Held	Nomination Committee Meetings Attended/ Held	Strategic Committee Meetings Attended/Held	General Meeting Attended/Held
Executive Directors						
Fang Zheng	6/6			1/1	2/2	1/1
Jiang Bingsi	6/6		1/1			
Li Lixin	6/6					1/1
Non-executive Directors						
Tao Yunpeng	6/6					1/1
Zong Xiaolei	6/6	0/2				0/1
Chen Bin[1]	2/2				1/1	0/1
Independent non-executive Directors						
Zhou Xiaoqian	6/6		1/1	1/1	2/2	1/1
Zhang Bai	6/6	2/2	1/1			1/1
Tao Zhigang	6/6	2/2		1/1		0/1

Note: [1] Mr. Chen Bin resigned as the Company's non-executive Director and the member of the strategic committee of the Company on 26 June 2015.

VIII. AUDITOR AND REMUNERATION

KPMG was appointed as auditor for the Financial Statements prepared in accordance with the International Financial Reporting Standards for the year ended 31 December 2015.

During the Reporting Period, the remuneration payable by the Company to the auditor for the above audit services was RMB7 million, and the remuneration payable for the audit service related with the business acquisition was RMB0.15 million. During the Reporting Period, the remuneration payable by the Company to the auditor for the non-audit services was RMB2.5 million, and the non-audit services were for the reviewing of the Company's interim results.

The responsibility of KPMG, as the Company's external auditor to the Financial Statements, is set out on page 71 of this annual report. The Board concurs with the audit committee in respect of the matters relating to the selection, appointment, resignation and removal of the external auditor.

IX. DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility for preparing the Financial Statements of the Group for the year ended 31 December 2015. The Company's accounts are prepared in accordance with all relevant statutory requirements and appropriate accounting standards. The Directors are responsible for ensuring that appropriate accounting policies are selected and applied consistently; judgments and estimates made are prudent and reasonable; and the accounts are prepared on a going concern basis. The Board is responsible for presenting a clear and understandable assessment of annual and interim reports, the inside information and other disclosures required under the Listing Rules and other regulatory requirements. The management has provided such explanation and information to the Board as necessary to enable the Board to make an informed assessment of the financial information and position of the Group put forward to the Board for approval.

There are no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. During the Reporting Period, the permitted indemnity provisions of the Company are set out in the Articles of Association and the liability insurances provided by the Company for Directors, Supervisors and senior executives. These insurances will indemnify the insured for any fee arising from its liability or the possible legal proceedings.

X. COMPANY SECRETARY

Mr. Liu Lei and Ms. Mok Ming Wai were the joint company secretaries of the Company. Mr. Liu is a full time employee of the Company and has an understanding of the daily operation. Ms. Mok is a director of KCS Hong Kong Limited, the external service provider. Her primary contact person at the Company was Mr. Liu Lei, the vice president and secretary of the Board of the Company.

Mr. Liu Lei resigned on 8 September 2015 and Ms. Mok remains in office as the sole company secretary of the Company. After the resignation of Mr. Liu, the primary contact person at the Company was Mr. Rong Qing, the director-general of the Securities Department of the Company.

During the year ended 31 December 2015, Ms. Mok Ming Wai has taken no less than 15 hours of relevant professional trainings to update her skills and knowledge.

XI. SHAREHOLDERS' RIGHTS

(I) Procedures for Shareholders to Convene an Extraordinary General Meeting

Pursuant to the Articles of Association, the Board shall convene an extraordinary general meeting within two months where any shareholder severally or jointly holding 10% or more of the Company's issued shares carrying voting rights requests in writing for the convening of an extraordinary general meeting. Two or more than two shareholders holding, severally or jointly, 10% or more of voting shares at such proposed meeting may request the Board to convene an extraordinary general meeting by signing and submitting one or several written requests with the same format and contents and specifying the agenda of the meeting. An extraordinary general meeting shall not consider matters not included in the notice of the meeting. An extraordinary general meeting shall be convened by the Board as soon as practicable upon receipt of the aforesaid written request. The aforesaid shareholding shall be calculated on the basis of the date on which the relevant shareholders submit the written request. If the Board fails to dispatch a notice of convening such meeting within thirty days upon receipt of the aforesaid written request, shareholders individually or jointly holding 10% or more of the shares carrying voting rights at the proposed meeting shall be entitled to propose to the Board of Supervisors to convene an extraordinary general meeting, provided that such proposal shall be made in writing. The Board of Supervisors may convene such a meeting within four months upon receipt of the request by the Board. If the Board of Supervisors fails to convene and preside over an extraordinary general meeting, the shareholders individually or jointly holding 10% or more of the shares of the Company for not less than ninety consecutive days may convene such a meeting by themselves. The procedures for convening such meeting should follow those for convening a general meeting of shareholders by the Board as closely as practicable.

All reasonable expenses incurred by convening and holding the aforesaid meeting by shareholders or the Board of Supervisors due to the failure of the Board to hold such meeting in response to the aforesaid request shall be borne by the Company. Such expenses shall be deducted from the amounts due by the Company to the director(s) who have defaulted their duties.

(II) Procedures for Directing Shareholders' Enquiries to the Board

Shareholders of the Company have the right to oversee the Company's business operations, and to put forward proposals and raise enquiries and to obtain relevant information in accordance with the provisions of the Articles of Association. In addition, except for those matters in relation to business secrets of the Company which cannot be made public at the general meeting, the Board and the Board of Supervisors shall respond or address to the enquiries and suggestions of the shareholders.

Shareholders requesting inspection of the relevant information or provision of the materials shall provide to the Company written documents evidencing the class and number of shares of the Company they hold. Upon verification of the shareholder's identity, the Company shall provide such information at the shareholder's request.

Contact details are as follows:

Address: Room 919, Building B, Huadian Plaza, No. 2 Xuanwumennei Road, Xicheng District, Beijing, PRC
Fax: 0086-10-83567357
Email: zqb@hdfx.com.cn

(III) Procedures for Putting Forward Proposals at a General Meeting

In overseeing and monitoring the business operation of the Company, the shareholders of the Company have the right to put forward proposals and raise enquiries. Shareholders holding 3% or more of the Company's voting shares have the right to put up ad hoc proposals in writing to the Company, and the Company shall include such ad hoc proposals into the agenda for such general meeting if they are within the terms of reference of general meeting.

The ad hoc proposals raised by shareholders shall satisfy the following criteria:

1. Free of non-compliant to the provisions of laws and regulations, and fall within the business scope of the Company and the terms of reference of the general meeting;

2. With definite topics to discuss and specific matters to resolve; and

3. Submitted or served to the Board in writing ten days prior to the date of the general meeting.

XII. COMMUNICATIONS WITH SHAREHOLDERS

The Company highly appreciated shareholders' opinions and advice, actively organized various investor relations activities to maintain connections with shareholders and made timely response to the reasonable requests of shareholders.

The Company publishes its announcements, financial information and other relevant information on the website at www.hdfx.com.cn, as a channel to promote communication. Shareholders are welcomed to make enquiries directly to the Company at its principal place of business in Hong Kong or the head office in the PRC. The Company will address to all enquiries in a timely and appropriate manner.

The Board welcomes shareholders' views and encourages them to attend the annual general meeting to communicate any concerns they might have with the Board or the management. Chairman of the Board and the chairmen of all committees usually attend the annual general meeting and other general meetings to address shareholders' queries.

During the Reporting Period, the Company convened the 2014 annual general meeting on 26 June 2015, at which the resolutions regarding the following issues had been passed: (1) the Director's Report of the Company in 2014; (2) the Report of the Board of Supervisors of the Company in 2014; (3) the final financial report of the Company in 2014; (4) the audited financial statements of the Company in 2014; (5) the profit distribution scheme of the Company in 2014; (6) the engagement of KPMG as the international auditor of the Company in 2015; (7) the remuneration for the Directors and Supervisors of the Company in 2014; (8) election of Mr. Hou Jiawei as the supervisor of the second session of the Board of Supervisors of the Company and election of Ms. Zhang Liying as the independent supervisor of the second session of the Board of Supervisors of the Company with the term from the date of approval at the general meeting to the expiration of the second session of the Board of Supervisors of the Company; (9) amendments to the Articles of Association; (10) the general mandate to issue the domestic and foreign debt financing instruments; and (11) the general mandate granted by the general meetings to the Board to issue new domestic shares and H shares of the Company.

Please refer to page 62 of this report for the attendance of each of the Directors at the general meeting. Arrangement will be made for the Board to address shareholders' queries at the 2015 annual general meeting of the Company.

XIII. INTERNAL CONTROL

The Company attaches prime importance to internal control. A complete and prudent internal control system has been established to protect shareholders' investments and the Company's assets. The Board is responsible for the maintenance of a sound and effective internal control system of the Company and has established the Company's internal control policies and procedures for monitoring the internal control system.

In respect of rules and regulations, the Company set up systems on internal control, including information disclosure, risk management, connected transaction, financial management and management of general meeting, the Board and the Board of Supervisors, such as rules of procedures for Board meetings, rules of procedures for meetings of audit and risk management committee of the Board, rules of procedures for meetings of nomination committee under the Board, rules of procedures for meetings of remuneration and assessment committee of the Board, rules of procedures for meetings of strategic committee of the Board, the administrative rules of connected transactions, the administrative rules of information disclosure, the administration system of material transaction disclosure, the rules of duties and authorities specification of Directors and senior management, internal audit rules and anti-corruption system.

In terms of organisational structure, the Company established the financial department, capital operation and property rights management department, securities department, and supervision and audit department. Sufficient personnel were retained to take charge of the specific work such as financial operations and control, risk management, internal audit and anti-corruption. Besides, the Company arranged reasonable budgets and provided regular trainings to the staff of the Company and subsidiaries performing the duties of financial and risk management and internal audit so as to ensure that they are well trained and experienced.

The effective implementation of the internal control system ensured proper and orderly development of the Company's operating and management activities as well as effective control of risks, safeguarded the security and integrity of the Company's property and guaranteed the realisation of the Company's operating and management objectives.

Each department of the Company has the channel to submit information requests to the Board smoothly. Being the most senior point of contact to each department, the president of the Company is responsible for effectively reporting to the Board in relation to the operation conditions of each department, and coordinating and mobilising the demands of each department to promote reasonable decision making within the Company. Accordingly, any possible significant matter (if subject to disclosure to the market) discovered by the staff can be reported to the management of the Company in a timely, accurate and effective manner and the decisions from the management of the Company can be implemented and executed accurately and timely with supervision.

During the Reporting Period, the Board reviewed the internal control systems of the Company and its subsidiaries and was not aware of any material deficiencies nor any material defaults with respect to financial, operational and compliance controls and risk management. The Board believes that the current monitoring system of the Company and its subsidiaries is effective and considers that the resources, qualifications and experience of the staff of the Company's accounting and financial reporting functions, its training programs and budget thereof are adequate.

XIV. INVESTOR RELATIONS

(I) Investor Relations

The Articles of Association was amended on 26 June 2015. The amendments are mainly on the change of registered capital and name of shareholders of the Company. An updated version of the Articles of Association is available on both the websites of the Company and the Hong Kong Stock Exchange.

(II) Results Roadshows

The Company organised an interim results roadshow and an annual results roadshow during the Reporting Period. In March 2015, the management of the Company carried out annual results roadshow for 2014 in Hong Kong and Singapore, and held an investors' presentation, a press conference, a luncheon for stock analysts, twenty-two one-to-one meetings and two group meetings for investors. In August 2015, the management of the Company carried out interim results roadshows in Hong Kong and Singapore, and held an investors' presentation, a press conference, a luncheon for stock analysts, and twenty four one-to-one meetings with investors.

(III) Investors' Routine Visits

During the Reporting Period, the Company received eighty-seven groups of investors by way of one-to-one/group/teleconference meetings and fully communicated and exchanged opinions with investors and analysts from over one hundred and fifty domestic and foreign institutions. In addition, the Company also held three reverse roadshows.

(IV) Investors Summits

During the Reporting Period, the management of the Company attended thirteen investors summits organized by famous international investment banks and fully communicated with investors through holding group/one-to-one meetings.

Report of the Board of Supervisors

On 30 June 2014, the second session of the Board of Supervisors was established upon the approval of the 2013 annual general meeting of the Company. The current session of the Board of Supervisors is made up of nine Supervisors during the Reporting Period.

In 2015, for the Company's long term interests and Shareholders' interests, the Board of Supervisors acted in strict compliance with relevant laws, regulations, rules, regulatory documents, the Articles of Association and Listing Rules of the Hong Kong Stock Exchange and earnestly performed their duties of supervision as to the acts of the Directors and senior management of the Company. The main area of work of the Board of Supervisors in 2015 is summarized as follows:

I. MEETINGS CONVENED BY THE BOARD OF SUPERVISORS

The Board of Supervisors convened two meetings in 2015:

The third meeting of the second session of the Board of Supervisors was held on 20 March 2015, at which (1) the report of the Board of Supervisors for 2014 was considered and approved; (2) the Company's 2014 annual report and results announcement were considered and approved; (3) the Company's 2014 final financial report was considered and approved; (4) the audited financial statements of the Company for 2014 was considered and approved; (5) the Company's 2014 profit distribution scheme was considered and approved; and (6) Mr. Hou Jiawei was identified and nominated as the candidate supervisor and Ms. Zhang Liying was identified and nominated as the candidate of independent supervisor of the second session of Board of Supervisors of the Company.

On 21 August 2015, the fourth meeting of the second session of the Board of Supervisors was held, at which the Company's 2015 interim report and results announcement were considered and approved.

II. WORK OF THE BOARD OF SUPERVISORS

During the Reporting Period, the Board of Supervisors, in an attitude responsible to the Company and the shareholders, fulfilled its duties in accordance with the provisions and requirements of the Company Law, the Articles of Association, the Rules of Procedures for the Board of Supervisors and other relevant laws, rules and regulations. We exercised power legally and independently, facilitated standardized operation of the Company and protected the legal interests of the Company and shareholders.

Independent opinions of the Board of Supervisors on the following matters:

1. Regulatory Compliance of the Company's Operation

During the Reporting Period, based on its supervision of the Directors and senior management, the Board of Supervisors is of the view that the Company operated in accordance with law, the major decisions of the Company were reasonable and its procedures were legal and valid; to further normalize operation, the Company set up and improved its internal management systems and internal control mechanism, which attuned to the management requirements for the Company; the Directors and senior management earnestly executed the resolutions of the Board and the general meetings during their duty performance. The Company achieved excellent results in terms of project development, engineering construction, production and operation, capital operation, cost control and internal control enhancement, with its annual plans and tasks accomplished in 2015. During the Reporting Period, The Directors, president and other members of the senior management of the Company had exercised the rights granted by the Shareholders and discharged their obligations in good faith with due diligence. None of the directors and senior management of the Company were discovered for violating any laws, regulations, the Articles of Association when discharging their duties and no action which contravened the interests of the shareholders or the Company was found.

2. Examination of the Company's Financial Conditions

During the Reporting Period, the Board of Supervisors scrutinized and examined the financial management system and financial conditions of the Company and carefully reviewed relevant financial information of the Company. The Board of Supervisors considered that the Company's financial management system was sound with proper management practices, and that the 2015 final accounts reports gave a true, accurate and fair view on the financial conditions and operating results of the Company. The Board of Supervisors agrees with the 2015 unqualified financial audit report of the Company issued by KPMG.

3. Examination of the Company's Use of Proceeds

During the Reporting Period, the Board of Supervisors supervised how the proceeds were used by the Company, and it considered that the proceeds were properly managed and utilized in those very projects which were in line with projects undertaken. During the Reporting Period, the Company witnessed no change in the actual use of proceeds.

4. Examination of the Company's Major Acquisitions and Disposal of Assets

Having reviewed information related to the Company's acquisitions, disposal of equity interests and assets. The Board of Supervisors is of the opinion that such acquisitions and disposals were conducted in a fair and reasonable way, and the Board of Supervisors is not aware of any insider trading or other matters which might impair the interests of Shareholders and cause loss of assets.

5. Connected Transactions

Having reviewed information related to the connected transactions in which the Company and/or its controlling shareholder were involved, the Board of Supervisors is of the opinion that such connected transactions were conducted in an open and fair way at reasonable prices, and beneficial to improve the performance of the Company. The value of the connected transactions were determined in accordance with the principle of exchange of equal values by reference to fair market value, without prejudice to the interests of the Company and minority shareholders.

6. Information Disclosure

Having reviewed the documents that the Company publicly disclosed in a serious manner, the Board of Supervisors is of the opinion that the Company had disclosed the relevant information in a true and complete manner in accordance with related requirements of the Hong Kong Stock Exchange and no false information was found.

In 2016, pursuant to the related requirements of the Company Law, the Articles of Association, the Rules of Procedures for the Board of Supervisors and the Listing Rules, the Board of Supervisors of the Company will continue to conscientiously perform its supervisory duties to safeguard the interests of the Company and its shareholders as a whole.

Chairman of the Board of Supervisors
Li Changxu

Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
HUADIAN FUXIN ENERGY CORPORATION LIMITED
(Incorporated in the People's Republic of China with limited liability)

We have audited the consolidated financial statements of Huadian Fuxin Energy Corporation Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 73 to 177, which comprise the consolidated statements of financial position as at 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at 31 December 2015 and of the Group's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Charter Road
Central, Hong Kong

23 March 2016

Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2015 (Expressed in Renminbi ("RMB"))

	Note	2015 RMB'000	2014 RMB'000
Revenue	4	**15,346,968**	13,895,445
Other net income	5	**154,710**	236,544
Operating expenses			
Cost of fuel		**(3,854,306)**	(4,217,832)
Cost of substituted electricity		**(99,487)**	(54,604)
Depreciation and amortization		**(3,237,109)**	(2,667,084)
Service concession construction costs		**(40,017)**	(26,519)
Personnel costs	7(a)	**(1,192,117)**	(1,051,581)
Repairs and maintenance		**(426,813)**	(425,501)
Coal sales costs		**(884,558)**	–
Administration expenses		**(453,166)**	(405,023)
Other operating expenses		**(549,380)**	(342,296)
		(10,736,953)	(9,190,440)
Operating profit		**4,764,725**	4,941,549
Finance income		**165,404**	173,389
Finance expenses		**(2,734,870)**	(2,517,826)
Net finance expenses	6	**(2,569,466)**	(2,344,437)
Share of profits less losses of associates and joint ventures		**427,807**	83,721
Profit before taxation	7	**2,623,066**	2,680,833
Income tax	8	**(405,347)**	(533,521)
Profit for the year		**2,217,719**	2,147,312

The notes on pages 82 to 177 form part of these financial statements.

	Note	2015 RMB'000	2014 RMB'000
Attributable to:			
Equity shareholders of the Company and the holders of perpetual medium-term notes		**1,901,528**	1,867,214
Non-controlling interests		**316,191**	280,098
Profit for the year		**2,217,719**	2,147,312
Basic and diluted earnings per share (RMB cents)	11	**21.65**	23.40
Profit for the year		**2,217,719**	2,147,312
Other comprehensive income for the year (after tax):			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of financial statements of overseas subsidiaries		**19,704**	–
Available-for-sale securities: net movement in the fair value reserve		**6,938**	–
Other comprehensive income for the year		**26,642**	–
Total comprehensive income for the year		**2,244,361**	2,147,312
Attributable to:			
Equity shareholders of the Company and the holders of perpetual medium-term notes		**1,928,170**	1,867,214
Non-controlling interests		**316,191**	280,098
Total comprehensive income for the year		**2,244,361**	2,147,312

The notes on pages 82 to 177 form part of these financial statements.

Consolidated Statement of Financial Position

(Expressed in RMB)

	Note	31 December 2015 RMB'000	31 December 2014 RMB'000
Non-current assets			
Property, plant and equipment	13	**75,589,420**	66,073,607
Lease prepayments	14	**1,236,857**	1,079,767
Intangible assets	15	**1,119,696**	1,100,009
Interest in associates and joint ventures	17	**6,742,434**	4,433,280
Other non-current assets	18	**4,308,562**	3,195,240
Deferred tax assets	28(b)	**359,219**	303,989
Total non-current assets		**89,356,188**	76,185,892
Current assets			
Inventories	19	**398,033**	426,543
Trade debtors and bills receivable	20	**3,598,827**	3,491,733
Prepayments and other current assets	21	**1,748,156**	1,854,416
Tax recoverable	28(a)	**25,752**	17,627
Restricted deposits	22	**422,088**	667,924
Cash and cash equivalents	23	**1,996,253**	3,290,987
Total current assets		**8,189,109**	9,749,230
Current liabilities			
Borrowings	24(b)	**12,903,227**	11,996,949
Obligations under finance leases	25	**52,855**	64,321
Trade creditors and bills payable	26	**2,527,790**	2,915,176
Other payables	27	**11,411,496**	11,245,660
Deferred income	29	**30,830**	28,412
Tax payable	28(a)	**195,902**	328,213
Total current liabilities		**27,122,100**	26,578,731
Net current liabilities		**(18,932,991)**	(16,829,501)
Total assets less current liabilities		**70,423,197**	59,356,391

The notes on pages 82 to 177 form part of these financial statements.

(Expressed in RMB)

	Note	31 December 2015 RMB'000	31 December 2014 RMB'000
Non-current liabilities			
Borrowings	24(a)	**47,572,092**	39,830,284
Obligations under finance leases	25	**454,063**	677,947
Deferred income	29	**412,249**	369,705
Deferred tax liabilities	28(b)	**842,212**	820,210
Total non-current liabilities		**49,280,616**	41,698,146
NET ASSETS		**21,142,581**	17,658,245
CAPITAL AND RESERVES	30		
Share capital		**8,407,962**	8,407,962
Reserves		**8,067,883**	6,604,762
Perpetual medium-term notes	31	**1,994,000**	–
Total equity attributable to equity shareholders of the Company and the holders of perpetual medium-term notes		**18,469,845**	15,012,724
Non-controlling interests		**2,672,736**	2,645,521
TOTAL EQUITY		**21,142,581**	17,658,245

Approved and authorised for issue by the board of directors on 23 March 2016.

FANG Zheng
Chairman

LI Lixin
Director

The notes on pages 82 to 177 form part of these financial statements.

Consolidated Statement of Changes in Equity

for the year ended 31 December 2015 (Expressed in RMB)

	Attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes									
	Share capital	Capital reserve	Reserve fund	Exchange reserve	Fair value reserve	Retained earnings	Equity attributable to the holders of perpetual medium-term notes	Subtotal	Non-controlling interests	Total equity
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
	Note 30(c)	*Note 30(d)(i)*	*Note 30(d)(ii)*	*Note 30(d)(iii)*	*Note 30(d)(iv)*		*Note 31*			
Balance at 1 January 2014	7,622,616	345,794	89,582	–	–	3,152,940	–	11,210,932	2,499,960	13,710,892
Changes in equity for 2014:										
Profit and total comprehensive income for the year	–	–	–	–	–	1,867,214	–	1,867,214	280,098	2,147,312
Capital contributions	–	–	–	–	–	–	–	–	60,320	60,320
Issuance of shares upon placing, net of issuing expenses *(note 30(c))*	785,346	1,458,991	–	–	–	–	–	2,244,337	–	2,244,337
Dividends by subsidiaries to non-controlling equity owners	–	–	–	–	–	–	–	–	(192,457)	(192,457)
Dividends approved in respect of the previous year	–	–	–	–	–	(304,820)	–	(304,820)	–	(304,820)
Acquisition of non-controlling interests	–	(4,939)	–	–	–	–	–	(4,939)	(5,490)	(10,429)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	3,090	3,090
Transfer to reserve fund	–	–	113,630	–	–	(113,630)	–	–	–	–
Balance at 31 December 2014 and 1 January 2015	8,407,962	1,799,846	203,212	–	–	4,601,704	–	15,012,724	2,645,521	17,658,245

The notes on pages 82 to 177 form part of these financial statements.

	Attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes									
	Share capital *RMB'000*	Capital reserve *RMB'000*	Reserve fund *RMB'000*	Exchange reserve *RMB'000*	Fair value reserve *RMB'000*	Retained earnings *RMB'000*	Equity attributable to the holders of Perpetual medium-term notes *RMB'000*	Subtotal *RMB'000*	Non-controlling interests *RMB'000*	Total equity *RMB'000*
	Note 30(c)	*Note 30(d)(i)*	*Note 30(d)(ii)*	*Note 30(d)(iii)*	*Note 30(d)(iv)*		*Note 31*			
Balance at 1 January 2015	8,407,962	1,799,846	203,212	–	–	4,601,704	–	15,012,724	2,645,521	17,658,245
Changes in equity for 2015:										
Profit for the year	–	–	–	–	–	1,820,709	80,819	1,901,528	316,191	2,217,719
Other comprehensive income	–	–	–	19,704	6,938	–	–	26,642	–	26,642
Total comprehensive income	–	–	–	19,704	6,938	1,820,709	80,819	1,928,170	316,191	2,244,361
Issuance of perpetual medium-term notes, net of issuing expenses *(note 31)*	–	–	–	–	–	–	1,994,000	1,994,000	–	1,994,000
Capital contributions	–	–	–	–	–	–	–	–	90,874	90,874
Dividends by subsidiaries to non-controlling equity owners	–	–	–	–	–	–	–	–	(211,150)	(211,150)
Dividends approved in respect of the previous year *(note 30(b))*	–	–	–	–	–	(365,746)	–	(365,746)	–	(365,746)
Acquisition of non-controlling interests	–	(18,484)	–	–	–	–	–	(18,484)	(169,150)	(187,634)
Acquisition of subsidiaries	–	–	–	–	–	–	–	–	450	450
Distribution for perpetual medium-term notes *(note 31)*	–	–	–	–	–	–	(80,819)	(80,819)	–	(80,819)
Transfer to reserve fund	–	–	206,914	–	–	(206,914)	–	–	–	–
Balance at 31 December 2015	8,407,962	1,781,362	410,126	19,704	6,938	5,849,753	1,994,000	18,469,845	2,672,736	21,142,581

The notes on pages 82 to 177 form part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 December 2015 (Expressed in RMB)

	Note	2015 RMB'000	2014 RMB'000
Cash flows from operating activities			
Profit before taxation		**2,623,066**	2,680,833
Adjustments for:			
Depreciation and amortization		**3,237,109**	2,667,084
Impairment loss of assets		**36,952**	1,055
Amortization of deferred income		**(29,378)**	(23,483)
Net loss on disposal of property, plant and equipment		**1,837**	12,724
Interest income on financial assets		**(98,960)**	(54,520)
Interest expenses on financial liabilities		**2,708,819**	2,495,015
Foreign exchange differences, net		**524**	(15,057)
Dividend income		**(66,444)**	(103,812)
Share of profits less losses of associates and joint ventures		**(427,807)**	(83,721)
Changes in working capital:			
Decrease/(increase) in inventories		**28,510**	(14,787)
Increase in trade debtors and bills receivable		**(25,810)**	(407,282)
Decrease/(increase) in prepayments and other current assets		**56,400**	(49,221)
Increase in trade and other payables		**971,867**	476,789
Cash generated from operations		**9,016,685**	7,581,617
Income tax paid	28(a)	**(579,074)**	(406,990)
Net cash generated from operating activities		**8,437,611**	7,174,627

The notes on pages 82 to 177 form part of these financial statements.

	2015 RMB'000	2014 RMB'000
Cash flows from investing activities		
Payments for the purchase of property, plant and equipment, lease prepayments and intangible assets	**(14,735,981)**	(12,755,039)
Restricted deposit	**242,241**	(405,163)
Payments for acquisition of financial assets and interests in associates and joint ventures	**(1,920,294)**	(891,947)
Payments for the purchase of available-for-sale equity investments	**(363,077)**	–
Payments for acquisition of subsidiaries	**(38,568)**	(205,459)
Proceeds from disposal of property, plant and equipment	**57,666**	228
Proceeds from disposal of available-for-sale equity investment	**6,391**	–
Proceeds from repayment of loans and advances	**90,518**	60,754
Dividends received	**121,722**	132,916
Interest received	**112,984**	59,198
Net cash used in investing activities	**(16,426,398)**	(14,004,512)
Cash flows from financing activities		
Net proceeds from issuance of shares upon placing	**–**	2,244,337
Net proceeds from issuance of perpetual medium-term notes	**1,994,000**	–
Capital contributions from the non-controlling shareholders	**90,874**	60,320
Proceeds from borrowings	**23,011,340**	21,367,976
Government grant received	**72,187**	131,853
Repayment of borrowings	**(14,353,368)**	(12,045,651)
Dividends paid	**(535,360)**	(497,949)
Interest paid	**(3,144,402)**	(2,760,082)
Payments of finance lease obligations	**(269,272)**	(153,307)
Payment for acquisition of non-controlling interests	**(168,834)**	(10,429)
Net cash generated from financing activities	**6,697,165**	8,337,068

The notes on pages 82 to 177 form part of these financial statements.

Consolidated Cash Flow Statement (Continued)

for the year ended 31 December 2015 (Expressed in RMB)

	Note	**2015** **RMB'000**	2014 RMB'000
Net (decrease)/increase in cash and cash equivalents		**(1,291,622)**	1,507,183
Cash and cash equivalents at 1 January		**3,290,987**	1,768,747
Effect of foreign exchange rate changes		**(3,112)**	15,057
Cash and cash equivalents at 31 December	23	**1,996,253**	3,290,987

The notes on pages 82 to 177 form part of these financial statements.

1 PRINCIPAL ACTIVITIES AND ORGANISATION

Huadian Fuxin Energy Corporation Limited (the "Company") was established in the People's Republic of China (the "PRC") on 19 August 2011 as a joint stock company with limited liability. The shares of the Company were listed on the Main Board of The Stock Exchange of Hong Kong Limited ("HKSE") on 28 June 2012. The Company and its subsidiaries (together the "Group") are mainly engaged in the generation and sale of hydropower, wind power, coal-fired power, solar power, natural gas-fired power and other clean power in the PRC.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("IFRSs"), which collective term includes all applicable individual International Financial Reporting Standards, International Accounting Standards ("IAS") and interpretations issued by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on HKSE. A summary of the significant accounting policies adopted by the Group is set out below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2015 comprise the Group and the Group's interest in associates and joint ventures.

The consolidated financial statements have been prepared assuming the Group will continue as a going concern notwithstanding the net current liabilities of the Group at 31 December 2015 amounted to RMB18,932,991,000. The directors of the Company are of the opinion that, based on a review of the forecasted cash flows, the Group will have necessary liquid funds to finance its working capital and capital expenditure requirements (see note 32(b)).

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments classified as available-for-sale or trading securities are stated at their fair value (see note 2(f)).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Basis of preparation of the financial statements (continued)

The preparation of financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgments made by management in the application of IFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 38.

(c) Functional and presentation currency

The financial statements are presented in Renminbi ("RMB"), rounded to the nearest thousand, which is the presentation currency and the functional currency of the Company and its PRC subsidiaries.

(d) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealized losses resulting from intra-group transactions are eliminated in the same way as unrealized gains but only to the extent that there is no evidence of impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Subsidiaries and non-controlling interests (continued)

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company and the holders of perpetual medium-term notes. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Company and the holders of perpetual medium-term notes. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(o) or (p) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Associates and joint ventures

An associate is an entity in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

Unrealized profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Associates and joint ventures (continued)

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(f)).

In the Company's statement of financial position, investments in associates and joint ventures are stated at cost less impairment losses (see note 2(l)), unless classified as held for sale (or included in a disposal group that is classified as held for sale).

(f) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates, and joint ventures, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless it is determined that the fair value at initial recognition differs from the transaction price and that fair value is evidenced by a quoted price in an active market for an identical asset or liability or based on a valuation technique that uses only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in notes 2(u)(v) and(u)(vi).

Dated debt securities that the Group and/or the Company have the positive ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated at amortised cost less impairment losses (see note 2(l)).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Other investments in debt and equity securities (continued)

Investments in securities which do not fall into any of the above categories are classified as available-for-sale securities. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in other comprehensive income and accumulated separately in equity in the fair value reserve. As an exception to this, investments in equity securities that do not have a quoted price in an active market for an identical instrument and whose fair value cannot otherwise be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(l)). Dividend income from equity securities and interest income from debt securities calculated using the effective interest method are recognised in profit or loss in accordance with the policies set out in notes 2(u)(v) and 2(u)(vi), respectively. Foreign exchange gains and losses resulting from changes in the amortised cost of debt securities are also recognised in profit or loss.

When the investments are derecognised or impaired (see note 2(l)), the cumulative gain or loss recognised in equity is reclassified to profit or loss. Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

(g) Business combination for entities under common control

Business combinations arising from transfer of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the years or, if later, at the date that common control was established. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's shareholder's consolidated financial statements.

Upon transfer of interest in an entity to another entity that are under the control of the shareholder that controls the Group, any difference between the Group's interest in the carrying value of the assets and liabilities and the cost of transfer of interest in the entity is recognised directly in equity.

(h) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses (see note 2(l)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(w)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment 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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight line method over their estimated useful lives as follows:

– Buildings and structures	8–55 years
– Generators and related equipment	4–35 years
– Motor vehicles	6–10 years
– Furniture, fixtures and others	5–18 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(i) Goodwill

Goodwill represents the excess of:

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 2(l)).

On disposal of a cash generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Intangible assets (other than goodwill)

The Group recognises an intangible asset arising from a service concession arrangement when it has a right to charge for usage of the concession infrastructure. Intangible assets received as consideration for providing construction services in a service concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortization and impairment losses (see note 2(l)).

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortization (where the estimated useful life is finite) and impairment losses (see note 2(l)). Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

Amortization of intangible assets with finite useful lives is charged to profit or loss on a straight-line basis over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortized from the date they are available for use and their estimated useful lives are as follows:

– Concession assets	23 years
– Software and others	5–10 years

Both the period and method of amortization are reviewed annually.

(k) Leased assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Leased assets (continued)

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write off the cost or valuation of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(h). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(l). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

(iii) Sales and leaseback arrangement resulting in finance lease

A sales and leaseback arrangement which results in a finance lease is a means whereby the lessor provides finance to the lessee with the asset as security. To reflect the substance of the transaction, any excess of sales proceeds over the carrying amount of the asset is deferred and amortized as an adjustment to the depreciation of the asset. If the sales proceeds are less than the carrying amount of the asset which indicates that the asset may be impaired, an impairment loss is recognised if the carrying amount of the asset exceeds its recoverable amount (see note 2(l)). Any deficit of sales proceeds lower than the carrying amount, in the absence of impairment, is also deferred and amortized as an adjustment to the depreciation of the asset.

(iv) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortized on a straight-line basis over the period of the lease term.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortized cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investment in associates and joint ventures accounted for under the equity method in the consolidated statement of financial position (see note 2(e)), the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(l)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(l)(ii).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(i) Impairment of investments in debt and equity securities and other receivables (continued)

- For trade and other current receivables and other financial assets carried at amortized cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

  If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

  Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

  Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease;
- intangible assets;
- goodwill; and
- investments in subsidiaries, associates and joint ventures in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

- Calculation of recoverable amount

  The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Impairment of assets (continued)

(ii) Impairment of other assets (continued)

- Recognition of impairment losses

  An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

- Reversals of impairment losses

  In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

  A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

(m) Inventories

Inventories excluding spare parts are carried at the lower of cost and net realizable values. Spare parts are stated in the statement of financial position at cost less provision for obsolescence.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Inventories (continued)

Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the use.

When inventories are used, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortized cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(l)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(o) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortized cost with any difference between the amount initially recognised and redemption value being recognised in profit or loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(p) Trade and other payables

Trade and other payables are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 2(t)(i), trade and other payables are subsequently stated at amortized cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for the statutory defined contribution pension plans are recognised as an expense in profit or loss when they are due.

(ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

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. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilized, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilized.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realization or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Income tax (continued)

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Company or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

– in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously; or

– in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:

  – the same taxable entity; or

  – different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realize the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(t) Financial guarantees issued, provisions and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer (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, the fair value of the guarantee is initially recognised as deferred income within trade and other payables. The fair value of financial guarantees issued at the time of issuance is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Financial guarantees issued, provisions and contingent liabilities (continued)

(i) Financial guarantees issued (continued)

The amount of the guarantee initially recognised as deferred income is amortized in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with note 2(t)(iii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee i.e. the amount initially recognised, less accumulated amortization.

(ii) Contingent liabilities assumed in business combinations

Contingent liabilities assumed in a business combination which are present obligations at the date of acquisition are initially recognised at fair value, provided the fair value can be reliably measured. After their initial recognition at fair value, such contingent liabilities are recognised at the higher of the amount initially recognised, less accumulated amortization where appropriate, and the amount that would be determined in accordance with note 2(t)(iii). Contingent liabilities assumed in a business combination that cannot be reliably fair valued or were not present obligations at the date of acquisition are disclosed in accordance with note 2(t)(iii).

(iii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sale of electricity and goods

Sale of electricity is recognised when electricity is supplied to the provincial grid companies. Sale of goods is recognised when goods are delivered at the customers' premises which is taken to be the point in time when the customer has accepted the goods and the related risks and rewards of ownership. Revenue excludes value added tax ("VAT") or other sales taxes and is after deduction of any trade discounts.

(ii) Service concession construction revenue

Revenue relating to construction services under a service concession arrangement is recognised based on the stage of completion of the work performed. Operation or service revenue is recognised in the period in which the services are provided by the Group. When the Group provides more than one service in a service concession arrangement, the consideration received is allocated by reference to the relative fair values of the services delivered.

(iii) Rendering of services

Revenue from the rendering of services is recognised in profit or loss by reference to the stage of completion of the transaction based on the progress of work performed.

(iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(v) Dividends

– Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

– Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Revenue recognition (continued)

(vi) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vii) Government grants

Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are recognised initially as deferred income and consequently are recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(viii) 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 trade receivables for the volume verified by the independent supervisors assigned by CDM EB and in other receivables for the remaining volume.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into RMB at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalization of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalization of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Perpetual medium-term notes

Perpetual medium-term note is classified as equity if it is non-redeemable, or redeemable only at the Company's option, and any interests are discretionary. Interests on perpetual medium-term notes classified as equity are recognised as distributions within equity.

Perpetual medium-term note is classified as a liability if it is redeemable on a specific date or at the option of the holder of the note, or if any interest payments are not discretionary. The liability is recognised in accordance with the Group's policy for interest-bearing borrowings set out in note 2(o) and accordingly interests thereon are recognised on an accrual basis in profit or loss as part of finance expenses.

(y) Related parties

(i) A person, or a close member of that person's family, is related to the Group if that person:

(a) has control or joint control over the Group;

(b) has significant influence over the Group; or

(c) is a member of the key management personnel of the Group or the Group's parent.

(ii) An entity is related to the Group if any of the following conditions applies:

(a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(c) Both entities are joint ventures of the same third party.

(d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Related parties (continued)

(ii) An entity is related to the Group if any of the following conditions applies: (continued)

(e) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.

(f) The entity is controlled or jointly controlled by a person identified in (i).

(g) A person identified in (i)(a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

(z) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued the following amendments to IFRSs that are first effective for the current accounting period of the Group:

- Amendments to IAS 19, *Employee benefits: Defined benefit plans: Employee contributions*
- Annual Improvements to *IFRSs 2010-2012 Cycle*
- Annual Improvements to *IFRSs 2011-2013 Cycle*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period. Impacts of the adoption of the amended IFRSs are discussed below:

Amendments to IAS 19, *Employee benefits: Defined benefit plans: Employee contributions*

The amendments introduce a relief to reduce the complexity of accounting for certain contributions from employees or third parties under defined benefit plans. When the contributions are eligible for the practical expedient provided by the amendments, a company is allowed to recognise the contributions as a reduction of the service cost in the period in which the related service is rendered, instead of including them in calculating the defined benefit obligation. The amendments do not have an impact on these financial statements as the defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts.

Annual Improvements to IFRSs *2010-2012 Cycle and 2011-2013 Cycle*

These two cycles of annual improvements contain amendments to nine standards with consequential amendments to other standards. Among them, IAS 24, *Related party disclosures* has been amended to expand the definition of a "related party" to include a management entity that provides key management personnel services to the reporting entity, and to require the disclosure of the amounts incurred for obtaining the key management personnel services provided by the management entity. These amendments do not have an impact on the Group's related party disclosures as the Group does not obtain key management personnel services from management entities.

4 REVENUE

The amount of each significant category of revenue recognised during the year is as follows:

	2015	2014
	RMB'000	*RMB'000*
Sales of electricity		
– Self generation	**13,850,526**	13,437,462
– Substituted generation *(note (i))*	**194,713**	106,217
	14,045,239	13,543,679
Service concession construction revenue *(note (ii))*	**40,017**	26,519
Sales of coal	**901,445**	–
Others	**360,267**	325,247
	15,346,968	13,895,445

Notes:

(i) The substituted generation arrangement allows a coal-fired power plant to purchase the surplus generation of other coal-fired power plants and sell such generation to the local power grid based on the buyer's approved on-grid tariff.

(ii) The Group entered into several service concession agreements with local government (the "Grantor") to construct and operate wind power plants during the concession period. The Group is responsible for construction and maintenance of the wind power plants during the concession period. At the end of the concession period, the Group needs to either dismantle the wind power plants or transfer the ownership of the plants at request of Grantor. Service concession construction revenue recorded during the year represents the revenue recognised during the construction stage of the service concession period. The same amount of cost is recorded since substantially all construction activities are sub-constructed.

The Group has recognised intangible assets related to the service concession arrangement representing the right the Group receives to charge a fee for sales of electricity during the concession period (see note 15). The Group has not recognised service concession receivables as the Grantor will not provide the Group any guaranteed minimum payment for the operating period of the wind power plants.

5 OTHER NET INCOME

	2015	2014
	RMB'000	*RMB'000*
Government grants	**62,168**	87,050
Net loss on disposal of property, plant and equipment	**(1,837)**	(12,724)
Penalty income from equipment suppliers *(note (i))*	**46,401**	114,810
Others	**47,978**	47,408
	154,710	236,544

Note:

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

6 FINANCE INCOME AND EXPENSES

	2015	2014
	RMB'000	*RMB'000*
Interest income on financial assets	**98,960**	54,520
Dividend income from other investments	**66,444**	103,812
Foreign exchange gains	**–**	15,057
Finance income	**165,404**	173,389

6 FINANCE INCOME AND EXPENSES (continued)

	2015 RMB'000	2014 RMB'000
Interest on bank and other borrowings wholly repayable within five years	**647,388**	715,625
Interest on other loans	**2,443,269**	2,092,549
Finance charges on obligations under finance leases	**33,922**	51,011
Less: interest expenses capitalised into property, plant and equipment	**415,760**	364,170
	2,708,819	2,495,015
Bank charges and others	**25,527**	22,811
Foreign exchange losses	**524**	–
Finance expenses	**2,734,870**	2,517,826
Net finance expenses recognised in profit or loss	**(2,569,466)**	(2,344,437)

The borrowing costs have been capitalised at rates of 4.13% to 6.88% per annum for the year ended 31 December 2015 (2014: 4.83% to 8.00%).

7 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

(a) Personnel costs

	2015 RMB'000	2014 RMB'000
Salaries, wages and other benefits	**1,056,500**	928,010
Contributions to defined contribution retirement plans	**135,617**	123,571
	1,192,117	1,051,581

(b) Other items

	2015 RMB'000	2014 RMB'000
Amortization		
– lease prepayments	**24,859**	19,207
– intangible assets	**38,726**	31,871
Depreciation		
– property, plant and equipment	**3,173,524**	2,616,006
Impairment losses		
– property, plant and equipment	**36,952**	1,055
Auditors' remuneration		
– audit services	**10,600**	10,600
– other services (interim review)	**2,500**	2,500
Operating lease charges		
– hire of machinery	**6,226**	6,983
– hire of properties	**64,796**	43,062
Cost of inventory	**5,045,816**	4,816,481

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of profit or loss and other comprehensive income represents:

	2015 *RMB'000*	2014 *RMB'000*
Current tax		
Provision for the year	**426,901**	498,617
Under provision in respect of prior years	**11,737**	1,674
	438,638	500,291
Deferred tax		
Origination and reversal of temporary differences	**(33,291)**	33,230
Total income tax	**405,347**	533,521

The provision for the PRC corporate income tax of the Group is calculated based on a statutory rate of 25% of the assessable profit of the Group, except for certain subsidiaries of the Group which are tax exempted or taxed at preferential rates, as determined in accordance with the relevant PRC income tax rules and regulations for the year ended 31 December 2015 and 2014.

Huadian Fuxin International Investment Company Limited, a subsidiary of the Group incorporated in Hong Kong, is subject to Hong Kong profits tax which is calculated at 16.5% of its assessable profit for the year. The subsidiary had no assessable profit for the year ended 31 December 2015 and 2014.

Elecdey Barchin, S.A. – Sociedad Unipersonal, a subsidiary of the Group incorporated in Spain, is subject to Spain profits tax which is calculated at 28% of its estimated assessable profit for the year.

8 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (continued)

(b) Reconciliation between tax expense and accounting profit at applicable tax rates:

	2015 *RMB'000*	2014 *RMB'000*
Profit before taxation	**2,623,066**	2,680,833
Applicable tax rate	**25%**	25%
Notional tax on profit before taxation	**655,767**	670,208
Tax effect of non-deductible expenses	**26,856**	10,020
Tax effect of non-taxable income	**(131,637)**	(50,201)
Tax effect of PRC tax concessions *(note (i))*	**(245,315)**	(151,959)
Tax effect of unused tax losses not recognised	**91,735**	84,116
Tax effect of utilization of unrecognised tax losses in prior years	**(3,796)**	(9,273)
Tax credits for purchase of environmental protection equipment	**–**	(17,077)
Under provision in respect of prior years	**11,737**	1,674
Others	**–**	(3,987)
Actual tax expenses	**405,347**	533,521

Note:

(i) Pursuant to CaiShui [2011] No. 58, the Group's subsidiaries established in the Western Region of the PRC are entitled to the preferential income tax rate of 15% from 2011 to 2020.

Certain subsidiaries of the Group, being enterprises engaged in public infrastructure projects, under the relevant tax regulations, are entitled to tax holidays of a 3-year full exemption followed by a 3-year 50% exemption commencing from their respective years in which their first operating income was derived.

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS

Directors' and supervisors' emuneration disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2015 Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Fang Zheng *(Chairman)*	–	328	400	88	816
Mr. Jiang Bingsi *(note (iv))*	–	117	143	28	288
Mr. Li Lixin	–	367	316	63	746
Non-executive directors					
Mr. Chen Bin *(note (i))*	–	–	–	–	–
Mr. Tao Yunpeng	–	–	–	–	–
Mr. Zong Xiaolei	–	–	–	–	–
Independent non-executive directors					
Mr. Zhou Xiaoqian	100	–	–	–	100
Mr. Zhang Bai	100	–	–	–	100
Mr. Tao Zhigang	100	–	–	–	100
Supervisors					
Mr. Li Changxu	–	–	–	–	–
Mr. Wang Kun	–	–	–	–	–
Mr. Xie Chunwang *(note (ii))*	–	–	–	–	–
Ms. Hu Xiaohong	–	–	–	–	–
Mr. Wang Zhijun *(note (ii))*	–	298	365	84	747
Mr. Zou Xuanyong	–	400	102	28	530
Mr. Chen Wenxin	–	400	102	28	530
Mr. Yan Azhang *(note (ii))*	–	20	–	–	20
Ms. Ding Ruiling	–	80	–	–	80
Mr. Yan Zhongjun *(note (iii))*	–	298	365	84	747
Ms. Zhang Liying *(note (iii))*	–	–	–	–	–
Mr. Hou Jiawei *(note (iii))*	–	–	–	–	–
President					
Mr. Shu Fuping *(note (iv))*	–	47	40	8	95
	300	2,355	1,833	411	4,899

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

Notes:

(i) Mr. Chen Bin has resigned as non-executive director of the Company on 26 June 2015.

(ii) Mr. Xie Chunwang has resigned as supervisor of the Company on 26 June 2015. Mr.Wang Zhijun has resigned as supervisor of the Company on 2 February 2015. Mr. Yan Azhang has resigned as supervisor of the Company on 16 March 2015.

(iii) Mr. Yan Zhongjun has been appointed as supervisor of the Company with effect from 2 February 2015. Ms. Zhang Liying has been appointed as supervisor of the Company with effect from 26 June 2015 and has resigned on 15 December 2015. Mr. Hou Jiawei has been appointed as supervisor of the Company with effect from 26 June 2015.

(iv) Mr. Jiang Bingsi has resigned as the president of the Company on 14 May 2015, and Mr. Shu Fuping has been appointed as the president of the Company on 17 November 2015.

	Directors' and supervisors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	2014 Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Executive directors					
Mr. Fang Zheng *(Chairman)*	–	321	393	86	800
Mr. Jiang Bingsi	–	321	393	86	800
Mr. Li Lixin	–	360	310	61	731
Non-executive directors					
Mr. Chen Bin	–	–	–	–	–
Mr. Tao Yunpeng	–	–	–	–	–
Mr. Zong Xiaolei	–	–	–	–	–
Independent non-executive directors					
Mr. Zhou Xiaoqian	100	–	–	–	100
Mr. Yang Baicheng	50	–	–	–	50
Mr. Zhang Bai	100	–	–	–	100
Mr. Tao Zhigang	50	–	–	–	50

9 DIRECTORS' AND SUPERVISORS' EMOLUMENTS (continued)

	Directors' and supervisors' fees RMB'000	Salaries, allowances and benefits in kind RMB'000	Discretionary bonuses RMB'000	Retirement scheme contributions RMB'000	2014 Total RMB'000
Supervisors					
Mr. Li Changxu	–	–	–	–	–
Mr. Huang Chunqi	–	153	187	43	383
Mr. Xu Jin	–	140	100	32	272
Mr. Wang Kun	–	–	–	–	–
Mr. Xie Chunwang	–	–	–	–	–
Ms. Hu Xiaohong	–	–	–	–	–
Mr. Wang Zhijun	–	146	179	41	366
Mr. Zou Xuanyong	–	151	100	28	279
Mr. Chen Wenxin	–	153	100	28	281
Mr. Yan Azhang	–	40	–	–	40
Ms. Ding Ruiling	–	40	–	–	40
	300	1,825	1,762	405	4,292

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, one is director (2014: two) and two are supervisors (2014: Nil) whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other two (2014: three) individuals are as follows:

	2015 **RMB'000**	2014 RMB'000
Salaries and other emoluments	**596**	879
Discretionary bonuses	**730**	1,074
Retirement scheme contributions	**168**	246
	1,494	2,199

(Expressed in RMB unless otherwise indicated)

10 INDIVIDUALS WITH HIGHEST EMOLUMENTS (continued)

The emoluments of the two (2014: three) individuals who are not directors or supervisors and are amongst the five individuals with the highest emoluments are within the following band:

	2015 **_Number of individuals_**	2014 _Number of individuals_
HK$Nil to HK$1,000,000	**2**	3

11 BASIC AND DILUTED EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB1,820,709,000 (2014: RMB1,867,214,000) and the weighted average of 8,407,962,000 ordinary shares (2014: 7,979,396,000 ordinary shares) in issue during the year, calculated as follows:

	2015 **_RMB'000_**	2014 _RMB'000_
Profit attributable to equity shareholders of the Company and the holders of perpetual medium-term notes	**1,901,528**	1,867,214
Less: distribution to the holders of perpetual medium-term notes _(note 31)_	**80,819**	–
Profit attributable to ordinary equity shareholders of the Company	**1,820,709**	1,867,214

Weighted average number of ordinary shares in issue:

	2015 **_'000_**	2014 _'000_
Issued ordinary shares at 1 January	**8,407,962**	7,622,616
Effects of shares issued in 2014 _(note 30(c))_	**–**	356,780
Weighted average number of ordinary shares at 31 December	**8,407,962**	7,979,396

There was no difference between the basic and diluted earnings per share as there were no dilutive potential shares outstanding for the years presented.

12 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organized by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resources allocation and performance assessment, the Group has presented the following reportable segments:

– 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.

– Natural gas-fired power: this segment constructs, manages and operates natural gas-fired power plants and generates electric power for sale to power grid companies.

– Other business: this segment mainly manages and operates other clean energy power and heat plants and generates electric power for sale to power grid companies or heat for sale to the customers. This segment also operates coal trading business. This segment also operates coal trading business.

With the development of natural gas-fired power business, the Group presents the information of natural gas-fired power business as an individual segment from the year ended 31 December 2015, and the results, assets, and liabilities of which had been included into that of reporting segment of other business in the annual financial statements for the year ended 31 December 2014. The comparative information of natural gas-fired power business for the year ended 31 December 2014 has also been presented separately.

(a) Segment results, assets and liabilities

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 assets and current assets with the exception of interests in associates and joint ventures, investments in financial assets, tax recoverable, deferred tax assets and other corporate assets. Segment liabilities include trade creditors and bills payable, other payables and borrowings managed directly by the segments. Segment liabilities do not include tax payable, deferred tax liabilities and other corporate liabilities.

12 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortization of assets attributable to those segments. Segment revenue and expenses do not include the Group's share of profits less losses of associates and joint ventures, net finance expenses, service concession construction revenue and cost, and unallocated head office and corporate revenue and expenses.

The measure used for reporting segment profit is the operating profit. Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resources allocation and assessment of segment performance for the years ended 31 December 2015 and 2014 is set out below:

For the year ended 31 December 2015

	Hydropower	Wind power	Coal-fired power	Solar power	Natural gas-fired power	Other business	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Revenue from external customers							
– Sales of electricity	2,619,363	3,959,322	5,098,154	809,119	1,455,186	104,095	14,045,239
– Sales of heat and others	7,572	7,374	174,148	1,077	132,276	936,984	1,259,431
Reportable segment revenue	2,626,935	3,966,696	5,272,302	810,196	1,587,462	1,041,079	15,304,670
Reportable segment profit (operating profit)	1,249,651	1,926,307	1,133,057	427,038	159,580	10,023	4,905,656
Depreciation and amortization	(471,808)	(1,657,192)	(646,149)	(269,877)	(156,092)	(32,044)	(3,233,162)
Interest income	3,314	84,986	3,587	7,435	1,481	1,217	102,020
Interest expenses	(157,902)	(1,323,307)	(388,062)	(227,541)	(104,161)	(19,074)	(2,220,047)
Addition to non-current segment assets during the year	503,683	9,820,006	963,724	883,412	666,870	76,619	12,914,314
Reportable segment assets	10,673,160	53,467,477	12,600,062	7,621,272	4,405,440	1,216,824	89,984,235
Reportable segment liabilities	3,852,980	44,000,719	9,208,696	5,957,123	3,390,873	1,172,985	67,583,376

12 SEGMENT REPORTING (continued)

(a) Segment results, assets and liabilities (continued)

For the year ended 31 December 2014

	Hydropower *RMB'000*	Wind power *RMB'000*	Coal-fired power *RMB'000*	Solar power *RMB'000*	Natural gas-fired power *RMB'000*	Other business *RMB'000*	Total *RMB'000*
Revenue from external customers							
– Sales of electricity	2,395,274	3,131,057	6,923,491	477,772	510,045	106,040	13,543,679
– Sales of others	9,107	22,286	214,024	6,819	19,477	49,461	321,174
Reportable segment revenue	2,404,381	3,153,343	7,137,515	484,591	529,522	155,501	13,864,853
Reportable segment profit (operating profit)	1,093,870	1,742,243	1,898,633	276,956	68,858	128	5,080,688
Depreciation and amortization	(465,930)	(1,301,804)	(649,883)	(166,285)	(46,352)	(34,038)	(2,664,292)
Interest income	7,061	29,457	8,851	2,674	420	3,565	52,028
Interest expenses	(210,582)	(1,249,900)	(460,723)	(140,978)	(17,120)	(32,985)	(2,112,288)
Addition to non-current segment assets during the year	279,855	12,094,458	372,374	1,969,805	1,038,271	17,527	15,772,290
Reportable segment assets	10,297,357	44,978,700	12,575,819	6,740,603	3,901,221	802,199	79,295,899
Reportable segment liabilities	3,926,542	37,701,186	9,191,042	5,446,506	2,968,940	542,243	59,776,459

12 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenue, profit, assets and liabilities

	2015 *RMB'000*	2014 *RMB'000*
Revenue		
Reportable segment revenue	**15,304,670**	13,864,853
Service concession construction revenue	**40,017**	26,519
Unallocated head office and corporate revenue	**2,281**	4,073
Consolidated revenue	**15,346,968**	13,895,445
Profit		
Reportable segment profit	**4,905,656**	5,080,688
Unallocated head office and corporate revenue	**2,281**	4,073
Unallocated head office and corporate expenses	**(143,212)**	(143,212)
Share of profits less losses of associates and joint ventures	**427,807**	83,721
Net finance expenses	**(2,569,466)**	(2,344,437)
Consolidated profit before taxation	**2,623,066**	2,680,833
Assets		
Reportable segment assets	**89,984,235**	79,295,899
Inter-segment receivables	**(2,997,773)**	(6,983,997)
	86,986,462	72,311,902
Interest in associates and joint ventures	**6,742,434**	4,433,280
Other non-current assets	**959,819**	512,300
Deferred tax assets	**359,219**	303,989
Tax recoverable	**25,752**	17,627
Unallocated head office and corporate assets	**2,471,611**	8,356,024
Consolidated total assets	**97,545,297**	85,935,122

12 SEGMENT REPORTING (continued)

(b) Reconciliations of reportable segment revenue, profit, assets and liabilities (continued)

	2015 *RMB'000*	2014 *RMB'000*
Liabilities		
Reportable segment liabilities	**67,583,376**	59,776,459
Inter-segment payables	**(2,997,773)**	(6,983,997)
	64,585,603	52,792,462
Tax payable	**195,902**	328,213
Deferred tax liabilities	**842,212**	820,210
Unallocated head office and corporate liabilities	**10,778,999**	14,335,992
Consolidated total liabilities	**76,402,716**	68,276,877

(c) Geographical information

As the Group does not have material operations outside the PRC, no geographic segment reporting is presented.

(d) Major customers

Revenue from the sales of electricity to the PRC government controlled power grid companies amounted to RMB12,972,220,000 for the year ended 31 December 2015 (2014: RMB13,374,538,000). Service concession construction revenue is all from the PRC government.

13 PROPERTY, PLANT AND EQUIPMENT

	Buildings and structures RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures and others RMB'000	Construction in progress RMB'000	Total RMB'000
Cost:						
At 1 January 2014	13,459,092	41,097,915	260,493	266,022	8,726,245	63,809,767
Reclassification	88,909	(87,062)	290	(2,137)	–	–
Additions	10,687	25,311	21,110	17,156	15,659,317	15,733,581
Acquired through business acquisition	65,907	749,282	–	–	–	815,189
Transfer from construction in progress	663,767	8,974,070	8,230	50,421	(9,696,488)	–
Reclassification to lease prepayment	(3,751)	–	–	–	(64,945)	(68,696)
Disposals	(88,812)	(1,225,235)	(12,151)	(15,249)	–	(1,341,447)
Transfer to intangible assets	–	–	–	–	(1,617)	(1,617)
At 31 December 2014 and at 1 January 2015	14,195,799	49,534,281	277,972	316,213	14,622,512	78,946,777
Reclassification	**(40,294)**	**51,653**	**(1,043)**	**(10,316)**	**–**	**–**
Additions	**34,279**	**29,634**	**13,446**	**18,237**	**12,706,936**	**12,802,532**
Acquired through business acquisition	**12,164**	**127,341**	**73**	**–**	**–**	**139,578**
Transfer from construction in progress	**996,223**	**13,319,531**	**5,410**	**22,105**	**(14,343,269)**	**–**
Reclassification to lease prepayment	**(16,259)**	**–**	**–**	**–**	**(99,315)**	**(115,574)**
Disposals	**(11,508)**	**(199,393)**	**(8,745)**	**(3,268)**	**–**	**(222,914)**
Exchange difference	**–**	**(12,500)**	**–**	**–**	**–**	**(12,500)**
Transfer to intangible assets	**–**	**–**	**–**	**–**	**(3,534)**	**(3,534)**
At 31 December 2015	**15,170,404**	**62,850,547**	**287,113**	**342,971**	**12,883,330**	**91,534,365**

13 PROPERTY, PLANT AND EQUIPMENT (continued)

	Buildings and structures RMB'000	Generators and related equipment RMB'000	Motor vehicles RMB'000	Furniture, fixtures and others RMB'000	Construction in progress RMB'000	Total RMB'000
Accumulated depreciation and impairment losses:						
At 1 January 2014	3,251,898	8,013,617	140,777	137,759	893	11,544,944
Reclassification	28,612	(28,182)	150	(580)	–	–
Depreciation charge for the year	362,921	2,175,778	28,922	33,050	–	2,600,671
Reclassification to lease prepayment	(156)	–	–	–	–	(156)
Written back on disposal	(76,861)	(1,172,539)	(11,279)	(12,665)	–	(1,273,344)
Impairment losses *(note (iv))*	–	299	–	–	756	1,055
At 31 December 2014 and at 1 January 2015	3,566,414	8,988,973	158,570	157,564	1,649	12,873,170
Reclassification	**(39,794)**	**45,678**	**(1,574)**	**(4,310)**	**–**	**–**
Depreciation charge for the year	**407,123**	**2,692,265**	**27,935**	**28,937**	**–**	**3,156,260**
Written back on disposal	**(5,409)**	**(102,405)**	**(8,138)**	**(3,119)**	**–**	**(119,071)**
Impairment losses *(note (iv))*	**28,744**	**5,202**	**24**	**–**	**2,982**	**36,952**
Exchange difference	**–**	**(2,366)**	**–**	**–**	**–**	**(2,366)**
At 31 December 2015	**3,957,078**	**11,627,347**	**176,817**	**179,072**	**4,631**	**15,944,945**
Net book value:						
At 31 December 2014	10,629,385	40,545,308	119,402	158,649	14,620,863	66,073,607
At 31 December 2015	**11,213,326**	**51,223,200**	**110,296**	**163,899**	**12,878,699**	**75,589,420**

13 PROPERTY, PLANT AND EQUIPMENT (continued)

Notes:

(i) The Group's property, plants and buildings are mainly located in the PRC.

(ii) Certain of the Group's interest-bearing bank borrowings were secured by certain of the Group's buildings and equipment as well as construction in progress, which had an aggregate net book value of RMB16,913,136,000 as at 31 December 2015 (31 December 2014: RMB15,898,328,000).

(iii) Property, plant and equipment held under finance lease.

Certain properties and equipments of the Group with an aggregate net book value of RMB572,413,000 as at 31 December 2015 (31 December 2014: RMB811,390,000) are accounted for as finance leases with maturity periods of 6 to 13 years.

(iv) The recoverable amounts of the project and the equipments have been estimated based on their value in use. The impairment losses have been included in other operating expenses.

(v) As at 31 December 2015, the Group is in the process of applying for or changing registration of the ownership certificates for certain properties. The directors are of the opinion that the Group is entitled to legally occupy or use these properties.

(vi) The analysis of net book value of the Group's properties is as follows:

	2015 *RMB'000*	2014 *RMB'000*
In the PRC:		
Long-term leases	**7,392,910**	7,600,898
Medium-term leases	**3,820,416**	3,028,487
Total	**11,213,326**	10,629,385

14 LEASE PREPAYMENTS

	RMB'000
Cost:	
At 1 January 2014	1,098,152
Additions	33,977
Reclassification from property, plant and equipment	68,696
At 31 December 2014	1,200,825
At 1 January 2015	**1,200,825**
Additions	**67,979**
Reclassification from property, plant and equipment	**115,574**
At 31 December 2015	**1,384,378**
Accumulated amortization:	
At 1 January 2014	99,682
Charge for the year	21,220
Reclassification from property, plant and equipment	156
At 31 December 2014	121,058
At 1 January 2015	**121,058**
Charge for the year	**26,463**
At 31 December 2015	**147,521**
Net book value:	
At 31 December 2014	1,079,767
At 31 December 2015	**1,236,857**

Lease prepayments mainly represent prepayments for acquiring rights to use land, which is all located in the PRC, for own use properties with lease period of 20–70 years.

15 INTANGIBLE ASSETS

	Concession assets RMB'000	Software and others RMB'000	Goodwill RMB'000	Total RMB'000
Cost:				
At 1 January 2014	597,083	57,039	496,400	1,150,522
Additions	26,519	7,764	247	34,530
Transfer from property, plant and equipment	–	1,617	–	1,617
Disposals	–	(1,386)	–	(1,386)
At 31 December 2014	623,602	65,034	496,647	1,185,283
At 1 January 2015	**623,602**	**65,034**	**496,647**	**1,185,283**
Additions	**40,017**	**13,634**	**–**	**53,651**
Transfer from property, plant and equipment	**–**	**3,534**	**–**	**3,534**
Disposals	**–**	**(109)**	**–**	**(109)**
At 31 December 2015	**663,619**	**82,093**	**496,647**	**1,242,359**
Accumulated amortization:				
Balance at 1 January 2014	32,257	22,261	–	54,518
Charge for the year	25,434	6,679	–	32,113
Written back on disposal	–	(1,357)	–	(1,357)
At 31 December 2014	57,691	27,583	–	85,274
Balance at 1 January 2015	**57,691**	**27,583**	**–**	**85,274**
Charge for the year	**29,871**	**7,627**	**–**	**37,498**
Written back on disposal	**–**	**(109)**	**–**	**(109)**
At 31 December 2015	**87,562**	**35,101**	**–**	**122,663**
Net book value:				
At 31 December 2014	565,911	37,451	496,647	1,100,009
At 31 December 2015	**576,057**	**46,992**	**496,647**	**1,119,696**

15 INTANGIBLE ASSETS (continued)

The amortization charge for the year is included in "depreciation and amortization" in the consolidated statement of profit or loss and other comprehensive income.

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to operating segment as follows:

	2015 ***RMB'000***	2014 *RMB'000*
Hydro power	**230,135**	230,135
Wind power	**266,512**	266,512
	496,647	496,647

The recoverable amounts of the CGUs are determined based on value-in-use calculations. These calculations use cash flow projections based on financial forecasts prepared by the management covering a five-year period. Cash flows beyond the five-year period are projected using zero growth rates. The cash flows are discounted using discount rates of 8%–11%. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments. Key assumption used for the value-in-use calculations is the revenue from electricity sales. Management determined the revenue from electricity sales based on its expectation of electricity volume and the on-grid tariff approved by related government authorities.

16 INVESTMENTS IN SUBSIDIARIES

The following list contains only the particulars of subsidiaries at 31 December 2015 which principally affected the results, assets or liabilities of the Group. All of these subsidiaries are limited liability companies.

Name of company	Place of incorporation and business and date of establishment	Registered capital	Proportion of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by subsidiaries	
		(RMB'000)				
Fujian Mianhuatan Hydropower Development Company Limited 福建棉花灘水電開發有限公司 ("Mianhuatan Hydropower") *(note (ii))*	the PRC 17 November 1995	800,000	60%	60%	–	Hydropower generation
Fujian Jinhu Power Generation Company Limited 福建省金湖電力有限責任公司 ("Jinhu Power") *(note (ii))*	the PRC 3 October 1996	100,000	48%	–	50%	Hydropower generation
Mindong Hydropower Development Company Limited 閩東水電開發有限公司 ("Mindong Hydropower") *(note (ii))*	the PRC 7 March 1997	250,405	51%	51%	–	Hydropower generation
Fujian Gaosha Hydropower Company Limited 福建省高砂水電有限公司*(note (ii))*	the PRC 18 September 1997	66,000	62%	-	62%	Hydropower generation
Fujian Shaxian Chengguan Hydropower Company Limited 福建省沙縣城關水電有限公司*(note (ii))*	the PRC 3 September 1997	66,000	40%	-	40%	Hydropower generation
Fujian Longyan Wan'anxi Hydropower Company Limited 福建省龍岩萬安溪水力發電有限責任公司*(note (ii))*	the PRC 4 March 1998	40,000	41%	-	41%	Hydropower generation
Zhouningxian Houlongxi Hydropower Generation Company Limited 周寧縣後壠溪水電有限公司*(note (ii))*	the PRC 30 September 2002	60,000	70%	-	70%	Hydropower generation
Fujian Shunchang Yangkou Hydropower Company Limited 福建省順昌洋口水電有限公司 *(note (ii))*	the PRC 11 July 2003	66,000	55%	-	55%	Hydropower generation
Fujian Songxixian Jinxing Hydropower Company Limited 福建省松溪縣金星水電有限公司 *(note (ii))*	the PRC 18 September 2003	13,000	45%	-	45%	Hydropower generation
Fujian Huadian Yong'an Power Generation Company Limited 福建華電永安發電有限公司	the PRC 23 October 1989	663,000	100%	100%	–	Coal-fired power generation

16 INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation and business and date of establishment	Registered capital	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by subsidiaries	Principal activity
		(RMB'000)				
Fujian Huadian Zhangping Coal-fired Power Co., Ltd. 福建華電漳平火電有限公司	the PRC 18 November 1991	610,000	100%	100%	–	Coal-fired power generation
Fujian Huadian Shaowu Power Generation Company Limited 福建華電邵武發電有限公司 *(note (ii))*	the PRC 29 March 2000	10,000	60%	60%	–	Coal-fired power generation
Fujian Huadian Kemen Power Generation Company Limited 福建華電可門發電有限公司	the PRC 18 September 2003	900,000	100%	100%	–	Coal-fired power generation
Maoming Zhong'ao Wind Power Company Limited 茂名市中坳風電有限公司 *(note (ii))*	the PRC 11 July 2005	83,288	51%	51%	–	Wind power generation
Inner Mongolia Huadian Huitengxile Wind Power Company Limited 內蒙古華電輝騰錫勒風力發電有限公司	the PRC 6 September 2005	547,000	100%	100%	–	Wind power generation
Inner Mongolia Huadian Bayin Wind Power Company Limited 內蒙古華電巴音風力發電有限公司	the PRC 19 December 2008	282,000	100%	100%	–	Wind power generation
Gansu Huadian Guazhou Wind Power Company Limited Company Limited 甘肅華電瓜州風力發電有限公司	the PRC 6 January 2009	100,000	100%	100%	–	Wind power generation
Gansu Huadian Yumen Wind Power Company Limited 甘肅華電玉門風力發電有限公司	the PRC 9 November 2009	525,000	100%	100%	–	Wind power generation
Huadian Jilin Daan Wind Power Company Limited 華電吉林大安風力發電有限公司	the PRC 4 March 2009	169,020	100%	100%	–	Wind power generation
Inner Mongolia Huadian Wutaohai Wind Power Company Limited 內蒙古華電烏套海風電有限公司	the PRC 29 April 2009	380,000	100%	100%	–	Wind power generation
Huadian Tieling Wind Power Company Limited 華電鐵嶺風力發電有限公司	the PRC 9 March 2009	183,500	100%	100%	–	Wind power generation
Hebei Huadian Shangyi Wind Power Company Limited 河北華電尚義風力發電有限公司	the PRC 19 May 2009	173,310	70%	70%	–	Wind power generation
Inner Mongolia Huadian Meiguiying Wind Power Company Limited 內蒙古華電玫瑰營風力發電有限公司	the PRC 23 July 2009	335,250	100%	100%	–	Wind power generation

16 INVESTMENTS IN SUBSIDIARIES (continued)

Name of company	Place of incorporation and business and date of establishment	Registered capital (RMB'000)	Proportion of ownership interest: Group's effective interest	Held by the Company	Held by subsidiaries	Principal activity
Shanxi Huadian Guangling Wind Power Company Limited 山西華電廣靈風力發電有限公司 *(note (ii))*	the PRC 26 May 2009	230,000	65%	–	65%	Wind power generation
Qitaihe Honghao Wind Power Company Limited 七台河宏浩風力發電有限公司*(note (ii))*	the PRC 24 May 2010	75,000	60%	60%	–	Wind power generation
Shanxi Huadian Yanggao Wind Power Company Limited 山西華電陽高風力發電有限公司 *(note (ii))*	the PRC 18 August 2010	80,000	65%	–	65%	Wind power generation
Gansu Huadian Huanxian Wind Power Company Limited 甘肅華電環縣風力發電有限公司	the PRC 9 August 2011	604,000	100%	100%	–	Wind power generation
Shanghai Huadian Min Hang Energy Company Limited 上海華電閔行能源有限公司	the PRC 23 November 2011	160,000	100%	100%	–	Natural gas-fired power generation
Xinjiang Huadian Xuehu Wind Power Company Limited 新疆華電雪湖風力發電有限公司	the PRC 17 January 2012	159,000	100%	100%	–	Wind power generation
Damaoqi Xiehe Wind Power Company Limited 達茂旗協合風力發電有限公司	the PRC 9 April 2009	240,000	100%	100%	–	Wind power generation
Gansu Jingyuan Hangtian Wind Power Company Limited 甘肅靖遠航天風力發電有限公司	the PRC 8 August 2012	115,000	98%	98%	–	Wind power generation
Yunnan Huadian Daheishan Wind Power Company Limited 雲南華電大黑山風力發電有限公司	the PRC 24 April 2013	195,000	100%	100%	–	Wind power generation
Huadian Xinghua Solar Power Company Limited 華電興化太陽能發電有限公司	the PRC 21 August 2013	153,000	100%	100%	–	Solar power generation
Huadian Fuxin Xinjiang Power Company Limited 華電福新新疆能源有限公司	the PRC 25 February 2014	185,000	100%	100%	–	Power generation
Guangzhou University Town Huadian New Energy Company Limited 廣州大學城華電新能源有限公司 ("Guangzhou New Energy") *(note (ii))*	the PRC 5 February 2008	294,360	55%	55%	–	Natural gas-fired power generation
Huadian Fuxin International Investment Company Limited 華電福新國際投資有限公司	Hong Kong 14 March 2014	HK$'000 390,000	100%	100%	–	Investment holding
Elecdey Barchin, S.A. – Sociedad Unipersonal	Spain 29 October 2009	EURO'000 200	100%	–	100%	Wind power generation

16 INVESTMENTS IN SUBSIDIARIES (continued)

Notes:

(i) The English translation of the names is for reference only, except for the subsidiaries incorporate outside the PRC. The official names of these entities are in Chinese.

(ii) The Company's voting power in these entities attached to the equity interests does not allow the Company to have the rights to variable returns from its involvement with these entities and have the ability to affect those returns through its power over these entities according to the articles of association of these entities. However, the Company or its subsidiaries is the biggest shareholder of these entities and no other shareholders individually or in aggregate have the power to control these entities according to the articles of association. Historically, the Company controlled these entities by appointing senior management, approving annual budget and determining the remuneration of employees, etc. The Company or its subsidiaries had signed the concert party agreements with certain equity owners of these companies, whereby such equity owners have agreed to vote the same as the Company or its subsidiaries. Such equity owners have also confirmed that the voting in unison with the Company or its subsidiaries existed since the establishment of these companies. The PRC lawyer of the Company confirmed that the concert party agreements are valid under relevant PRC laws. Considering above mentioned factors, the directors are of the opinion that the Company controlled these entities during the years presented. Therefore the financial information of these companies is consolidated by the Company during the years presented.

The following table lists out the information relating to Mianhuatan Hydropower, Mindong Hydropower, Guangzhou New Energy and Jinhu Power, the four subsidiaries of the Group which have material non-controlling interests ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

	Mianhuatan Hydropower		Mindong Hydropower		Guangzhou New Energy		Jinhu Power	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
NCI percentage	**40%**	40%	**49%**	49%	**45%**	45%	**50%**	50%
Current assets	**146,787**	67,650	**117,023**	52,248	**91,219**	91,290	**124,950**	61,523
Non-current assets	**3,230,677**	3,353,576	**1,050,523**	1,062,351	**458,143**	492,990	**761,443**	771,540
Current liabilities	**495,201**	592,974	**232,743**	197,680	**83,646**	65,995	**166,956**	173,591
Non-current liabilities	**931,893**	1,035,452	**447,989**	420,431	**121,566**	142,720	**346,787**	326,022
Net assets	**1,950,370**	1,792,800	**486,814**	496,488	**344,150**	375,565	**372,650**	333,450
Carrying amount of NCI	**780,148**	717,120	**238,539**	243,279	**154,868**	169,004	**185,137**	165,466
Revenue	**616,076**	516,290	**304,187**	329,891	**423,464**	423,512	**286,185**	239,394
Profit and total comprehensive income for the year	**236,405**	172,788	**116,927**	137,777	**38,585**	44,614	**81,184**	50,626
Profit allocated to NCI	**94,562**	69,115	**57,294**	67,511	**17,363**	20,076	**40,622**	25,353
Dividends paid to NCI	**31,535**	64,001	**62,034**	44,100	**31,500**	18,450	**20,951**	2,797
Cash flows from operating activities	**427,012**	372,316	**158,169**	245,473	**66,713**	96,684	**152,679**	141,669
Cash flows from investing activities	**(985)**	(5,688)	**(49,244)**	(16,120)	**(2,605)**	(14,091)	**(65,015)**	(51,385)
Cash flows from financing activities	**(399,384)**	(411,649)	**(112,987)**	(205,331)	**(70,959)**	(81,604)	**(77,656)**	(84,117)

17 INTEREST IN ASSOCIATES AND JOINT VENTURES

	2015 *RMB'000*	2014 *RMB'000*
Share of net assets:		
– Unlisted investments	**6,369,994**	4,116,333
– Listed shares in Hong Kong	**372,440**	316,947
	6,742,434	4,433,280
Market value of listed shares	**342,828**	288,095

All of the associates and the joint ventures are limited liability companies. The following list contains only the particulars of material associates, which principally affected the results or assets of the Group. Except for Concord New Energy Group Limited ("Concord New Energy"), all of the other associates and the joint ventures are unlisted corporate entities whose quoted market prices are not available:

			Proportion of ownership interest			
Name of associate	**Place of establishment/ Business**	**Particulars of registered/issued capital**	**Group's effective interest**	**Held by the Company**	**Held by a subsidiary**	**Principal activity**
Fujian Fuqing Nuclear Power Company Limited (福建福清核電有限公司)	the PRC	RMB 10,480,000,000	39%	39%	–	Nuclear power generation
Concord New Energy Group Limited (協和新能源集團有限公司) (Previously known as "China Wind Power Group Limited") *(note (i))*	Bermuda/the PRC	HK$ 880,000,000	9.84%	–	9.84%	Construction of power plants
Zhonghai Fujian Gas Power Generation Company Limited (中海福建燃氣發電有限公司)	the PRC	RMB 777,000,000	25%	25%	–	Gas power generation
Pingnanxian Houlongxi Hydropower Company Limited (屏南縣後壟溪水電有限公司)	the PRC	RMB 86,000,000	45%	5%	40%	Hydropower Generation
Sanmen Nuclear Power Co., Ltd (三門核電有限公司) ("Sanmen Nuclear Power") *(note (ii))*	the PRC	RMB 7,339,500,000	10%	10%	–	Nuclear power generation

17 INTEREST IN ASSOCIATES AND JOINT VENTURES (continued)

Notes:

(i) According to the agreement between the Group and Concord New, the Group made a total payment of HK$378,400,000 (equivalent to RMB298,948,000) on 19 March 2014 for the subscription of 880,000,000 new shares issued and allotted by Concord New Energy to the Group. After completion of the subscription, the Group held 9.84% shares of Concord New Energy over which the Group has significant influence.

(ii) According to the agreement between the Group and China Huadian Corporation ("Huadian"), the Group acquired 10% shares of Sanmen Nuclear Power on 23 March 2015 at a total consideration of RMB1,115,857,000. Pursuant to the articles of association of Sanmen Nuclear Power, the Group has right to participate in the policy-making process and assign a director representation on the board of directors of Sanmen Nuclear Power.

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

Summarised financial information of the material associates, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	Fujian Fuqing Nuclear Power Company Limited		**Concord New Energy Group Limited**	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Gross amounts of the associates				
Current assets	**3,362,644**	2,754,558	**4,868,349**	3,322,550
Non-current assets	**53,996,549**	44,422,630	**6,175,760**	3,870,003
Current liabilities	**4,296,230**	1,679,054	**4,394,959**	2,755,067
Non-current liabilities	**41,754,779**	36,483,831	**2,864,195**	1,216,475
Equity	**11,308,184**	9,014,303	**3,784,955**	3,221,011
Revenue	**2,839,522**	332,724	**3,478,562**	2,812,557
Profit and total comprehensive income	**818,751**	94,303	**406,940**	242,195
Dividend received from the associate	**33,099**	–	**7,234**	–
Reconciled to the Group's interests in the associates				
Gross amounts of net assets of the associate	**11,308,184**	9,014,303	**3,784,955**	3,221,011
Group's effective interest	**39%**	39%	**9.84%**	9.84%
Group's share of net assets of the associate	**4,410,192**	3,515,578	**372,440**	316,947
Carrying amount in the consolidated financial statements	**4,410,192**	3,515,578	**372,440**	316,947

17 INTEREST IN ASSOCIATES AND JOINT VENTURES (continued)

	Zhonghai Fujian Gas Power Generation Company Limited		Pingnanxian Houlongxi Hydropower Company Limited	
	2015	2014	**2015**	2014
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*
Gross amounts of the associates				
Current assets	**367,200**	294,332	**26,509**	20,913
Non-current assets	**2,768,029**	2,971,946	**359,994**	377,588
Current liabilities	**841,406**	1,052,702	**69,457**	63,640
Non-current liabilities	**1,130,000**	1,289,000	**80,030**	103,150
Equity	**1,163,823**	924,576	**237,016**	231,711
Revenue	**2,858,414**	1,845,206	**54,418**	50,652
Profit and total comprehensive income	**299,709**	67,178	**5,305**	4,059
Dividend received from the associate	**15,115**	85,022	**–**	–
Reconciled to the Group's interests in the associates				
Gross amounts of net assets of the associate	**1,163,823**	924,576	**237,016**	231,711
Group's effective interest	**25%**	25%	**45%**	45%
Group's share of net assets of the associate	**290,956**	231,144	**106,657**	104,270
Carrying amount in the consolidated financial statements	**290,956**	231,144	**106,657**	104,270

17 INTEREST IN ASSOCIATES AND JOINT VENTURES (continued)

	Sanmen Nuclear Power Company Limited	
	2015	2014
	RMB'000	*RMB'000*
Gross amounts of the associates	**1,644,785**	–
Current assets	**48,240,816**	–
Non-current assets	**2,196,200**	–
Current liabilities	**35,280,907**	–
Non-current liabilities	**12,408,494**	–
Equity	**–**	–
Reconciled to the Group's interests in the associates		
Gross amounts of net assets of the associate	**12,408,494**	–
Group's effective interest	**10%**	–
Group's share of net assets of the associate	**1,240,849**	–
Carrying amount in the consolidated financial statements	**1,240,849**	–

Aggregate information of associates and joint ventures that are not individually material:

	2015	2014
	RMB'000	*RMB'000*
Aggregate carrying amount of individually immaterial associates and joint ventures in the consolidated financial statements	**321,340**	265,341
Aggregate amounts of the Group's share of those associates and joint ventures profit/(loss) and total comprehensive income	**(8,864)**	10,323

18 OTHER NON-CURRENT ASSETS

	2015 **RMB'000**	2014 RMB'000
Deductible Value Added Tax ("VAT") *(note (i))*	**2,948,145**	2,273,590
Unquoted available-for-sale equity investments in non-listed companies, at cost *(note (ii))*	**624,955**	512,300
Available-for-sale equity securities, listed in Hong Kong *(note (iii))*	**334,864**	–
Deferred differences arising from sales and leaseback resulting in a finance lease	**205,068**	235,438
Loan to an associate *(note (iv))*	**28,179**	28,179
Others	**167,351**	145,733
	4,308,562	3,195,240

Notes:

(i) Deductible VAT mainly represents the input VAT relating to acquisition of property, plant and equipment and inventory, which is deductible from output VAT. The input VAT expected to be deducted within one year is recorded in prepayments and other current assets (see note 21).

(ii) The unquoted equity investments in non-listed companies are limited liability companies established in the PRC and whose quoted market prices are not available.

(iii) Pursuant to the agreement with China Energy Engineering Corporation Limited ("China Energy Engineering"), the Group has subscribed for the 243,722,000 shares of China Energy Engineering at the offering price of 1.59 HK dollar per share on 8 December 2015. The Group recognised it as available-for-sale equity securities. For the year ended 31 December 2015, the net change in the fair value of available-for-sale equity securities is RMB6,938,000.

(iv) Loan to an associate is unsecured, interest bearing at a rate of 6.60% per annum and will be recovered in 2018.

19 INVENTORIES

(a) Inventories in the statement of financial position comprise:

	2015 RMB'000	2014 RMB'000
Coal	**246,718**	301,037
Fuel oil	**6,957**	4,722
Spare parts and others	**144,358**	120,784
	398,033	426,543

(b) The analysis of the amount of inventories recognised as expenses and included in profit or loss is as follows:

	2015 RMB'000	2014 RMB'000
Cost of coal and fuel used	**3,854,306**	4,217,832
Cost of coal sold	**884,558**	348,996
Cost of spare parts and others used	**303,163**	249,310
Write down of inventories	**3,789**	343
	5,045,816	4,816,481

20 TRADE DEBTORS AND BILLS RECEIVABLE

	2015	2014
	RMB'000	*RMB'000*
Amounts due from third parties	**3,633,316**	3,526,222
Less: allowance for doubtful accounts	**34,489**	34,489
	3,598,827	3,491,733

(a) Ageing analysis

The ageing analysis of trade debtors and bills receivable of the Group based on the due date is as follows:

	2015	2014
	RMB'000	*RMB'000*
Current	**3,633,316**	3,526,222
Less: allowance for doubtful accounts	**34,489**	34,489
	3,598,827	3,491,733

The Group's trade debtors are mainly electricity sales receivable from local grid companies for whom there was no recent history of default. Generally the debtors are due within 15-30 days from the date of invoice, except for the tariff premium of renewable energy, representing approximately 22% to 89% of total electricity sales, collected by certain renewable energy projects, such as wind power projects and solar power projects. The collection of such tariff premium is subject to the allocation of funds by relevant government authorities to local grid companies, which consequently takes a relatively long time for settlement.

20 TRADE DEBTORS AND BILLS RECEIVABLE (continued)

(b) Impairment of trade debtors and bills receivable

Impairment losses in respect of trade debtors and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors and bills receivable directly (see note 2(l)(i)).

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

	2015 ***RMB'000***	2014 *RMB'000*
At 1 January	**34,489**	33,608
Impairment losses recognised	**1**	881
Uncollectible amounts written off	**(1)**	–
At 31 December	**34,489**	34,489

The Group's trade debtors and bills receivable of RMB34,489,000 as at 31 December 2015 (31 December 2014: RMB34,489,000) 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.

20 TRADE DEBTORS AND BILLS RECEIVABLE (continued)

(c) Trade debtors and bills receivable that are not impaired

The ageing analysis of trade debtors and bills receivable that are neither individually nor collectively considered to be impaired are as follows:

	2015 ***RMB'000***	2014 *RMB'000*
Neither past due nor impaired	**3,598,827**	3,491,733

Pursuant to CaiJian [2012] No. 102 Notice on the Interim Measures for Administration of Subsidy Funds for Tariff Premium of Renewable Energy (可再生能源電價附加補助資金管理暫行辦法) jointly issued by the Ministry of Finance, the National Development and Reform Commission and the National Energy Administration in March 2012, a set of new standardized procedures for the settlement of the aforementioned renewable energy tariff premium has come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies. As at 31 December 2015, most of the Group's related projects have been approved for the tariff premium of renewable energy and certain projects are in the process of applying for the approval. The directors are of the opinion that the approvals will be obtained in due course and these trade and bills receivable from tariff premium are fully recoverable considering there were no bad debt experiences with the grid companies in the past and such tariff premium is funded by the PRC government.

Trade debtors and bills receivable that were neither past due nor impaired mainly represented the electricity sales receivables from local grid companies for whom there was no recent history of default. All trade debtors and bills receivable are expected to be recovered within one year.

21 PREPAYMENTS AND OTHER CURRENT ASSETS

	The Group	
	2015	2014
	RMB'000	*RMB'000*
CERs receivable	**166,784**	166,784
Staff advance and other deposits	**44,701**	47,705
Amounts due from related parties:		
– due from fellow subsidiaries	**48,869**	111,924
– due from associates	**38,702**	60,236
Loan to a third party *(note (i))*	**50,000**	140,518
Deductible VAT *(note 18(i))*	**1,247,357**	1,052,491
Prepayments for the coal and spare parts supply	**69,408**	159,818
Other prepayments and debtors	**264,311**	296,910
	1,930,132	2,036,386
Less: allowance for doubtful debts	**181,976**	181,970
	1,748,156	1,854,416

Note:

(i) Loan to a third party was secured by the shareholder of this third party. The balance as at 31 December 2015 was interest free, and expected to be settled within one year.

Impairment losses in respect of prepayments and other current assets are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against prepayments and other current assets directly (see note 2(l)(i)).

21 PREPAYMENTS AND OTHER CURRENT ASSETS (continued)

The movement in the allowance for doubtful debts is as follows:

	2015 *RMB'000*	2014 *RMB'000*
At 1 January	**181,970**	196,164
Impairment losses recognised	**76**	412
Reversal of impairment losses	**–**	(1,707)
Uncollectible amounts written off	**(70)**	(12,899)
At 31 December	**181,976**	181,970

The Group's prepayments and other current assets of RMB181,976,000 as at 31 December 2015 (31 December 2014: RMB181,970,000) 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.

For the other balances of prepayments and other current assets for the Group, the management is of the opinion that the counterparties are with good credit quality and the balances are considered fully recoverable.

22 RESTRICTED DEPOSITS

Restricted deposits mainly represent cash pledged as collateral for bills payable, tender bonds and housing maintenance fund designated for specific purposes as requested by the PRC regulations.

23 CASH AND CASH EQUIVALENTS

	2015 *RMB'000*	2014 *RMB'000*
Cash on hand	**260**	741
Cash at bank	**348,360**	733,810
Deposits with a fellow subsidiary *(note (i))*	**1,647,633**	2,556,436
At 31 December	**1,996,253**	3,290,987

Note:

(i) Deposits with a fellow subsidiary mainly represent the deposits in China Huadian Finance Corporation Limited ("Huadian Finance").

24 BORROWINGS

(a) The long-term interest-bearing borrowings comprise:

	2015 RMB'000	2014 RMB'000
Bank loans and loans from financial institutions		
– Secured	**23,322,985**	18,775,466
– Unsecured *(note (i))*	**23,100,169**	19,568,637
Loans from Huadian		
– Unsecured	**3,246,447**	3,246,447
Loans from fellow subsidiaries		
– Secured	**218,716**	98,664
– Unsecured	**200,000**	254,000
Other borrowings *(note (e)(i))*		
– Unsecured	**1,993,244**	1,991,519
	52,081,561	43,934,733
Less: current portion of long-term borrowings		
– Bank loans and loans from financial institutions	**4,503,469**	4,090,449
– Loans from fellow subsidiaries	**6,000**	14,000
	47,572,092	39,830,284

Note:

All of the long-term interest-bearing borrowings are carried at amortised cost. None of the long-term interest-bearing borrowings is expected to be settled within one year.

24 BORROWINGS (continued)

(a) The long-term interest-bearing borrowings comprise: (continued)

(i) Certain unsecured borrowings were guaranteed by the below entities:

	2015 RMB'000	2014 RMB'000
Guarantor		
– Huadian	**1,897,500**	2,291,800
– Non-controlling interests shareholders	**174,000**	209,000
	2,071,500	2,500,800

(b) The short-term interest-bearing borrowings comprise:

	2015 RMB'000	2014 RMB'000
Bank loans and loans from financial institutions		
– Secured	**80,000**	163,000
– Unsecured	**3,436,425**	3,876,000
Loans from a fellow subsidiary		
– Unsecured	**380,000**	860,000
Other borrowings *(note (e)(ii))*		
– Unsecured	**4,497,333**	2,993,500
	8,393,758	7,892,500
Add: current portion of long-term borrowings		
– Bank loans and loans from financial institutions	**4,503,469**	4,090,449
– Loans from fellow subsidiaries	**6,000**	14,000
	12,903,227	11,996,949

24 BORROWINGS (continued)

(c) The effective interest rates per annum on borrowings are as follows:

	2015	2014
Long-term		
Bank loans and loans from financial institutions	**2.12%–7.05%**	2.27%–7.86%
Loans from Huadian	**4.15%–6.46%**	4.15%–6.46%
Loans from fellow subsidiaries	**4.28%–5.15%**	6.00%–6.55%
Other borrowings	**5.13%–5.38%**	5.13%–5.38%
Short-term		
Bank loans and loans from financial institutions	**1.64%–5.35%**	5.04%–8.00%
Loans from a fellow subsidiary	**3.92%–5.35%**	5.60%–6.00%
Other borrowings	**3.11%–3.29%**	5.06%–5.62%

(d) The borrowings are repayable as follows:

	2015 *RMB'000*	2014 *RMB'000*
Within 1 year or on demand	**12,903,227**	11,996,949
After 1 year but within 2 years	**6,254,744**	4,700,464
After 2 years but within 5 years	**18,674,332**	14,506,734
After 5 years	**22,643,016**	20,623,086
	47,572,092	39,830,284
	60,475,319	51,827,233

24 BORROWINGS (continued)

(e) Significant terms of other borrowings:

	2015 RMB'000	2014 RMB'000
Long-term		
Corporate bonds *(note (i))*	**1,993,244**	1,991,519
Short-term		
Financing instruments *(note (ii))*	**4,497,333**	2,993,500

Notes:

(i) On 25 March 2013, the Company issued a five-year unsecured corporate bond of RMB1,000,000,000 at par with a coupon rate of 5.00% per annum and a ten-year unsecured corporate bond of RMB1,000,000,000 at par with a coupon rate of 5.30% per annum. The effective interest rates of above bonds are 5.13% and 5.38% per annum respectively.

(ii) On 17 August 2015, the Company issued a 270-day unsecured ultra-short-term financing instruments of RMB2,000,000,000 at par with a coupon rate of 3.20% per annum. On 10 October 2015, the Company issued another 270-day unsecured ultra-short-term financing instruments of RMB1,500,000,000 at par with a coupon rate of 3.29% per annum. On 25 November 2015, the Company issued a 180-day unsecured ultra-short-term financing instruments of RMB1,000,000,000 in the PRC inter-bank debenture market. The effective interest rates of the financing instruments are 3.21%, 3.30% and 3.11% respectively.

25 OBLIGATIONS UNDER FINANCE LEASES

The Group had obligations under finance leases repayable as follows:

	2015		2014	
	Present value of the minimum lease payments RMB'000	Total minimum lease prepayments RMB'000	Present value of the minimum lease payments RMB'000	Total minimum lease prepayments RMB'000
Within 1 year	**52,855**	**75,829**	64,321	100,970
After 1 year but within 2 years	**54,193**	**74,519**	72,946	111,284
After 2 years but within 5 years	**171,298**	**215,939**	228,397	315,832
After 5 years	**228,572**	**265,269**	376,604	448,976
	454,063	**555,727**	677,947	876,092
	506,918	**631,556**	742,268	977,062
Less: total future interest expenses		**124,638**		234,794
Present value of finance lease obligations		**506,918**		742,268

At inception, the lease periods of the above finance lease obligations are approximately 6–13 years.

26 TRADE CREDITORS AND BILLS PAYABLE

	2015 RMB'000	2014 RMB'000
Trade creditors to third parties	**363,098**	520,291
Bills payable to third parties	**1,870,575**	2,129,883
Amounts due to related parties	**67,537**	117,103
Bills payable to related parties	**226,580**	147,899
	2,527,790	2,915,176

The aging analysis for the trade creditors and bills payable, based on due date, is as follows:

	2015 RMB'000	2014 RMB'000
Due within 3 months or on demand	**1,078,816**	1,179,878
Due after 3 months but within 6 months	**988,847**	1,268,248
Due after 6 months but within 1 year	**460,127**	467,050
	2,527,790	2,915,176

All of the trade creditors and bill payable are expected to be settled within one year or are repayable on demand.

27 OTHER PAYABLES

	2015 *RMB'000*	2014 *RMB'000*
Payables for acquisition of property, plant and equipment and intangible assets	**7,690,756**	8,319,008
Provision for Mianhuatan resettlement compensation *(note (i))*	**40,000**	40,000
Retention payable *(note (ii))*	**1,073,593**	1,196,455
Dividends payable	**140,284**	17,929
Payable for acquisition of subsidiaries	**21,923**	81,152
Payables for staff related costs	**64,537**	76,414
Payables for other taxes	**199,971**	163,822
Interest payable	**220,797**	268,168
Amounts due to the fellow subsidiaries *(note (iii))*	**753,308**	577,695
Amounts due to the associates *(note (iii))*	**854,187**	149,531
Amounts due to Huadian *(note (iii))*	**12,000**	12,000
Other accruals and payables	**340,140**	343,486
	11,411,496	11,245,660

Notes:

(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. In response to this request, 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. 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. 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.

27 OTHER PAYABLES (continued)

Notes: (continued)

(ii) Retention payable represents amounts due to equipment suppliers and construction contractors which will be settled upon the expiry of the warranty period.

(iii) These amounts are all unsecured, interest-free and have no fixed terms of repayment.

Except for the retention payable, all of the other payables are expected to be settled within one year or are repayable on demand.

28 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Tax payable/(recoverable) in the consolidated statement of financial position represents:

	2015	2014
	RMB'000	*RMB'000*
Net tax payable at 1 January	**310,586**	216,607
Provision for the year *(note 8(a))*	**426,901**	498,617
Acquired from business acquisition	**–**	678
Under provision in respect of prior years *(note 8(a))*	**11,737**	1,674
Income tax paid	**(579,074)**	(406,990)
Net tax payable at 31 December	**170,150**	310,586
Representing:		
Tax payable	**195,902**	328,213
Tax recoverable	**(25,752)**	(17,627)
	170,150	310,586

28 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax assets and liabilities recognised:

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax arising from:	Tax losses	Revaluation deficit	Provision for impairment of assets	Trial run revenue	Deferred income	Expenses deductible on payment basis	Revaluation surplus	Depreciation of property plant and equipment	Tax credits for purchase of environmental protection equipments	Others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 January 2014	5,994	62,752	44,772	143,015	42,963	10,596	(294,299)	(516,226)	12,789	11,025	(476,619)
(Charged)/credited to profit or loss (*note 8(a)*)	(1,245)	(3,759)	(5,349)	(2,996)	7,613	1,336	8,985	(34,085)	(12,789)	9,059	(33,230)
Acquisition of subsidiaries	-	-	-	-	-	-	(7,660)	1,288	-	-	(6,372)
At 31 December 2014	4,749	58,993	39,423	140,019	50,576	11,932	(292,974)	(549,023)	-	20,084	(516,221)
At 1 January 2015	**4,749**	**58,993**	**39,423**	**140,019**	**50,576**	**11,932**	**(292,974)**	**(549,023)**	**-**	**20,084**	**(516,221)**
(Charged)/credited to profit or loss (*note 8(a)*)	**16,444**	**(4,166)**	**(123)**	**52,405**	**497**	**4,326**	**9,094**	**(33,728)**	**-**	**(11,458)**	**33,291**
Exchange difference	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(63)**	**(63)**
At 31 December 2015	**21,193**	**54,827**	**39,300**	**192,424**	**51,073**	**16,258**	**(283,880)**	**(582,751)**	**-**	**8,563**	**(482,993)**

28 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

(b) Deferred tax assets and liabilities recognised: (continued)

Reconciliation to the consolidated statement of financial position

	2015	2014
	RMB'000	*RMB'000*
Net deferred tax asset recognised in the consolidated statement of financial position	**359,219**	303,989
Net deferred tax liability recognised in the consolidated statement of financial position	**(842,212)**	(820,210)
	(482,993)	(516,221)

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 2(s), the Group has not recognised deferred tax assets in respect of unused tax losses of RMB1,184,914,000 as at 31 December 2015 (31 December 2014: RMB717,913,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdictions and entities. For the unused tax losses as at 31 December 2015, RMB26,122,000, RMB165,083,000, RMB341,853,000, RMB125,954,000, and RMB525,902,000, if unused, will expire at the end of year 2016, 2017, 2018, 2019 and 2020, respectively. Furthermore, the Group has not recognised deferred tax assets in respect of unused tax credit for purchase of environmental protection equipments of RMB11,124,000 as at 31 December 2015 (31 December 2014: RMB14,698,000) which will expire at the end of year 2016.

(d) Deferred tax liability not recognised:

At 31 December 2015, taxable temporary differences relating to undistributed profits and PRC statutory surplus reserve of subsidiaries and associates amounted to RMB4,428,443,000 (31 December 2014: RMB4,294,520,000). 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.

29 DEFERRED INCOME

	RMB'000
At 1 January 2014	345,753
Additions	77,855
Credited to profit or loss	(25,491)
At 31 December 2014	398,117
Less: current portion of deferred income	28,412
	369,705
At 1 January 2015	**398,117**
Additions	**76,348**
Credited to profit or loss	**(31,386)**
At 31 December 2015	**443,079**
Less: current portion of deferred income	**30,830**
	412,249

Deferred income mainly represents subsidies relating to the construction of property, plant and equipment and deferred differences arising from the sales and leaseback arrangement resulting in finance lease, which would be recognised as income or an adjustment to the depreciation of the asset on a straight-line basis over the expected useful life of the relevant assets.

30 CAPITAL AND RESERVES

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

	Capital *RMB'000*	Capital reserve *RMB'000*	Reserve fund *RMB'000*	Retained earnings *RMB'000*	Perpetual medium-term notes *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2014	7,622,616	908,432	89,582	140,278	–	8,760,908
Changes in equity for 2014:						
Profit and total comprehensive income for the year	–	–	–	1,152,063	–	1,152,063
Issuance of shares upon public offering, net of issuing expenses *(note 30(c))*	785,346	1,458,991	–	–	–	2,244,337
Dividends approved in respect of the previous year *(note 30(b))*	–	–	–	(304,820)	–	(304,820)
Transfer to reserve fund	–	–	113,630	(113,630)	–	–
Balance at 31 December 2014 and 1 January 2015	8,407,962	2,367,423	203,212	873,891	–	11,852,488
Changes in equity for 2015:						
Profit and total comprehensive income for the year	**–**	**–**	**–**	**1,641,251**	**80,819**	**1,722,070**
Issuance of perpetual medium-term notes, net of issuing expense *(note 31)*	**–**	**–**	**–**	**–**	**1,994,000**	**1,994,000**
Dividends approved in respect of the previous year *(note 30(b))*	**–**	**–**	**–**	**(365,746)**	**–**	**(365,746)**
Distribution for perpetual medium-term notes	**–**	**–**	**–**	**–**	**(80,819)**	**(80,819)**
Transfer to reserve fund	**–**	**–**	**206,914**	**(206,914)**	**–**	**–**
Balance at 31 December 2015	**8,407,962**	**2,367,423**	**410,126**	**1,942,482**	**1,994,000**	**15,121,993**

30 CAPITAL AND RESERVES (continued)

(b) Dividends

(i) Dividends payable to equity shareholders of the Company attributable to the year

	2015 RMB'000	2014 RMB'000
Final dividend proposed after the end of the reporting period of RMB0.0403 per share (2014: RMB0.0435 per share)	**338,841**	365,746

The Board resolved on 23 March 2016 that RMB0.0403 per share is to be distributed to the shareholders for 2015, subject to approval of the shareholders at the coming Annual General Meeting. The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

(ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year

	2015 RMB'000	2014 RMB'000
Final dividend in respect of the previous year approved and paid during the year of RMB0.0435 per share (2014: RMB0.0382 per share)	**365,746**	304,820

30 CAPITAL AND RESERVES (continued)

(c) Share capital

	2015 *RMB'000*	2014 *RMB'000*
Ordinary shares, issued and fully paid		
5,837,738,400 domestic state-owned ordinary shares of RMB1.00 each	**5,837,738**	5,837,738
2,570,223,120 shares (2014: 2,570,223,120) H shares of RMB1.00 each	**2,570,224**	2,570,224
	8,407,962	8,407,962

In June and July 2012, the Company issued an aggregation of 1,622,616,000 H shares after exercise of overallotment option with a nominal value of RMB1.00 each, at a price of HK$1.65 per H share by way of an initial public offering (the "IPO") to Hong Kong and overseas investors. In connection with the IPO, 162,261,600 domestic state-owned shares of RMB1.00 each owned by Huadian, China Power Engineering Consulting Group Technology Development Co., Ltd. ("CPECG"), Kunlun Trust Co., Ltd. ("Kunlun Trust"), Guizhou Wujiang Hydropower Development Co., Ltd. ("Wujiang Hydropower"), China Huadian Engineering (Group) Co., Ltd. ("Huadian Engineering"), Industrial Innovation Capital Management Co., Ltd. ("Xingye Capital") and Fujian Datong Chuangye Capital Co., Ltd. ("Datong Capital") were converted into H shares on a one-for-one basis and transferred to the National Council for Social Security Fund of the PRC (the "NSSF").

On 5 February 2014, the Company issued 356,975,520 H shares with a par value of RMB1.00, at the placing price of HK$3.30 per H share. The net proceeds from the placing after deduction of issuing expenses amount to approximately HK$1,155,617,000 (equivalent to RMB908,605,000).

On 3 December 2014, the Company issued 428,370,000 H shares with a par value of RMB1.00, at the placing price of HK$4.01 per H share. The net proceeds from the placing after deduction of issuing expenses amount to approximately HK$1,687,703,000 (equivalent to RMB1,335,732,000).

After the issuances of shares upon placing, 8,407,962,000 ordinary shares, with par value of RMB1.00 each, were in issue.

All shareholders are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings of the Company. All shares rank equally with regard to the Company's residual assets.

30 CAPITAL AND RESERVES (continued)

(d) Nature and purpose of reserves

(i) Capital reserve

Capital reserve includes share premium and other capital reserve.

Share premium represents the difference between the total amount of the par value of shares issued and the amount of the net proceeds received from the IPO in 2012 and the placing of new H shares in 2014.

Other capital reserve mainly represents the difference between the total amount of the nominal value of shares issued and the amount of the net assets injected by Huadian and cash injection in excess of the nominal value of shares issued to Huadian, CPECG, Kunlun Trust, Wujiang Hydropower, Huadian Engineering, Xingye Capital and Datong Capital upon the establishment of the Company.

(ii) Statutory surplus reserve

According to the Company's Article of Association, the Company is required to transfer 10% of its net profit to its statutory surplus reserve until the reserve balance reaches 50% of the registered capital. The transfer to this reserve must be made before distribution of a dividend to shareholders. This reserve fund can be utilised in setting off accumulated losses or increasing capital of the Company and is non-distributable other than in liquidation.

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations that have functional currency other than the RMB and the foreign exchange difference on the net investment in foreign operations of the Group which are dealt with in accordance with the accounting policies as set out in note 2(v).

(iv) Fair value reserve

The fair value reserve comprises the cumulative change in the fair value of available-for-sale securities which is dealt with in accordance with the accounting policies as set out in notes 2(f) and 2(l)(i).

30 CAPITAL AND RESERVES (continued)

(e) Distributability of reserves

At 31 December 2015, the aggregate amount of reserves available for distribution to equity shareholders of the Company was RMB1,942,482,000 (31 December 2014: RMB873,891,000). After the end of the reporting period the directors proposed a final dividend of RMB4.03 cents per ordinary share (2014: RMB4.35 cents) amounting to RMB338,841,000 (2014: RMB365,746,000) (note 30(b)). This dividend has not been recognised as a liability at the end of the reporting period.

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

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 2015 are 78% (31 December 2014: 79%).

There were no changes in the Group's approach to capital management compared with previous years. Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

31 PERPETUAL MEDIUM-TERM NOTES

On 21 April 2015, the Company issued the first tranche of 2015 perpetual medium-term notes with total amount of RMB2,000,000,000. The perpetual medium-term notes are issued at par value with initial distribution rate of 5.75%. The perpetual medium-term notes were recorded as equity in the Group's financial statements, after netting off related issuance costs of approximately RMB6,000,000.

Interests of the perpetual medium-term notes are recorded as distributions, which is paid annually in arrears on 23 April in each year ("Distribution Payment Date") and may be deferred at the discretion of the Company unless compulsory distribution payment events (including distributions to ordinary shareholders of the Company or reduction of the registered capital of the Company) has occurred.

31 PERPETUAL MEDIUM-TERM NOTES (continued)

The perpetual medium-term notes have no fixed maturity date and are callable at the Company's option in whole on 23 April 2020 ("First Call Date") or any Distribution Payment Date falling after the First Call Date at their principal amounts together with any accrued, unpaid or deferred distributions. The applicable distribution rate will reset, on First Call Date and every five years after the First Call Date, to the sum of the applicable benchmark interest rate, the initial spread and 300 basis points per annum.

During the year ended 31 December 2015, the profit attributable to holders of perpetual medium-term notes, based on the applicable distribution rate, was RMB80,819,000.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate, currency risks and equity price risks arises in the normal course of the Group's business. The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

The Group's credit risk is primarily attributable to cash and cash equivalents, trade debtors and bills receivable, prepayments and other current assets, and other financial assets.

Substantially all of the Group's cash and cash equivalents as at 31 December 2015 and 2014 are deposited in the stated-owned/controlled PRC banks, which the directors assessed the credit risk to be insignificant.

The receivables from sales of electricity mainly represent receivables from the provincial power grid companies. The Group has no significant credit risk with any of these power grid companies as the Company and its subsidiaries maintain long-term and stable business relationships with these companies. The receivables from the provincial power grid companies accounted for 89.66% of total trade debtor and bills receivable as at 31 December 2015 (31 December 2014: 95.67%). 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.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance.

The Group provided financial guarantees to related parties. Except for the financial guarantees extended by the Group as set out in note 34(a), the Group did not provide any other guarantees which would expose the Group to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the end of the reporting period is disclosed in note 34(a).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade debtors and bills receivable, and prepayments and other current assets are set out in Note 20 and 21.

(b) Liquidity risk

The Group's objective is to ensure continuity of sufficient funding and flexibility by utilising a variety of bank and other borrowings with debt maturities spreading over a range of periods, thereby ensuring that the Group's outstanding borrowing obligation is not exposed to excessive repayment risk in any one year.

The Company is responsible for the Group's overall cash management and the raising of borrowings to cover expected cash demands. The Group's policy is to regularly monitor current and expected liquidity requirements 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 2015, the Group has unutilized banking facilities of RMB20,691,646,000. 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.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

The following tables show the remaining contractual maturities at the end of the reporting period of the Group's non-derivative 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 can be required to pay:

	2015					
	Carrying amount	**Contractual cash flows**	**1 year or less**	**1–2 years**	**2–5 years**	**More than 5 years**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Long-term borrowings *(note 24(a))*	**52,081,561**	**66,453,220**	**7,240,684**	**8,711,103**	**24,208,427**	**26,293,006**
Short-term borrowings *(note 24(b))*	**8,393,758**	**8,585,269**	**8,585,269**	**–**	**–**	**–**
Obligations under finance leases *(note 25)*	**506,918**	**631,556**	**75,829**	**74,519**	**215,939**	**265,269**
Trade creditors and bills payable *(note 26)*	**2,527,790**	**2,527,790**	**2,527,790**	**–**	**–**	**–**
Other payables *(note 27)*	**11,411,496**	**11,411,496**	**11,411,496**	**–**	**–**	**–**
	74,921,523	**89,609,331**	**29,841,068**	**8,785,622**	**24,424,366**	**26,558,275**

	2014					
	Carrying amount	Contractual cash flows	1 year or less	1–2 years	2–5 years	More than 5 years
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Long-term borrowings *(note 24(a))*	43,934,733	57,591,627	6,778,493	7,115,222	19,689,751	24,008,161
Short-term borrowings *(note 24(b))*	7,892,500	8,272,559	8,272,559	–	–	–
Obligations under finance leases *(note 25)*	742,268	977,061	100,970	111,284	315,832	448,975
Trade creditors and bills payable *(note 26)*	2,915,176	2,915,176	2,915,176	–	–	–
Other payables *(note 27)*	11,245,660	11,245,660	11,245,660	–	–	–
	66,730,337	81,002,083	29,312,858	7,226,506	20,005,583	24,457,136

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk

The Group's interest rate risk arises primarily from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk.

The Group regularly reviews and monitors the mix of fixed and variable rate borrowings in order to manage its interest rate risks. During the years ended 31 December 2015 and 2014, however, the management of the Group did not consider it necessary to use interest rate swaps to hedge their exposure to interest risk.

The following table details the profile of the Group's net borrowings (interest-bearing financial liabilities less interest-bearing financial assets) at the end of the reporting period. The interest rate and maturity information of the Group's borrowings are disclosed in note 24.

	2015 ***RMB'000***	2014 *RMB'000*
Fixed rate borrowings:		
Borrowings *(note 24)*	**11,126,499**	10,178,645
Obligations under finance leases *(note 25)*	**102,816**	108,739
	11,229,315	10,287,384
Net variable rate borrowings:		
Borrowings *(note 24)*	**49,348,820**	41,648,588
Obligations under finance leases *(note 25)*	**404,102**	633,529
Less: Deposits with banks and a fellow subsidiary (including restricted deposits)	**2,418,081**	3,958,170
	47,334,841	38,323,947
Total net borrowings	**58,564,156**	48,611,331

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

At 31 December 2015, it is estimated that a general increase/decrease of 100 basis points in interest rates with all other variables held constant, would have decreased/increased the Group's profit after tax and the total equity by approximately RMB307,773,000 (2014: RMB250,064,000).

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at the end of the reporting period.

The estimated 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual end of the reporting period. The sensitivity analysis is performed on the same basis for the years of 2015 and 2014.

(d) Currency risk

The Group is exposed to currency risk primarily through the business which gives rise to receivables, borrowings and cash balances that are denominated in a foreign currency other than RMB. The currencies giving rise to this risk are primarily Euros, United States dollars and Hong Kong dollars.

(i) Recognised assets and liabilities

Except for the operation in Spain, all of the other revenue-generating operations of the Group are transacted in RMB. In addition, the Group has certain borrowings that are denominated in United States dollars ("US$") and Euros. The directors considered that the Group's exposure to foreign currency risk is insignificant.

On the other hand, RMB is not a freely convertible currency and the PRC government may at its discretion restrict access to foreign currencies for current account transactions in the future. Changes in the foreign exchange control system may prevent the Group from satisfying sufficient foreign currency demands and the Group may not be able to pay dividends in foreign currencies to its shareholders.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than RMB to which they relate. For presentation purpose, the amounts of the exposure are shown in RMB, translated using the spot rate at the end of the reporting period.

	2015			2014		
	US$	**EUR**	**HK$**	US$	EUR	HK$
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	**8**	**53,344**	**48,822**	12	16,597	405,492
Long-term borrowings	**(326,955)**	**(255,427)**	**–**	(342,909)	(268,402)	–
Short-term borrowings	**–**	**–**	**(326,734)**	–	–	–
Net exposure	**(326,947)**	**(202,083)**	**(277,912)**	(342,897)	(251,805)	405,492

The followings are US$, EUR and HK$ exchange rates to RMB during the year ended 31 December 2015 and 2014:

	Average rate		**Reporting date spot rate**	
	2015	2014	**2015**	2014
US$	**6.2307**	6.1415	**6.4936**	6.1190
EUR	**6.9460**	8.1481	**7.0952**	7.4556
HK$	**0.8038**	0.7919	**0.8378**	0.7889

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Exposure to currency risk (continued)

A 5% strengthening of RMB against the following currencies as at 31 December 2015 and 2014 would have increased/(decreased) the Group's profit after tax and the total equity by the amounts shown below.

	2015	2014
	RMB'000	*RMB'000*
US$	**12,261**	12,859
EUR	**7,578**	9,443
HK$	**10,422**	(15,206)
	30,261	7,096

A 5% weakening of RMB against the above currencies as at 31 December 2015 and 2014 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual end of the reporting period. The analysis is performed on the same basis for the years of 2015 and 2014.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale equity securities (note 18). The Group's listed investments are listed on HKSE. Listed investment held in the available-for-sale portfolio has been chosen based on its longer term growth potential and are monitored regularly for performance against expectations.

Unlisted investments held in the available-for-sale portfolio are held for long term purpose. Their performance is assessed at least annually based on the information available to the Group, together with an assessment of their relevance to the Group's long-term strategic plans.

The directors considered that the Group's exposure to equity price risk is insignificant.

(f) Fair value measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorized into the three-level fair value hierarchy as defined in IFRS 13, "Fair value measurement". The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

At 31 December 2015, the financial instruments of the Group carried at fair value were available-for-sale equity securities. These instruments fall into Level 1 of the fair value hierarchy described above. At 31 December 2014, the Group did not have any assets and liabilities measured at fair values.

32 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(f) Fair value measurement (continued)

(ii) Financial assets and liabilities measured at fair value

		Fair value measurements as at 31 December 2015 categorised into:		
	Fair value at 31 December 2015	Quoted prices in active market for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Recurring fair value measurement				
Financial assets:				
Available-for-sale equity securities:				
– Listed	334,864	334,864	–	–

(iii) Fair value of financial assets and liabilities carried at other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2015 and 2014.

As at 31 December 2015, the investments in unquoted equity securities (see note 18) 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 these investments.

33 COMMITMENTS

(a) Capital commitments outstanding at 31 December 2015 and 2014 not provided for in the financial statements were as follows:

	2015 **RMB'000**	2014 *RMB'000*
Contracted for	**5,169,626**	8,321,848
Authorized but not contracted for	**17,953,832**	12,257,226
	23,123,458	20,579,074

(b) At 31 December 2015 and 2014, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	2015 **RMB'000**	2014 *RMB'000*
Within 1 year	**63,125**	54,681
After 1 year but within 5 years	**184,242**	196,440
More than 5 years	**206,227**	329,657
	453,594	580,778

The Group leases certain buildings through non-cancellable operating leases. These operating leases do not contain provisions for contingent lease rentals.

34 CONTINGENT LIABILITIES

(a) Financial guarantees issued

The Group issued following financial guarantees to banks in respect of the bank loans granted to an associate:

	2015	2014
	RMB'000	*RMB'000*
Financial guarantees to banks for:		
– An associate	**25,374**	30,878
	25,374	30,878

As at 31 December 2015, the directors do not consider it probable that a claim will be made against the Group under any of the guarantees.

(b) Contingent liability in respect of taxes on CDM revenue

Up to date, there have been no rules issued on whether the revenue from sales of CERs is subject to any VAT or business tax. Based on the discussions with local tax authorities, the directors of the Company are of the opinion that no such taxes will be applicable to the revenue from sales of CERs. Therefore, the Group has not made any provision on such contingencies.

(c) Contingent liability in respect of the resettlement compensation for Mianhuatan Hydropower

As set out in note 27(i), Mianhuatan Hydropower has been requested by the relevant local government authority to further 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. The final resettlement compensation has yet to be determined by the Fujian DRC and the NDRC. Mianhuantan Hydropower has prepaid aggregated amount of RMB390 million during the years ended 31 December 2009, 2010 and 2011 in relation to this dispute and has recognised a provision of RMB40 million during the year ended 31 December 2011 based on the assessment of the circumstances.

Huadian has undertaken to indemnify the Group against its losses, claims, charges and expenses arising from the relocation and resettlement of local residents in relation to Mianhuatan Project if the additional compensation the NDRC requires the Group to pay is to exceed the RMB40 million.

35 MATERIAL RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The Group is part of a large group of companies under Huadian and has significant transactions and relationships with the subsidiaries of Huadian.

The principal related party transactions which were carried out in the ordinary course of business are as follows:

	2015	2014
	RMB'000	*RMB'000*
Purchase of power generation quota from		
A fellow subsidiary	**42,160**	–
Purchase of coal shipping service from		
Fellow subsidiaries	**116,484**	108,879
An associate	**10,239**	5,714
Purchase of construction service and construction materials from		
Fellow subsidiaries	**1,286,834**	955,692
An associate	**1,478,588**	706,916
Office rental and property management service provided by		
Fellow subsidiaries	**25,359**	16,399
Sale of goods and providing service to		
Fellow subsidiaries	**679**	13,530
Associates	**159,262**	–
Purchases of coal from		
Fellow subsidiaries	**1,009,518**	1,097,431
Loan guarantees (revoked to)/provided to		
An associate	**(5,504)**	4,452

35 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Transactions with related parties (continued)

	2015	2014
	RMB'000	*RMB'000*
Loan guarantees revoked by		
Huadian	**394,300**	1,390,700
Loans (repaid to)/received from		
Fellow subsidiaries	**(413,948)**	272,664
Huadian	**–**	1,000,000
Net deposit change in		
Huadian Finance	**(908,803)**	1,236,347
Interest expenses		
Fellow subsidiaries	**45,510**	52,744
Huadian	**193,177**	154,346
Interest income		
Huadian Finance	**15,972**	17,463
Associates	**1,568**	5,005
Purchase of unquoted equity investment from		
Huadian	**1,115,857**	–
Increase investment in		
A fellow subsidiary	**120,215**	–
Associates and joint ventures	**804,442**	882,148

(b) Outstanding balances with related parties

Details of the outstanding balances with related parties are set out in notes 21, 24, 26, 27 and 34(a).

35 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Transactions with other state-controlled entities in the PRC

The Group is a state-controlled entity and operates in an economic regime currently dominated by entities directly or indirectly owned or controlled by the PRC government and numerous government authorities and agencies (collectively referred to as "government-related entities").

Apart from transactions mentioned above, the Group conducts a majority of its business activities with government-related entities in the ordinary course of business. These transactions are carried out at terms similar to those that would be entered into with non-government-related entities. Transactions with other government-related entities included but are not limited to the following:

– Sales of electricity;

– Depositing and borrowing money;

– Purchase of materials and receiving construction work services; and

– Service concession arrangements.

The tariff of electricity is regulated by relevant government authorities. The Group prices its other services and products based on commercial negotiations. The Group has also established its approval processes for sales of electricity, purchase of products and services and its financing policy for borrowing. Such approval processes and financing policy do not depend on whether the counterparties are government-related entities or not.

For the year ended 31 December 2015, revenue from the sales of electricity made to the provincial power grid companies which are government-related entities accounted for 92.36% of total revenue from the sales of electricity (2014: 98.75%). As at 31 December 2015, the trade debtors and bills receivable due from these power grid companies accounted for 89.66% of total trade and bills receivable (31 December 2014: 95.67%).

The Company and its subsidiaries maintained substantially all of the bank deposits in government-related financial institutions while lenders of substantially all of the Company and its subsidiaries' loans are also government-related financial institutions, associated with the respective interest income or interest expense incurred.

Other collectively significant transactions with government-related entities also included a large portion of equipment and materials purchases, and property, plant and equipment construction services received, and the service concession arrangements.

35 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(d) Key management personnel remuneration

Key management personnel are those persons holding positions with authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including the Group's directors.

Remuneration for key management personnel, including amounts paid to the Company's directors and supervisors as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

	2015	2014
	RMB'000	*RMB'000*
Salaries and other emoluments	**3,550**	2,704
Discretionary bonus	**2,903**	2,834
Retirement scheme contributions	**663**	651
	7,116	6,189

(e) Contributions to defined contribution retirement plans

The Group participates in various defined contribution retirement plans organised by municipal and provincial governments and Huadian for its staff. As at 31 December 2015 and 2014, there was no material outstanding contribution to post-employment benefit plans.

(f) Commitment with related parties

	At 31 December 2015	At 31 December 2014
	RMB'000	*RMB'000*
Capital commitment	**780,264**	3,170,965
Commitment for office rental and property management fee	**44,347**	135,075

35 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(g) Applicability of the Listing Rules relating to connected transactions

The related party transactions with Huadian and its subsidiaries in respect of the sales and purchase of goods, providing and receiving service, borrowing loans, and purchase of interest in associate, as disclosed in note 35(a), constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in section "Connected transactions" of the Director's Report of the Group for the year ended 31 December 2015.

36 RETIREMENT PLANS

The Group is required to make contributions to retirement plans operated by the State at range from 14% to 22% of the total staff salaries. A member of the plan is entitled to receive from the State a pension equal to a fixed proportion of his or her salary prevailing at the retirement date. In addition, the Group and its staff participate in a retirement plan managed by Huadian to supplement the above mentioned plan. The Group has no other material obligation to make payments in respect of pension benefits associated with these plans other than the annual contributions described above.

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION

	31 December 2015 ***RMB'000***	31 December 2014 *RMB'000*
Non-current assets		
Property, plant and equipment	**1,568,134**	1,393,683
Lease prepayments	**78,191**	78,317
Intangible assets	**8,827**	7,866
Investments in subsidiaries	**16,168,279**	10,113,633
Interest in associates and joint ventures	**5,640,050**	3,718,250
Other non-current assets	**1,176,293**	636,422
Total non-current assets	**24,639,774**	15,948,171

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued)

	31 December 2015 *RMB'000*	31 December 2014 *RMB'000*
Current assets		
Inventories	**1,033**	1,521
Trade debtors and bills receivable	**142,200**	45,249
Prepayments and other current assets	**1,392,174**	5,862,495
Restricted deposits	**54,846**	54,846
Cash and cash equivalents	**148,656**	1,578,793
Total current assets	**1,738,909**	7,542,904
Current liabilities		
Borrowings	**6,643,371**	6,895,500
Trade creditors and bills payable	**5,608**	5,220
Other payables	**891,703**	800,481
Deferred income	**35**	35
Total current liabilities	**7,540,717**	7,701,236
Net current liabilities	**(5,801,808)**	(158,332)
Total assets less current liabilities	**18,837,966**	15,789,839

37 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION (continued)

	31 December 2015 RMB'000	31 December 2014 RMB'000
Non-current liabilities		
Borrowings	**3,714,176**	3,935,519
Deferred income	**1,797**	1,832
Total non-current liabilities	**3,715,973**	3,937,351
NET ASSETS	**15,121,993**	11,852,488
CAPITAL AND RESERVES		
Share capital	**8,407,962**	8,407,962
Reserves	**4,720,031**	3,444,526
Perpetual medium-term notes	**1,994,000**	–
TOTAL EQUITY	**15,121,993**	11,852,488

Approved and authorised for issue by the board of directors on 23 March 2016.

FANG Zheng
Chairman

LI Lixin
Director

38 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES IN APPLYING THE GROUP'S ACCOUNTING POLICIES

The Group's financial condition and results of operations are sensitive to accounting methods, assumptions and estimates that underlie the preparation of the financial statements. The Group bases the assumptions and estimates on historical experience and on various other assumptions that the Group believes to be reasonable and which form the basis for making judgments about matters that are not readily apparent from other sources. On an on-going basis, management evaluates its estimates. Actual results may differ from those estimates as facts, circumstances and conditions change.

The selection of critical accounting policies, the judgments and other uncertainties affecting application of those polices and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered when reviewing the financial statements. The principal accounting policies are set forth in note 2. The Group believes the following critical accounting policies involve the most significant judgments and estimates used in the preparation of the financial statements.

(a) Impairment losses for bad and doubtful debts

The Group estimates impairment losses for bad and doubtful debts resulting from the inability of the customers and other debtors to make the required payments. The Group bases the estimates on the aging of the receivable balance, debtors' credit-worthiness, and historical write-off experience. If the financial condition of the customers and debtors were to deteriorate, actual write-offs would by higher than estimated.

(b) Impairment losses of non-current assets

In considering the impairment losses that may be required for certain of the Group's assets which include property, plant and equipment, lease prepayments and intangible assets, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs to sell and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flow generated by the asset are discounted to their present value, which requires significant judgment relating to items such as level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sale volume, selling price and amount of operating costs.

(c) Recognition of deferred tax assets

Deferred tax assets in respect of unused tax losses and deductible temporary differences are recognised and measured based on the expected manner of realization or settlement of the carrying amount of the relevant assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. In determining the carrying amounts of deferred tax assets, expected taxable profits are estimated which involves a number of assumptions relating to the operating environment of the Group and require a significant level of judgment exercised by the directors. Any change in such assumptions and judgment would affect the carrying amounts of deferred tax assets to be recognised and hence the net profit in future years.

38 CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES IN APPLYING THE GROUP'S ACCOUNTING POLICIES (continued)

(d) Depreciation

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of the assets, after taking into account the estimated residual value. The Group reviews the estimated useful lives of the assets regularly. The useful lives are based on the Group's historical experience with similar assets and taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are significant changes from previous estimates.

(e) Income tax

The Group files income taxes with a number of tax authorities. Judgment is required in determining the provision for taxation. There are many transactions and calculations for which the ultimate tax determinations are uncertain during the ordinary course of business. Where the final tax outcomes of these matters are different from the amounts originally recorded, the differences may impact the current income tax and deferred income tax provisions in the periods in which the final tax outcomes became available.

(f) Provision for guarantees

Provision for outstanding guarantees is recognised if it becomes probable that the holders of these guarantees will call upon the Group under the guarantees and the amount of that claim on the Group is expected to exceed the amount currently carried in payables in respect of the guarantee. The Group reviews the financial position of these guarantee holders regularly and estimates the amount to claim on the Group based on historical experience. If the financial position of these guarantee holders were to deteriorate, actual provisions would be higher than estimated.

39 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2015, the directors consider the immediate parent and ultimate controlling party of the Group to be Huadian, which is a state-owned enterprise established in the PRC. Huadian does not produce financial statements available for public use.

(Expressed in RMB unless otherwise indicated)

40 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2015

Up to the date of issue of these financial statements, the IASB has issued a few amendments and a new standard which are not yet effective for the year ended 31 December 2015 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Annual improvements to IFRSs 2012-2014 Cycle	1 January 2016
Amendments to IFRS 11, *Accounting for acquisitions of interests in joint operations*	1 January 2016
Amendments to IAS 1, *Disclosure intiative*	1 January 2016
Amendments to IAS 16 and IAS 38, *Clarification of acceptable methods of depreciation and amortisation*	1 January 2016
IFRS 15, *Revenue from contracts with customers*	1 January 2018
IFRS 9, *Financial instruments*	1 January 2018
Amendments to IFRS 10 and IAS 28, *Sale or contribution of assets between an investor and its associate or joint venture*	Unspecified

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

41 SUBSEQUENT EVENTS

On 23 March 2016, the Board of the Company proposed a final dividend. Further details are disclosed in note 30(b).

Definition and Glossary of Technical Terms

"Articles of Association"	the articles of association of the Company
"Group"	Huadian Fuxin Energy Corporation Limited and its subsidiaries
"Company", "we" or "us"	Huadian Fuxin Energy Corporation Limited
"Board"	the board of Directors of the Company
"Directors"	the director(s) of the Company
"Supervisors"	the supervisor(s) of the Company
"attributable consolidated installed capacity"	calculated by multiplying our equity interest (whether or not such interest is a controlling interest) in the power generating projects by their installed capacity, usually denominated in MW
"average utilization time"	the gross generation in specified period divided by the average installed capacity in such period
"biomass"	plant material, vegetation or agricultural waste used as a fuel or energy source
"CDM"	the Clean Development Mechanism, an arrangement under the Kyoto Protocol allowing industrialized countries to invest in projects that reduce greenhouse gas emissions in developing countries in order to earn emission credits
"Thirteenth Five-Year Plan"	"Thirteenth Five-Year Plan" with the full name being the Outline of the Thirteenth Five-Year Plan for National Economic and Social Development of the People's Republic of China, and the term of the "Thirteenth Five-Year Plan" starts in 2016 and ends in 2020
"consolidated installed capacity"	the aggregate amount of installed capacity of our operating power generating projects that we fully consolidate in our consolidated financial statements. For wind power projects, consolidated installed capacity refers to the aggregate amount of installed capacity of our grid-connected wind power projects
"Corporate Governance Code and Report"	the Corporate Governance Code and Corporate Governance Report in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"electricity sales"	the actual amount of electricity sold by a power plant in a particular period which equals gross power generation less consolidated auxiliary electricity

"gross generation"	for a specified period, the total amount of electricity produced by a power generating project during that period
"GW"	gigawatt, a unit of power, 1 GW = 1,000 MW
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Huadian"	China Huadian Corporation
"Huadian Engineering"	China Huadian Engineering Co., Ltd. (中國華電科工集團有限公司), a subsidiary of Huadian
"Huadian Finance"	China Huadian Finance Co., Ltd. (中國華電集團財務有限公司), a subsidiary of Huadian
"Huadian Group"	Huadian and its subsidiaries (excluding the Company and its subsidiaries)
"Kemen Phase III"	the Phase III expansion project of Fujian Huadian Kemen Power Generation Company Limited
"Shaowu Phase III"	the Phase III expansion project of Fujian Huadian Shaowu Power Generation Company Limited
"Fuqing Nuclear"	Fujian Fuqing Nuclear Power Company Limited
"kW"	kilowatt, a unit of power. 1 kW = 1,000 watts
"kWh"	kilowatt-hour, a unit of energy. The standard unit of energy used in the electric power industry. One kilowatt-hour is the amount of energy that would be produced by a power generator producing one thousand watts for one hour
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
"MW"	megawatt, a unit of power. 1 MW = 1,000 kW. The capacity of a power project is generally expressed in MW
"MWh"	megawatt-hour, a unit of energy. 1 MWh = 1,000 kWh
"NDRC"	National Development and Reform Commission of the People's Republic of China

"on-grid tariff"	the selling price of electricity for which a power generating project could sell the electricity it generated to the power grid companies, usually denominated in RMB per kWh (such on-grid tariff includes value-added tax)
"PRC" or "China"	the People's Republic of China
"Party"	the Communist Party of China
"Reporting Period"	the period from the 1 January 2015 to 31 December 2015
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time

Corporate Information

LEGAL NAME OF THE COMPANY

華電福新能源股份有限公司

ENGLISH NAME OF THE COMPANY

Huadian Fuxin Energy Corporation Limited

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HEAD OFFICE IN THE PRC

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MEMBERS OF THE BOARD

Executive Directors

Mr. Fang Zheng *(Chairman of the Board)*
Mr. Jiang Bingsi
Mr. Li Lixin

Non-executive Directors

Mr. Zong Xiaolei
Mr. Tao Yunpeng

Independent non-executive Directors

Mr. Zhou Xiaoqian
Mr. Zhang Bai
Mr. Tao Zhigang

COMMITTEES OF THE BOARD

Audit and Risk Management Committee

Mr. Zhang Bai *(Independent Non-executive Director) (Chairman)*
Mr. Tao Zhigang *(Independent Non-executive Director)*
Mr. Zong Xiaolei *(Non-executive Director)*

Nomination Committee

Mr. Zhou Xiaoqian *(Independent Non-executive Director) (Chairman)*
Mr. Fang Zheng *(Executive Director and Chairman of the Board)*
Mr. Tao Zhigang *(Independent Non-executive Director)*

Remuneration and Assessment Committee

Mr. Zhou Xiaoqian *(Independent Non-executive Director) (Chairman)*
Mr. Zhang Bai *(Independent Non-executive Director)*
Mr. Jiang Bingsi *(Executive Director)*

Strategic Committee

Mr. Fang Zheng *(Executive Director and Chairman of the Board) (Chairman)*
Mr. Zhou Xiaoqian *(Independent Non-executive Director)*

SUPERVISORS

Mr. Li Changxu
Mr. Wang Kun
Mr. Hou Jiawei
Ms. Hu Xiaohong
Mr. Yan Zhongjun
Mr. Zou Xuanyong
Mr. Chen Wenxin
Ms. Ding Ruiling

COMPANY SECRETARY

Ms. Mok Ming Wai

LEGAL REPRESENTATIVE OF THE COMPANY

Mr. Fang Zheng

AUTHORIZED REPRESENTATIVES

Mr. Fang Zheng
Ms. Mok Ming Wai

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STOCK CODE

00816