華潤電力控股有限公司
China Resources Power Holdings Company Limited

(Stock Code : 836)

WE ARE THE SOLUTION

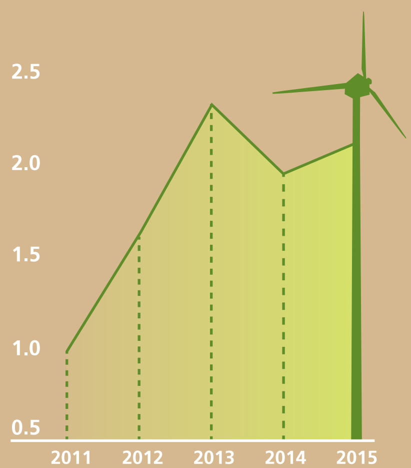
ANNUAL REPORT 2015

CONTENTS

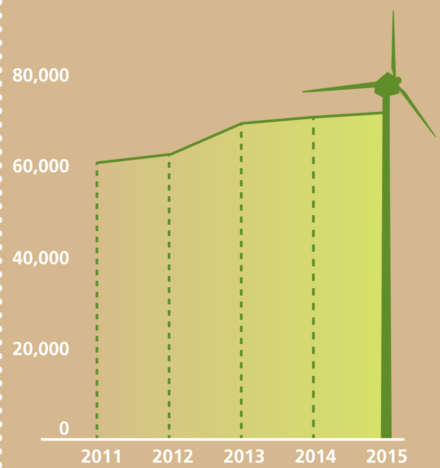
5-Year Summary

	2015	2014	2013	2012	2011
Earnings per share (HK$)					
Basic	**2.10**	1.94	2.32	1.59	0.95
Diluted	**2.10**	1.93	2.31	1.58	0.94
Turnover (HK$'000)	**71,435,875**	70,680,628	69,581,526	62,435,520	60,708,674
Profit attributable to owners of the Company (HK$'000)	**10,025,241**	9,214,858	11,015,526	7,478,916	4,450,576
Dividend per share (HK$)	**0.85**	0.78	0.75	0.51	0.30

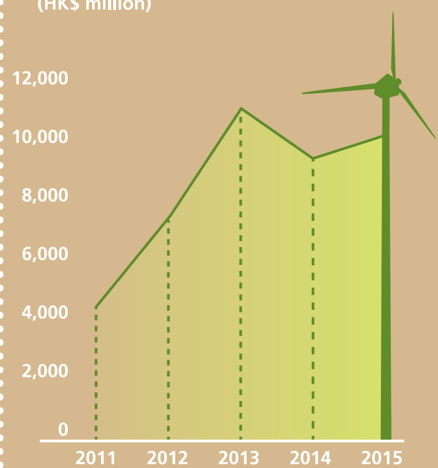
Basic earnings per share
(HK$)



Turnover
(HK$ million)



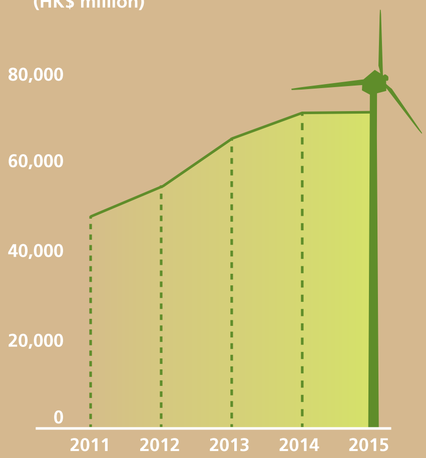
Profit attributable to owners of the Company
(HK$ million)



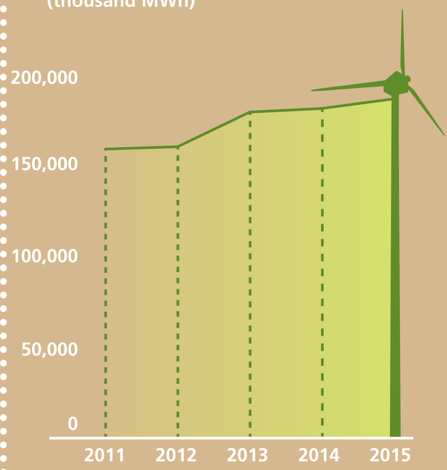
5-Year Summary

	2015	2014	2013	2012	2011
Consolidated statement of financial position (HK$'000)					
Non-current assets	**182,252,640**	192,813,529	182,830,396	150,996,410	142,559,745
Current assets	**25,833,239**	32,834,552	31,034,507	26,793,308	25,806,144
Current liabilities	**59,665,153**	56,056,017	51,956,141	47,498,571	48,976,437
Non-current liabilities	**64,681,383**	83,799,696	77,175,881	61,395,146	57,817,287
Equity attributable to owners of the Company	**70,917,575**	70,794,403	64,985,061	54,042,983	47,472,998
Total assets	**208,085,879**	225,648,081	213,864,903	177,789,718	168,365,889
Cash and cash equivalents	**7,273,945**	8,285,135	6,035,046	4,397,289	4,496,605
Bank and other borrowings	**88,517,336**	100,432,860	92,569,457	83,381,954	82,987,231
Attributable operational generation capacity (MW)					
Eastern China	**12,421**	12,383	11,003	10,742	10,628
Central China	**9,373**	8,902	7,282	5,715	4,205
Southern China	**7,037**	4,945	4,790	4,632	3,779
Northern China	**3,706**	3,166	2,640	2,548	2,440
Northeastern China	**1,622**	1,453	725	1,153	1,073
Southwestern China	**368**	280	280	280	—
Northwestern China	**205**	201	201	201	105
Total	**34,731**	31,331	26,921	25,271	22,230
Clean and renewable energy	**4,611**	3,910	3,229	1,978	1,458

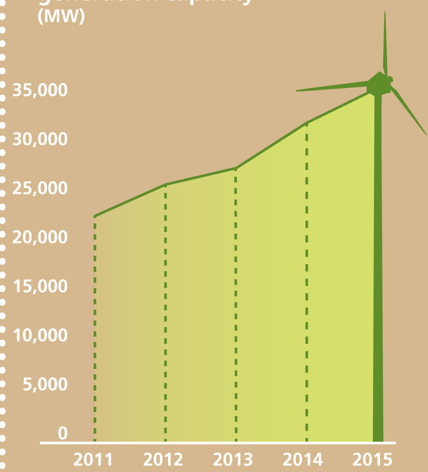
Equity attributable to owners of the Company
(HK$ million)



Net generation volumn of opterating power plants
(thousand MWh)



Attributable operational generation capacity
(MW)



About CR Power

China Resources Power Holdings Company Limited (the "Company" or "CR Power") is a fastgrowing energy company which invests, develops, operates and manages coal-fired power plants, wind farms, photovolbaic power projects hydro-electric projects and other clean and renewable energy projects in the more affluent regions or regions with abundant coal resources in China.

As at 31 December 2015, CR Power has 39 coal-fired power plants, 2 hydro-electric plants, 1 gas-fired plant, 1 photovoltaic power plant and 66 wind farms in commercial operation. The total attributable operational generation capacity of the Company is 34,731MW, with 35.8% of our capacity located in Eastern China, 27.0% located in Central China, 20.3% located in Southern China, 10.7% located in Northern China, 4.7% located in Northeastern China, 1.1% located in Southwestern China and 0.6% located in Northwestern China. Attributable operational generation capacity in wind power, gas, hydropower and photovoltaic power totalled 4,611MW, accounting for approximately 13.3% of attributable operational generation capacity.

China Resources (Holding) Co., Ltd ("CRH")

62.987%

China Resources Power Holdings Co.,Ltd.

Coal-fired 1000MW

- Xuzhou (Phase III)
- Hubei (Phase II)
- Hezhou
- Haifeng
- Cangnan

Coal-fired 600MW

- Changshu
- Fuyang
- Liyujiang B
- Shouyangshan
- Changzhou
- Zhenjiang 630
- Yangzhou No.2
- Shaojiao C
- Nanjing Thermal
- Heze
- Dengfeng (Phase II)
- Jiaozuo Longyuan
- Guizhou Liuzhi
- Wujianfang

Coal-fired 300MW

- Huaxin
- Liyujiang A
- Cangzhou
- Dengfeng
- Gucheng
- Hubei
- Lianyuan
- Caofeidian
- Dengkou
- Guangzhou Thermal
- Nanjing Banqiao
- Xuzhou
- Wenzhou Telluride
- Hengfeng
- Hengxing
- Nanjing Chemical Industry Park(Phase II)
- Yichang
- Panjin
- Tangshan Fengrun
- Bohai Xinqu

Coal-fired ≤200MW

- Yixing
- Xingning
- Luoyang
- Shenhai Thermal
- Nanjing Chemical Industrial Park
- Zhenjiang 140

Clean Energy

- Dannan Wind
- Shantou Wind
- Chaonan Wind
- Dahao Wind
- Huilai Xian'an Wind
- Huilai Guanshan Wind
- Yangxi Longgaoshan Wind
- Penglai Wind
- Penglai Xujiaji Wind
- Daliuhang Wind
- Daxindian Wind
- Weihai ETD Zone Wind
- Weihai Huancui Wind
- Qingdao Wind Phase I
- Fuxin Wind
- Fuxin Wind Phase II
- Jianping Wind
- Bayinxile Wind
- Chengde Weichang Wind Phase I
- Chengde Weichang Wind Phase II
- Chengde Weichang Wind Phase III & IV & V
- Guazhou Wind
- Jiamusi Wind
- Wulian Wind Phase I
- Jüxian Wind Phase I
- Manzhouli Wind
- Suizhou Wind
- Datong Wind
- Lianzhou Wind
- Lianzhou Quanshui Wind
- Qingdao Wind Phase II
- Datong Guangling Wind
- Datong Shengquan Wind
- Biyang Wind
- Beipiao Wind
- Yangjiang Wind
- Yangjiang Wind Phase II
- Linwu Wind
- Suizhou Fengming Wind
- Datong Yanggao Wind
- Datong Changcheng Wind
- Biyang Zhongxiang Wind
- Wulian Wind Phase II
- Jüxian Wind Phase II
- Jinzhou Wind
- Jining Wind
- Linghai Wind
- Lufeng Wind
- Xinyi Wind
- Zaoyang Wind
- Rizhao Wind
- Nantong Wind
- Zoucheng Wind
- Linyi Wind
- Liping Wind
- Jinping Wind
- Suixian Tianhekou Wind
- Rongxian Wind
- Beipiao Wind
- Wulanchabu Wind
- Wulanchabu Bayin Wind
- Wulanchabu Hongmu Wind
- Yicheng Wind
- De'an Wind
- Xinzhou Wind
- Huanxian Wind
- Shanxi Tianzhen Solar
- Honghe Hydro
- Yazuihe Hydro
- Beijing Thermal
- Linghai Wind
- Suixian Tianhekou Wind
- Jinzhou Wind
- Lianzhou Wind
- Haiyang Wind
- Huilai Wind
- Linyi Wind
- Rongxian Wind
- Fujin Wind
- Biyang Pangu Wind
- Zaoyang Wind
- Mulanweichang Wind
- Huanxian Wind
- Dongying Wind
- Liping Wind
- Jianhe Wind
- De'an Wind
- Nantong Wind
- Haiyuan Wind
- Xuwen Wind
- Xinzhou Wind
- Linfen Wind
- Yunnan Zhaotong Solar
- Heilongjiang Tailai Solar
- Shanxi Xinrong Solar
- Qinghai Delingha Solar
- Yunnan Midu Solar

Note: Projects under construction are marked in green.

109 power plants in commercial operation

As at 31 December 2015, total attributable operational generation capacity of the company is

34,731 MW

with **4,611** MW in Clean and Renewable Energy

Service Areas

PROVINCE/REGION	POWER PLANTS/WIND FARMS/PHOTOVOLTAIC POWER/HYDRO-ELECTRIC	INSTALLED CAPACITY (MW)	EFFECTIVE EQUITY INTEREST	ATTRIBUTABLE INSTALLED CAPACITY (MW)
Jiangsu	Changshu	1,950.0	100.0%	1,950.0
	Nanjing Thermal	1,200.0	100.0%	1,200.0
	Xuzhou Phase III	2,000.0	60.0%	1,197.2
	Zhenjiang	1,540.0	42.5%	654.5
	Yangzhou No. 2	1,260.0	45.0%	567.0
	Xuzhou	1,280.0	42.7%	545.9
	Nanjing Chemical Industry Park Phase II	600.0	90.0%	540.0
	Huaxin	660.0	72.0%	475.2
	Nanjing Banqiao	660.0	65.0%	429.0
	Changzhou	1,260.0	25.0%	315.0
	Nanjing Chemical Industry Park	110.0	90.0%	99.0
	Yixing	120.0	55.0%	66.0
	Nantong Wind	49.5	100.0%	49.5
	Nantong Wind	16.0	100.0%	16.0
Guangdong	Liyujiang B	1,300.0	100.0%	1,300.0
	Shajiao C	1,980.0	36.0%	712.8
	Guangzhou Thermal	600.0	100.0%	600.0
	Liyujiang A	630.0	60.0%	378.0
	Xingning	270.0	100.0%	270.0
	Haifeng	2,000.0	100.0%	2,000.0
	Chaonan Wind	155.9	100.0%	155.9
	Yangxi Longgaoshan Wind	89.8	100.0%	89.8
	Huilaiguanshan Wind	78.0	100.0%	78.0
	Huilaixian'an Wind	37.5	100.0%	37.5
	Shantou Wind	29.3	100.0%	29.3
	Dahao Wind	18.0	100.0%	18.0
	Dannan Wind	24.0	55.0%	13.2
	Lianzhou Wind	100.0	100.0%	100.0
	Lianzhou Quanshui Wind	70.0	100.0%	70.0
	Yangjiang Wind	45.5	100.0%	45.5
	Xinyi Wind	39.0	100.0%	39.0
	Lufeng Wind	66.0	100.0%	66.0
	Huilai Wind	8.0	100.0%	8.0
	Lianzhou Wind	30.0	100.0%	30.0
	Xuwen Wind	50.0	100.0%	50.0
Henan	Shouyangshan	1,200.0	85.0%	1,020.0
	Gucheng	600.0	100.0%	600.0
	Dengfeng	1,840.0	75.0%	1,380.0
	Luoyang	100.0	51.0%	51.0
	Jiaozuo Longyuan	1,320.0	100.0%	1,320.0
	Biyang Wind	65.0	100.0%	65.0
	Biyang Zhongxiang Wind	39.0	100.0%	39.0
	Biyang Pangu Wind	33.0	100.0%	33.0
Hebei	Cangzhou	660.0	95.0%	627.0
	Caofeidian	600.0	90.0%	540.0
	Tangshan Fengrun	700.0	60.0%	420.0
	Hengfeng	600.0	25.0%	150.0
	Hengxing	600.0	25.0%	150.0
	Chengde Weichang Wind Phase I	48.0	100.0%	48.0
	Chengde Weichang Wind Phase II	46.5	100.0%	46.5
	Chengde Weichang Wind Phase III, IV, V	151.5	100.0%	151.5
	Bohai Xinqu	700.0	100.0%	700.0
	Mulanweichang Wind	150.0	100.0%	150.0
Liaoning	Shenhai Thermal	600.0	54.1%	324.7
	Panjin	700.0	100.0%	700.0
	Fuxin Wind	99.0	100.0%	99.0
	Jianping Wind	99.0	100.0%	99.0
	Beipiao Wind	198.1	100.0%	198.1
	Jinzhou Wind	34.5	100.0%	34.5
	Linghai Wind	73.5	100.0%	73.5
	Fuxin Wind Phase II	49.5	100.0%	49.5
	Jinzhou Wind	15.0	100.0%	15.0
	Linghai Wind	25.5	100.0%	25.5

Note: Projects under construction are marked in green

Service Areas

PROVINCE/REGION	POWER PLANTS/WIND FARMS/PHOTOVOLTAIC POWER/HYDRO-ELECTRIC	INSTALLED CAPACITY (MW)	EFFECTIVE EQUITY INTEREST	ATTRIBUTABLE INSTALLED CAPACITY (MW)
Shandong	Heze	1,200.0	90.0%	1,080.0
	Weihai ETD Zone Wind	49.8	100.0%	49.8
	Weihai Huancui Wind	49.8	100.0%	49.8
	Daliuhang Wind	49.8	100.0%	49.8
	Daxindian Wind	49.8	100.0%	49.8
	Penglai Wind	48.0	95.0%	45.6
	Penglai Xujiaji Wind	46.6	95.0%	44.3
	Qingdao Wind Phase I	50.0	100.0%	50.0
	Qingdao Wind Phase II	50.0	100.0%	50.0
	Jining Wind	49.5	100.0%	49.5
	Jüxian Wind Phase I	50.0	100.0%	50.0
	Jüxian Wind Phase II	50.0	100.0%	50.0
	Wulian Wind Phase I	50.0	100.0%	50.0
	Wulian Wind Phase II	50.0	100.0%	50.0
	Zoucheng Wind	44.0	100.0%	44.0
	Linyi Wind	78.0	100.0%	78.0
	Rizhao Wind	48.6	100.0%	48.6
	Dongying Wind	100.0	100.0%	100.0
	Linyi Wind	20.0	100.0%	20.0
	Haiyang Wind	50.0	100.0%	50.0
	Linyi Wind Phase II	2.0	100.0%	2.0
Inner Mongolia Autonomous Region	Dengkou	600.0	75.0%	450.0
	Bayinxile Wind	99.0	100.0%	99.0
	Manzhouli Wind Phase I	49.5	100.0%	49.5
	Wulanchabu Wind	49.5	100.0%	49.5
	Manzhouli Wind Phase II	49.5	100.0%	49.5
	Wulanchabu Bayin Wind	49.5	100.0%	49.5
	Wulanchabu Hongmu Wind	49.5	100.0%	49.5
	Wujianfang	1,320	100.0%	1,320
Hubei	Hubei	600.0	100.0%	600.0
	Hubei Phase II	2,000.0	100.0%	2,000.0
	Yichang	700.0	100.0%	700.0
	Suizhou Wind	76.8	100.0%	76.8
	Suizhou Fengming Wind	49.5	100.0%	49.5
	Suixian Tianhekou Wind	148.5	100.0%	148.5
	Zaoyang Wind	91.5	100.0%	91.5
	Guangshui Wind	49.8	100.0%	49.8
	Yicheng Wind	50.0	100.0%	50.0
	Suixian Tianhekou Wind	105.5	100.0%	105.5
	Zaoyang Wind	8.0	100.0%	8.0
	Haiyuan Wind	212.0	100.0%	212.0
Guangxi Autonomous Region	Hezhou	2,000.0	50.0%	1,000.0
	Rongxian Wind	52.0	100.0%	52.0
	Rongxian Wind	36.0	100.0%	36.0
Anhui	Fuyang	1,280.0	55.0%	704.0
Hunan	Lianyuan	600.0	100.0%	600.0
	Linwu Wind	68.0	100.0%	68.0
Zhejiang	Wenzhou Telluride	600.0	40.0%	240.0
	Cangnan	2,000.0	75.0%	1,500.0
Yunnan	Honghe Hydro	210.0	70.0%	147.0
	Zhaotong Solar	20.0	100.0%	20.0
	Midu Solar	20.0	100.0%	20.0
Sichuan	Yazuihe Hydro	260.0	51.0%	132.6
Gansu	Guazhou Wind	201.0	100.0%	201.0
	Huanxian Wind	4.0	100.0%	4.0
	Huanxian Wind	46.0	100.0%	46.0
Beijing	Beijing Thermal	150.0	51.0%	76.5
Heilongjiang	Jiamusi Wind	43.5	100.0%	43.5
	Fujin Wind	50.0	100.0%	50.0
	Tailai Solar	20.0	100.0%	20.0
Shanxi	Datong Wind	198.0	100.0%	198.0
	Datong Guangling Wind	50.0	100.0%	50.0
	Datong Yanggao Wind	49.5	100.0%	49.5
	Datong Shengquan Wind	50.0	100.0%	50.0
	Datong Changcheng Wind	49.5	100.0%	49.5
	Datong Wind	20.0	100.0%	20.0
	Xinzhou Wind	49.5	100.0%	49.5
	Tianzhen Solar	20.0	100.0%	20.0
	Linfen Wind	99.0	100.0%	99.0
	Xinzhou Wind	73.5	100.0%	73.5
	Xinrong Solar	50.0	100.0%	50.0
Guizhou	Jinping Wind	32.0	100.0%	32.0
	Liping Wind	56.0	100.0%	56.0
	Jianhe Wind	97.5	100.0%	97.5
	Liping Wind	158.0	100.0%	158.0
	Guizhou Liuzhi	1,320.0	100.0%	1,320.0
Qinghai	Delingha Solar	20.0	100.0%	20.0

Note: Projects under construction are marked in green

Chairman's Statement

The Best Employer = World-Class Enterprise

Dear Shareholders,

On behalf of the Board, I am pleased to present the annual results of CR Power for the year ended 31 December 2015.

Dear Shareholders,

On behalf of the Board, I present the annual results of CR Power (the "Company") (together with its subsidiaries, the "Group") for the year ended 31 December 2015.

In 2015, facing a slowdown in China's economy, CR Power continued to adhere to its development philosophy of "making progress while maintaining stability". The Group closely focused on its strategies complementing the "Twelfth Five-Year Plan", its annual business plan and on the improvement of development quality and economic benefits, and continuously optimised its business structure and further improved operational management and risk management.

During the year, we were once again included in the Forbes Global 2000 and the Platts Top 250 Global Energy Companies lists for our excellent performance for the ninth consecutive year, ranking 646th and 75th, respectively. We ranked 3rd both globally and in the Asia-Pacific region among all independent power producers and energy traders. It was the first time that the Company was listed among the top 20 energy enterprises in the Asia-Pacific region. In December, we were rated as one of the top 20 Hang Seng Index enterprises in the Hong Kong Business Sustainability Index (HKBSI).

RESULTS

As at the end of 2015, equity attributable to owners of the Company and total assets of the Group amounted to HK$70,918 million and HK$208,086 million, respectively. Profit attributable to owners of the Company was approximately HK$10,025 million, representing an increase of HK$810 million or 8.8% compared to approximately HK$9,215 million in 2014. Excluding impairment losses incurred, underlying Net Profit was approximately HK$14,058 million. Basic earnings per share amounted to HK$2.10, representing an increase of 8.2% compared to HK$1.94 in 2014. The Board has resolved to recommend a final dividend of HK$0.75 per share, together with the interim dividend of HK$0.1 per share paid in November 2015, total dividends paid and proposed to be paid in 2015 is HK$0.85 per share.

As at the end of 2015, our attributable operational generation capacity of power plants amounted to 34,731 MW, representing an increase of about 10.9% over 31,331 MW as at the end of 2014; subsidiary power plants recorded a total gross generation volume of 151,278,105 MWh, increased by 8.0% over the same period last year, and a total net generation volume of 142,906,824 MWh, representing an increase of 8.2% over the same period last year.

(1) Coal-fired power business

As at the end of 2015, our attributable coal-fired operating generation capacity was 30,120 MW, accounting for approximately 86.7% of our total attributable generation capacity and representing a decrease of 0.8 percentage point as compared to that as at the end of 2014. We continued to expand our capacity by adding efficient units and disposing of inefficient units. During the year, five large, highly efficient coal-fired generation units were put into operation, resulting in an increase in the total attributable operating generation capacity of 3,360 MW while three small units of total attributable generation capacity of 440 MW were shut down.

Due to a slowdown in power consumption, rapid growth in hydropower generation and other factors, the average utilisation hours for coal-fired generation units in China decreased by 410 hours or 8.7% year on year. Our subsidiary coal-fired generation units, which were fully operational during the year, had 4,989 hours of average full-load equivalent utilisation hours, exceeding the national average by 660 hours. This was because most of our subsidiary power plants comprise of highly efficient large generation units, and are mainly located in areas with relatively strong demand for electricity, thus having certain market advantages.

(2) Renewable energy business

We continued to increase our investment in renewable energy projects and promote renewable development. In 2015, our approved wind power capacity and filed photovoltaic power capacity amounted to 2,920 MW and 280 MW, respectively. As at the end of 2015, our attributable operational generation capacity in wind power, gas, hydropower and photovoltaic power totalled 4,611 MW, accounting for approximately 13.3% of our total attributable operational generation capacity and representing an increase of 0.8 percentage point versus the end of 2014. Our wind power generation capacity and photovoltaic power generation capacity under construction was 1,415 MW and 130 MW, respectively.

Our wind farms are mainly located in eastern, central and southern China, regions with less curtailment issues. The average full-load equivalent utilisation hours of our wind farms which were operational for the whole year was 1,988 hours, exceeding the national average by 260 hours.

(3) Coal-mining business

In 2015, our subsidiary and associate coal mines produced a total of 13.90 million tonnes of coal, representing an increase of 19.3% from 2014, of which 12.02 million and 1.88 million tonnes were produced by our subsidiary coal mines and associate coal mines, respectively.

Due to the slowdown in China's economic growth, in particular the manufacturing sector, as well as the economic transition and industrial restructuring in the country, coal prices continued to drop. In response, we adopted a "one-mine, one policy" on our subsidiary coal mines. In 2015, we shut down four mines that had low production levels and four mines had ceased operation, which reduced our production capacity by approximately 0.48 million tonnes. At the same time, we further strengthened the production and cost management of our coal mines.

RESPONSIBILITY-DRIVEN APPROACH

We have been striving to create value for shareholders. In 2015, in face of the complex and changing economic and market conditions, we persisted with the principle of "Development with Integrity" to adapt to the new economic trend. Adhering to core elements of business development of centering around the "5M" strategic objectives i.e., "more solid, much stronger, much larger, much better and more sustainable", we operated our business in compliance with laws and in good faith. We strengthened and optimised the risk management system and established an effective and efficient operation system. By implementing lean management, benchmarking management and synergistic strategies in all business sectors, we enhanced the general management and operational efficiency and resulted in historical high major financial indicators of revenue, operating cash flows and net generation coal consumption rate in 2015, complementing the sustainable growth of the Company.

We are committed to conservation of resources and protecting the environment. During the Twelfth Five-Year Plan, in line with the energy and environmental protection strategies of the Chinese government, efforts were made on energy-saving and environmental protection and we promoted the development of clean energy projects. As at the end of 2015, all coal-fired units have been installed with desulfurisation, denitration and fine particles removal facilities. Twenty five operating coal-fired units with total attributable generation capacity of 10,418 MW have been equipped with ultra-low emission facilities, resulting in significant improvement in energy consumption and emission control. In 2015, the net generation standard coal consumption rate for subsidiary power plants was 307.0 g/kWh, a decrease of 3.55 g/kWh as compared with 2014. The emission of nitrogen oxide, sulphur dioxide and fine particles decreased by 0.24 g/kWh, 0.12 g/kWh and 0.03 g/kWh, respectively as compared with 2014. Comparing with the end of 2010, our net generation standard coal consumption rate decreased by 22.72 g/kWh and the total emission of nitrogen oxide, sulphur dioxide and fine particles decreased by 76%, 60% and 87%, respectively in the past five years. The percentage of generation capacity installed with ultra-low emission technology was 40%, significantly higher than the industry average of 15%.

We are committed to developing into a company with an intrinsic safety system. 2015 marks the year that CR Power enhanced its EHS system (E: environmental protection, energy-saving and emission reduction; H: occupational health; S: production safety). Adhering to the people-oriented principle, we continued to improve the working environment and equipment reliability,

Chairman's Statement

promoted safety awareness and enhanced the capability of all employees by optimizing the EHS system, supervision system, accountability system and contingency system at all levels of the Group. We also conducted EHS risk assessments, established EHS model bases, carried out safety practice surveillance, standardised operational indicators, implemented a NOSA Five-Star management system and conducted safety inspections and trainings in order to ensure work safety. In 2015, the Company had invested RMB480 million on production safety and maintained a stable and safe environment with no record of significant safety incidents throughout the year.

We are committed to the common development of employees and the Company. By establishing effective systems, we protect the legal rights and interests of our employees to ensure their safety and health. We also organised trainings for employees to facilitate their career development. In order to promote the work-life balance of the employees, we created a competitive, yet united and pleasant working environment to encourage improvement and personal value to enhance the employees' sense of belonging. As at the end of 2015, there were 39,728 employees in the Group.

Adhering to our long standing principle of contributing to the society, we insist on contributing to the society as much as possible. Our donations in relation to poverty relief, disaster relief, education and local economic development in 2015 was approximately RMB11.82 million.

While fulfilling our social responsibilities, we also placed a high degree of importance on communication and mutual-trust with stakeholders. In 2015, to further enhance the understanding of the society and stakeholders of CR Power, we enhanced communication with different parties through meetings, reports, websites and emails. Furthermore, we organised media visits of "Understanding the Green Development of CR Power" ("走進華潤電力,感受綠色發展") and held a press conference for our social responsibility report and organised various Corporate Open-Day, inviting members from the media, NGOs, students from universities, secondary schools and primary schools, residents from where our branches and operations are located and fund managers and research analysts to visit our plants to understand our work and effectiveness in environmental protection and social responsibility. We organised more than 60 Open Days, by different subsidiaries of the Group during the year. Our effort was widely recognized by the society. During the year, the Company was recognized as a Five-star Corporate according to China Social Responsibility Development Index (中國社會責任發展指數"五星級"企業), one of the top 20 constituent companies of the Hang Seng Index in the Hong Kong Business Sustainability Index (香港恒指公司可持續發展指數首20家企業) and was honoured several awards, including the Excellent Practice of Corporate Social Responsibility Award in China (中國企業社會責任榜優秀實踐獎) by CBN (第一財經) and Hong Kong

Power plants in commercial operation

+109

Green Corporate Award (香港綠色環保企業大獎).

OUTLOOK ON 2016

Electricity demand in China for 2016 is expected to grow at a slow pace. The market is increasingly competitive. The oversupply situation in the coal market is expected to continue due to excessive production capacity and coal price is expected to remain low. However, the promotion of renewable energy businesses, reform of the power industry and the implementation of the One-Belt, One-Road Strategy by the Chinese government will bring opportunities to the development of power producers.

In 2016, we will pursue the Thirteenth Five-Year development plan of the Company and optimise our business structure. We will develop high quality thermal power projects in a prudent manner by selecting projects with high potential. Based on the principles of proper geographical distribution of production bases and the balance of efficiency and scale, we will actively invest in wind power and photovoltaic power and will accelerate the development of hydroelectric power and distributed energy so as to increase the proportion of renewable energy in our business mix. We will adjust coal production by adopting the "one-mine, one-policy" to eliminate the mines with low production and improve the production of remaining mines. We will also seek opportunities to operate in the power retail business as potential new streams for profit growth for CR Power.

CR Power's future business development will emphasize on innovation, coordination, green, open and sharing. We will pursue the development of quality businesses through reform and restructuring by focusing on clean and low carbon energy businesses.

CR Power's future business development will emphasize on innovation, coordination, green, open and sharing. We will pursue the development of quality businesses through reform and restructuring by focusing on clean and low carbon energy businesses. With an aim to strengthen our capability and efficiency and enhance our competitiveness, we will continue to develop the market, reduce costs, prevent risks and implement lean management and benchmarking management. Upholding the idea of reforms and innovation, we will enhance our productivity to stimulate our development vitality. We will also focus on low carbon development and comprehensively promote ultra-low emission. In 2016, we intend to invest RMB1.17 billion to upgrade 20 coal-fired units for further reduction of emission of sulphur dioxide, nitrogen oxide and fine particles.

Strong results and a bright future ahead still requires a strong arm to steer the wheel into the right direction. I would like to express my sincere gratitude to our shareholders, partners and the community for their care and support. 2016 is the start of the 13th Five-Year Plan and an important year for CR Power to implement strategic plans for sustainable development. This year, CR Power will work hand-in-hand with all stakeholders to push for a "green future" so as to develop itself into an "outstanding international energy company aiming at sustainable development".

Zhou Junqing
Chairman

Hong Kong, 21 March 2016

Directors and Senior Management

DIRECTORS

Madam Zhou Junqing

Madam Zhou Junqing, aged 62, is the Chairman of the Board and the president and an Executive Director of the Company. She is also a deputy general manager of CRH. Prior to her joining the Company on 21 October 2011, she was an executive director of China Resources Cement Holdings Limited ("CR Cement") from June 2003 to October 2011, chairman of CR Cement from August 2008 to October 2011 and chief executive officer of CR Cement from September 2006 to August 2008.

Madam Zhou has 29 years of experience in international trade and corporate management. She holds a Bachelor's degree in wireless technology from the Tsinghua University, China in 1979 and she joined CRH in 1986.

Mr. Zhang Shen Wen

Mr. Zhang Shen Wen, aged 48, is the Vice Chairman of the Board and an Executive Director of the Company and the General Manager of China Resources New Energy Holdings Company Limited ("CR New Energy"). Mr. Zhang has considerable experience in the development of power plants. He served as the Executive Vice President of the Company between August 2003 and July 2010. He was the General Manager of the Finance and Accounting Department of the Company between July 2001 and September 2003 and was involved in the development of Liyujiang Phase II and the acquisitions of Shajiao C Power Plant and Wenzhou Telluride. Mr. Zhang joined China Resources National Corporation ("CRNC") in 1994 and worked at Hebei Hengfeng Power Generation Co., Ltd. between 1998 and 1999.

Mr. Zhang holds a Bachelor of Science degree in Electrical Automation from the North China University of Technology in China and a Bachelor's degree of Economics from the University of International Business and Economics in China. He also holds a Master's degree in Business Administration from the University of San Francisco in the United States of America.

Ms. Wang Xiao Bin

Ms. Wang Xiao Bin, aged 48, is an Executive Director and Chief Financial Officer and Company Secretary of the Company. Prior to joining the Company in July 2003, Ms. Wang was a director of corporate finance of ING Investment Banking, responsible for execution of capital markets and merger and acquisition transactions in the Asia Pacific region. She worked for Pricewaterhouse in Australia in the audit and business advisory division for five years before joining ING Barings. Ms. Wang is also an independent non-executive director of WorleyParsons Limited, a company listed on the Australian Securities Exchange.

Ms. Wang is a member of the Australian Society of Certified Practising Accountants and holds a graduate diploma in Applied Finance and Investment from the Securities Institute of Australia and a Bachelor's degree in Commerce from Murdoch University in Australia.

Directors and Senior Management

Mr. Du Wenmin

Mr. Du Wenmin, aged 52, was appointed as a Non-executive Director of the Company in July 2010. He was appointed as a non-executive director of China Resources Land Limited ("CR Land") in August 2007, a non-executive director of China Resources Beer (Holdings) Company Limited ("CR Beer", formerly known as China Resources Enterprise Limited) in September 2007, a non-executive director of China Resources Gas Group Limited ("CR Gas") in March 2008, and a non-executive director of CR Cement in August 2008. These are fellow subsidiaries of the Company and the shares of these companies are listed on the Main Board of the Stock Exchange of Hong Kong Limited ("HKEx"). He was the director of China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (listed on the Shenzhen Stock Exchange) and China Resources Double-Crane Pharmaceutical Co., Ltd. (listed on the Shanghai Stock Exchange) from June 2011 to December 2015 and from May 2012 to December 2015, respectively. He also was previously the managing director of China Resources Construction (Holdings) Limited ("CR Construction") and the internal audit director of CRH. Mr. Du is the deputy general manager and chief human resources officer of CRH. Mr. Du is also the director of CRNC.

Mr. Du holds a Master's degree in Business and Administration from the University of San Francisco, United States of America. He joined CRH in 1985.

Mr. Wei Bin

Mr. Wei Bin, aged 46, was appointed as a Non-executive Director of the Company in July 2010. He was appointed the chief financial officer of CRH. He was appointed as a non-executive director of CR Cement in August 2008, a non-executive director of CR Gas in November 2008, a non-executive director of CR Land in October 2010, a non-executive director of CR Beer in November 2010. These are fellow subsidiaries of the Company and the shares of these companies are listed on the Main Board of HKEx. Mr. Wei was also a non-executive director of China Vanke Co., Ltd., the shares of which is listed on the Main Board of HKEx and the Shenzhen Stock Exchange. He is also a director of Shan Dong Dong-E E-Jiao Co., Ltd. He was also the director of China Resources Sanjiu Medical & Pharmaceutical Co., Ltd. (listed on the Shenzhen Stock Exchange) and China Resources Double-Crane Pharmaceutical Co., Ltd. (listed on the Shanghai Stock Exchange) from June 2011 to December 2015 and from May 2012 to December 2015 respectively.

Mr. Wei holds a Bachelor's degree in Auditing from Zhongnan University of Economics in China and a Master's degree in Finance from Jinan University in China, and is a senior accountant and a senior auditor in China. He is also a non-practising member of the Chinese Institute of Certified Public Accountants. Mr. Wei joined CRH in 2001.

Directors and Senior Management

Mr. Chen Ying

Mr. Chen Ying, aged 45, was appointed as a Non-executive Director of the Company in June 2012. He was appointed as a non-executive director of CR Cement and CR Beer in May 2012, and a non-executive director of CR Gas and CR Land in June 2012. These are fellow subsidiaries of the Company and the shares of these companies are listed on the Main Board of HKEx. Mr. Chen was appointed as a non-executive director of China Vanke Co., Ltd., the shares of which is listed on the Main Board of HKEx and the Shenzhen Stock Exchange in March 2014. He is chief strategy officer of CRH since July 2013 and the general manager of Strategy Management Department of CRH since October 2011. He used to be a director of CR Doublecrane, which is listed on the Shanghai Stock Exchange, from May 2012 to December 2015, and used to be a director of CR Sanjiu, which is listed on the Shenzhen Stock Exchange, from June 2012 to December 2015.

Mr. Chen holds a Bachelor's degree of Architectural Management from the Tsinghua University, China in 1993 and a Master's degree of Business Administration from University of Oxford, the United Kingdom, in 2007. Mr. Chen joined CRH in 1993.

Mr. Wang Yan

Mr. Wang Yan, aged 44, was appointed as a Non-executive Director of the Company in August 2014. Mr. Wang joined CRNC in July 1994. He worked for China Resources Petrochems (Group) Company Limited (currently known as Sinopec (Hong Kong) Petroleum Holding Company Limited) from 2000 to 2006. Mr. Wang was appointed as a director of CR Gas in November 2005. He was a deputy general manager of CR Gas from September 2007 to April 2012. He was a deputy general manager of the Internal Audit Department of CRH from April 2012 to January 2016 and was appointed as the general manager in February 2016. He was appointed as a non-executive director of CR Beer, CR Land, CR Cement and CR Gas, all of which are listed on the Main Board of the HKEx, in August 2014.

Mr. Wang holds a Bachelor's degree in Economics from the Finance and Accounting Department, Capital University of Economics and Business, a Master of Business Administration Degree from the University of South Australia and is a qualified PRC Certified Accountant.

Mr. Ma Chiu Cheung, Andrew

Mr. Ma Chiu Cheung, Andrew, aged 74, was appointed as an Independent Non-executive Director of the Company in December 2006. Mr. Ma is a founder and former director of AMA CPA Limited (formerly known as Andrew Ma DFK (CPA) Limited) in Hong Kong. He is presently a director of Mayee Management Limited. Mr. Ma has more than 30 years of experience in the fields of accounting, auditing and finance.

He received his Bachelor's degree in Economics from the London School of Economics and Political Science (University of London) in England in 1966. Mr. Ma was admitted to membership in April 1970 and has been a fellow member of the Institute of Chartered Accountants in England and Wales since January 1979. He was admitted as a member in February 1973 and has been a fellow member of the Hong Kong Institute of Certified Public Accountants since February 1978.

Directors and Senior Management

He was and has been an independent non-executive director of several other listed companies in Hong Kong. He was the independent non-executive director of Asian Citrus Holdings Limited (stock code: 73; London AIM: ACHL) from August 2004 to November 2013; Beijing Properties (Holdings) Limited (formerly known as Peaktop International Holdings Limited) (stock code: 925) from September 2004 to December 2014; and Tanrich Financial Holdings Limited (stock code: 812) from April 2005 to January 2015. He has also been the independent non-executive director of Asia Financial Holdings Limited (stock code: 662) since September 2004; C. P. Pokphand Co. Ltd. (stock code: 43) since September 2005; Chong Hing Bank Ltd. (stock code: 1111) since August 2007; and Asiaray Media Group Limited (stock code: 1993) since June 2014.

Ms. Leung Oi-sie, Elsie

Ms. Leung Oi-Sie, Elsie, aged 76, was appointed as an Independent Non-executive Director of the Company in April 2010. Ms. Leung was the secretary for Justice of the Hong Kong Special Administrative Region, as well as a member of the Executive Council of Hong Kong from July 1997 to October 2005. Ms. Leung was admitted as a solicitor of the Supreme Court of Hong Kong in 1968. She was a partner of P. H Sin & Co., a Hong Kong law firm, which amalgamated with the law firm Iu, Lai & Li Solicitors & Notaries in 1993; she was a senior partner with Iu, Lai & Li Solicitors & Notaries from 1993 to 1997. At the end of 2006, she resumed practice at Iu, Lai & Li Solicitors & Notaries. Ms. Leung also serves as an independent non-executive director on the boards of United Company Rusal Plc and Beijing Tong Ren Tang Chinese Medicine Company Limited, both companies listed on the Main Board of the HKEx.

Ms. Leung served as a member of several government boards and committees, including the Independent Police Complaints Council, Equal Opportunities Commission, Social Welfare Advisory Committee and Inland Revenue Board of Review. Ms. Leung was appointed as a delegate of the People's Congress of Guangdong Province in 1989. In 1993, she was appointed as a delegate of the 8th National People's Congress and in 1994 as well as a Hong Kong Affairs Adviser. Since 2006, she has been the deputy director of the Hong Kong Basic Law Committee of the Standing Committee of the National People's Congress of the People's Republic of China.

Apart from being a solicitor of the Supreme Court of Hong Kong, Ms. Leung is a qualified solicitor in England and Wales and obtained a Master of Law degree from the University of Hong Kong in 1988.

Ms. Leung was appointed a Justice of the Peace in 1982 and was awarded the Grand Bauhinia Medal in 2002.

Directors and Senior Management

Dr. K.F. Ch'ien, Raymond

Dr. K.F. Ch'ien, Raymond, aged 64, was appointed as an Independent Non-executive Director of the Company in April 2010. Dr. Ch'ien is the chairman and independent non-executive director of Hang Seng Bank Limited. Dr. Ch'ien also serves as an independent non-executive director on the boards of The Hongkong and Shanghai Banking Corporation Limited, The Wharf (Holdings) Limited and Swiss Re Limited. Dr. Ch'ien was non-executive chairman of MTR Corporation Limited from July 2003 to December 2015.

In public service, Dr. Ch'ien is a member of the Economic Development Commission of the Hong Kong SAR Government. He is a member of the Standing Committee of the Tianjin Municipal Committee of the Chinese People's Political Consultative Conference and is an honorary president and past chairman of the Federation of Hong Kong Industries. From 1992 to 1997, Dr. Ch'ien was a member of the Executive Council of Hong Kong, then under British administration. He was appointed a member of the Executive Council of the Hong Kong Special Administrative Region on 1 July 1997 and served until June 2002. Dr. Ch'ien was a Hong Kong member of the APEC Business Advisory Council from 2004 to 2009 and chairman of the Hong Kong/European Union Business Cooperation Committee from 2005 to 31 January 2012. Dr. Ch'ien was previously chairman of the Advisory Committee on Corruption of the Independent Commission Against Corruption, the Hong Kong/Japan Business Cooperation Committee, the Industry and Technology Development Council and the Hong Kong Industrial Technology Centre Corporation Ltd..

Dr. Ch'ien received a Doctoral degree in Economics from the University of Pennsylvania in 1978 and became a Trustee of the University in 2006. Dr. Ch'ien was appointed a Justice of the Peace in 1993 and a Commander in the Most Excellent Order of the British Empire in 1994. In 1999, he was awarded the Gold Bauhinia Star Medal. In August 2008, Dr. Ch'ien was conferred the honour of Chevalier de l'Ordre du Mérite Agricole of France.

Mr. So Chak Kwong, Jack

Mr. So Chak Kwong, Jack, aged 70, was appointed as an Independent Non-executive Director of the Company in June 2014. Mr. So is currently an independent non-executive director of AIA Group Ltd., a non-executive director of Huanxi Media Group Limited and serves as the chairman of Airport Authority Hong Kong. He is also an independent senior advisor to Credit Suisse, Greater China and an advisor to The Hong Kong and China Gas Company Limited. Mr. So was chairman of the consultative committee on Economic and Trade co-operation between Hong Kong and the Mainland from October 2013 to December 2015. He has been a member of the Chinese People's Political consultative Conference since 2008. Mr. So was awarded the Gold Bauhinia Star by the HKSAR Government in 2011. He is also the honorary consultant to the Mayor of San Francisco. Mr. So served as an executive director of the Hong Kong Trade Development council from 1985 to 1992 and served as its chairman from 2007 to 2015. He was an independent non-executive director of Cathay Pacific Airways Limited from 2002 to May 2015 and served as the chairman of the Hong Kong Film Development Council from 2007 to 2013.

Directors and Senior Management

SENIOR MANAGEMENT

Ms. Liu Ping

Ms. Liu Ping, aged 54, is the Senior Vice President of the Company and General Manager of CR Coal-fired Unit. She was the Deputy General Manager and CFO of CR New Energy from July 2010 to May 2012. Prior to that, Ms. Liu was an Executive Vice President of the Company from June 2009 to July 2010. Ms. Liu served as General Manager of China Resources (Luoyang) Thermal Power Co., Ltd. and CFO of China Resources Power Dengfeng Co., Ltd. and China Resources Power Henan Shouyangshan Co., Ltd. from October 2003 to March 2006. Ms. Liu has over 15 years of experience in financial management. Prior to joining the Company, Ms. Liu served as a management personnel in the People's Bank of China in Xuzhou City, Jiangsu province. Ms. Liu holds a Master's degree in Business Administration from China Europe International Business School.

Mr. Jiang Li Hui

Mr. Jiang Li Hui, aged 53, is the Senior Vice President of the Company and the General Manager of CR Power's Coal Enterprise Department ("CR Coal"). He is also a member of the Executive Committee of the Company. Mr. Jiang has extensive experience in the development, construction and operation management of coal-fired and hydro power plants. From July 2010 to July 2011, he served as the Deputy General Manager of CR New Energy; from July 2009 to March 2011, he served as the Deputy Chief Technical Officer of the Company; from July 2007 to January 2010, he served as the General Manager of China Resources Hezhou Co., Ltd.; from April 2005 to July 2007, he served as the General Manager of Xuzhou Huaxin Power Generation Co., Ltd.; from July 2002 to April 2005, he served as the Deputy General Manager of China Resources Power Hubei Co., Ltd.; from April 1995 to July 2002, he served in various positions at China Resources (Xuzhou) Electric Power Co., Ltd., including Assistant General Manager and Deputy Chief Engineer. Mr. Jiang holds a Master's degree in Business Administration from Huazhong University of Science and Technology and a Master's degree in Business Administration from China Europe International Business School.

Mr. Chen Yun Long

Mr. Chen Yun Long, aged 42, is a Vice President of the Company and General Manager of the Coal Business Department of CR Power. He acted as General Manager of China Resources Power (Guizhou) Coal and Electricity Integration Co., Ltd. from May 2012 to June 2014, Chief Representative of Yunnan Representative Office of CR Power from November 2007 to May 2012, and worked successively as Vice General Manager of the Hydropower Business Department of CR Power, General Manager of Yunnan CR Power (Honghe) Co., Ltd., General Manager of Nujiang CR Hydropower Development Co., Ltd. and General Manager of Yunnan CR Power (Xishuangbanna) Co., Ltd. Before joining CR Power, he worked as vice general manager of SDIC Yunnan Dachaoshan Hydropower Co., Ltd. and SDIC Qujing Power Generation Co., Ltd. He obtained an MBA degree from Peking University, holds the title of Senior Economic Manager and has rich experience in the development, construction and operation management of thermal power plants and hydropower stations.

Directors and Senior Management

Mr. Ding Qi

Mr. Ding Qi, aged 57, is a Vice President of the Company. He was the Chief Human Resource Officer of the Company during June 2007 to July 2010, General Manager of Human Resource and Administration Department of the Company during November 2001 to June 2007 and department manager of China Resources Investment and Development Co., Ltd. during 1998-1999. Mr. Ding has a bachelor's degree in wireless communication of Communication Engineering College of Nanjing Institute of Technology.

Mr. Wang Gao Qiang

Mr. Wang Gao Qiang, aged 46, is a Vice President and Chief Audit Executive of the Company. From August 2002 to January 2012, he served as the senior manager and deputy chief officer of the Audit and Supervision Department of CRH; from August 1992 to February 2000, he served as the manager of the Finance Department of CRNC; from March 2000 to July 2002, he served as the manager of the Audit Department of China Resources logistics Co., Limited. Mr. Wang has been engaged in financial accounting, internal audit and risk management for over 20 years and has extensive experience in corporate finance, internal audit, internal control, risk management and corporate governance. Mr. Wang holds a Bachelor's degree in Economics from Guangdong University of Foreign Studies, and has obtained the International Certified Internal Auditor qualification and the PRC Accountant qualification.

Mr. Ding Yuan Kui

Mr. Ding Yuan Kui, aged 41, is a Vice President and Chief Human Resources Officer of the Company. From April 2008 to April 2012, he served as the deputy chief human resources officer and chief human resources officer of CR Cement. Prior to joining China Resources, Mr. Ding worked at Mercer and Dong Feng Nissan and was responsible for human resources consulting and management. Mr. Ding graduated from Zhongnan University of Economics and Law in 1996 and from the School of Economics and Management of Tsinghua University in 2003, with a Master's degree in International Business Administration.

Directors and Senior Management

Mr. Zhu Guo Lin

Mr. Zhu Guo Lin, aged 56, is a Vice President and Chief Financial Officer of the Company. From July 2009 to May 2012, he served as the Deputy Chief Financial Officer and General Manager of the Finance Department of the Company; from November 2005 to July 2009, he served as the Chief Financial Officer of Guangzhou China Resources Thermal Power Company Limited; from February 2004 to November 2005, he served as the deputy general manager of the Corporate Development Department of CRH, and the director and deputy general manager of China Resources Development and Investment Co., Ltd.; from November 2001 to February 2004, he served as the party committee member and vice director of the Department of Foreign Trade and Economic Cooperation of Yunnan Province; from September 2000 to November 2001, he served as the director and general manager of China Resources Kang Mao Company Limited; from August 1997 to September 2000, he served as the director and assistant general manager of Kang Mao Hong Kong Co., Ltd. (香港康貿有限公司), and was also the director and general manager of Hong Kong Kang Mao Finance Limited; from July 1985 to August 1997, he was an official of the Foreign Trade and Finance Division under the Finance and Accounting Department of the Ministry of Foreign Economic Relations and Trade of the PRC (中國經貿部財會局外貿財務處幹部), the financial manager of Great Wall Trade Center, Dubai, United Arab Emirates (阿聯酋迪拜長城貿易中心財務部經理), the deputy director of the State-owned Assets Management Division under the Department of Foreign Economic Coordination of the Ministry of Foreign Economic Relations and Trade of the PRC (中國外經貿部經濟協調司國有資產管理處副處長), and the director of the Division of Integrated System Management under the Planning and Finance Department of the Ministry of Foreign Economic Relations and Trade (外經貿部計財司綜合制度處處長). Mr. Zhu holds a Master's degree in BusinessAdministration from the University of International Business and Economics.

Mr. An Xing

Mr. An Xing, aged 42, is the Assistant President and Information Management Director of the Company since October 2012. From August 2009 to September 2012, he served as the consulting director and assistant general manager of the Information Management Department of CRH. Prior to joining CRH, he worked for Oracle Corporation and has more than 15 years of experience in information construction. Mr. An holds a Bachelor's degree in Computer Science and Technology from the Harbin University of Science and Technology.

Directors and Senior Management

Mr. Zhang Gang

Mr. Zhang Gang, aged 39, is the Assistant President and General Legal Counsel at CR Power. From February 2009 to March 2013, Mr. Zhang served as the chief legal director in the Legal Affairs Department at CRH. From April 2004 to September 2009, Mr. Zhang practiced law at Huaxia Investment, Special Assets Department of CRH and Investment of CRH; and from July 2000 to March 2004, he served successively as the assistant manager of the Legal Affairs Department at CR Logistics, the assistant personnel officer for the director of the Southern China Region, and the assistant general manager of CR Courier. Mr. Zhang holds a Bachelor degree in Law from Northwestern University of Politics & Law.

Report of the Directors

The directors of the Company (the "Directors") present the Annual Report and the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2015.

PRINCIPAL ACTIVITIES

The Group engages principally in investing, developing, operating and managing power plants and coal mine projects in China. The activities of its subsidiaries, associates and joint ventures are set out in Notes 9, 10 and 11 to the financial statements, respectively.

GROUP PROFIT

The consolidated income statement is set out on page 77 and shows the Group's profit for the year ended 31 December 2015. A discussion and analysis of the Group's performance during the year and the material factors underlying its results and financial position are provided in the Management's Discussion and Analysis on pages 33 to 54 of this Annual Report.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2015 is set out in the sections headed "5-Year Summary", "Chairman's Statement" and "Management Discussion and Analysis" from pages 2 to 3, pages 8 to 11, and pages 33 to 54 respectively of this Annual Report.

In addition, more details regarding the Group's performance by reference to environmental and social-related key performance indicators and policies, as well as compliance with relevant laws and regulations which have a significant impact on the Company, will be provided in the Sustainability Report which will be available on the Company's website at www.cr-power.com.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Group include, but are not limited to, operational risks, policy risks, industry risks, market risks, business risks and financial risks.

Please refer to the "Chairman's Statement" on pages 8 to 11 of this annual report for a discussion of the operational, policy, market and business challenges and uncertainties facing the Group; "Management's Discussion and Analysis" on page 53 of this annual report for a discussion on foreign exchange rate risk facing the Group; and "Notes to the Consolidated Financial Statements" on pages 105 to 113 of this annual report for details of the financial risks facing the Group.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group adheres to environmental sustainability throughout its business operations. As a responsible corporation, and in line with the energy and environmental protection strategies of the Chinese Government, the Group strives to ensure minimal environmental impacts by committing ourselves to conservation of resources, promoting the development of clean and renewable energy projects and improving on emission control.

Please refer to the "Chairman's Statement" on pages 8 to 11 of this annual report for a discussion of the Group's development in promoting Environmental, Health & Safety (EHS) awareness.

Report of the Directors

COMPLIANCE WITH LAWS AND REGULATIONS

The Board places emphasis on the Group's policies and practices on compliance with legal and regulatory requirements. Updates on applicable laws, rules and regulations are brought to the attention of relevant employees and operation units from time to time. During the year ended 31 December 2015, the Group has complied in all material respects with relevant laws and regulations that have a significant impact on the operations of the Group, including the Hong Kong Companies Ordinance and the Listing Rules.

RELATIONSHIP WITH EMPLOYEES

The Group believes that employees are important assets and their contribution and support are valued at all times. The Group places importance on the career development of its employees and organised trainings for employees to facilitate their career development. In order to promote the work-life balance of the employees, the Group created a competitive, yet united and pleasant working environment to encourage improvement and personal value to enhance their sense of belonging.

RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

The Company believes that maintaining good relationships with stakeholders including customers and suppliers is one of the key contributors to the Group's success. The Group has established stable long-term relationships with a number of customers and suppliers, and takes active steps to maintain good cooperative relationships with its customers and suppliers and to strengthen communication with them.

DIVIDENDS

An interim dividend of HK$0.10 per share of the Company ("Share"), with an option to receive script shares, was paid on 6 November 2015.

The Board resolved to recommend the payment of a final dividend of HK$0.75 per Share for the year ended 31 December 2015 to shareholders whose names appear on the Register of Members of the Company on Tuesday, 14 June 2016, subject to the approval of shareholders at the forthcoming annual general meeting of the Company (the "AGM") to be held on Monday, 6 June 2016. The proposed dividend will be paid on or about Thursday, 23 June 2016 following approval at the AGM of the Company.

PROPERTY, PLANT AND EQUIPMENT

Details of the movement in property, plant and equipment of the Group and the Company during the year are set out in Note 6 to the financial statements.

SHARES ISSUED

Details of the movement in the shares issued by of the Company during the year are set out in Note 22 to the financial statements.

RESERVES

Distributable reserves of the Company amounted to HK$7,740.9 million as at 31 December 2015 (2014: HK$4,648.6 million). Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on pages 79 to 80 of this Annual Report and Note 25 to the financial statements, respectively.

BORROWINGS

The total borrowings of the Group as at 31 December 2015 amounted to HK$88,517.3 million (2014: HK$100,432.9 million). Particulars of borrowings are set out in Note 32 to the financial statements.

CHARITABLE DONATIONS

Donations made by the Group during the year amounted to approximatedly HK$14.07 million

DIRECTORS

The Directors who held office during the year of 2015 and as at 21 March 2016 are as follows:

Executive Directors:

Ms. Zhou Junqing	(Chairman and President)
Mr. Zhang Shen Wen	(Vice Chairman)
Ms. Wang Xiao Bin	(Chief Financial Officer and Company Secretary)

Non-executive Directors:

Mr. Du Wenmin
Mr. Wei Bin
Mr. Chen Ying
Mr. Wang Yan

Independent Non-executive Directors:

Mr. Ma Chiu Cheung, Andrew
Ms. Leung Oi-Sie, Elsie
Dr. K.F. Ch'ien, Raymond
Mr. So Chak Kwong, Jack

As at 31 December 2015, none of the Directors had a service contract with the Company or any of its subsidiaries which is not terminable by the employing company within one year without payment of compensation other than statutory compensation.

In accordance with Article 120 of the Company's Articles of Association, Mr. Zhang Shen Wen, Ms. Wang Xiao Bin, Ms. Leung Oi-Sie, Elsie and Dr. K.F. Ch'ien, Raymond shall retire by rotation and being eligible, offer themselves for re-election at the annual general meeting of the Company ("AGM"). (see note below).

Note: Subsequent to the date of this report, Mr. Wei Bin and Mr. Du Wenmin resigned as Non-executive Directors and Mr. Ge Changxin and Mr. Hu Min were appointed as Executive Directors with effect from 16 April 2016. The aforesaid changes in Directors will not affect the number and Directors who are subject to retirement by rotation and re-election at the forthcoming annual general meeting of the Company pursuant to article 120 of the articles of association of the Company. In accordance with article 98 of the articles of association of the Company, Mr. Ge Changxin and Mr. Hu Min, being newly appointed Directors retire and being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company. Details of the changes in Directors are set out in an announcement published on 17 April 2016. Details of the retiring Directors are set out in a circular to shareholders of the Company dated 28 April 2016.

The Company has received annual confirmation from each of the Independent Non-executive Directors in regard to their independence to the Company and considers that each of the Independent Non-executive Directors is independent to the Company.

Biographical details of the Directors as at the date of this report are set out on pages 12 to 16 of this Annual Report.

The Executive Directors are entitled to salaries and discretionary bonuses determined by the Board at its absolute discretion having regard to the Group's performance and the prevailing market conditions. The Non-executive Directors and the Independent Non-executive Directors are entitled to director's fees authorised by shareholders and approved by the Board by reference to the prevailing market conditions. The Directors were granted options to subscribe for the Shares. For details of the share option scheme, please refer to pages 165 to 166 of this Annual Report. Details of Directors' remuneration are provided under Note 54 to the financial statements.

DIRECTORS OF SUBSIDIARIES

The name of persons who have served on the board of the subsidiaries of the Company during the year and up to 21 March 2016 is available on the Company's website at www.cr-power.com.

PERMITTED INDEMNITY PROVISION

The Articles of Association of the Company provides that every director shall be indemnified out of the funds of the Company against all liability incurred by him or her as such director in defending any proceedings, whether civil or criminal, in which judgement is given in his or her favour, or in which he or she is acquitted.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the directors of the Company.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") was approved by a resolution in writing of the shareholders of the Company on 6 October 2003. The purposes of the Share Option Scheme are to attract and retain the best available personnel; to provide additional incentive to employees, directors, consultants and advisors of (a) the Company, its subsidiaries and associates; and (b) CRH and its subsidiaries; and to promote the success of the business of the Company, its subsidiaries and associates.

The Board may, at its absolute discretion, offer an option to eligible person to subscribe for the Shares at an exercise price and subject to the other terms of the Share Option Scheme. Upon acceptance of the offer of a grant, the grantee shall pay HK$1.00 to the Company as nominal consideration for the grant.

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme shall not exceed 367,000,000 Shares, being 10% of the total number of Shares in issue prior to the date on which dealings in the Shares commenced on the Stock Exchange.

The total number of Shares issued and to be issued upon the exercise of the options granted to or to be granted to each eligible person under the Share Option Scheme and any other schemes of the Company or any of its subsidiaries (including exercised, cancelled and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue.

The exercise price to subscribe for each Share under the Share Option Scheme shall be not less than the greater of (1) the closing price of the Shares as stated in the daily quotation sheet of the Stock Exchange on the date the share option is granted; (2) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant; or (3) the nominal value of the Shares.

Options granted have a 10-year exercise period within which there is a total vesting period of five years. Commencing from the first, second, third, fourth and fifth anniversaries of the date of grant of an option, the relevant grantee may exercise up to 20%, 40%, 60%, 80% and 100%, respectively, of the Shares comprised in his or her option.

The Share Option Scheme expired on 5 October 2013, no further options under the Share Option Scheme can be granted after that date. In respect of outstanding share options, the provisions of the Share Option Scheme shall remain in full force and effect.

As at 31 December 2015, a total of 7,853,260 Shares (representing approximately 0.16% of the issued share capital of the Company) may be issued by the Company upon exercise of all options which had been granted under the Share Option Scheme.

Movement of the options granted under the Share Option Scheme during the year ended 31 December 2015 is as follows:

Participant	Date of grant	Number of options outstanding as at 1 January 2015	Number of options exercised during the year (1)	Number of options lapsed or cancelled during the year (2)	Number of options outstanding as at 31 December 2015	Date of expiry	Exercise price (HK$)
Aggregate total of employees	18 Mar 2005	551,160	—	(551,160) (2)	—	17 Mar 2015	3.919
	18 Nov 2005	3,945,060	(1,593,480)	(2,351,580) (2)	—	17 Nov 2015	4.641
	5 Sep 2006	2,600,120	(651,520)	—	1,948,600	4 Sep 2016	6.925
	30 Mar 2007	6,481,300	(576,640)	—	5,904,660	29 Mar 2017	12.21
	30 Mar 2007	203,600	—	(203,600)	—	29 Mar 2017	12.21
Aggregate total of other participants	18 Mar 2005	2,402,480	(327,200)	(2,075,280) (2)	—	17 Mar 2015	3.919
		16,183,720	(3,148,840)	(5,181,620)	7,853,260		

Notes: 1. The weighted average closing price of the Shares immediately before the date on which the options were exercised was HK$19.96.

2. The options expired on 17 March and 17 November 2015.

3. The number of options lapsed under the Share Option Scheme during the year was 5,181,620.

4. 203,600 option was cancelled during the year.

MEDIUM TO LONG-TERM PERFORMANCE EVALUATION INCENTIVE PLAN

As an incentive to retain and motivate the employees, on 25 April 2008 (the "Adoption Date"), the Board resolved to adopt the "Medium to Long-term Performance Evaluation Incentive Plan" (the "Plan") and the Company appointed BOCI-Prudential Trustee Limited as trustee to this Plan (the "Trustee"). Pursuant to the Plan, Shares may be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the selected employees until such interests are vested with the selected employees in accordance with the provisions of the Plan. The Plan does not constitute a share option scheme pursuant to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and is a discretionary plan of the Company. The Board will implement the Plan in accordance with the terms of the Plan, including the provision of necessary funds to the Trustee for purchase of Shares up to 2% of the issued shares of the Company as at the Adoption Date (i.e. 4,150,021,178 Shares). The Plan shall be effective from the Adoption Date and shall continue in full force and effect for a term of 10 years unless terminated at the discretion of the Board at an earlier date.

Under the Plan, there were total of 34,771,553 Shares (2014: 36,294,698) amounting to HK$550,180,000 (2014: HK$574,527,000) held by the Trustee as at 31 December 2015.

DIRECTORS' INTERESTS IN SECURITIES

Save as disclosed below, as at 31 December 2015, none of the Directors or chief executive of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO or the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein:

(A) The Company

Details of Shares held by the Directors as at 31 December 2015 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of the Company
Zhou Junqing	Beneficial Owner	493,595	Long	0.010%
Zhang Shen Wen	Beneficial Owner	2,671,120	Long	0.056%
Wang Xiao Bin	Beneficial Owner	3,664,560	Long	0.076%
Du Wenmin	Beneficial Owner	480,240	Long	0.010%
Wang Yan	Beneficial Owner	44,000	Long	0.001%
K.F. Ch'ien, Raymond	Beneficial Owner	30,167	Long	0.001%
	Interest of Spouse	4,000	Long	0.000%

(B) China Resources Beer, Limited ("CR Beer")

CR Beer (formerly known as China Resources Enterprise, Limited) is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Beer held by the Directors as at 31 December 2015 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of CR Beer
Zhang Shen Wen	Beneficial Owner	20,000	Long	0.001%
Du Wenmin	Beneficial Owner	100,000	Long	0.004%
Wang Yan	Beneficial Owner	150,000	Long	0.006%

(C) China Resources Gas Group Limited ("CR Gas")

CR Gas is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Gas held by the Directors as at 31 December 2015 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of CR Gas
Zhou Junqing	Beneficial Owner	800	Long	0.002%
Zhang Shen Wen	Beneficial Owner	66,000	Long	0.003%
Du Wenmin	Beneficial Owner	54,000	Long	0.002%

(D) China Resources Land Limited ("CR Land")

CR Land is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Land held by the Directors as at 31 December 2015 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of CR Land
Du Wenmin	Beneficial Owner	640,000	Long	0.011%
Chen Ying	Beneficial Owner	500,000	Long	0.009%

(E) China Resources Cement Holdings Limited ("CR Cement")

CR Cement is an associated corporation of the Company (as defined under the SFO). Details of shares in CR Cement held by the Directors as at 31 December 2015 are as follows:

Name of Director	Capacity	Number of issued ordinary shares held	Long/short position	Percentage of the total issued shares of CR Cement
Zhang Shen Wen	Beneficial Owner	100,000	Long	0.002%
Chen Ying	Beneficial Owner	230,000	Long	0.004%

ARRANGEMENT FOR DIRECTORS TO ACQUIRE SHARES OR DEBT SECURITIES

At no time during the year was the Company, the Company's holding company or any of their respective subsidiaries a party to any arrangement to enable the Directors or the chief executive of the Company or their respective associates to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any associated corporation and none of the Directors and chief executive, or their spouse and children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

Report of the Directors

TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transactions, arrangements or contracts of significance to which the Company or any of its subsidiaries, parent company or fellow subsidiaries were a party and in which a Director or his or her connected entities had a material interest, either directly or indirectly, subsisted at the end of the year or at any time during the year.

In addition, there was no contract of significance between the Company or any of its subsidiaries and its controlling shareholder (or any of its subsidiaries) and there was no contract of significance for the provision of services to the Company or any of its subsidiaries by its controlling shareholder (or any of its subsidiaries) subsisting during the year.

EQUITY-LINK AGREEMENTS

Save as disclosed in this annual report, no equity-linked agreements were entered into during the year or subsisted at the end of the year.

SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, as at 31 December 2015, the Directors were not aware of any other persons (other than a Director or chief executive, whose interests are disclosed in the section headed "Directors' Interests in Securities" above) who had an interest or short position in the Shares or underlying shares of the Company as required, pursuant to Section 336 of the SFO, to be recorded in the register referred to therein:

Name of shareholders	Note	Capacity	Number of Shares held	Long/short position	Approximate percentage of shareholding as at 31 December 2015
CRH (Power) Limited	1	Beneficial owner	3,027,003,337	Long	62.97%
CRH	1	Interest in a controlled corporation	3,027,905,337	Long	62.99%
CRC Bluesky Limited	1	Interest in a controlled corporation	3,027,905,337	Long	62.99%
華潤股份有限公司 China Resources Co., Limited* ("CRC")	1	Interest in a controlled corporation	3,027,905,337	Long	62.99%
China Resources National Corporation ("CRNC")	1	Interest in a controlled corporation	3,027,905,337	Long	62.99%
JPMorgan Chase & Co.	2	Beneficial owner/ investment manager/ approved lending agent	281,969,747	Long	5.87%
		Beneficial owner	2,893,500	Short	0.06%

Note: (1) CRH (Power) Limited is a 100% subsidiary of CRH, which is a 100% subsidiary of CRC Bluesky Limited, which is in turn owned as to 100% by CRC, which is in turn held as to 100% by CRNC. Each of CRH, CRNC, CRC and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in 3,027,003,337 Shares as those of CRH (Power) Limited. CRH, through another wholly-owned subsidiary, is interested in 902,000 Shares of the Company. Accordingly, each of CRNC, CRC and CRC Bluesky Limited is deemed by virtue of Part XV of the SFO to have the same interests in the 902,000 Shares as those of CRH.

(2) JPMorgan Chase &Co. through its various directly and indirectly 100% controlled corporations, is interested in the above Shares in long and short positions, which included (i) interests in 224,186,592 Shares in lending pool, (ii) listed derivative interests in 2,425,500 Shares with physically settled in long position and listed derivative interests in 2,425,500 Shares with physically settled in short position, and (iii) unlisted derivative interests in 12,000 Shares with physically settled in long position and unlisted derivative interests in 468,000 Shares with physically settled in short position under the SFO.

The term "lending pool" is defined as (i) shares that the approved lending agent holds as agent for a third party which he is authorised to lend and other shares that can be lent according to the requirements of the Securities Borrowing and Lending Rules; and (ii) shares that have been lent by the approved lending agent and only if the right of the approved lending agent to require the return of the shares has not yet been extinguished.

* For translation purposes only

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

During the year, the Group conducted certain transactions with connected persons which constituted continuing connected transactions for the Group under the Listing Rules. Details of those continuing connected transactions which are subject to the reporting requirements under Rule 14A.71 of the Listing Rules are summarised below.

Continuing Connected Transactions

(1) On 12 December 2012, CR Power and CR Cement entered into the Master Coal Supply Agreement, pursuant to which, the Group agreed to supply coal to CR Cement and its subsidiaries with a term of three years from 1 January 2013 to 31 December 2015. Reference is also made to the joint announcement made by CR Power and CR Cement on 9 April 2010 which announced the continuing connected transaction relating to the supply of coal by China Resources Power Logistics (Tianjin) Company Limited to China Resources Cement Investments Limited ("CR Cement Investments") (on behalf of certain CR Cement's subsidiaries) under the 2010 Agreement for a term from 9 April 2010 to 31 December 2012. Under the master agreement, the specification, quantity and unit price of the coal are to be agreed by the parties each time when a monthly sale and purchase order is being placed, on or before the 15th day of each month. The unit price of coal will be negotiated on an arm's length basis between CR Cement Investments and the Group based on the prevailing market prices for coal. Since CRC, being the controlling shareholder of the Company, held 73.35% of the issued share capital of CR Cement at the time of the transaction, the transactions contemplated under the Master Coal Supply Agreement constitute continuing connected transactions under the Listing Rules. Details of the continuing connected transactions are stated in the Company's announcement dated 12 December 2012. For the year ended 31 December 2015, the aggregate amount of supply of coal amounted to HK$0.

(2) On 5 December 2014, the Company entered into the Framework Agreement with China Resources Energy Services Company Limited ("CR Energy Services") in relation to the provision of Contract Energy Management, Contract Environment Management and Exclusive Operation by CR Energy Services or its subsidiaries to the Group. CRH held approximately 63.06% interest in the Company at the time of the transaction and is the controlling shareholder of the Company. CR Energy Services is an indirect wholly-owned subsidiary of CRH, and is therefore a connected person of the Company under the Listing Rules. Accordingly, the transactions contemplated under the Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules. Details of the continuing connected transactions are stated in the Company's announcement dated 5 December 2014. For the year ended 31 December 2015, the total service fee paid amounted to HK$92,969,000.

(3) Reference is made to the joint announcement of the Company, China Resources Group listed companies, CRC, CRH and CRM dated 22 November 2010 in relation to, among other things, the entering of the Strategic Cooperation Agreement. The new strategic cooperation agreement ("CR Bank Strategic Cooperation Agreement 2013") with China Resources Bank of Zhuhai Co., Ltd. ("CR Bank") was entered into on 19 December 2013 whereby new annual caps were revised taking into account of the Group's liquidity, business needs and the expected level of services to be received from CR Bank under the CR Bank Strategic Cooperation Agreement 2013. CRC, being the controlling shareholders of the Company, held approximately 75.33% of the registered capital of CR Bank at the time of the transaction. The term of the CR Bank Strategic Cooperation Agreement 2013 is 2 years commencing from 1 January 2014 to 31 December 2015. Under the CR Bank Strategic Cooperation Agreement 2013, CR Bank provides deposit services bear the same interest and be on the same terms and conditions as would apply to a similar deposit made by any other customer of the bank, which rates assessed with reference to the rates published by the People's Bank of China. CR Bank also provides commercial banking services, from time to time, which include but not limited to, letter of credit, letter of guarantee, granting of loans with collaterals, bill acceptance and discount services, account receivable factoring services, RMB and foreign currency settlements, provision of entrustment loans and security, wealth and cash management services, financial consulting service and other financial services as agreed by the parties. These services will be provided on normal commercial terms and such service fees shall not be higher than the net discounted fees offered to other preferred customers of CR Bank. The maximum daily deposit cap, inclusive of interest payable, and the maximum daily cap of financial services and products to be provided by CR Bank to the Group are HK$1.2 billion. For the period between 1 January 2015 and 31 December 2015, the maximum daily deposit amount was HK$1.10 billion and the maximum daily amount of financial services and products was HK$63,475,000.

In accordance with Rule 14A.55 of the Listing Rules, the Independent Non-executive Directors of the Company have reviewed the above continuing connected transactions and confirmed that save for these transactions, other continuing connected transactions of the Company conducted during the year ended 31 December 2015, were exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules and that the above continuing connected transactions:

(i) have been entered into in the ordinary and usual course of the Group's business;

(ii) have been entered into on normal commercial terms or better; and

(iii) have been entered into on terms that are fair and reasonable for and in the interest of the shareholders of the Company, and in accordance with the terms of the agreements governing such transactions.

Based on work performed, PricewaterhouseCoopers, the Company's independent auditor, has confirmed in a letter to the Board to the effect that the above transactions:

(a) have received the approval of the Board;

(b) are in accordance with the pricing policies of the Company if the transactions involve provision of goods or services by the Company;

(c) have been entered into in accordance with the relevant agreement governing the transactions; and

(d) have not exceeded the caps.

Save for the following transactions, none of the related party transactions contained in Note 50 to the financial statements falls under the definition of "connected transactions" or "continuing connected transactions" within the meaning of the Listing Rules:

(1) The two trademark licence agreements dated 17 October 2003 entered into between the Company and CRNC and CRH respectively, under which the Company was granted irrevocable, royalty free and non-exclusive licences to use certain trademarks and the rights to sub-license the same to any member of the Group in consideration of nominal amount of HK$1 each.

(2) Significant transactions with related parties during the year:

Name of related company	Relationship	Nature of transactions	2015 HK$'000
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expense	7,557
Taiyuan China Resources Coal	Associate	Interest income	157,580
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expense	8,196
Beijing China Resources Building Co., Ltd.	Fellow subsidiary	Rental expense	4,129
Certain subsidiaries of CR Cement	Fellow subsidiary	Sales of de-sulphur Gypsum	157
		Sales of ash and slag	714
		Purchase of limestone powder	1,953
China Resources Packaging Materials Co., Ltd.	Fellow subsidiary	Sales of coal	2,071
CR Energy Services	Fellow subsidiary	Contract environment management fee, contract energy management fee and exclusive operation fee	92,969
China Resources Bank of Zhuhai Co., Ltd.	Fellow subsidiary	Interest expense	239
		Interest income	3,285

The Company has complied with the disclosure requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year ended 31 December 2015.

MAJOR CUSTOMERS AND SUPPLIERS

Purchases from the Group's five largest suppliers together accounted for 16.47% of the Group's total purchases during the year. The five largest suppliers are XEMC Windpower Co., Ltd (4.42%), Datong Coal Mine Group Co., Ltd. (3.69%), China Shenhua Energy Company Limited (3.36%), Shaanxi Coal Selling and Transportation (Group) Corporation (2.91%) and 山西潞安環保能源開發股份有限公司 (Shanxi Lu'An Environmental Energy Development Co.,Ltd.) (2.09%).

Sales to the Group's five largest customers together accounted for 65.28% of the Group's total turnover during the year. The five largest customers are 江蘇省電力公司 (Jiangsu Electric Power Company) (24.72%), 廣東電網公司 (Guangdong Power Grid Company) (14.69%), 河南省電力公司 (Henan Provincial Power Company) (12.22%), 湖北省電力公司 (Hubei Provincial Electric Power Company) (8.38%) and 浙江省電力公司 (Zhejiang Electric Power Corporation) (5.27%).

At no time during the year did a Director, a close associate of a Director or a shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the Company's issued shares) have any interest in any of the Group's five largest suppliers or customers.

Report of the Directors

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

Apart from the Shares sold for the settlement of payment under the Medium to Long-term Performance Evaluation Incentive Plan as disclosed in the report, the Company and its subsidiaries did not purchase, sell or redeem any listed securities of the Company during the year ended 31 December 2015.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

The Company has applied all of the principles and complied with the code provisions of the Corporate Governance Code contained in Appendix 14 of the Listing Rules except for the deviation of code provision A.2.1 in regards to the separate roles of the Chairman and the President. The Company also adopted most of the recommended best practices in the said Code.

The Company's corporate governance practices is set out in the Corporate Governance Report on pages 55 to 72 of this Annual Report.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("MODEL CODE")

The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards set out in the Model Code throughout the year ended 31 December 2015.

AUDIT AND RISK COMMITTEE

The financial statements have been reviewed by the Audit and Risk Committee. In 2015, all of the three Audit and Risk Committee members are appointed from the Independent Non-executive Directors, with the Chairman of the Audit and Risk Committee having appropriate professional qualifications and experience in financial matters.

AUDITORS

The consolidated financial statements for the year ended 31 December 2015 was audited by PricewaterhouseCoopers.

A resolution will be submitted to the forthcoming AGM of the Company to re-appoint PricewaterhouseCoopers as the auditors of the Company.

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, as at the date of this Annual Report, there is sufficient public float of not less than 25% of the Company's issued shares as required under the Listing Rules.

On behalf of the Board
China Resources Power Holdings Company Limited

Zhou Junqing
Chairman

Hong Kong, 21 March 2016

BUSINESS REVIEW FOR 2015

The Group is engaged in the development, construction and operation of power plants, including large-scale efficient coal-fired generation units, wind farms, hydro-electric plants, gas-fired power plants and photovoltaic power projects as well as construction and operation of coal mines.

China's total power generation reached 5.60 trillion kWh in 2015, representing an increase of 0.6%, growth rate dropping by 3.0 percentage points compared with 2014. Coal-fired power generation amounted to 4.1 trillion kWh, representing a decrease of 2.3% compared with 2014. Wind power generation amounted to 0.19 trillion kWh, representing an increase of 15.8% compared with 2014.

Due to the slowdown in macro-economic growth affected by the drop in industrial production in particular, as well as the economic transition and industrial restructuring in China, supply in the coal market exceeded demand in 2015, and coal prices continued to be weak and on a downward trend. The easing of supply and demand of coal and the decrease in spot coal prices enabled the Group to further control fuel costs.

In 2015, as a result of the slowdown in electricity consumption and rapid growth in hydropower generation, the average utilisation hours for coal-fired generation units in China decreased by 410 hours or 8.7% year on year to 4,329 hours. Most power plants of the Group are large-scale efficient generation units mainly located in regions with relatively strong demand for electricity which give us certain competitive advantages. The average full-load equivalent utilisation hours of the subsidiary coal-fired power plants under the Group which were operational for the full year of 2015 reached 4,989 hours, exceeding the national average level for coal-fired power plants by 660 hours.

In 2015, the average utilisation hours for wind power generation units in China was 1,728 hours. Wind farms of the Group are mainly located in regions with few issues of curtailment including Eastern, Southern and Central China. The average full-load equivalent utilisation hours of our wind farms which were operational for the full year of 2015 reached 1,988 hours, exceeding the national average level for wind power generation units by 260 hours.

Growth of generating capacity

As at 31 December 2015, the Group's total attributable operational generation capacity increased to 34,731MW from 31,331MW as at 31 December 2014.

As at 31 December 2015, attributable operational generation capacity of the Group's coal-fired power plants amounted to 30,120MW, accounting for 86.7% of the Group's total attributable operational generation capacity, representing a decrease of 0.8 percentage point compared to the end of 2014. Wind, gas-fired, hydro and photovoltaic capacity amounted to 4,235MW, 77MW, 280MW and 20MW, respectively, and together accounting for 13.3% of the Group's total attributable operational generation capacity, representing an increase of 0.8 percentage point compared to the end of 2014.

In 2015, the Group commissioned five coal-fired generation units, including 2x1,000MW ultra-supercritical generation units of Haifeng Power Plant in Guangdong, 2x350MW heat and power co-generation units of Bohai New District Power Plant in Hebei and one 660MW heat and power co-generation unit of Jiaozuo Longyuan Power Plant in Henan, resulting in an increase in total attributable operational generation capacity of 3,360MW. Moreover, newly added total attributable operational generation capacity in wind-farms and photovoltaic power projects were 681 MW and 20 MW, respectively. In 2015, the Group shut down three small generation units in Tangshan Power Plant in Hebei and Jiaozuo Power Plant in Henan with total attributable operational generation capacity of 440MW.

Generation volume

The total gross generation volume of the Group's consolidated operating power plants and wind farms amounted to 151,278,105MWh in 2015, representing an increase of 8.0% from 140,068,174MWh in 2014.

The total net generation volume of the Group's consolidated operating power plants and wind farms amounted to 142,906,824MWh in 2015, representing an increase of 8.2% from 132,036,399MWh in 2014.

Management's Discussion and Analysis

On a same plant basis (being 23 subsidiary coal-fired power plants which were in commercial operation for the entire year of 2014 and 2015), both gross and net generation volumes decreased by 6.5%. The average full-load equivalent utilisation hours of the 23 subsidiary coal-fired power plants in 2015 amounted to 4,989 hours, representing a decrease of 6.5% from 5,334 hours in 2014.

On-grid tariff adjustment

The on-grid tariffs of coal-fired power plants throughout the People's Republic of China ("PRC") was cut effective on 20 April 2015. The rate of adjustment in the regions in which the Group's coal-fired power plants operate varied from region to region ranging from RMB6.7/MWh to RMB32.0/MWh, among which, the arithmetic average on-grid tariff for the subsidiary coal-fired power plants decreased by RMB21.2/MWh, or approximately 4.8%, affecting profitability of the Group's coal-fired power plants to a certain extent. However, coal-fired power plants continued to benefit from abundant supply of coal and decrease in coal price.

Fuel costs

Average unit fuel cost for the Group's consolidated operating power plants in 2015 was RMB146.20/MWh, representing a year-on-year decrease of 21.4%. Average standard coal cost for the Group's consolidated operating power plants in 2015 was RMB473.17/tonne, representing a decrease of 20.8% from the previous year.

In 2015, the average net generation standard coal consumption rate of the Group's consolidated coal-fired power plants was 306.98g/kWh, representing a decrease of 3.55g/kWh or 1.1% from 310.53g/kWh in 2014.

Environmental expenses

In 2015, the total amount of environmental expenses incurred by the Group's subsidiary coal-fired power plants was RMB120 million, representing a decrease of 20% compared to 2014. The significant decrease in environmental expenses was mainly due to the reduction of emission after the completion of desulfurization, denitration and ash removal equipment installation on all the subsidiary coal-fired generation units. As at 31 December 2015, the installation of ultra-low emission facilities has been completed for 25 coal-fired generation units in the subsidiary power plants with a total attributable operational generation capacity of 10,418MW.

Development of renewable energy projects

In 2015, we continued to increase our investment in renewable energy projects, including the development and construction of wind farms, photovoltaic power projects and hydro-electric projects. At the end of 2015, our attributable operational wind generation capacity reached 4,235MW and wind power capacity under construction was 1,415MW; our attributable operational photovoltaic generation capacity reached 20MW and photovoltaic capacity under construction was 130MW; our attributable operational hydro-electric generation capacity reached 280MW and hydro-electric capacity under construction was 107MW. The hydro-electric plant under construction with a total capacity of 113MW, is located in Yunnan, 95% owned by the Group and is expected to commence operation in 2019.

Coal mine operations

In 2015, the subsidiary and associate coal mines of the Group produced a total of approximately 13.9 million tonnes of coal (aggregation of each mine's production volume), representing an increase of 19.3% from 2014, among which, 12.02 million and 1.88 million tonnes were produced by the subsidiary coal mines and associate coal mines, respectively.

Capital expenditure

In 2015, the total cash capital expenditure of the Group amounted to approximately HK$17,300 million, among which, HK$2,500 million was used in the upgrading of existing coal-fired units for ultra-low emission reduction, safety and energy saving and refinement of heat supply technology, approximately HK$7,200 million was used in the construction of coal-fired units, approximately HK$6,500 million was used in the construction of wind farms, photovoltaic power projects and hydro-electric plants, and approximately HK$950 million was used in the upgrading and construction of coal mines.

PROSPECTS FOR 2016 AND THE FUTURE

National power consumption is not expected to increase substantially in 2016 where demand for electricity is expected to be relatively weak and power supply is expected to be ample.

It is expected that the trend of total output easing and the structural surplus in the coal market will continue in 2016. Coal prices are expected to continue to be weak in the near future and remain at low levels in 2016.

In 2016, the Group will continue to implement lean management and benchmark management throughout its operational power plants, with which the Group aims to improve its operational efficiency and management level, as well as improve and optimise various production and operation indicators constantly through organic growth. Meanwhile, the Group will further reduce emission and actively perform its social obligations in energy conservation and emission reduction. In 2016, the Group plans to retrofit 20 coal-fired generation units in the subsidiary power plants with total attributable operational generation capacity of 10,211MW with ultra-low emission facilities to further lower the emission of sulfur dioxide, nitrogen oxide and ash.

The on-grid tariffs of coal-fired power plants throughout the PRC was further cut by the government effective on 1 January 2016. The rate of adjustment of the Group's coal-fired power plants varied from region to region ranging from RMB16.5/MWh to RMB46.5/MWh, among which, the arithmetic average on-grid tariff of the subsidiary coal-fired power plants decreased by RMB32.4/MWh, or 7.7%, which is expected to affect the profitability of the Group's coal-fired power plants to a certain extent.

As at the end of 2015, our coal-fired power plants under construction include 2x660MW supercritical generation units in Liuzhi, Guizhou, which are wholly owned by the Group and expected to commence operation in 2016, and 2x660MW ultra-supercritical generation units in Wujianfang, Inner Mongolia, which are 70% owned by the Group and expected to commence operation in 2017.

The Group will continue to increase its investment in renewable energy projects, including the development and construction of wind farms, photovoltaic power projects and hydro-electric plants. The goal of the Group is to add 1,000MW to 1,500MW of renewable energy projects every year, including wind farms and photovoltaic power projects. To achieve this goal, the Group will be required to obtain approvals from the PRC government for projects which meet investment hurdle rates and have the right construction conditions and complete construction as scheduled, all of which are subject to certain external factors. For wind farms, photovoltaic power projects and hydro-electric projects under construction as at the end of 2015, please refer to "Development of renewable energy projects" under the section headed "BUSINESS REVIEW FOR 2015".

As at the date of this report, the estimated capital expenditure of the Group planned for 2016 is expected to be approximately HK$23.0 billion, including approximately HK$3.8 billion for the technical upgrade in the area of energy saving and efficiency improvement of the existing operational coal-fired units, including the installation of ultra-low emission facilities; approximately HK$6.6 billion for the construction of coal-fired units; approximately HK$12.0 billion for the construction of wind farms, photovoltaic power projects and hydro-electric plants; and approximately HK$0.6 billion for coal mines. The Group will control the pace of capital expenditure based on the macro-economic conditions of China, in particular the demand and supply of electricity, the government policies for energy and related industries and the Group's strategies, and make prompt and necessary adjustment based on market conditions and the general policies of the government.

According to the plan of the Group as at the date of this report, the attributable operational generation capacity at the end of 2016, 2017 and 2018 is expected to be approximately 36,600MW, 38,900MW and 43,500MW, respectively. The above figures are estimates as at the reporting date and are subject to various external factors, including government approvals, projects meeting certain investment hurdle rates and construction progress. The Group will make prompt and necessary adjustment to its future pipeline growth plans including the construction schedule and type of generation units to be constructed according to the macro-economic conditions of China, in particular the demand and supply of electricity, the government policies for energy and related industries and the strategic plan of the Group. Since the Group has a relatively mature and sizable operational scale, it is expected that the control of and adjustment to the timing of commissioning of a particular unit will not have a material negative impact on the general operations of the Group.

Management's Discussion and Analysis

OPERATING RESULTS

Our audited results of operations for the years ended 31 December 2015 and 2014 are as follows:

Consolidated Income Statement

For the year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
Turnover	**71,435,875**	70,680,628
Operating expenses		
Fuels	**(25,954,316)**	(31,044,413)
Repairs and maintenance	**(1,982,380)**	(1,762,055)
Depreciation and amortisation	**(9,787,203)**	(8,599,543)
Employee benefit expenses	**(5,250,986)**	(5,214,157)
Consumables	**(992,543)**	(1,003,571)
Impairment charges	**(4,372,893)**	(6,094,392)
Business tax and surcharge	**(1,003,681)**	(799,563)
Others	**(4,028,491)**	(3,913,569)
Total operating expenses	**(53,372,493)**	(58,431,263)
Other income	**2,088,708**	2,057,888
Other (losses)/gains – net	**(143,988)**	912,943
Operating profit	**20,008,012**	15,220,196
Finance costs	**(3,216,382)**	(3,325,487)
Share of results of associates	**(717,586)**	(1,177,765)
Share of results of joint ventures	**247,113**	467,461
Profit before income tax	**16,321,247**	11,184,405
Income tax expense	**(5,808,868)**	(4,290,788)
Profit for the year	**10,512,379**	6,893,617
Profit for the year attributable to:		
Owners of the Company	**10,025,241**	9,214,858
Non-controlling interests		
– Perpetual capital securities	**421,534**	421,709
– Others	**65,604**	(2,742,950)
	487,138	(2,321,241)
	10,512,379	6,893,617
Earnings per share attributable to owners of the Company during the year		
– Basic	**HK$2.10**	HK$1.94
– Diluted	**HK$2.10**	HK$1.93

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
Profit for the year	**10,512,379**	6,893,617
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Currency translation differences	**(6,221,279)**	(198,087)
Share of changes in translation reserve of associates and joint ventures	**(228,479)**	(23,937)
Release to profit or loss in relation to disposal of associates	**(100,441)**	—
Release to profit or loss in relation to disposal of a subsidiary	**(349,149)**	—
Fair value changes on cash flow hedges, net of tax	**59,313**	63,371
Changes in fair value of available-for-sale investments, net of tax	**(175,979)**	212,844
Total items that may be reclassified subsequently to profit or loss, net of tax	**(7,016,014)**	54,191
Total comprehensive income for the year, net of tax	**3,496,365**	6,947,808
Attributable to:		
Owners of the Company	**3,668,030**	9,295,451
Non-controlling interests		
– Perpetual capital securities	**421,534**	421,709
– Others	**(593,199)**	(2,769,352)
	(171,665)	(2,347,643)
Total comprehensive income for the year	**3,496,365**	6,947,808

Consolidated Balance Sheet

As at 31 December 2015

	2015 HK$'000	2014 HK$'000
ASSETS		
Non-current assets		
Property, plant and equipment	142,845,210	146,907,932
Prepaid lease payments	3,344,056	3,218,044
Mining rights	15,815,897	18,138,478
Exploration and resources rights	161,947	171,989
Prepayment for non-current assets	2,789,219	3,579,037
Investments in associates	9,484,351	11,222,297
Loans to an associate	—	809,229
Investments in joint ventures	3,694,388	2,472,578
Goodwill	1,760,924	3,123,668
Deferred income tax assets	556,150	739,113
Available-for-sale investments	1,497,284	1,656,455
Loan to an available-for-sale investee company	303,214	181,698
Loan to a non-controlling shareholder of a subsidiary	—	17,113
Derivative financial instruments	—	575,898
	182,252,640	192,813,529
Current assets		
Inventories	2,306,640	3,308,874
Trade receivables, other receivables and prepayments	14,587,390	19,684,542
Loans to associates	23,395	—
Loan to joint ventures	170,528	371,575
Loan to an available-for-sale investee company	89,673	95,233
Loan to a non-controlling shareholder of a subsidiary	16,114	—
Amounts due from associates	465,471	106,025
Amounts due from joint ventures	137,249	120,181
Amounts due from other related companies	39,430	85,337
Financial assets at fair value through profit or loss	—	5,217
Pledged and restricted bank deposits	723,404	772,433
Cash and cash equivalents	7,273,945	8,285,135
	25,833,239	32,834,552
Total assets	208,085,879	225,648,081

	2015 HK$'000	2014 HK$'000
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company		
Share capital	**22,252,458**	22,102,792
Other reserves	**10,408,713**	14,710,033
Retained earnings	**38,256,404**	33,981,578
	70,917,575	70,794,403
Non-controlling interests		
– Perpetual capital securities	**5,897,219**	5,897,106
– Others	**6,924,549**	9,100,859
	12,821,768	14,997,965
Total equity	**83,739,343**	85,792,368
LIABILITIES		
Non-current liabilities		
Borrowings	**61,113,715**	79,535,707
Derivative financial instruments	**—**	72,276
Deferred income tax liabilities	**2,459,682**	2,635,041
Deferred income	**958,222**	930,275
Retirement and other long-term employee benefits obligations	**149,764**	626,397
	64,681,383	83,799,696
Current liabilities		
Trade payables, other payables and accruals	**28,622,007**	31,960,657
Amounts due to associates	**796,493**	730,760
Amounts due to joint ventures	**908,628**	1,881
Amounts due to other related companies	**577,667**	959,233
Current income tax liabilities	**1,330,166**	1,486,367
Borrowings	**27,403,621**	20,897,153
Derivative financial instruments	**26,571**	19,966
	59,665,153	56,056,017
Total liabilities	**124,346,536**	139,855,713
Total equity and liabilities	**208,085,879**	225,648,081
Net current liabilities	**(33,831,914)**	(23,221,465)
Total assets less current liabilities	**148,420,726**	169,592,064

Management's Discussion and Analysis

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	**16,321,247**	11,184,405
Adjustments for:		
Depreciation for property, plant and equipment	**9,364,433**	8,256,297
Amortisation of mining rights	**342,868**	282,680
Amortisation of prepaid lease payments	**79,902**	60,566
Impairment charges on property, plant and equipment	**2,409,462**	3,096,692
Impairment charges on prepaid lease payments	**9,396**	16,422
Impairment charges on mining rights	**1,219,930**	2,925,850
Impairment charges on goodwill	**425,728**	—
Impairment charges on inventories	**32,982**	33,413
Provision for impairment of doubtful accounts	**275,395**	22,015
Exchange losses	**630,030**	113,991
Interest expense	**3,216,382**	3,273,007
Interest income	**(300,445)**	(230,629)
Fair value changes on financial assets at fair value through profit or loss	**—**	(2,269)
Fair value changes on derivative financial instruments	**145,458**	(593,936)
Share of results of associates	**717,586**	1,177,765
Share of results of joint ventures	**(247,113)**	(467,461)
Dividends received from available-for-sale investments	**(187,899)**	(235,930)
Net losses/(gains) on disposal of property, plant and equipment	**7,696**	(12,674)
Net losses/(gains) on disposal of prepaid lease payments	**728**	(101,792)
Net gains on disposal of a subsidiary	**(550,731)**	—
Net gains on disposal of other equity investments	**(41,258)**	(275,868)
Changes in working capital:		
Decrease in inventories	**731,820**	86,649
Decrease/(increase) in trade receivables, other receivables and prepayments	**3,927,353**	(1,094,571)
Increase in trade payables, other payables and accruals	**54,851**	3,162,598
(Decrease)/increase in retirement and other long-term employee benefits obligations	**(641,460)**	247,878
Income tax paid	**(5,955,463)**	(4,425,183)
CASH INFLOWS FROM OPERATING ACTIVITIES - NET	**31,988,878**	26,499,915

	2015 HK$'000	2014 HK$'000
CASH FLOWS FROM INVESTING ACTIVITIES		
Dividend received from associates	**1,300,457**	1,618,500
Dividend received from joint ventures	**409,192**	751,678
Dividend received from available-for-sale investments	**520,980**	57,134
Interest received	**247,284**	196,171
Decrease/(increase) in pledged and restricted bank deposits	**49,029**	(174,430)
Acquisition of property, plant and equipment, prepaid lease payments, mining rights and exploration and resources rights	**(16,811,289)**	(24,483,498)
Proceeds from disposal of property, plant and equipment	**92,235**	458,633
Proceeds from disposal of prepaid lease payments	**—**	130,944
Proceeds from disposal of a subsidiary	**904,548**	—
Proceeds from disposal of other equity investments	**1,173,955**	583,654
Loans to associates	**(1,242,161)**	(1,969,166)
Loans repaid by associates	**—**	836,138
Loan to an available-for-sale investee company	**(132,124)**	—
Loans repaid by other related companies	**—**	38,156
Capital contribution for available-for-sale investments	**(152,409)**	—
Capital contribution into associates	**(20,263)**	(20,431)
Capital contribution into joint ventures	**(118,200)**	(219,763)
Government grants related to assets	**116,684**	177,979
CASH OUTFLOWS FROM INVESTING ACTIVITIES - NET	**(13,662,082)**	(22,018,301)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from bank borrowings	**37,680,307**	35,160,200
Repayment of bank and other borrowings	**(39,142,633)**	(22,363,420)
Repayment of bonds	**(7,079,475)**	—
Coupon payment on perpetual capital securities	**(421,421)**	(421,609)
Proceeds from issuance of shares for exercised options	**20,230**	53,618
Proceeds from sale of shares held for share award scheme	**24,347**	27,282
Proceeds from disposal of interests in a subsidiary without loss of control	**389,555**	—
Capital contributions from non-controlling interests	**31,792**	223,517
Advances from associates	**170,314**	295,955
Loans repaid to an associate	**(349,627)**	(531,044)
Repayment of advances to joint ventures	**(20,289)**	(393,994)
Advances from/(repayment to) other related companies	**2,793**	(40,897)
Loan from an intermediate holding company	**—**	4,405,860
Loans repaid to intermediate holding companies	**—**	(8,692,672)
Advances from non-controlling interests of subsidiaries	**109,301**	30,401
Interests paid	**(4,256,227)**	(4,423,625)
Dividends paid to owners of the Company	**(3,689,874)**	(3,566,550)
Dividends paid to non-controlling interests of the subsidiaries	**(2,340,444)**	(1,970,443)
CASH OUTFLOWS FROM FINANCING ACTIVITIES - NET	**(18,871,351)**	(2,207,421)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(544,555)**	2,274,193
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**8,285,135**	6,035,046
EXCHANGE LOSSES	**(466,635)**	(24,104)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	**7,273,945**	8,285,135

Management's Discussion and Analysis

Overview

Net Profit for 2015 amounted to approximately HK$10,025 million, representing an increase of approximately 8.8% as compared with 2014.

Basis of preparation of financial statements and principal accounting policies

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, available-for-sale investments and derivative financial instruments, which are carried at fair value.

The financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by Hong Kong Institute of Certified Public Accountants. In addition, the financial statements include applicable disclosure required by the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap. 622, the Laws of Hong Kong).

As at 31 December 2015, the Group had net current liabilities of approximately HK$33,832 million. The Board is of the opinion that, taking into account the current operation and business plan of the Group as well as the banking facilities undrawn by the Group, the Group has sufficient working capital to enable it to meet in full its financial obligations as they fall due for the following twelve months from the balance sheet date. Therefore, these consolidated financial statements have been prepared on a going concern basis.

Change in accounting standards and disclosures

(i) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on 1 January 2015:

- Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits. The amendment has no material impact on the Group. This amendment did not have a significant effect on the Group's consolidated financial statements.

- Amendments from annual improvements to HKFRSs — 2010 — 2012 Cycle, on HKFRS 8, 'Operating segments', HKAS 16, 'Property, plant and equipment' and HKAS 38, 'Intangible assets' and HKAS 24, 'Related party disclosures'. These amendments did not have a significant effect on the Group's consolidated financial statements.

- Amendments from annual improvements to HKFRSs — 2011 — 2013 Cycle, on HKFRS 3, 'Business combinations', HKFRS 13, 'Fair value measurement' and HKAS 40, 'Investment property'. These amendments did not have a significant effect on the Group's consolidated financial statements.

(ii) In addition, the requirements under Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) have become effective during this financial year. Hence, the presentation and disclosure of certain information in the Group's consolidated financial statements have been changed accordingly.

(iii) New and amended standards and interpretations, not yet adopted by the Group

The following new and amended standards and interpretations have been issued but are not effective for the financial year beginning 1 January 2015 and have not been early adopted by the Group:

- HKFRS 14 'Regulatory Deferral Accounts' is effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operation is effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 38 on clarification of acceptable methods of depreciation and amortization are effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 41 on bearer plants are effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKFRS 10, HKFRS 12, and HKAS 28 on Investment Entities: Applying the Consolidation Exception are effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKAS 1 'Disclosure initiative' is effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKAS 27 allowing the equity method on investments in subsidiaries, joint ventures and associates in investor's separate financial statement is effective for annual periods beginning on or after 1 January 2016.
- Annual improvement 2014 is effective for annual periods beginning on or after 1 July 2016.
- HKFRS15 "Revenue from contracts with customers" is effective for annual periods beginning on or after 1 January 2018.
- HKFRS 9 "Financial instruments" is effective for annual periods beginning on or after 1 January 2018.

Management is in the process of making an assessment of the impact of the above new and amended standards. Management is not yet in a position to state what impact they would have, if any, on the Group's results of operations and financial positions.

SEGMENT INFORMATION

Turnover represents revenue received and receivable arising on sales of electricity, heat generated by thermal power plants and sales of coal, net of value-added tax, during the year.

	2015 **HK$'000**	2014 HK$'000
Sales of electricity	**64,961,164**	64,319,193
Of which: Sales of power generated from thermal power plants	**59,625,645**	59,735,600
Sales of power generated from renewable energy	**5,335,519**	4,583,593
Heat supply	**3,182,704**	2,861,134
Sales of coal	**3,292,007**	3,500,301
	71,435,875	70,680,628

The Group's turnover for 2015 was HK$71,436 million, representing a 1.1% increase from HK$70,681 million in 2014. The slight increase in turnover was mainly attributable to the 8.2% increase in total net generation volume of our consolidated operating power plants as new units commenced operation, which was partially offset by two rounds of on-grid tariff cuts for coal-fired power plants in the second half of 2014 and the first half of 2015, respectively, and a fall in the average sales price of coal for the Group's subsidiary coal mines.

The Group is currently engaged in three business areas - thermal power (inclusive of coal-fired and gas-fired power plants), renewable energy (inclusive of wind farms, hydro-electric and photovoltaic power projects) and coal mining.

Management's Discussion and Analysis

SEGMENT REVENUE AND RESULTS

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

For the year ended 31 December 2015

	Thermal power HK$'000	Renewable energy HK$'000	Coal mining HK$'000	Eliminations HK$'000	Total HK$'000
Segment revenue					
External sales	**62,808,349**	**5,335,519**	**3,292,007**	—	**71,435,875**
Inter-segment sales	—	—	**224,870**	**(224,870)**	—
Total	**62,808,349**	**5,335,519**	**3,516,877**	**(224,870)**	**71,435,875**
Segment profit	**21,901,302**	**2,671,712**	**(4,097,682)**	—	**20,475,332**
Unallocated corporate expenses					**(772,075)**
Interest income					**300,445**
Fair value change on derivative financial instruments					**(145,458)**
Gains on disposal of a subsidiary					**550,731**
Gains on disposal of other equity investments, net					**41,258**
Finance costs					**(3,216,382)**
Share of results of associates					**(717,586)**
Share of results of joint ventures					**247,113**
Dividend income from available-for-sale investments					**187,899**
Exchange losses					**(630,030)**
Profit before income tax					**16,321,247**

For the year ended 31 December 2014

	Thermal power HK$'000	Renewable energy HK$'000	Coal mining HK$'000	Eliminations HK$'000	Total HK$'000
Segment revenue					
External sales	62,596,734	4,583,593	3,500,301	—	70,680,628
Inter-segment sales	—		233,588	(233,588)	—
Total	62,596,734	4,583,593	3,733,889	(233,588)	70,680,628
Segment profit/(loss)	18,708,528	2,467,601	(6,405,084)	—	14,771,045
Unallocated corporate expenses					(773,221)
Interest income					230,629
Fair value change on derivative financial instruments					593,936
Gains on disposal of equity investments, net					275,868
Finance costs					(3,325,487)
Share of results of associates					(1,177,765)
Share of results of joint ventures					467,461
Dividend income from available-for-sale investments					235,930
Exchange losses					(113,991)
Profit before income tax					11,184,405

Inter-segment sales are charged at prevailing market rates.

Geographical information

Substantially all of the Group's non-current assets are located in the PRC, and operations for the year were substantially carried out in the PRC.

Operating expenses

Operating expenses mainly comprise fuels, repairs and maintenance, depreciation and amortisation, employee benefit expenses, consumables, business tax and surcharge, impairment charges, and other operating expenses. Other operating expenses include safety production expenses of coal, production maintenance fees, water charges, utility expenses, taxes, office rent and other management expenses. Operating expenses in 2015 amounted to HK$53,372 million, representing a decrease of 8.7% from HK$58,431 million in 2014.

Fuels for 2015 amounted to approximately HK$25,954 million, representing a decrease of HK$5,090 million or 16.4% from HK$31,044 million for 2014. Although the net generation volume of the consolidated coal-fired power plants increased by 7.7% over last year, the average unit fuel cost for the consolidated power plants in 2015 decreased by 21.4% on a year-on-year basis, and as a result, fuels decreased over last year.

In 2015, repairs and maintenance increased by approximately HK$220 million or 12.5% to approximately HK$1,982 million, which was mainly attributable to the increase in installed capacity.

Depreciation and amortisation in 2015 increased by approximately HK$1,188 million or 13.8% to HK$9,787 million. This was mainly due to an increase in the Group's attributable operational capacity from 31,331MW as at the end of 2014 to 34,731MW as at the end of 2015 from the commissioning of new coal-fired power plants and wind farms, all of which are consolidated power plants.

Employee benefit expenses increased by approximately 0.7% or HK$36.83 million to HK$5,251 million from approximately HK$5,214 million in 2014.

Business tax and surcharge increased by 25.5% from HK$800 million in 2014 to approximately HK$1,004 million, among which business tax, urban maintenance and construction tax and education surcharge increased by approximately HK$36.64 million mainly due to interest income from inter-company loans, and resource tax increased by approximately HK$168 million mainly due to change in basis of calculation from volume sold to sales amounts effective from December 2014.

Impairment charges decreased by 28.2% from approximately HK$6,094 million for 2014 to approximately HK$4,373 million for 2015, mainly including: (1) impairment provisions of approximately HK$3,125 million for 2015 made by the Group for its subsidiary coal mines. The impairment provision was mainly attributed to the decrease in coal prices, excessive production capacity and oversupply as a result of the coal market downturn and the Group accelerating the close down of certain coal mines in accordance with the policy of the Chinese government to reduce overcapacity; (2) impairment provisions of HK$547 million made for certain obsolete assets relating to power business, mainly including the Group's shutting down of small-scale generation assets and obsolete environmental protection equipment; (3) provisions for impairment of trade receivables of certain coal mine projects amounting to HK$275 million in aggregate; and (4) write-off of goodwill as to HK$195 million for China Resources Tianneng Xuzhou Coal & Power Co., Ltd, HK$180 million for Shenyang China Resources Thermal Power Co., Ltd and HK$51 million for China Resources Power (Xingning) Co., Ltd. Based on the Group's respective stakes in the coal mines and power assets stated above, share of total impairment losses recognised in the Group's Net Profit amounted to approximately HK$3,203 million.

Other operating expenses for 2015 amounted to approximately HK$4,028 million, representing an increase of 2.9% or HK$114 million from HK$3,914 million in 2014. Other operating expenses mainly included other production costs for coal operations such as safety production fees and production maintenance fees in an aggregated amount of approximately HK$362 million; other production costs for power operations such as discharge fees, utility expenses and water charges in an aggregated amount of approximately HK$1,837 million; and management fees such as taxes, office rent, building management fees, professional fees, transportation costs and other administrative fees in an aggregated amount of approximately HK$1,829 million.

Other income and other gains - net

In 2015, other income amounted to approximately HK$2,089 million, representing an increase of 1.5% when compared with approximately HK$2,058 million in 2014.

Other income mainly included sale of scrap materials of approximately HK$674 million, government grant and subsidies of approximately HK$390 million, interest income of approximately HK$300 million, service income from heat connection contracts of approximately HK$243 million and dividend income of approximately HK$188 million.

Other losses were approximately HK$144 million, including exchange loss on the depreciation of Renminbi ("RMB") against Hong Kong dollars ("HK$") of HK$630 million, loss from fair value changes on derivative financial instruments of HK$145 million and gains on disposal of equity investments and a subsidiary of HK$592 million which was mainly from the disposal of 50% equity interest in Jinzhou Power Plant (錦州電廠) and all equity interest in Chacheng Power Plant (垞城電廠).

Operating profit

Operating profit represents profit from subsidiaries before deduction of finance costs, income tax expense and non-controlling interests. Operating profit amounted to approximately HK$20,008 million for 2015, representing an increase of 31.5% from HK$15,220 million for 2014. The increase was mainly due to (1) the decrease in unit fuel cost of the subsidiary coal-fired power plants; (2) profit contribution from newly commissioned coal-fired generation units; and (3) a decrease in impairment charges, which was partially offset by (1) two rounds of on-grid tariff cuts for coal-fired power plants in the second half of 2014 and the first half of 2015, respectively; and (2) decrease in net generation volumes of the coal-fired power plants on a same plant basis.

Finance costs

Finance costs amounted to approximately HK$3,216 million in 2015, representing a decrease of 3.3% from HK$3,325 million in 2014, mainly due to the decrease in average amount of bank and other borrowings (being the average of the sum of total interest-bearing liabilities at the beginning and the end of the year) to HK$94,475 million in 2015 from HK$96,501 million in 2014. The average cost of bank and other borrowings was 4.29%, decreasing by 0.26 percentage point during the year from 4.55% in 2014.

	2015 **HK$'000**	2014 HK$'000
Interests on bank and other borrowings	**3,293,250**	3,462,167
Interests on corporate bonds	**668,629**	830,096
Interests on loans from related parties	**4,049**	15,451
Others	**191,774**	109,667
	4,157,702	4,417,381
Less: interests capitalised in property, plant and equipment	**(941,320)**	(1,091,894)
	3,216,382	3,325,487

Share of results of associates

Share of results of associates in 2015 amounted to a loss of HK$718 million, compared to a loss of HK$1,178 million in 2014. Share of results of associates recorded a loss mainly due to the provision for impairment losses on the associate coal mining assets of the Group resulting from the continuous decrease in coal prices and the acceleration of close down of certain facilities related to associate coal mines. Based on the Group's respective stakes in these coal mines, share of impairment losses in the Group's Net Profit amounted to HK$830 million.

Share of results of joint ventures

Share of results of joint ventures in 2015 amounted to approximately HK$247 million, representing a decrease of approximately HK$220 million or 47.1% from HK$467 million in 2014. The decrease was mainly attributable to the reduction in profit of Hezhou Power Plant in Guangxi as its generation volume in 2015 decreased by 32% year-on-year as a result of slowdown in regional macro-economic growth and the negative impact of hydro-electric power on coal-fired power generation volume in southwestern China.

Fair value change on derivative financial instruments

The Group uses derivative financial instruments (primarily interest rate swap) to hedge its exposure against changes in interest rate on bank borrowings. At the inception of the hedging relationship, the Group documented the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documented whether the hedging instrument that is used in a hedging relationship is highly effective in offsetting changes in cash flows of the hedged item.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair values at the end of the reporting period. The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are deferred in equity. The gain or loss relating to the ineffective portion and changes in fair value of some swaps that do not qualify for hedge accounting are recognised immediately in profit and loss. Fair value gain on derivative financial instruments in 2015 amounted to HK$6.3582 million and represented the ineffective portion of cash flow hedge.

In 2010, the Group and an independent third party (the "Partner") entered into a share subscription agreement ("Share Subscription Agreement") and pursuant to which they formed a company, namely Resources J Energy Investment Limited ("Resources J"), and Resources J indirectly holds 100% equity interest in Hezhou Power Plant in Guangxi.

Pursuant to a call option agreement entered into between the Company and the Partner dated 19 August 2010 ("Call Option Agreement"), the Partner granted the Company a call option at a consideration of HK$1 to acquire 16% equity interest ("Call Option Shares") in Resources J at a pre-determined consideration. The consideration is determined based on the capital contributed by the Partner attributable to the Call Option Shares plus interest accrued at a compound annual interest rate at 5.5%, reduced by 32% of the dividend received by the Partner in respect of the Call Option Shares and the interest on dividend received by the Partner in respect of the Call Option Shares. The call option can be exercised on any business day within the period from 17 December 2015 to 1 January 2016 ("Call Option Period"). The Company exercised the call option on 29 December 2015 to acquire the Call Option Shares in Resources J. The total consideration for the exercise of the call option amounted to US$6,483,530 in accordance with the Call Option Agreement. The Group revaluated the Call Option based on the operating condition of the Hezhou project. The loss from change in fair value of derivative financial instruments was HK$152 million in 2015.

Income tax expense

Income tax expense for 2015 amounted to approximately HK$5,809 million, representing an increase of HK$1,518 million or 35.4% from HK$4,291 million in 2014. In 2015, the increase in PRC enterprise income tax was mainly due to (1) increased income tax expenses as new coal-fired power plants commenced operation; (2) increase in income tax expenses due to higher profits from coal-fired power plants as a result of lower unit fuel cost; (3) increase in income tax expenses for overseas distribution of dividend and internal loan interests; (4) expiry of preferential income tax treatment for certain coal-fired power plants; and (5) certain consolidated wind power projects entering preferential income tax stage with 50% concession or starting full payment.

Management's Discussion and Analysis

Details of the income tax expense for the years ended 31 December 2015 and 2014 are set out below:

	2015 HK$'000	2014 HK$'000
Current income tax – PRC enterprise income tax	5,886,574	4,553,590
Deferred income tax	(77,706)	(262,802)
	5,808,868	4,290,788

No provision for Hong Kong profits tax has been made as the Group had no taxable profit or incurred tax losses in Hong Kong for both years.

The PRC enterprise income tax has been calculated based on the estimated assessable profits in accordance with the relevant tax rates applicable to the subsidiaries in the PRC.

Operating profit for the year

	2015 HK$'000	2014 HK$'000
Operating profit for the year has been arrived at after charging:		
Directors' remuneration		
– Fees	1,451	1,506
– Salaries and bonus	12,020	14,458
– Pension costs	437	486
	13,908	16,450
Wages, salaries and bonus	4,340,521	4,043,758
Pension costs, excluding directors - retirement benefit schemes	757,686	727,653
Employees termination benefits	138,871	426,296
Total staff costs	5,250,986	5,214,157
Amortisation of prepaid lease payments	79,902	60,566
Amortisation of mining rights	342,868	282,680
Auditor's remuneration	10,742	10,211
Cost of inventories recognised as operating expenses	26,979,841	32,081,397
Depreciation of property, plant and equipment	9,364,433	8,256,297
Impairment loss on property, plant and equipment	2,409,462	3,096,692
Impairment loss on prepaid lease payments	9,396	16,422
Impairment loss on mining rights	1,219,930	2,925,850
Impairment loss on goodwill	425,728	—
Impairment loss on inventories	32,982	33,413
Provision for doubtful accounts	275,395	22,015
Minimum lease payments under operating leases in respect of:		
– land and buildings	81,403	90,900
Fair value changes on financial assets at fair value through profit or loss (included in other (losses)/gains)	—	(2,269)
Fair value changes on derivative financial instruments (included in other (losses)/gains)	145,458	(593,936)

	2015 HK$'000	2014 HK$'000
and after crediting:		
Dividend income from available-for-sale investments	**187,899**	235,930
Government grant	**389,954**	319,490
Interest income	**300,445**	230,629
Sales of scrap materials	**673,898**	736,810
Service income from heat connection contracts	**242,536**	217,703
Net exchange losses (included in other (losses)/gains)	**(630,030)**	(113,991)
Net gains on disposal of equity investment (included in other (losses)/gains)	**41,258**	275,868
Net gains on disposal of a subsidiary (including other (losses)/gains)	**550,731**	—
Net (losses)/gains on disposal of property, plant and equipment (included in other (losses)/gains)	**(7,696)**	12,674
Net (losses)/gains on disposal of prepaid lease payments (included in other (losses)/gains)	**(728)**	101,792
Expenses capitalised in construction in progress:		
Other staff cost	**667,337**	658,708
Pension costs	**16,300**	65,340
Depreciation and amortisation	**78,819**	81,140

Profit for the year attributable to owners of the Company

As a result of the above, profit attributable to owners of the Company increased from approximately HK$9,215 million in 2014 to HK$10,025 million in 2015, representing a 8.8% increase year-on-year.

Earnings per share

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	2015 HK$'000	2014 HK$'000
Profit attributable to owners of the Company	**10,025,241**	9,214,858

	Number of ordinary shares	
	2015	2014
Weighted average number of ordinary shares excluding own shares held for incentive plan for the purpose of basic earnings per share	**4,765,465,708**	4,756,555,834
Effect of dilutive potential ordinary shares:		
– share options	**6,333,828**	11,814,880
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**4,771,799,536**	4,768,370,714

	2015 HK$	2014 HK$
Basic earnings per share	**2.10**	1.94
Diluted earnings per share	**2.10**	1.93

Management's Discussion and Analysis

Final dividend and closure of register of members

The Board resolved to recommend a final dividend of HK$0.75 per share for 2015 (2014: HK$0.70 per share).

	2015 HK$'000	2014 HK$'000
Dividends recognised as distribution during the year:		
2015 Interim, paid – HK$0.10 per share (2014: HK$0.08 per share)	**476,371**	380,693
2014 Final, paid – HK$0.70 per share (2013: HK$0.67 per share)	**3,334,147**	3,186,316
	3,810,518	3,567,009

Subject to the approval of shareholders at the forthcoming AGM to be held on Monday, 6 June 2016, the proposed final dividend will be distributed on or about Thursday, 23 June 2016 to shareholders of the Company whose names appear on the register of members of the Company at the close of business on Tuesday, 14 June 2016.

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 31 May 2016 to Monday, 6 June 2016 (both days inclusive), during which no share transfer will be registered. In order to be eligible to attend and vote at the AGM, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 30 May 2016.

For determining the entitlement to the proposed final dividend for the year ended 31 December 2015, the register of members of the Company will be closed on Tuesday, 14 June 2016 and no share transfer will be registered on that day. To qualify for the proposed final dividend, all transfer of shares accompanied by the relevant share certificates must be lodged with the Company's share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen s Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 13 June 2016.

Capital structure management

The Group and the Company manage capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's and the Company's overall strategy remain unchanged from prior years.

The capital structure of the Group consists of net debts, which includes long-term bank borrowings, short-term bank and other borrowings, corporate bonds, cash and cash equivalents, pledged and restricted bank deposits and equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The Board has reviewed the capital structure on a periodic basis. As part of the review, the Board considers the cost of capital and the risks associated with each class of capital. Based on the resolution of the Board, the Group will balance its overall capital structure through payment of dividends, new share issues and share buy-backs as well as the issue of new debts or the repayment of existing debts.

Liquidity and financial resources, borrowings, and charge of assets

The Group had net current liabilities of approximately HK$33,832 million as at 31 December 2015. The Directors are of the opinion that, taking into account the presently undrawn banking facilities and internal financial resources of the Group, the Group has sufficient working capital for its present requirements for at least the next twelve months commencing from the date of the financial statements.

The cash and cash equivalents as at 31 December 2015 denominated in HK$, RMB and other foreign currencies amounted to approximately HK$740 million, RMB5,247 million and US$35 million.

The bank and other borrowings of the Group as at 31 December 2015 and 2014 were as follows:

	2015 HK$'000	2014 HK$'000
Secured bank loans	**6,420,911**	6,393,299
Unsecured bank loans	**72,207,200**	76,408,641
Corporate bonds and notes	**9,889,225**	17,630,920
	88,517,336	100,432,860

The maturity profile of the above bank and other borrowings is as follows:

	2015 HK$'000	2014 HK$'000
Within 1 year	**27,403,621**	20,897,153
Between 1 and 2 years	**6,982,328**	18,638,320
Between 2 and 5 years	**39,098,179**	45,690,298
Over 5 years	**15,033,208**	15,207,089
	88,517,336	100,432,860
The above secured bank and other borrowings are secured by:		
Pledge of assets (note)	**5,367,363**	5,167,347

Note: Certain bank loans were secured by the Group's prepaid lease payments, buildings, and power generating plant and equipment with carrying values of HK$51,985,000 (2014: HK$43,354,000), HK$1,067,607,000 (2014: HK$1,310,418,000) and HK$4,247,771,000 (2014: HK$3,813,575,000), respectively.

Bank and other borrowings as at 31 December 2015 denominated in HK$, RMB and other foreign currencies amounted to HK$23,709 million, RMB52,725 million and US$240 million, respectively.

As at 31 December 2015, bank and other borrowings of approximately HK$23,709 million and US$240 million (2014: HK$33,532 million and US$879 million) bore interest at a range from HIBOR plus 0.90% to HIBOR plus 2.2% per annum and LIBOR plus 1.34% to LIBOR plus 1.6% per annum, respectively. The remaining bank and other borrowings carried interest rates at a range from 3.915% to 6.55% (2014: 4.40% to 6.88%) per annum.

The Group uses interest rate swaps with net quarterly settlement to minimise its exposure to interest expenses of certain HK$ bank borrowings by swapping floating interest rates to fixed interest rates. As at 31 December 2015, loans of HK$5,318 million which were provided using floating rates were swapped to fixed interest rates at a range from 1.12% to 2.33% per annum.

As at 31 December 2015, the Group's ratio of net debt to shareholders' equity was 113.5%, with total debt to total capitalisation ratio of 51.4%. In the opinion of the Directors, the Group has a stable capital structure, which can support its future development plans and operations.

For the twelve months ended 31 December 2015, the Group's primary sources of funding included cash inflow from new bank loans, dividend income and net cash inflow from operating activities, which amounted to HK$37,465 million, HK$2,231 million and HK$31,989 million, respectively. The Group's funds were primarily used for the repayment of bank borrowings, acquisition of and deposits paid for property, plant and equipment and prepaid lease payments, interest payments and dividend, which amounted to HK$38,927 million, HK$16,811 million, HK$4,256 million and HK$6,030 million, respectively.

Trade and note receivables

	2015 HK$'000	2014 HK$'000
Trade receivables	**8,601,610**	10,051,035
Note receivables	**874,639**	1,164,204
	9,476,249	11,215,239
Less: provision for impairment of trade receivables	**(139,123)**	(93,730)
	9,337,126	11,121,509

Trade receivables are generally due within 60 days from the date of billing.

The following is an aging analysis of trade receivables included in trade receivables, other receivables and prepayments at the end of the reporting period:

	2015 HK$'000	2014 HK$'000
0 - 30 days	**7,728,447**	8,598,987
31 - 60 days	**388,482**	374,018
Over 60 days	**1,359,320**	2,242,234
	9,476,249	11,215,239

Trade payables

The following is an aging analysis of trade payables included in trade payables, other payables and accruals at the end of the reporting period:

	2015 HK$'000	2014 HK$'000
0 - 30 days	**5,555,057**	7,111,508
31 - 90 days	**2,502,235**	1,795,255
Over 90 days	**2,365,826**	1,557,285
	10,423,118	10,464,048

Average credit term for purchases is 90 days.

Key financial ratios of the Group

	2015	2014
Current ratio (times)	**0.43**	0.59
Quick ratio (times)	**0.39**	0.53
Net debt to shareholders' equity (%)	**113.5**	129.1
EBITDA interest coverage (times)[1]	**8.3**	6.5

Current ratio	=	balance of current assets at the end of the year/balance of current liabilities at the end of the year
Quick ratio	=	(balance of current assets at the end of the year - balance of inventories at the end of the year) / balance of current liabilities at the end of the year
Net debt to shareholders' equity	=	(balance of borrowings at the end of the year - balance of cash and cash equivalents at the end of the year - balance of pledged cash at the end of the year) / balance of equity attributable to owners of the Company at the end of the year
EBITDA interest coverage	=	(profit before taxation + interest expense + depreciation and amortisation) / interest expenditure (including capitalised interests)

Note:

(1) Excluding non-cash income and expenses, being impairment charges, changes in fair value of derivative financial instruments and exchange gains and losses.

Foreign exchange rate risk

The Group collects substantially all of its revenue in RMB and most of the Group's expenditures including expenditures incurred in its operations as well as capital expenditures are also denominated in RMB. Dividends receivable from the Company's subsidiaries and associates can be collected in either RMB, US Dollar ("US$") or HK$.

RMB is not a freely convertible currency. Future exchange rates of RMB could vary significantly from the current or historical exchange rates as a result of controls that could be imposed by the PRC government. The exchange rates may also be affected by economic developments, political changes and supply and demand of RMB. The appreciation or devaluation of RMB against HK$ and US$ may have positive or negative impact on the results of operations of the Group.

The majority of the Group's operations are in the PRC and the Group's transactions are mainly denominated in RMB which is the functional currency of the respective group entities. Foreign exchange risk mainly arises from certain borrowings denominated in HK$ and US$, particularly depreciation of the RMB against HK$ and US$. However, certain entities are located in Hong Kong and their functional currency is HK$ or US$, the foreign exchange risk for them mainly arises from balances denominated in RMB.

In addition, given there are different functional currencies within the Group, there is still foreign exchange risk which arises from the transactions and balances within the Group even after inter-group eliminations. The carrying amounts of the foreign currencies denominated monetary assets and monetary liabilities before elimination as at 31 December 2015 are as follows:

	Group As at 31 December	
	2015 HK$'000	2014 HK$'000
Assets		
US$	**56,513**	69,040
RMB	**25,314,014**	27,325,377
HK$	**764,801**	601,508
Liabilities		
US$	**3,649,713**	7,716,165
RMB	**10,026,492**	7,450,640
HK$	**500,000**	3,180,000

The Group does not use derivative financial instruments to hedge its exposure against changes in exchange rates of the RMB against HK$ and US$.

Management's Discussion and Analysis

Contingent liabilities

As at 31 December 2015, the Group provided certain guarantees amounting to HK$950,796,420.

In addition, there were certain pending litigations and claims against the Group. After consulting with legal counsels, the Directors are of the view that the likelihood of any material adverse financial impact to the Group is remote. Therefore, no provisions have been made in light of such litigations and claims.

Employees

The Group had 39,728 employees as at 31 December 2015 (2014: 42,575 employees).

The Company and its subsidiaries have concluded employment contracts with all of their respective employees. The compensation of employees mainly includes salaries and performance-based bonuses.

Medium to Long-term Performance Evaluation Incentive Plan

The Company has adopted the Medium to Long-term Performance Evaluation Incentive Plan (the "Plan"). The Plan aims to link the performance of employees and the management and the overall operating results and the accomplishment of strategic objectives of the Company to the income of employees and the management through medium and long term performance appraisals. The Plan was effective from 25 April 2008 and shall continue in full force and effect for a term of 10 years unless terminated at the discretion of the Board at an earlier date.

During the year ended 31 December 2015, the Company had sold 1,523,145 shares through the trustee and distributed the net proceeds through the Plan.

Corporate Governance Report

INTRODUCTION

The Board of Directors of the Company (the "Board") strive to ensure that the Company and its subsidiaries (the "Group") meet high standards of safety, performance and corporate governance.

The Board has ultimate authority over, and oversight of, the Group's operations and regards good corporate governance as a critical element in the drive to improve the Group's performance and achieve the Group's vision of being a world class energy provider and one of the most admired employers in China.

In 2015, except for code provision A.2.1 which is explained in this report, CR Power has applied all of the principles and complied with the code provisions set out in the Corporate Governance Code (the "Code") as contained in Appendix 14 to The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). CR Power also adopted most of the recommended best practices in the Code.

The following summarizes the Company's corporate governance practices and explains the implementation of recommended best practices.

A.1 The Board

The Board is responsible for the optimization of the Company's corporate governance, and is ultimately accountable for the Company's strategic planning, operating activities and operating results. The Board Charter is published on the Company's website (www.cr-power.com) under Investor Relations page.

The Board Charter is reviewed regularly and enhanced where necessary to take account of changes in the law and governance practices.

The Board is ultimately responsible for the oversight and review of management, administration and the overall governance of CR Power and its strategic direction. The Board plays a central supporting and supervisory role in CR Power's corporate governance structure, provides leadership and guidance to the Group's activities, and oversees the execution of the Group's business strategies.

This includes:

- the protection of shareholders' interests by seeking to ensure that CR Power's strategic direction provides and creates value for its shareholders;
- establishing goals for management and monitoring the achievement of those goals;
- authorising policies and overseeing the strategic implementation of these policies;
- seeking to ensure that CR Power's internal control and reporting procedures are adequate; and
- the Board is responsible for ensuring that management can effectively perform its duties. The Board's policy is to regularly monitor the effectiveness of management policies and decisions, including the implementation of strategies.

The Board oversees the implementation and operation of a risk management system. In addition to fulfilling its obligations to generate rewards for shareholders who invest their capital in CR Power, the Board recognises that CR Power has responsibilities to its customers, employees and suppliers and to the welfare of the communities in which CR Power operates.

In carrying out its responsibilities and powers as set out in the Board Charter, the Board will at all times recognise its ultimate responsibility to:

- maintain good corporate governance standards;
- act honestly, fairly and diligently;
- supervise safety, health and environmental issues associated with the Company's operations;

- establish a "zero-tolerance" culture in relation to corruption;
- act in accordance with laws and regulations;
- avoid conflicts of interest;
- promote CR Power as a good corporate citizen; and
- achieve and maintain community respect.

Non-executive directors should use all reasonable endeavours to ensure that CR Power's business, operations and transactions are conducted in accordance with the law and the highest standards of propriety.

The Company has set forth matters that require the Board's approval in its Board Charter.

In the year under review, the Company strictly complied with the Code principle and Code provisions A.1.1 to A.1.8, as described as follows:

A.1.1 Pursuant to code provision A.1.1 of the Code, meetings of the Board should be held at least four times a year at approximately quarterly intervals. During the year, the Board held a total of six Board meetings.

The Board met six times in 2015. Each meeting involved the active participation in person of a majority of Directors entitled to be present. Among the six meetings, the Board held one meeting through conference call.

In the year under review, Ms. Zhou Junqing, Mr. Zhang Shen Wen, Ms. Wang Xiao Bin, Mr. Du Wenmin, Mr. Wei Bin, Mr. Chen Ying, Mr. Wang Yan, Mr. Ma Chiu Cheung, Andrew, Ms. Leung Oi-Sie, Elsie, Dr. K.F. Ch'ien, Raymond and Mr. So Chak Kwong, Jack were Directors throughout the year.

The above Directors' attendance at the meetings of the Board and the Annual General Meeting ("AGM") during the year is as follows:

	Number of board meetings attended	Attendance rate of board meetings during the office of directorship	Attendance of AGM
Executive Directors			
Zhou Junqing	5/6	83%	√
Zhang Shen Wen	6/6	100%	√
Wang Xiao Bin	6/6	100%	√
Non-executive Directors			
Du Wenmin	2/6	33%	—
Wei Bin	2/6	33%	—
Chen Ying	2/6	33%	—
Wang Yan	1/6	16%	—
Independent Non-executive Directors			
Ma Chiu Cheung, Andrew	6/6	100%	√
Leung Oi-Sie, Elsie	6/6	100%	√
K.F. Ch'ien, Raymond	4/6	66%	√
So Chak Kwong, Jack	6/6	100%	√

A.1.2 Throughout the year under review, arrangements were in place to ensure that all Directors were given an opportunity to include matters in the agenda for regular Board meetings. The Board is supported by four committees, namely the Audit and Risk Committee, the Nomination Committee, the Remuneration Committee and the Sustainability Committee to ensure that it is well equipped to discharge its responsibilities. Each committee has its own terms of reference which are available on the Company's website (www.cr-power.com). The terms of reference of each committee are reviewed regularly and enhanced where necessary to take account of changes in the rules and regulations and governance practices. The Chairperson of respective committees reported to the Board regularly and made recommendations on matters discussed when appropriate. Members of senior management of the Company may attend committee meetings upon invitation by the relevant Chairperson.

A.1.3 In the year under review, notice of at least 14 days was given of a regular Board meeting, giving all Directors an opportunity to attend. For all other Board meetings, reasonable notice was given. The Board aims to set dates of regular meetings, AGM and site visits at or prior to the start of each year, so that all Directors can make proper arrangements to ensure attendance of the meetings and visits.

A.1.4 The Company Secretary attended all Board and committee meetings except meetings of the Remuneration Committee where a person (other than a member of senior management) was appointed as secretary. Minutes of Board meetings and meetings of Board Committees were kept by the Company Secretary or duly appointed personnel and were arranged to be reviewed by the Directors present at the meetings before signing by the chairperson of the respective meetings. Such minutes will be made available by the Company for inspection at any reasonable time on reasonable notice by any Director when he/she deems necessary.

A.1.5 Minutes of Board meetings and meetings of Board Committees recorded in detail the matters considered by the Board or Board Committees and decisions reached. Draft and final versions of minutes of Board meetings and meetings of Board Committees were sent to all Directors for their comments within a reasonable time after the Board or committee meetings were held.

A.1.6 The Board Charter sets out the policy that Directors, especially Non-executive Directors should be provided with sufficient resources in the furtherance of their duties as Board/Committee members, including access to independent professional advice, if necessary, at the Company's expense.

A.1.7 Physical board meetings, as opposed to written resolutions, were held to consider matters in which a substantial shareholder or Director had a conflict of interest which the Board determined to be material. At these physical board meetings, Independent Non-executive Directors who, and whose close associates, had no material interest in the transaction were present. Directors who had a conflict of interest abstained from voting.

A.1.8 The Company has arranged corporate liability insurance coverage in respect of legal actions against its Directors.

The Board Committees have adopted, so far as practicable, the principles, procedures and arrangements set out in A.1.1 to A.1.8 in the Code, where applicable.

A.2 The Chairman and the President

The division of responsibilities between the Chairman and the President has been clearly established and set out in writing. Under A.2.1 of the Code, the role of the Chairman and the President should be separate to ensure a balance of power and authority. The Chairman's primary responsibilities include deciding on the meeting schedule and agenda, formulating Board policies, ensuring Board effectiveness, promoting the Company and maintaining the Company's corporate governance. The President has delegated authority from, and is responsible to, the Board for managing the Group's business, including the implementation of the strategies and initiatives adopted by the Board.

In the period under review, the Company strictly complied with the Code principle and Code provisions A.2.2 to A.2.9 but deviated from Code provision A.2.1 as described as follows:

A.2.1 During 2015 and to the date of this report, Ms. Zhou Junqing has continued to assume the role and duties of both the Chairman and the President of the Company, until a replacement is identified for the role of the President. The Company will publish an announcement in accordance with the Listing Rules should a suitable replacement be identified for the role of the President of the Company.

President of the Company is responsible for managing the Company's business and coordinating overall business operations, implementing major strategies approved by the Board and making day-to-day operation decisions.

Chairman of the Board is responsible for providing leadership for the Board. Chairman's duties are mainly to ensure the effective operation of the Board, and the establishment of and compliance with the corporate governance practices and procedures. The Chairman is also responsible for ensuring that appropriate procedures are adopted to guarantee effective communications with shareholders, and that the shareholders' opinions are circulated among all Board members.

None of the members of the Board has any connections (including financial, business, family relationship and other material/related relationships) with each other.

A.2.2 All Directors were properly briefed on issues arising at Board meetings. Any enquiries and requests from the Directors were followed up and responded to by the management of the Company in a timely manner.

A.2.3 The Board papers contained sufficient details and Directors were given reasonable time to review the contents before the meetings. All Directors who were present at the Board meetings received adequate information in a timely manner, prior to the meetings.

A.2.4 One of the Chairman's responsibilities is to provide leadership for the Board. The Chairman ensures that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner. The Chairman, with the help of other Executive Directors and Company Secretary, is primarily responsible for drawing up and approving the agenda for each Board meeting taking into account, where appropriate, any matters proposed by other Directors for inclusion in the agenda. The Chairman has delegated this responsibility to a designated director or the company secretary in the event of her absence at a board meeting.

A.2.5 The Chairman takes primary responsibility for ensuring that good corporate governance practices and procedures are established. The Chairman meets regularly with Independent Non-executive Directors to discuss, among others, suggestions and feedback with regard to Board and corporate governance practices and procedures and areas for improvement.

A.2.6 The Chairman encourages all Directors to make a full and active contribution to the Board's affairs and takes the lead to ensure that the Board acts in the best interests of the Company. The Chairman also encourages Directors with different views to voice their concerns, allows sufficient time for discussion of issues and ensures that Board decisions fairly reflect Board consensus.

A.2.7 The Chairman, Ms. Zhou Junqing held a meeting with the Independent Non-executive Directors without the presence of other Executive Directors or management in November 2015.

A.2.8 The Chairman ensures that appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole.

A.2.9 The Chairman promotes a culture of openness and debate by facilitating the effective contribution of Non- executive Directors and ensures constructive relations between Executive and Non-executive Directors. During the year, the Independent Non-executive Directors visited our coal-fired plants in Xuzhou in Jiangsu province in April 2015 and our coal-mine and power plant construction sites in Xilingole in Inner Mongolia in July 2015. The Independent Non-executive Directors met with the local management team and gained first-hand understanding of the industry, business operations and local workforce of the Company.

A.3 Board Composition

The Board's composition is determined in accordance with the following principles, the Company's Articles of Association and relevant governance requirements:

- the Company should appoint at least three Independent Non-executive Directors and maintain Independent Non-executive Directors representing at least one-third of the Board;
- the role of Chairman and President should be held by separate persons;
- the Board should comprise of Directors with an appropriate range and mix of skills, experience, expertise and diversity;
- the performance of the Board and its members should be reviewed annually and objectively; and
- all Directors must submit themselves for re-election at regular intervals.

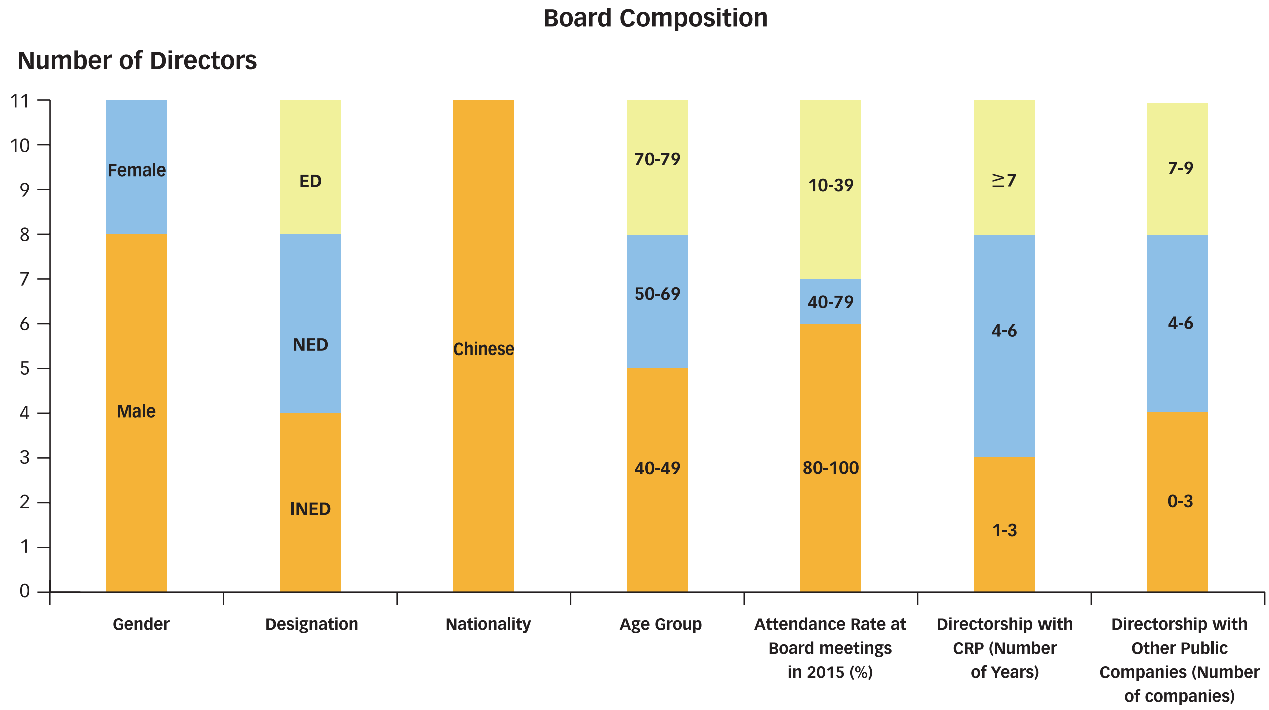
As at the date of this report, the Board consists of 11 Directors, 3 of whom are Executive Directors, 4 are Non-executive Directors and 4 are Independent Non-executive Directors. The number of Independent Non-executive Directors complied with the requirement of Rule 3.10 and Rule 3.10A of the Listing Rules. The list of Directors and their biographies are set out in the Directors and Senior Management Section on page 12 to page 20 of this Annual Report, and are available on the Company's website.

Set out below are details of the composition of the Board and its committees as at the date of this report:

Director	Board Designation	Committee Membership			
		Sustainability	Audit and Risk	Remuneration	Nomination
Zhou Junqing	E, Chairman	√			Chairman
Zhang Shen Wen	E				
Wang Xiao Bin	E				
Du Wenmin	NE			√	√
Wei Bin	NE				
Chen Ying	NE				
Wang Yan	NE				
Ma Chiu Cheung, Andrew	INED	√	Chairman	√	
Leung Oi-Sie, Elsie	INED		√	Chairman	√
K.F. Ch'ien, Raymond	INED	√		√	√
So Chak Kwong, Jack	INED	Chairman	√		√

Note:

E: Executive Director
NE: Non-executive Director
INED: Independent Non-executive Director



In the year under review, the Company strictly complied with the above principles and Code provisions A.3.1 and A.3.2 as described as follows:

A.3.1 The Independent Non-executive Directors accounted for more than one-third of the members of the Board and were expressly identified in all corporate communications that disclosed the names of Directors of the Company.

A.3.2 The Company posts the names and biographical details of the Board members on its website (www.cr-power.com), with their designations in the Board clearly stated. The Company also posts on the website of the Stock Exchange an updated list of its directors identifying their role and function and whether they are Independent Non-executive Directors.

A.4 Appointment, Re-election and Removal of Directors

The Board's Nomination Committee sets and reviews the criteria for new Director appointments having regard to the overall composition of the Board.

The Board seeks to ensure that its membership is such that each Director:

➢ is a person of integrity;

➢ has sufficient time available and abilities to perform his or her role effectively;

➢ brings an independent and questioning mind to his or her role which enables him or her to exercise sound judgment;

➢ enhances the breadth and depth of skills and knowledge of the Board as a whole; and

➢ enhances the experience and diversity of the Board as a whole.

The service term of every Director is 3 years. All Directors are subject to regular retirement and retiring Directors are eligible for re-election. The staggered structure enables the Board to change its composition in an orderly manner over time while maintaining leadership, stability and continuity, and allows for regular evaluation of the mix of skills and experience, as required.

During the year under review, the Company strictly complied with the above principle and Code provisions A.4.1 to A.4.3 as described as follows:

A.4.1 Each Non-executive Director (including Independent Non-executive Directors) receives a letter formalizing his or her appointment and that letter outlines the key terms and conditions of the appointment. Each Non-executive Director (including Independent Non-executive Director) is appointed for a term of 3 years.

In accordance with Article 120 of the Company's Articles of Association, one-third of the Directors, including Executive Directors, Non-executive Directors as well as Independent Non-executive Directors, shall retire by rotation at each AGM of the Company, provided that every Director shall be subject to retirement by rotation at least every three years and a retiring director shall be eligible for re-election. Pursuant to Article 120 of the Articles of Association, Mr. Ma Chiu Cheung, Andrew, Mr. Du Wenmin, Mr. Wei Bin and Mr. Chen Ying, retired from office by rotation and were re-elected at the AGM on 8 June 2015.

A.4.2 In accordance with the Company's Articles of Association, all new Directors appointed to fill a casual vacancy or being a new member of the Board of Directors shall be subject to re-election by shareholders at the next general meeting after their appointment (in the case of filling casual vacancy) or next AGM (in the case of addition to the Board). Pursuant to Article 98 of the Articles of Association, Mr. So Chak Kwong, Jack and Mr. Wang Yan who were appointed directors of the Company respectively on 11 June 2014 and 13 August 2014, retired from office and were re-elected at the AGM on 8 June 2015.

A.4.3 As at the date of this report, no Independent Non-executive Director currently has served more than 9 years. If an Independent Non-executive Director serves more than 9 years, any further appointment of such Independent Non-executive Director will be subject to a separate resolution to be approved by shareholders.

A.5 Nomination Committee

In the year under review, the Company strictly complied with Code provisions A.5.1 to A.5.6 as described as follows:

A.5.1 The Company has established a Nomination Committee which is comprised of 5 members, including 3 Independent Non-executive Directors, Chairman of the Board and 1 Non-executive Director. In 2015, the Nomination Committee held one meeting to, among other things, review the policy for nomination of directors.

Nomination Committee	Number of meetings attended/number of meetings held during the office of directorship	Attendance rate of meeting during the office of directorship
Zhou Junqing (Chairman)	1/1	100%
Du Wenmin	1/1	100%
Leung Oi-Sie, Elsie	1/1	100%
K.F. Ch'ien, Raymond	0/1	0%
So Chak Kwong, Jack	1/1	100%

A.5.2 Nomination Committee's major responsibilities are to formulate and implement the policy for nominating candidates for re-election by shareholders of the Company based on criteria such as reputation for integrity, accomplishment and experience, professional and educational background, and potential time commitments, and to assess the independence of Independent Non-executive Directors. The terms of reference of the Nomination Committee (which is reviewed regularly and enhanced where necessary) have incorporated the specific duties set out in the Code provision.

A.5.3 The Nomination Committee's terms of reference are available on the Company's website (www.cr-power.com) and the Stock Exchange's website.

A.5.4 The Company ensures that the Nomination Committee is provided with sufficient resources to discharge its duties.

Where necessary, the Nomination Committee may seek independent professional advice at the Company's expense, to perform its responsibilities.

A.5.5 If the Board proposes a resolution to elect an individual as an Independent Non-executive Director at the general meeting, it will set out in the circular to shareholders and/or explanatory statement accompanying the notice of the relevant general meeting why the Company believes the individual should be elected and the reasons why it considers the individual to be independent.

A.5.6 The Company has established a policy concerning diversity of board members which is available on the Company's website (www.cr-power.com). The Company aims to set out the approach to achieving diversity on the Board by endorsing the principle that the Board should have a balance of skills, experience and diversity of perspectives appropriate to the Company's business. The Company welcomes a very diverse population of people that reflects the range of cultures and background spanned by its operations. These differences will be taken into account in determining the optimum composition of the Board. The Nomination Committee will consider and if appropriate, set measurable objectives to implement the policy and review such objectives to ensure their appropriateness and ascertain the progress made towards achieving those objectives. The Nomination Committee has reviewed the policy to ensure its continued effectiveness.

A.6 Responsibilities of Directors

The Board plays a central supporting and supervisory role in the Company's corporate governance structure, provides leadership and guidance to the Group's activities and development and oversees the work of the management and its execution of the Company's business strategies.

In the year under review, the Company strictly complied with the above principle and Code provisions A.6.1 to A.6.8 as described as follows:

A.6.1 During the year, there were no newly appointed Directors of the Company. All newly appointed Directors will receive a formal and tailored induction on the first occasion of their appointment in order to ensure that they will have a proper understanding of the operations and business of the Company and that they will be fully aware of their responsibilities under statute and common law, the Listing Rules, applicable legal and other regulatory requirements, and the Company's business and governance policies.

A.6.2 The Independent Non-executive Directors actively participated in Board meetings of the Company. The Company's Audit and Risk Committee, Remuneration Committee, Nomination Committee and Sustainability Committee comprise a majority of Independent Non-executive Directors.

The Directors were encouraged to participate in continuous professional development programs at the Company's expense to remain abreast of developments impacting the business.

The roles of the Independent Non-executive Directors also include providing their independent views to the Board and management on business proposals and strategies and supporting the implementation of these strategies. They also scrutinise and monitor senior management's performance in meeting goals and objectives. The Independent Non-executive Directors also visited the Group's operations in different locations to broaden their knowledge of the Group's business.

A.6.3 Directors' attendance of Board meetings and Committee meetings is set out on page 56 of this Annual Report. Each Executive Director and Non-executive Director (including Independent Non-executive Director) ensured that he/she gave sufficient time and attention to the affairs of the Company.

A.6.4 The Company has adopted the Model Code set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with their obligations regarding dealings in securities of the Company under the Model Code throughout the year.

The Company has also established written guidelines for senior management and employees in certain functions in respect of their dealings in the securities of the Company for their strict compliance. The Company issued notices to all Directors, senior management and relevant employees reminding them to comply with the restriction on dealing of securities of the Company under the above code and guidelines 60 days prior to the publication of the annual results and 30 days prior to the publication of the interim results.

A.6.5 The Company's Executive and Non-executive Directors (including Independent Non-executive Directors) participated in various development programs to develop and refresh their knowledge and skills to help ensure that their contribution to the Board remains informed and relevant. Directors are encouraged to participate in professional training programs and the Company also organises and funds such training programs.

For the year ended 31 December 2015, Directors participated in training programs regarding Directors' responsibilities and duties and visited the Company's operations. Attendance record is as follows:

	Directors' training on recent developments of the Listing Rules, corporate governance and Directors' responsibilities	**Site visits to coal-fired power plants, coal mines or wind farms**
Zhou Junqing	√	√
Zhang Shen Wen	√	√
Wang Xiao Bin	√	√
Du Wenmin	√	√
Wei Bin	√	√
Chen Ying	√	√
Wang Yan	√	√
Ma Chiu Cheung, Andrew	√	√
Leung Oi-Sie, Elsie	√	√
K.F. Ch'ien, Raymond	√	√
So Chak Kwong, Jack	√	√

A.6.6 Each Director has disclosed to the Company at the time of his or her appointment, and on a periodic basis, the number and nature of offices held in public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved.

A.6.7 Independent Non-executive Directors actively participated in Board meetings and Committee meetings. In order to develop a balanced understanding of the views of Shareholders, a number of Executive Directors participated in roadshows and investor forums to meet with institutional investors during the year. As laid out in the attendance table in A.1.1 on page 56 of this Annual Report, all Executive Directors and Independent Non-executive Directors attended the AGM held on 8 June 2015. The Company sets the date of the AGM at the beginning of a year so all Directors are encouraged to attend general meetings to enhance communication with Shareholders. For the Company's report on communication with Shareholders, please refer to page 70 of the Annual Report.

A.6.8 Independent Non-executive Directors actively participated in Board meetings and Committee meetings and made a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments. Other Non-Executive Directors actively participated in meetings with management and site visits and made a positive contribution to the development of the Company.

A.7 Supply of and Access to Information

In the year under review, the Company strictly complied with Code provisions A.7.1 to A.7.3 as described as follows:

A.7.1 In respect of regular Board meetings and Committee meetings, the Company's policy is to provide at least a 14-day notice prior to the meeting setting out the intended agenda. An agenda and accompanying board papers are delivered in full to all Directors at least three days before the intended date of a Board or Board Committee meeting.

A.7.2 To enable Directors to make decisions based upon the related data on hand, management is required to provide adequate, complete and reliable information and provide briefing to the Board in respect of the matters and issues under consideration. The Company supplied Directors with monthly management reports to keep Board members informed of the latest development and performance of the Company. The Board and Directors also have separate and independent access to the Company's senior management.

A.7.3 All Directors are entitled to have access to board papers and related materials. Queries from Directors also receive a prompt and full response.

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT AND BOARD EVALUATION

B.1 The level and make-up of remuneration and disclosure

In the year under review, the Company strictly complied with the Code provisions B.1.1 to B.1.5 and the recommended best practices B.1.6 to B.1.9 except for B.1.8 as described as follows:

The Board has established a Remuneration Committee. The primary functions of the Remuneration Committee are to evaluate the performance and make recommendations on the remuneration packages of the Directors and senior management, and to evaluate and make recommendations on employee benefit arrangements. As at the date of this report, members of the Remuneration Committee include Ms. Leung Oi-Sie, Elsie, Mr. Ma Chiu Cheung, Andrew, Dr. K.F. Ch'ien, Raymond and Mr. Du Wenmin. Ms. Leung Oi-Sie, Elsie is the Chairman of the Remuneration Committee. All four members of the Remuneration Committee are Non-executive Directors with three being Independent Non-executive Directors.

In 2015, the Remuneration Committee held one meeting to, among other things, review and determine the policy for the remuneration of the Executive Directors, assess the performance of the Executive Directors, and make recommendation to the Board on the remuneration packages of all Executive Directors and senior management.

Remuneration Committee	Number of meetings attended/ number of meetings held during the office of directorship	Attendance rate of meeting during the office of directorship
Leung Oi-Sie, Elsie (Chairman)	1/1	100%
Du Wenmin	0/1	0%
Ma Chiu Cheung, Andrew	1/1	100%
K.F. Ch'ien, Raymond	0/1	0%

B.1.1 The Remuneration Committee may consult the Chairman, President or any independent third party about remuneration level of Executive Directors. The Company has a policy that the Remuneration Committee may seek professional advice from independent third parties if it thinks necessary at the expense of the Company.

B.1.2 The terms of reference of the Remuneration Committee (which is reviewed regularly and enhanced where necessary) have incorporated the specific duties set out in the code provision of the Code. Code provision B.1.2 (c) (ii) was adopted by the Remuneration Committee.

B.1.3 The terms of reference of the Remuneration Committee are set out on the Company's website (www.cr-power.com) and the Stock Exchange's website.

B.1.4 The Remuneration Committee is provided with sufficient resources to discharge its duties. The Remuneration Committee may seek professional advice from independent third parties if it thinks necessary at the expense of the Company in order to enable it to properly discharge its duties and responsibilities.

B.1.5 The emoluments of the members of the senior management team who are not executive Directors are within the following bands:

	Number of individuals	
	2015	2014
Emolument bands		
HK$1,500,001 to HK$2,000,000	**—**	3
HK$2,500,001 to HK$3,000,000	**5**	—
HK$3,000,001 to HK$3,500,000	**2**	3
HK$3,500,001 to HK$4,000,000	**2**	2
HK$4,000,001 to HK$4,500,000	**—**	1

B.1.6 The Board has no disagreement with the Remuneration Committee on remuneration or compensation arrangements with regards to Executive Directors and senior management.

B.1.7 A significant proportion of Executive Directors' remuneration is structured so as to link rewards to corporate and individual performance. The Company sets its strategic and performance targets on an annual and three year rolling forward basis. Based on the Company's overall performance targets, the Company assigns responsibilities and sets performance benchmarks and evaluation methods for each Executive Director, members of the senior management team and other managerial staff. The total remuneration of Executive Directors and senior management comprises three key components, namely basic salary, annual bonus and the Medium to Long-term Performance Evaluation Incentive Plan. The actual performance of the Company and each Executive Director and senior management team members' own performance against performance targets determine the component paid under the annual bonus and Medium to Long-term Performance Evaluation Incentive Plan. Please refer to Note 54 under the section "Notes to the Financial Statements" in this Annual Report on page 198 to 200 for details on Directors' remuneration.

B.1.8 The Company has not adopted the recommended best practices to disclose details of any remuneration paid to members of senior management (other than Executive Directors) on an individual and named basis in the Annual Report. Having disclosed Directors' remuneration and remuneration of the five highest paid individuals, the Company believes that disclosure of individual senior management's remuneration does not benefit Shareholders. Shareholders are mostly concerned with the total amount of remuneration, rather than on an individual basis.

B.1.9 Board evaluation is conducted on an annual basis. During the year, a detailed report was presented to the Board regarding the developments and progress made in 2015 and areas for further improvement in 2016.

Corporate Governance Report

C. ACCOUNTABILITY AND AUDIT

C.1 Financial Reporting

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Group's performance, position and prospects. It is also the Board's responsibility to oversee the preparation of the annual accounts which give a true and fair view of the Group's state of affairs, results and cash flows for the year.

In the year under review, the Company strictly complied with the above principle and Code provisions C.1.1 to C.1.5 as described as follows:

C.1.1 Directors were provided with financial information and the related information of the Company enabling them to make an informed assessment before the publication of the interim results and the annual results, respectively.

C.1.2 To enable Directors to discharge their duties under Rule 3.08 and Chapter 13 of the Listing Rules, the management is required to provide adequate, complete and reliable information and provide briefing to the Board in respect of the matters and issues under consideration. The Company supplied Directors with monthly management reports to keep Board members informed of the latest development and performance of the Company.

C.1.3 The Directors have acknowledged their responsibility for overseeing the preparation of financial statements of each financial period, which gives a true and fair view of the operating results and financial conditions of the Company. More information about the external auditor's responsibilities is set out in the Independent Auditor's Report on pages 73 to 200 of this Annual Report. In preparing the financial reports for the year ended 31 December 2015, the Directors have selected appropriate accounting policies and applied them consistently; made judgments and estimates that are prudent and reasonable, and prepared accounts on a going concern basis. The Company does not foresee any uncertainties in its ability to continue as a going concern.

C.1.4 The Chairman's Statement on pages 8 to 11 of the Annual Report provides a summary of the Company's performance and future prospects on how the Company will preserve value over the longer term and our strategies for delivering the Company's objectives.

C.1.5 The Directors have acknowledged their responsibility to present a balanced, clear and understandable assessment extend to annual and interim reports, and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

The Company has not resolved to announce and publish financial results on a quarterly basis and has not adopted recommended best practices C.1.6 and C.1.7.

C.2 Risk Management and Internal Control

The Board has the overall responsibility to maintain sound and effective risk management and internal control systems for the Group and to review their effectiveness to safeguard Shareholders' investment and the Group's assets. To this end, internal control and risk management systems have been established to provide reasonable, though not absolute, assurance against material misstatement or loss, and manage or mitigate rather than eliminate risks of failure to achieve business objectives.

In the year under review, the Company strictly complied with the above principle and Code provisions C.2.1 and C.2.2 and recommended best practices C.2.3 to C.2.6 as described as follows:

C.2.1 The Company's target is to establish an efficient and effective risk management and internal control systems.

The Company emphasizes on professional integrity and high business ethics. All managerial staff totaling 12 people completed an annual declaration on compliance with code of ethics.

The Company and its subsidiaries provide regular training to its management and staff. The training sessions not only cover the technical and operational aspects of our businesses, but also on business ethics, Listing Rules, corporate laws and regulations and internal controls. In 2015, the Company organised training sessions specifically on legal and compliance issues for senior management of the Company.

The Company has an internal audit department that is independent of the activities it audits, which is responsible for the monitoring of the Company's internal control. The internal audit team is led by the Company's Chief Audit Officer. The internal auditors have unrestricted access and authority to review the information on the business and internal control matters of the Company. The Chief Audit Officer reports directly to the Chairman of the Audit and Risk Committee and administratively to the President. The internal auditors can employ outside resources when necessary. During 2015, the internal audit department completed internal audits and follow-up audits on a number of subsidiaries and branches of the Company, and presented their findings and recommendations to the Audit and Risk Committee, senior management of the Company and the Board.

The Directors have reviewed the effectiveness of the system of internal controls (including financial, operational and compliance controls and risk management functions) of the Company and its subsidiaries. The Directors believe that in order to manage the risk of failure in achieving the Company's goals and objectives to an ultimate extent, the Company should improve continuously its internal control system.

C.2.2 In March 2016, the Audit and Risk Committee reviewed the adequacy of resources, staff qualifications and experience of the Company's internal audit function, accounting and financial reporting function and believes that as the Group expands rapidly, the Group should monitor on an ongoing basis its total resources in the accounting and financial reporting function, and continue to increase its investment and budgets for staff recruitment and training and information technology system.

In the annual assessment of the effectiveness and adequacy of the risk management and internal control systems, the Company has taken into consideration the recommended best practices contained in C.2.3 to C.2.6.

C.3 Audit and Risk Committee

In the year under review, the Company strictly complied with the Code provisions C.3.1 to C.3.7 and recommended best practice C.3.8 as described as follows:

C.3.1 Full minutes of the Audit and Risk Committee meetings were kept by a duly appointed secretary of the meeting. Draft and final version of minutes of the Audit and Risk Committee meetings were sent to all committee members for their comment and records within a reasonable time after the meeting.

C.3.2 The Company's Audit and Risk Committee comprises three Independent Non-executive Directors, namely Mr. Ma Chiu Cheung, Andrew, Ms. Leung Oi-Sie, Elsie and Mr. So Chak Kwong, Jack. Mr. Ma Chiu Cheung, Andrew is the Chairman of the Committee. Mr. Ma Chiu Cheung, Andrew is a Certified Public Accountant in Hong Kong, and a fellow member of the Institute of Chartered Accountants in England & Wales, Hong Kong Institute of Certified Public Accountants, The Taxation Institute of Hong Kong and The Hong Kong Institute of Directors.

C.3.3 The main duties of the Audit and Risk Committee include the following:

- To investigate any activity within its terms of reference with full access to all books, records, facilities and personnel. It is authorised to seek information it requires from any employee and all employees are required to co-operate with any request made by the Audit and Risk Committee;
- To obtain independent legal or other professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers necessary to carry out its duties;
- To be primarily responsible for making recommendation to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal.

Corporate Governance Report

The above Directors' attendance at the meetings of the Committee is as follows:

Audit and Risk Committee	Number of meetings attended/ number of meetings held during office of directorship	Attendance rate of meetings during the office of directorship
Ma Chiu Cheung, Andrew (Chairman)	4/4	100%
Leung Oi-Sie, Elsie	3/4	75%
So Chak Kwong, Jack	4/4	100%

The terms of reference of the Audit and Risk Committee have incorporated all the duties set out in the Code provision and are reviewed regularly and enhanced where necessary.

For the period from 1 January 2015 to the date of this report, the Audit and Risk Committee has performed its duties, including reviewing the Company's interim and annual results, financial controls and risk management and internal control systems, the internal control report prepared by the Company's internal audit department and the statement relating to risk management and internal control systems as set out in the corporate governance report. In March 2016, the Audit and Risk Committee reviewed the financial statements of the Company for the year ended 31 December 2015, including the major accounting issues raised by the external auditor.

C.3.4 The terms of reference of the Audit and Risk Committee are available on the Company's website (www.cr-power.com) and the Stock Exchange's website.

C.3.5 In 2015, there was no disagreement between the Board and Audit and Risk Committee on the selection and appointment of the external auditor. The Audit and Risk Committee is mandated to monitor the independence of the external auditor to ensure true objectivity in the financial statements. Prior to the commencement of the audit of the Group's 2015 accounts, the Audit and Risk Committee received written confirmation from the external auditor on its independence and objectivity. The external auditor is refrained from engaging in non-audit services except for limited tax-related services or specific approved items. The Audit and Risk Committee reviews the external auditor's statutory audit scope and non-audit services and approves its fees.

	2015 HK$'000	2014 HK$'000
Audit services	**10,248**	10,211
Non-audit services	**494**	78
Total	**10,742**	10,289

C.3.6 The Audit and Risk Committee was provided with sufficient resources to discharge its duties in 2015.

C.3.7 The terms of reference of the Audit and Risk Committee have incorporated all the duties contained in this Code provision.

C.3.8 The Company has established a whistleblowing policy and system by which employees and others who deal with the Company can raise concerns, in confidence, about possible improprieties in any matter related to the Company. The contents of the whistleblowing policy are available on the Company's website (www.cr-power.com).

D. DELEGATION BY THE BOARD

D.1 Management functions

In the year under review, the Company strictly complied with the principle set out in the Code and Code provisions D.1.1 to D.1.4 as described below:

D.1.1 The Board is mainly responsible for formulating and approving the business strategies, objectives, policies and plans of the Company, and monitoring the execution of the Company's strategies. It is also responsible for overseeing the operating and financial performance of the Company and establishing appropriate risk control policies and procedures in order to ensure that the strategic objectives of the Company are materialized. In addition, the Board is also responsible for improving the corporate governance structure and enhancing communications with Shareholders.

D.1.2 The Board Charter has laid out clearly the role of the Board, including matters which are reserved for Board approval and delegation to management. The Board Charter is reviewed regularly and enhanced where necessary to take account of changes in law and governance practices as well as changes in business operations.

D.1.3 The responsibilities of the Board and the management are contained in the Board Charter which is available on the Company's website (www.cr-power.com) and the Stock Exchange's website.

D.1.4 The Company has formal letter of appointment for all Directors setting out the key terms and conditions of their appointment.

D.2 Board committees

In the year under review, the Company strictly complied with the principle set out in the Code and Code provisions D.2.1 and D.2.2 as described below:

D.2.1& D.2.2 The Company has established written terms of reference for the Committees (namely, Audit and Risk, Nomination, Remuneration and Sustainability Committees) of the Board. Details on the duties and terms of reference of the Board Committees are available on the Company's website (www.cr-power.com) and the Stock Exchange's website.

The terms of reference of each Board Committee requires it to report back to the Board on its decisions and recommendations.

In addition to the Nomination, Remuneration and Audit and Risk Committee meetings held as mentioned on pages 61, 64 and 67 of this Annual Report, the Sustainability Committee also held one meeting in 2015 where all members of the committee attended the meeting.

D.3 Corporate Governance Functions

During the year under review, the Company strictly complied with the Code provisions D.3.1 and D.3.2 as described below:

D.3.1 The terms of reference of the Board includes the duties as specified in this code provision.

D.3.2 The Board is responsible for performing the corporate governance duties as set out in the above terms of reference including determining the policy for the corporate governance of the Company, and duties performed by the board under D.3.1.

E. COMMUNICATION WITH SHAREHOLDERS

E.1 Effective communication

In the year under review, the Company strictly complied with the principle set out in the Code and Code provision E.1.1 to E.1.4 as described below:

E.1.1 In respect of each substantially separate issue at a general meeting, a separate resolution was proposed by the Chairman of the meeting, including the re-election of individual Directors. The poll voting results of the meetings are available on the Company's website (www.cr-power.com).

Matters resolved at the 2015 AGM

- Received the audited financial statements for the year ended 31 December 2014 together with the Reports of the Directors and the Independent Auditor
- Approved payment of the final dividend of HK$0.70 per share for the year ended 31 December 2014
- Re-elected Mr. Du Wenmin, Mr. Wei Bin, Mr. Chen Ying, Mr. Ma Chiu Cheung, Andrew, Mr. So Chak Kwong, Jack and Mr. Wang Yan as Directors, and authorised the Board of Directors to fix the remuneration of the Directors for the year ending 31 December 2015
- Appointed PricewaterhouseCoopers as Auditor of the Company and authorised the Board to fix the Auditor's remuneration
- Granted a general mandate to the Board for the share repurchase of a number not exceeding 10% of the total number of the Company's issued shares as at the date of 2015 AGM
- Granted a general mandate to the Directors to issue new shares of the Company not exceeding 20% of total number of the issued shares as at the date of 2015 AGM
- Approved to extend the general mandate granted to the Directors to issue new shares of the Company by addition thereto of the shares repurchased by the Company

E.1.2 The general meeting is the ideal venue for the interchange of ideas between the Board, the management and Shareholders. We therefore encourage Shareholders to attend our AGM to discuss matters of business substance with the Board and management and to give us valuable advice and feedback on both operational and governance matters. At the AGM held on 8 June 2015 at 10:00 am, there were a total of 126 individual Shareholders, authorised representatives of corporate Shareholders as well as proxies participated and the number of shares voted represented 84.56% of the total number of the Company's issued shares.

As laid out in the attendance table in A.1.1 on page 56 of this Annual Report, all Directors attended the AGM held on 8 June 2015. The Directors and management of the Company took the opportunity to communicate with the Shareholders present, and answered their queries with respect to the Company's operations and industries. The representative of the external auditor attended the AGM and was available to answer Shareholder's questions about the conduct of the audit and the preparation and content of the auditor's report.

The Company, the Board and management highly value the opinions and requirements of our Shareholders. The Company communicates with Shareholders through various channels including publication of interim and Annual Reports, circulars, press releases and announcements of the latest business development, operating results, major financing plans and other development of the Company on its corporate website (www.cr-power.com) in a timely manner.

E.1.3 The notices to Shareholders were sent at least 20 clear business days before the AGM and at least 10 clear business days before the extraordinary general meeting.

Convening Extraordinary General Meeting

Pursuant to section 566 of the Companies Ordinance (Chapter 622 of Laws of Hong Kong), members of the Company representing at least 5% of the total voting rights of all the members having a right to vote at general meetings may request the Directors to call a general meeting. The request must state the general nature of business to be dealt with at the meeting and may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The request may consist of several documents in like form and may be sent to the Company in hard copy form or in electronic form and must be authenticated by the person(s) making it.

Putting Forward Proposals at General Meetings

Pursuant to section 615 of the Companies Ordinance (Chapter 622 of Laws of Hong Kong), the members of the Company may request the Company to give, to members of the Company entitled to receive notice of the annual general meeting, notice of a resolution that may properly be moved and is intended to be moved at that meeting. The request may be sent to the Company in hard copy form or in electronic form and must identify the resolution of which notice is to be given, authenticated by the person or persons making it and received by the Company not later than 6 weeks before the annual general meeting to which the requests relate; or if later, the time at which notice is given of that meeting.

The Company will give notice of a resolution if it has received the requests from (a) members representing at least 2.5% of the total voting rights of all the members who have a right to vote on the resolution at the annual general meeting to which the requests relate; or (b) at least 50 members who have a relevant right to vote.

Procedure for Shareholders to Propose a Person for Election as Director

The procedures for Shareholders to propose a person for election as Director is available on the website of the Company.

E.1.4 An Investor Relations team has been designated to maintain purposeful dialogue and ongoing relationships with investors and analysts. We strive to provide quality information to Shareholders as well as our many stakeholders regarding the latest developments at the Company whilst ensuring that material information is equally and simultaneously provided and accessible to all interested parties. The Company has established a shareholder's communication policy which is available on the Company's website (www.cr-power.com).

Investor Relations Activities

We consistently pay close attention to investor relations activities and always believe that maintaining communications with Shareholders and provision of timely and accurate information are critical in creating shareholder value.

The Company enhances communication with Shareholders through various investor relations activities. Details of major investor relations activities in 2015 are set out below.

In 2015, there were over 100 requests for company visits and teleconferences from different investors. Together with investor conferences and roadshows in major financial centres around the world, we met approximately more than 300 fund managers and analysts. During the meetings with investors, we explain not only the development and trend of the power industry and related industries and update Shareholders on our operational conditions, strategic planning and future outlook, we also place great emphasis on listening to investors' feedback, concerns and expectations so as to improve our management and operations.

In order to enhance the understanding of investors towards our business operations, we also arranged site visits to power plants in Beijing, Nanjing and in Guangdong for fund managers and securities analysts upon request. These activities enabled our investors to have the opportunity of site visit and direct contact with front-line managers and staff, thereby having a better understanding of our operations, and in the meantime, our front-line managers were also able to get a better understanding of shareholders' expectations, which helped to improve our internal management and thus enhance profitability.

Through emails or designated telephone lines, we also provide Shareholders and potential investors with a channel to obtain the latest information of the Company and have their queries answered in a timely manner. We announce our net power generation volume and coal production volume via press releases on a monthly basis.

The Board always welcomes Shareholders' views and input. Shareholders may at any time send their enquiries and concerns to the Board by addressing them to the Investor Relations Department of the Company by letter, telephone, fax or email. Details of the contact information can be found at page 202 of this Annual Report.

E.2 Voting by Poll

In the year under review, the Company strictly complied with the Code principle and Code provision E.2.1. The Chairman explained the detailed procedures for conducting a poll at the AGM in 2015.

F. COMPANY SECRETARY

In the year under review, the Company strictly complied with the Code principle and Code provision F.1.1 to F.1.4.

The role of Company Secretary is taken on by Ms. Wang Xiao Bin, who is also an Executive Director and Chief Financial Officer of the Company and has day-to-day knowledge of the Company's affairs. Her duties as Company Secretary include to ensure good information flow among the Directors and that board policy, procedures and all applicable laws, rules and regulations are followed. She advises the Directors through the Chairman of the Company and also facilitates induction and professional development of Directors.

In 2015, Ms. Wang attended at least 15 hours of relevant training which complied with Rule 3.29 of the Listing Rules.

G. CONSTITUTIONAL DOCUMENT

In the year under review, there were no significant changes in the Company's Articles of Association.

Independent Auditor's Report

羅兵咸永道

To the Members of China Resources Power Holdings Company Limited
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of China Resources Power Holdings Company Limited (the "Company") and its subsidiaries set out on pages 75 to 200, which comprise the consolidated balance sheet as at 31 December 2015, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of 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.

Independent Auditor's Report

羅兵咸永道

OPINION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 21 March 2016

Consolidated Balance Sheet

	Note	As at 31 December 2015 HK$'000	2014 HK$'000
ASSETS			
Non-current assets			
Property, plant and equipment	6	**142,845,210**	146,907,932
Prepaid lease payments	7	**3,344,056**	3,218,044
Mining rights	8(a)	**15,815,897**	18,138,478
Exploration and resources rights	8(b)	**161,947**	171,989
Prepayment for non-current assets	14	**2,789,219**	3,579,037
Investments in associates	10(a)	**9,484,351**	11,222,297
Loans to an associate	10(b)	**—**	809,229
Investments in joint ventures	11(a)	**3,694,388**	2,472,578
Goodwill	12	**1,760,924**	3,123,668
Deferred income tax assets	35	**556,150**	739,113
Available-for-sale investments	13(a)	**1,497,284**	1,656,455
Loan to an available-for-sale investee company	13(b)	**303,214**	181,698
Loan to a non-controlling shareholder of a subsidiary	19(b)	**—**	17,113
Derivative financial instruments	33	**—**	575,898
		182,252,640	192,813,529
Current assets			
Inventories	15	**2,306,640**	3,308,874
Trade receivables, other receivables and prepayments	16	**14,587,390**	19,684,542
Loans to associates	10(b)	**23,395**	—
Loans to joint ventures	11(b)	**170,528**	371,575
Loan to an available-for-sale investee company	13(b)	**89,673**	95,233
Loan to a non-controlling shareholder of a subsidiary	19(b)	**16,114**	—
Amounts due from associates	17	**465,471**	106,025
Amounts due from joint ventures	18	**137,249**	120,181
Amounts due from other related companies	19(a)	**39,430**	85,337
Financial assets at fair value through profit or loss		**—**	5,217
Pledged and restricted bank deposits	20	**723,404**	772,433
Cash and cash equivalents	21	**7,273,945**	8,285,135
		25,833,239	32,834,552
Total assets		**208,085,879**	225,648,081

Consolidated Balance Sheet

	Note	As at 31 December 2015 HK$'000	2014 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	22	**22,252,458**	22,102,792
Other reserves	25	**10,408,713**	14,710,033
Retained earnings	26	**38,256,404**	33,981,578
		70,917,575	70,794,403
Non-controlling interests			
– Perpetual capital securities	27	**5,897,219**	5,897,106
– Others		**6,924,549**	9,100,859
		12,821,768	14,997,965
Total equity		**83,739,343**	85,792,368
LIABILITIES			
Non-current liabilities			
Borrowings	32	**61,113,715**	79,535,707
Derivative financial instruments	33	**—**	72,276
Deferred income tax liabilities	35	**2,459,682**	2,635,041
Deferred income	36	**958,222**	930,275
Retirement and other long-term employee benefits obligations	40(iii)	**149,764**	626,397
		64,681,383	83,799,696
Current liabilities			
Trade payables, other payables and accruals	28	**28,622,007**	31,960,657
Amounts due to associates	29	**796,493**	730,760
Amounts due to joint ventures	30	**908,628**	1,881
Amounts due to other related companies	31	**577,667**	959,233
Current income tax liabilities		**1,330,166**	1,486,367
Borrowings	32	**27,403,621**	20,897,153
Derivative financial instruments	33	**26,571**	19,966
		59,665,153	56,056,017
Total liabilities		**124,346,536**	139,855,713
Total equity and liabilities		**208,085,879**	225,648,081

The notes on pages 85 to 200 are an integral part of these consolidated financial statements.

The financial statements on pages 75 to 200 were approved by the Board of Directors on 21 March 2016 and were signed on its behalf.

Director *Director*

Consolidated Income Statement

	Note	Year ended 31 December 2015 HK$'000	2014 HK$'000
Turnover	5	**71,435,875**	70,680,628
Operating expenses:			
Fuels		**(25,954,316)**	(31,044,413)
Repairs and maintenance		**(1,982,380)**	(1,762,055)
Depreciation and amortisation		**(9,787,203)**	(8,599,543)
Employee benefit expenses	39	**(5,250,986)**	(5,214,157)
Consumables		**(992,543)**	(1,003,571)
Impairment charges	45	**(4,372,893)**	(6,094,392)
Business tax and surcharge		**(1,003,681)**	(799,563)
Others		**(4,028,491)**	(3,913,569)
Total operating expenses		**(53,372,493)**	(58,431,263)
Other income	37	**2,088,708**	2,057,888
Other (losses)/gains – net	38	**(143,988)**	912,943
Operating profit		**20,008,102**	15,220,196
Finance costs	41	**(3,216,382)**	(3,325,487)
Share of results of associates	10(a) (b)	**(717,586)**	(1,177,765)
Share of results of joint ventures	11(a)	**247,113**	467,461
Profit before income tax		**16,321,247**	11,184,405
Income tax expense	42	**(5,808,868)**	(4,290,788)
Profit for the year		**10,512,379**	6,893,617
Profit for the year attributable to:			
Owners of the Company		**10,025,241**	9,214,858
Non-controlling interests			
– Perpetual capital securities		**421,534**	421,709
– Others		**65,604**	(2,742,950)
		487,138	(2,321,241)
		10,512,379	6,893,617
Earnings per share attributable to owners of the Company for the year	43		
– Basic		**HK$2.10**	HK$1.94
– Diluted		**HK$2.10**	HK$1.93

The notes on pages 85 to 200 are an integral part of these consolidated financial statements.

Consolidated Statement of Comprehensive Income

	Year ended 31 December 2015 HK$'000	2014 HK$'000
Profit for the year	**10,512,379**	6,893,617
Other comprehensive income:		
Items that may be reclassified to profit or loss		
Currency translation differences	**(6,221,279)**	(198,087)
Share of other comprehensive income of investments accounted for using the equity method	**(228,479)**	(23,937)
Release to profit or loss in relation to disposal of associates	**(100,441)**	—
Release to profit or loss in relation to disposal of a subsidiary	**(349,149)**	—
Fair value changes on cash flow hedges, net of tax (Note 42)	**59,313**	63,371
Changes in fair value of available-for-sale investments, net of tax (Note 42)	**(175,979)**	212,844
Total items that may be reclassified subsequently to profit or loss, net of tax	**(7,016,014)**	54,191
Total comprehensive income for the year, net of tax	**3,496,365**	6,947,808
Attributable to:		
Owners of the Company	**3,668,030**	9,295,451
Non-controlling interests		
– Perpetual capital securities	**421,534**	421,709
– Others	**(593,199)**	(2,769,352)
	(171,665)	(2,347,643)
Total comprehensive income for the year	**3,496,365**	6,947,808

The notes on pages 85 to 200 are an integral part of these consolidated financial statements.

Consolidated Statement of Changes In Equity

	Attributable to the owners of the Company										Non-controlling interests			Total equity
	Share capital HK$'000	General reserve HK$'000 (Note 25)	Special reserve HK$'000 (Note 25)	Capital reserve HK$'000 (Note 25)	Shares held for share award scheme HK$'000 (Note 24)	Translation reserve HK$'000	Share-based compensation reserve HK$'000 (Note 23)	Hedging reserve HK$'000	Retained earnings HK$'000 (Note 26)	Total HK$'000	Perpetual capital securities HK$'000	Others HK$'000	Total HK$'000	Total HK$'000
Balance at 1 January 2015	22,102,792	5,870,507	40,782	426,160	(574,527)	8,989,836	60,711	(103,436)	33,981,578	70,794,403	5,897,106	9,100,859	14,997,965	85,792,368
Comprehensive income														
Profit for the year	–	–	–	–	–	–	–	–	10,025,241	10,025,241	421,534	65,604	487,138	10,512,379
Other comprehensive income														
Currency translation difference	–	–	–	–	–	(5,580,092)	–	–	–	(5,580,092)	–	(641,187)	(641,187)	(6,221,279)
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	3,862	–	(232,341)	–	–	–	(228,479)	–	–	–	(228,479)
Release to profit or loss in relation to disposal of associates	–	–	–	(21)	–	(100,402)	–	–	–	(100,423)	–	(18)	(18)	(100,441)
Release to profit or loss in relation to disposal of a subsidiary	–	22,392	(371,541)	(349,149)	–	–	–	(349,149)						
Fair value change on cash flow hedges	–	–	–	–	–	–	–	59,313	–	59,313	–	–	–	59,313
Changes in fair value of available-for-sale investment, net of tax	–	–	–	(158,381)	–	–	–	–	–	(158,381)	–	(17,598)	(17,598)	(175,979)
Total other comprehensive income, net of tax	–	–	–	(132,148)	–	(6,284,376)	–	59,313	–	(6,357,211)	–	(658,803)	(658,803)	(7,016,014)
Total comprehensive income for the year ended 31 December 2015	–	–	–	(132,148)	–	(6,284,376)	–	59,313	10,025,241	3,668,030	421,534	(593,199)	(171,665)	3,496,365

Consolidated Statement of Changes In Equity

	Attributable to the owners of the Company										Non-controlling interests			Total equity
	Share capital HK$'000	General reserve HK$'000 (Note 25)	Special reserve HK$'000 (Note 25)	Capital reserve HK$'000 (Note 25)	Shares held for share award scheme HK$'000 (Note 24)	Translation reserve HK$'000	Share-based compensation reserve HK$'000 (Note 23)	Hedging reserve HK$'000	Retained earnings HK$'000 (Note 26)	Total HK$'000	Perpetual capital securities HK$'000	Others HK$'000	Total HK$'000	Total HK$'000
Transactions with owners														
Shares issued upon exercise of options (Note 22)	29,071	–	–	–	–	–	(8,841)	–	–	20,230	–	–	–	20,230
Vesting of shares under medium to long-term performance evaluation incentive plan	–	–	–	–	24,347	–	–	–	–	24,347	–	–	–	24,347
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	31,792	31,792	31,792
Interest paid for perpetual capital securities	–	–	–	–	–	–	–	–	–	–	(421,421)	–	(421,421)	(421,421)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(1,898,858)	(1,898,858)	(1,898,858)
Dividends paid to owners of the Company	120,595	–	–	–	–	–	–	–	(3,810,518)	(3,689,923)	–	–	–	(3,689,923)
Profit appropriation to reserves	–	1,963,823	–	–	–	–	–	–	(1,963,823)	–	–	–	–	–
Transfers (Note 25)	–	–	–	239,396	–	–	–	–	(239,396)	–	–	–	–	–
Transfers upon utilisation (Note 25)	–	–	–	(171,117)	–	–	–	–	171,117	–	–	–	–	–
Capital reduction by non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	(5,112)	(5,112)	(5,112)
Change in ownership interests in a subsidiary without change of control (Note 47)	–	–	–	100,488	–	–	–	–	–	100,488	–	289,067	289,067	389,555
Transfer in relation to disposal of a subsidiary	–	(92,205)	–	–	–	–	–	–	92,205	–	–	–	–	–
Transactions with owners	149,666	1,871,618	–	168,767	24,347	–	(8,841)	–	(5,750,415)	(3,544,858)	(421,421)	(1,583,111)	(2,004,532)	(5,549,390)
Balance at 31 December 2015	22,252,458	7,742,125	40,782	462,779	(550,180)	2,705,460	51,870	(44,123)	38,256,404	70,917,575	5,897,219	6,924,549	12,821,768	83,739,343

Consolidated Statement of Changes In Equity

	Attributable to the owners of the Company											Non-controlling interests			Total equity
	Share capital HK$'000	Share premium HK$'000	General reserve HK$'000 (Note 25)	Special reserve HK$'000 (Note 25)	Capital reserve HK$'000 (Note 25)	Shares held for share award scheme HK$'000 (Note 24)	Translation reserve HK$'000	Share-based compensation reserve HK$'000 (Note 23)	Hedging reserve HK$'000	Retained earnings HK$'000 (Note 26)	Total HK$'000	Perpetual capital securities HK$'000	Others HK$'000	Total HK$'000	Total HK$'000
Balance at 1 January 2014	4,791,457	17,232,192	3,564,411	40,782	168,376	(601,809)	9,172,914	86,236	(166,807)	30,697,309	64,985,061	5,897,006	13,850,814	19,747,820	84,732,881
Comprehensive income															
Profit/(loss) for the year	–	–	–	–	–	–	–	–	–	9,214,858	9,214,858	421,709	(2,742,950)	(2,321,241)	6,893,617
Other comprehensive income															
Currency translation difference	–	–	–	–	–	–	(149,294)	–	–	–	(149,294)	–	(48,793)	(48,793)	(198,087)
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	–	8,740	–	(33,784)	–	–	–	(25,044)	–	1,107	1,107	(23,937)
Cash flow hedges	–	–	–	–	–	–	–	–	63,371	–	63,371	–	–	–	63,371
Changes in fair value of available-for-sale investment, net of tax	–	–	–	–	191,560	–	–	–	–	–	191,560	–	21,284	21,284	212,844
Total other comprehensive income, net of tax	–	–	–	–	200,300	–	(183,078)	–	63,371	–	80,593	–	(26,402)	(26,402)	54,191
Total comprehensive income for the year ended 31 December 2014	–	–	–	–	200,300	–	(183,078)	–	63,371	9,214,858	9,295,451	421,709	(2,769,352)	(2,347,643)	6,947,808

Consolidated Statement of Changes In Equity

	Attributable to the owners of the Company											Non-controlling interests			Total equity
	Share capital HK$'000	Share premium HK$'000	General reserve HK$'000 (Note 25)	Special reserve HK$'000 (Note 25)	Capital reserve HK$'000 (Note 25)	Shares held for share award scheme HK$'000 (Note 24)	Translation reserve HK$'000	Share-based compensation reserve HK$'000 (Note 23)	Hedging reserve HK$'000	Retained earnings HK$'000 (Note 26)	Total HK$'000	Perpetual capital securities HK$'000	Others HK$'000	Total HK$'000	Total HK$'000
Transactions with owners															
Shares issued upon exercise of options	5,887	47,731	–	–	–	–	–	–	–	–	53,618	–	–	–	53,618
Transfer of share option reserve upon exercise of share options	–	25,525	–	–	–	–	–	(25,525)	–	–	–	–	–	–	–
Transition to no par value regime on 3 March 2014	17,305,448	(17,305,448)	–	–	–	–	–	–	–	–	–	–	–	–	–
Vesting of shares under medium to long-term performance evaluation incentive plan	–	–	–	–	–	27,282	–	–	–	–	27,282	–	–	–	27,282
Capital contributions by non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	223,517	223,517	223,517
Interest paid on perpetual securities	–	–	–	–	–	–	–	–	–	–	–	(421,609)	–	(421,609)	(421,609)
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	–	–	–	(2,204,120)	(2,204,120)	(2,204,120)
Dividends paid to owners of the Company	–	–	–	–	–	–	–	–	–	(3,567,009)	(3,567,009)	–	–	–	(3,567,009)
Profit appropriation to reserves	–	–	2,306,096	–	–	–	–	–	–	(2,306,096)	–	–	–	–	–
Transfers (Note 25)	–	–	–	–	196,672	–	–	–	–	(196,672)	–	–	–	–	–
Transfers upon utilisation (Note 25)	–	–	–	–	(139,188)	–	–	–	–	139,188	–	–	–	–	–
Transactions with owners	17,311,335	(17,232,192)	2,306,096	–	57,484	27,282	–	(25,525)	–	(5,930,589)	(3,486,109)	(421,609)	(1,980,603)	(2,402,212)	(5,888,321)
Balance at 31 December 2014	22,102,792	–	5,870,507	40,782	426,160	(574,527)	8,989,836	60,711	(103,436)	33,981,578	70,794,403	5,897,106	9,100,859	14,997,965	85,792,368

The notes on pages 85 to 200 are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

	Note	Year ended 31 December 2015 HK$'000	2014 HK$'000
Cash flows from operating activities			
Cash generated from operations	45	**37,944,341**	30,925,098
Income tax paid		**(5,955,463)**	(4,425,183)
Cash inflows from operating activities - net		**31,988,878**	26,499,915
Cash flows from investing activities			
Dividend received from associates		**1,300,457**	1,618,500
Dividend received from joint ventures		**409,192**	751,678
Dividend received from available-for-sale investments		**520,980**	57,134
Interest received		**247,284**	196,171
Decrease/(increase) pledged and restricted bank deposits		**49,029**	(174,430)
Acquisition of property, plant and equipment, prepaid lease payments, mining rights and exploration and resources rights		**(16,811,289)**	(24,483,498)
Proceeds from disposal of property, plant and equipment	45	**92,235**	458,633
Proceeds from disposal of prepaid lease payments	45	**—**	130,944
Proceeds from disposal of other equity investments		**1,173,955**	583,654
Proceeds from disposal of a subsidiary	48	**904,548**	—
Loans to associates		**(1,242,161)**	(1,969,166)
Loans repaid by associates		**—**	836,138
Loan to an available-for-sale investee company		**(132,124)**	—
Loans repaid by other related parties		**—**	38,156
Capital contribution for available-for-sale investments		**(152,409)**	—
Capital contribution into associates		**(20,263)**	(20,431)
Capital contribution into joint ventures		**(118,200)**	(219,763)
Government grants related to assets		**116,684**	177,979
Cash outflows from investing activities - net		**(13,662,082)**	(22,018,301)

Consolidated Statement of Cash Flows

	Year ended 31 December	
	2015	2014
	HK$'000	HK$'000
Cash flows from financing activities		
Proceeds from bank borrowings	**37,680,307**	35,160,200
Repayment of bank and other borrowings	**(39,142,633)**	(22,363,420)
Repayment of bonds	**(7,079,475)**	—
Coupon payment on perpetual capital securities	**(421,421)**	(421,609)
Proceeds from issuance of shares for exercised options	**20,230**	53,618
Proceeds from sale of shares held for share award scheme	**24,347**	27,282
Proceeds from disposal of interests in a subsidiary without loss of control (Note 47)	**389,555**	—
Capital contributions from non-controlling interests	**31,792**	223,517
Advances from associates	**170,314**	295,955
Loans repaid to an associate	**(349,627)**	(531,044)
Repayment of advances to joint ventures	**(20,289)**	(393,994)
Advances from/(repayment of advances to) other related companies	**2,793**	(40,897)
Loan from an intermediate holding company	**—**	4,405,860
Loans repaid to intermediate holding companies	**—**	(8,692,672)
Advance from non-controlling interests of subsidiaries	**109,301**	30,401
Interests paid	**(4,256,227)**	(4,423,625)
Dividends paid to owners of the Company	**(3,689,874)**	(3,566,550)
Dividends paid to non-controlling interests of the subsidiaries	**(2,340,444)**	(1,970,443)
Cash outflows from financing activities - net	**(18,871,351)**	(2,207,421)
Net (decreased)/increase in cash and cash equivalents	**(544,555)**	2,274,193
Cash and cash equivalents at beginning of the year	**8,285,135**	6,035,046
Exchange losses	**(466,635)**	(24,104)
Cash and cash equivalents at end of the year	**7,273,945**	8,285,135

The notes on pages 85 to 200 are an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

1 GENERAL INFORMATION

China Resources Power Holdings Company Limited (the "Company") is a public company incorporated in Hong Kong and its shares are listed on The Stock Exchange of Hong Kong Limited. The intermediate holding company of the Company as at 31 December 2015 is China Resources (Holdings) Company Limited ("CRH"), a company incorporated in Hong Kong. The directors regard the ultimate holding company of the Company to be China Resources National Corporation ("CRNC"), a company registered in the People's Republic of China (the "PRC").

The Company is an investment holding company. The Company and its subsidiaries (together, the "Group") is principally engaged in the construction and operation of power stations and coal mining. The address of the registered office of the Company is Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong.

These consolidated financial statements are presented in HK dollars, unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 21 March 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS"). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss, available-for-sale investments and derivative financial instruments, which are carried at fair value.

The preparation of financial statements in conformity with the HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2.1.1 Going concern

At 31 December 2015, the Group had net current liabilities of approximately HK$33,831,914,000. In addition, there were outstanding capital commitments amounting to HK$24,383,694,000 (Note 46). The directors are of the opinion that, taking into account the current operating and business plan of the Group as well as the banking facilities (Note 32) available to the Group, the Group has sufficient working capital to enable it to meet in full its financial obligations as and when they fall due for the coming twelve months from the balance sheet date. Therefore, these consolidated financial statements have been prepared on a going concern basis.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures

(i) New and amended standards adopted by the Group

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2015:

- Amendment to HKAS 19 on contributions from employees or third parties to defined benefit plans. The amendment distinguishes between contributions that are linked to service only in the period in which they arise and those linked to service in more than one period. The amendment allows contributions that are linked to service, and do not vary with the length of employee service, to be deducted from the cost of benefits earned in the period that the service is provided. Contributions that are linked to service, and vary according to the length of employee service, must be spread over the service period using the same attribution method that is applied to the benefits. This amendment did not have a significant effect on the Group's consolidated financial statements.

- Amendments from annual improvements to HKFRSs – 2010 – 2012 Cycle, on HKFRS 8, "Operating segments", HKAS 16, "Property, plant and equipment", HKAS 38, 'Intangible assets' and HKAS 24, "Related party disclosures". These amendments did not have a significant effect on the Group's consolidated financial statements.

- Amendments from annual improvements to HKFRSs – 2011 – 2013 Cycle, on HKFRS 3, "Business combinations", HKFRS 13, "Fair value measurement" and HKAS 40, "Investment property". These amendments did not have a significant effect on the Group's consolidated financial statements.

(ii) New Hong Kong Companies Ordinance (Cap.622)

In addition, the requirements of Part 9 "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) came into operation during the financial year, as a result, there are changes to presentation and disclosures of certain information in the consolidated financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 Changes in accounting policy and disclosures (Continued)

(iii) New and amended standards and interpretations, not yet adopted by the Group

The following new and amended standards and interpretations have been issued but are not effective for the financial year beginning after 1 January 2015 and have not been early adopted by the Group:

- HKFRS 14 "Regulatory deferral accounts" is effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKFRS 11 on accounting for acquisitions of interests in joint operation is effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 38 on clarification of acceptable methods of depreciation and amortisation are effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKAS 16 and HKAS 41 on bearer plants are effective for annual periods beginning on or after 1 January 2016.
- Amendments to HKFRS 10, HKFRS 12, and HKAS 28 on investment entities: applying the consolidation exception are effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKAS 1 "Disclosure initiative'' is effective for annual periods beginning on or after 1 January 2016.
- Amendment to HKAS 27 allowing the equity method on investments in subsidiaries, joint ventures and associates in investor's separate financial statements is effective for annual periods beginning on or after 1 January 2016.
- Annual improvement 2014 is effective for annual periods beginning on or after 1 July 2016.
- HKFRS 15 "Revenue from contracts with customers" is effective for annual periods beginning on or after 1 January 2018.
- HKFRS 9 "Financial instruments" is effective for annual periods beginning on or after 1 January 2018.

Management is in the process of making an assessment of the impact of the above new and amended standards. Management is not yet in a position to state what impact they would have, if any, on the Group's results of operations and financial positions.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries

2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, 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. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with HKAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill (Note 2.10). If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the income statement.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Subsidiaries (Continued)

2.2.1 Consolidation (Continued)

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Associates (Continued)

The Group's share of post-acquisition profit or loss is recognised in the income statement, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the income statement.

2.4 Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation

2.5.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in HK dollars ("HK$"), which is the Company's functional and the Group's presentation currency.

2.5.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Foreign exchange gains and losses are presented in the consolidated income statement within 'other (losses)/gains - net'.

Translation difference on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

2.5.3 Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation difference arising are recognised in other comprehensive income.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Foreign currency translation (Continued)

2.5.4 Disposal of foreign operation and partial disposal

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposal that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange difference is reclassified to profit or loss.

2.6 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors and senior management of the Company that makes strategic decisions.

2.7 Property, plant and equipment

Property, plant and equipment consists of buildings, power generating plant and equipment, mining structures, motor vehicles, furniture, fixtures, equipment and others and construction-in-progress ("CIP"). Property, plant and equipment, other than the CIP are stated at historical cost less depreciation and any impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Estimated useful lives
Buildings	18 - 45 years
Power generating plant and equipment	15 - 18 years
Mining structures	5 - 20 years
Motor vehicles, furniture, fixtures, equipment and others	3 - 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

CIP represents the direct costs of construction incurred of property, plant and equipment including interest capitalised less any impairment losses. No provision or depreciation is made on construction in progress until such time the relevant assets are completed and put into use. CIP is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other (losses)/gains – net' in the consolidated income statement.

2.8 Mining rights

Mining rights are stated at cost less accumulated amortisation and impairment losses, and are amortised using the unit of production method based on the proved and probable mineral reserves.

2.9 Exploration and resources rights

Exploration and resources rights are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and resources rights are stated at cost less any accumulated impairment losses. Exploration and resources rights include the cost of exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable and relevant mining rights certificate is obtained, previously recognised exploration and resources rights are reclassified as mining rights or other fixed assets. These assets are assessed for impairment before reclassifications.

2.10 Goodwill

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of non-financial assets

Assets that have an indefinite useful life - for example, goodwill and intangible assets not ready to use - are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered from impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Financial assets

2.12.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and designated upon initial recognition at fair value through profit or loss. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the consolidated balance sheet (Notes 2.18 and 2.19).

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated in this category or not classified in any of the other categories. They are included in current assets when the investment matures or management intends to dispose it within 12 months of the balance sheet date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Financial assets (Continued)

2.12.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated income statement. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the consolidated income statement within 'other (losses)/gains – net' in the period in which they arise.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recoginized in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the consolidated income statement as 'other (losses)/gains - net'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the consolidated income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the consolidated income statement as part of other income when the Group's right to receive payments is established.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Impairment of financial assets

2.14.1 Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated income statement. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated income statement.

2.14.2 Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired.

For debt securities, if any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated income statement.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated income statement on equity instruments are not reversed through the consolidated income statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 33. Movements on the hedging reserve in shareholders' equity are shown in pages 167 and 168. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

2.15.1 Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in the consolidated income statement within 'other (losses)/gains – net'.

Amounts accumulated in equity are reclassified to profit or loss in the period when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in the consolidated income statement within 'finance costs'.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the consolidated income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the consolidated income statement within 'other (losses)/gains - net'.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.16 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of subsidiaries or associates to secure loans, overdrafts and other banking facilities.

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. The fair value of a financial guarantee at the time of signature is zero because all guarantees are agreed on arm's length terms, and the value of the premium agreed corresponds to the value of the guarantee obligation. No receivable for the future premiums is recognised. Subsequent to initial recognition, the Company's liabilities under such guarantees are measured at the higher of the initial amount, less amortisation of fees recognised in accordance with HKAS 18, and the best estimate of the amount required to settle the guarantee. These estimates are determined based on experience of similar transactions and history of past losses, supplemented by management's judgement. The fee income earned is recognised on a straight-line basis over the life of the guarantee. Any increase in the liability relating to guarantees is reported in the consolidated income statement within other operating expenses.

Where guarantees in relation to loans or other payables of subsidiaries or associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment in the financial statements of the Company.

2.17 Inventories

Inventories include fuel oil for power generation, coal, materials for repairs and maintenance and spare parts, and are stated at lower of cost and net realisable value.

Inventories are initially recorded at cost and are charged to fuel costs, repairs and maintenance, or comsumables, respectively when used, or capitalised to property, plant and equipment when installed, as appropriate, using weighted average cost basis. Cost of inventories includes costs of purchase and transportation expenses.

Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.18 Trade and other receivables

Trade receivables are amounts due from customers for products sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Cash and cash equivalents

Cash and cash equivalents listed in the consolidated statement of cash flows represent cash in hand, deposits held at call with banks, and other short-term highly-liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.20 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.21 Perpetual capital securities

Perpetual capital securities issued by the Group are classified as equity instruments and are initially recorded at the amount of proceeds received.

2.22 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Borrowing costs

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

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

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

2.25 Current and deferred income tax

The tax expense for the year comprises current and deferred income tax. Income tax expense is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using the tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred taxtion asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Current and deferred income tax (Continued)

(b) Deferred income tax (Continued)

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only where there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference, deferred income tax liabilities are not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.26 Employee benefits

Employee benefits include all expenditures relating to the employees for their services. The Group recognises employee benefits as liabilities during the accounting period when employees render services and allocates to related cost of assets and expenses based on different beneficiaries.

(a) Defined contribution plan

In connection with pension obligations, the Group operates various defined contribution plans in accordance with the local conditions and practices in the countries and provinces in which they operate. A defined contribution plan is a pension plan under which the Group pay fixed contributions into a separate publicly administered pension insurance plan on mandatory and voluntary basis. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expenses when incurred.

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Employee benefits (Continued)

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of HKAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.27 Share-based payment

The Group operates a number of equity-settled, share-based compensation plans, under which the Group received services from directors and employees of the Group, directors of CRH, employees of CRH and its subsidiaries to the Group.

The fair value of services received determined by reference to the fair value of share options and award shares granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in employee share-based compensation reserve.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to employee share-based compensation reserve.

At the time when the share options are exercised, the amount previously recognised in employee share-based compensation reserve will be transferred to share capital. When the share options are forfeited after the vesting period or are still not exercised at the expiry date, the amount previously recognised in employee share-based compensation reserve will be transferred to retained earnings.

The Company also operates a Medium to Long-term Performance Evaluation Incentive Plan (the "Scheme"). Pursuant to the Scheme, share plan trust has been set up by the Company for employees.

The Scheme is accounted for as a cash-settled transaction. The Group measures the services acquired and the liability incurred at the fair value of the liability. Until the liability is settled, the Group remeasures the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in profit or loss for the period.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.28 Provisions

Provisions are recognised when the Group has a present legal or contractual obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation, and the amount has been reliably estimated. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

Provisions for the Group's restoration, rehabilitation and environmental expenses are based on estimates of required expenditure at the mines in accordance with PRC rules and regulations. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to passage of time is recognised as interest expense.

2.29 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred income and are credited to the consolidated income statement on a straight-line basis over the expected lives of the related assets.

2.30 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sales of products and services in the ordinary course of the Group's activities. Revenue is shown, net of discounts and after eliminating sales with the group companies. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimates of return on historical results, taking into consideration the type of customers, the type of transactions and the specifics of each arrangement.

2.30.1 Sales of electricity

Revenue is earned and recognised upon transmission of electricity to the customers or the power grid owned by the respective regional or provincial grid companies.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Revenue recognition (Continued)

2.30.2 Sales of coal

Revenue is recognised when the coal delivered to the customers and there is no unfulfilled obligation that could affect the customer's acceptance of the coal.

2.30.3 Sales of heat supply

Revenue is recognised when the heat is delivered to the customers.

2.30.4 Provision of services

Service income is recognised when services are rendered.

2.31 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

2.32 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.33 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

The Group is the lessee - Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated income statement on a straight-line basis over the period of the lease.

The Group is the lessor - When assets are leased out under an operating lease, the assets are included in the balance sheet based on the nature of the assets. Lease income is recognised over the term of the lease on a straight-line basis.

2.34 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

Risk management is carried out by a central group treasury department under policies approved by the board of directors. The department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units.

(a) Market risk

(i) Foreign exchange risk

The majority of the Group's operations are in the PRC and transactions are mainly denominated in Renminbi ("RMB") which is the functional currency of the respective group entities. Foreign exchange risk mainly arises from certain cash and cash equivalents, and borrowings which are denominated in Hong Kong dollars ("HK$") and US dollars ("US$"). However, certain entities are located in Hong Kong and their functional currency are HK$ or US$, the foreign exchange risk for them mainly arises from balances denominated in RMB.

In addition, given there are different functional currencies within the Group, there are still foreign exchange risk which arises from the transactions and balances within the Group even though they are eliminated. The carrying amounts of the foreign currencies denominated monetary assets and monetary liabilities before elimination at the reporting date are as follows:

	As at 31 December	
	2015	2014
	HK$'000	HK$'000
Assets		
US$	**56,513**	69,040
RMB	**25,314,014**	27,325,377
HK$	**764,801**	601,508
Liabilities		
US$	**3,649,713**	7,716,165
RMB	**10,026,492**	7,450,640
HK$	**500,000**	3,180,000

At 31 December 2015, if RMB had strengthened/weakened by 5% against HK$ and US$ with all other variables held constant, net profit for the year would have been HK$286,910,000 (2014: HK$928,086,000) higher/lower, or net assets as of 31 December 2015 would have been HK$959,066,000 (2014: HK$928,086,000) higher/lower, mainly as a result of foreign exchange gains/losses on translation of non-functional currency denominated monetary assets and monetary liabilities. This sensitivity has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date.

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at bank with interest income accrued at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk.

As at 31 December 2015, except for HK$43,251,340,000 (2014: HK$58,096,896,000) of borrowings whose interests were charged at floating rates, interests on all remaining long term borrowings and long term loans from related parties were charged at fixed rates before cash flow hedge.

In order to keep borrowings at fixed rate and to minimise cash flow interest rate risk, the Group has adopted floating to fixed interest rate swaps to manage cash flow interest rate risk exposure associated with the borrowings at floating interest rates amounting to HK$5,317,586,000 (2014: HK$8,002,000,000) (Note 32). Generally, the Group raises long-term borrowings at floating rates and swaps them into fixed rates, which are usually at rates lower than those if the Group had borrowed at fixed rates directly. Under the interest rate swap arrangements, the Group agrees with other parties to exchange, at specified intervals (primarily semiannually), the difference between fixed contract rate and floating-rate interest amounts calculated with reference made to the agreed notional amounts.

The sensitivity analysis below has been determined based on the exposure to interest rates for borrowings at floating rates which are not hedged with hedging instruments. The analysis is prepared by assuming the financial instruments outstanding at the end of the period were outstanding for the whole year.

At 31 December 2015, if interest rates on long-term borrowings at that date had been 10 basis point higher/lower with all other variables held constant, post-tax profit for the year or net assets as of 31 December 2015 would have been approximately HK$28,455,000 (2014: HK$50,095,000) lower/higher, mainly as a result of higher/lower interest expenses on floating rate borrowings.

(iii) Price risk

The major price explosure of the Group is from purchase of coal. The coal market is influenced by the global as well as regional supply and demand conditions. A change in prices of coal could significantly affect the Group's financial performance. The Group historically has not used any commodity derivative instruments to hedge the potential price fluctuations of coal and does not have a fixed policy to do so in the foreseeable future.

The Group is also exposed to price risk because of investments classified as available-for-sale on the consolidated balance sheet. To manage its price risk arising from investments in equity interests, the Group diversifies its portfolio within the limits set by the Group.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk

The Group's credit risk is primarily attributable to bank deposits, trade and other receivables, and amounts due from related companies. The maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at 31 December 2015 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated balance sheet.

In order to minimise the credit risk, management of the Group has reviewed the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk as at 31 December 2015 is significantly reduced.

Credit risk for the Group is concentrated on a limited number of power grids, associates, and joint ventures. However, management of the Group, having considered the financial background and good creditability of the power grids and related companies, and operating prospects of associates and joint ventures, believes that there is no significant credit risk.

Credit risk on liquid funds is limited because the counterparties are banks with good reputation.

Maximum exposure to credit risk before collateral held or other credit enhancements are summarised as below:

	2015 HK$'000	2014 HK$'000
Credit risk exposure relating to off-balance sheet items:		
Financial guarantees (Note 51)	950,797	1,051,518

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk

The Group operates a central treasury function at corporate level that surplus cash of operating entities within the Group is gathered in a pool. The cash balance is then advanced to entities within the Group with cash needs. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions in order to meet the liquidity requirements of the Group in the short and longer terms.

As stated in Note 2.1, the Group had net current liabilities of HK$33,831,914,000 at 31 December 2015 and outstanding capital commitment of HK$24,383,694,000, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the Group had obtained sufficient short and long-term bank facilities at the end of the reporting period. In addition, the management will undertake close monitoring process to control the timing of the expected cash outflows associated with the construction of new power plants and the purchase of power generation equipment. In this regard, the directors of the Company consider that the Group's liquidity risk has been significantly reduced and they are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the coming twelve months from 31 December 2015.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on undiscounted cash flows of financial liabilities, computed on the earliest date when the Group would be required to settle them. The table includes both interest and principal cash flows. To the extent that interest flows are computed at floating rates, the undiscounted amount is derived from interest rate at the end of the reporting period.

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments. The tables have been drawn up based on the undiscounted contractual net cash (inflows)/outflows on derivative instruments that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by making reference to the current interest rates at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments is prepared based on contractual maturities as management considers that the contractual maturities are essential for an understanding of the expected timing of the cash flows associated with the derivatives.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	Weighted average interest rate %	On demand HK$'000	Less than 1 year HK$'000	1 - 5 years HK$'000	over 5 years HK$'000	Total undiscounted cash flows HK$'000	Carrying amount/ face value HK$'000
At 31 December 2015							
Non-derivative financial liabilities:							
Non-interest bearing	N/A	16,514,797	10,829,380	—	—	27,344,177	27,344,177
Fixed interest rate	3.654	—	5,340,334	19,706,759	—	25,047,093	22,201,321
Variable interest rate	2.891	—	23,389,719	35,029,675	19,492,719	77,912,113	66,316,015
		16,514,797	39,559,433	54,736,434	19,492,719	130,303,383	115,861,513
Derivatives - net settlement							
Interest rate swaps		—	26,571	—	—	26,571	26,571
Financial guarantee contracts		—	4,094	771,824	174,879	950,797	950,797
At 31 December 2014							
Non-derivative financial liabilities:							
Non-interest bearing	N/A	17,026,860	11,107,642	—	—	28,134,502	28,134,502
Fixed interest rate	4.360	—	10,474,640	15,086,541	5,919,735	31,480,916	28,177,589
Variable interest rate	3.679	—	16,657,818	49,267,513	19,592,273	85,517,604	72,255,271
		17,026,860	38,240,100	64,354,054	25,512,008	145,133,022	128,567,362
Derivatives - net settlement							
interest rate swaps		—	19,985	72,518	—	92,503	92,242
Financial guarantee contracts		—	39,905	337,051	674,562	1,051,518	1,051,518

3.2 Capital risk management

The Group's objectives in managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure in order to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors its capital based on gearing ratio. This ratio is calculated as net debt divided by total equity (excluding non-controlling interests). Net debt is calculated as total borrowings and loan from related parties less cash and cash equivalents and pledged bank deposits.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.2 Capital risk management (Continued)

The gearing ratios at 31 December 2015 were as follows:

	2015 HK$'000	2014 HK$'000
Total borrowings	**88,517,336**	100,432,860
Less: cash and cash equivalents	**(7,273,945)**	(8,285,135)
pledged bank deposits	**(723,404)**	(772,433)
Net debt	**80,519,987**	91,375,292
Total equity (excluding non-controlling interests)	**70,917,575**	70,794,403
Gearing ratio	**113.54%**	129.07%

The directors of the Company consider the Group's gearing ratio has been maintained at a comfortable level.

3.3 Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)

Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2015:

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Available-for-sale investments	—	—	**1,497,284**	**1,497,284**
Liabilities				
Derivative financial instruments	—	**26,571**	—	**26,571**

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2014:

	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Assets				
Financial assets at fair value through profit or loss	5,217	—	—	5,217
Available-for-sale investments	—	—	1,656,455	1,656,455
Derivative financial instruments	—	—	575,898	575,898
	5,217	—	2,232,353	2,237,570
Liabilities				
Derivative financial instruments	—	92,242	—	92,242

There were no transfers among level 1, level 2 and level 3 during the year.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is determined based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1 and they comprise equity investment in a listed company classified as trading securities.

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs are not determined based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include the fair value of interest rate swaps (Note 33) is calculated as the present value of the estimated future cash flows based on observable yield curves.

(c) Level 3 instruments

Level 3 instruments mainly included available-for-sale investments in unlisted equity securities and derivative financial instrument in form of call option of an unlisted company. As these investments are not traded in an active market, fair value of available-for-sale investments has been determined using dividend discounted model, and fair value of derivative financial instrument was based on the intrinsic value and time value of the option, on which the underlying value has been determined using dividend discounted model. The details of the assumptions for available-for-sale investments and the sensitivity analysis are disclosed in Notes 13(a).

The movement of level 3 instruments for the year ended 31 December 2015 is as follows:

	Available-for-sale investments HK$'000	Derivative financial instruments HK$'000	Total HK$'000
Opening balance at 1 January	1,656,455	575,898	2,232,353
Exchange difference	(76,723)	—	(76,723)
Losses recognised in other comprehensive income (i)	(234,638)	—	(234,638)
Losses recognised in profit or loss	—	(151,816)	(151,816)
Additions	152,190	—	152,190
Settlements	—	(424,082)	(424,082)
Closing balance at 31 December	1,497,284	—	1,497,284
Total unrealised gains/losses for the period included in profit or loss for assets held at the end of the year	—	—	—

3 FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

(c) Level 3 instruments (Continued)

The movement of level 3 instruments for the period ended 31 December 2014 is as follows:

	Available-for-sale investments HK$'000	Derivative financial instruments HK$'000	Total HK$'000
Opening balance at 1 January	1,375,876	—	1,375,876
Exchange difference	(3,503)	—	(3,503)
Gains recognised in other comprehensive income (i)	284,082	—	284,082
Gains recognised in profit or loss	—	575,898	575,898
Closing balance at 31 December	1,656,455	575,898	2,232,353
Total unrealised gains for the period included in profit or loss for assets held at the end of the year	—	575,898	575,898

(i) The gains represented fair value changes of an available-for-sale investment, namely Tanggang Railway Co., Ltd. ("Tanggang Railway").

Unrealised gains/losses relating to the derivative financial instrument are recognised within 'other (losses)/gains - net' in the consolidated income statement.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within next financial year are addressed below:

(a) Useful lives of property, plant and equipment

The estimate of depreciable lives of property, plant and equipment, especially power generating plant and equipment and mining structures, was made by the directors with reference to the following: (1) the historical usage of the assets; (2) their expected physical wear and tear; (3) results of recent durability assessment performed; (4) technical or commercial obsolescence arising from changes or improvements in production of similar fixed assets; and (5) the changes in market demand for, or legal or comparable limits imposed on, the use of such fixed assets. When the useful lives differ from the original estimated useful lives, management will adjust the estimated useful lives accordingly.

The current estimated useful lives are stated in Note 2.7. It is possible that the estimates made based on existing experience are different to the actual outcomes within next financial period and could cause a material adjustment to the depreciation and carrying amount of property, plant and equipment.

If the estimated depreciable lives of power generating plant and equipment and mining structures had been increased/decreased by 5%, the depreciation expenses of fixed assets for the year ended 31 December 2015 would have been decreased/increased by approximately HK$403,321,000 and HK$347,724,000 respectively (2014: HK$371,558,000 and HK$291,443,000).

(b) Estimated impairment of non-financial assets (other than goodwill)

In determining whether a non-financial asset is impaired or the event previously causing the impairment no longer exists, management has to exercise judgement, particularly in assessing: (1) whether an event has occurred that may affect the asset value or such event affecting the asset value has not been in existence; (2) whether the carrying value of an asset can be supported by the net present value of future cash flows which are estimated based upon the continued use of the asset or derecognition; and (3) the appropriate key assumptions to be applied in preparing cash flow projections including whether these cash flow projections are discounted using an appropriate rate. Changing the assumptions selected by management to determine the level of impairment, including the discount rate or the growth rate assumptions in the cash flow projections, could materially affect net present value used in the impairment test.

During the year ended 31 December 2015, due to the fact that (1) coal price continued to drop; (2) the coal market downturn and China's supply-side reform, the business plan of certain coal mines of the Group has been revised including close of certain mines or delayed commencement of commercial operations in certain mines. Impairment losses therefore were recognised in the consolidated financial statements for the year ended 31 December 2015 (Notes 6 and 8) to reflect the lower economic benefit to be recovered from those mining rights and related mining assets which was estimated based on the discounted cash flow forecast.

Further considerations in performing impairment tests regarding property, plant and equipment, and mining rights are set out in Notes 6 and 8 respectively.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(c) Impairment review of goodwill

As of 31 December 2015, there was goodwill substantially arising from acquisition of various power plants amounting to HK$1,760,924,000 (2014: HK$3,123,668,000) (Note 12). Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The recoverable amounts of each of CGUs are determined based on value in use calculation. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and any residual value from disposing the related assets and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

The details of the assumptions used by management and the sensitivity analysis are disclosed in Note 12.

(d) Mining rights

As stated in Note 2.8, mining rights are amortised using the unit of production method based on the proved and probable mineral reserves.

The process of estimating quantities of reserves is inherently uncertain and complex. It requires significant judgements and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting mineral prices and costs change. Reserve estimates are based on current production forecasts, prices and economic conditions. The directors exercise their judgement in estimating the total proved and probable reserves of the coal mines and on the assumption that the PRC government will continue to renew the mining right certificates (the "Certificates") upon its expiration at minimal charges. If the quantities of reserves are different from current estimates and significant charge would be incurred in renewal of the relevant Certificates upon its expiration, it will result in significant changes to amortisation and depreciation expenses of mining rights and affect the recoverable amount of mining rights, in which a material impairment loss may arise.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(e) Impairment review of deposits paid for acquisition of mining/exploration rights

Deposits paid for acquisition of mining/exploration rights are reviewed for impairment whenever one of the following events or changes in circumstances indicate that the carrying amounts may not be recoverable (the list is not exhaustive).

- The possibility of converting the deposits into the mining/exploration rights.
- The period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- Substantive expenditure on future exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area.
- Sufficient data exist to indicate that, though a development in the specific area is likely to proceed, the carrying amount of the exploration and resources rights is unlikely to be recovered in full from successful development or by sale.

In estimating the recoverable amounts of assets, various assumptions, including future cash flows to be associated with the deposits and discount rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will need to be revised, and this may have an impact on the Group's results of operations or financial position.

At 31 December 2015, the carrying amount of deposits paid for acquisition of mining/exploration rights is HK$1,391,773,000 (2014: HK$1,478,068,000) (Note 14) and there is no impairment made for the year ended 31 December 2015 (2014: Nil).

5 TURNOVER AND SEGMENT INFORMATION

Turnover represents revenue arising from sales of electricity and heat generated by thermal power plants, and sales of coal during the year. The Group is currently engaged in three business areas - thermal power (inclusive of coal-fired and gas-fired power plants), renewable energy (inclusive of wind farms, hydro-electric projects and photovoltaic power generation) and coal mining.

	2015 HK$'000	2014 HK$'000
Sales of electricity	**64,961,164**	64,319,193
Of which:		
Sales of power generation from thermal power plants	**59,625,645**	59,735,600
Sales of power generation from renewable energy	**5,335,519**	4,583,593
Heat supply	**3,182,704**	2,861,134
Sales of coal	**3,292,007**	3,500,301
	71,435,875	70,680,628

The chief operating decision-makers mainly include executive directors and members of senior management of the Company. For the purpose of resources allocation and performance assessment, the chief operating decision-makers review operating results and financial information on a group company by company basis. Each such group company is identified as an operating segment. When the group company operates in similar business model with similar target group of customers, the Group's operating segments are aggregated.

The accounting policies of the operating segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central corporate expenses, interest income, finance costs, share of results of associates, share of results of joint ventures, fair value changes on derivative financial instruments, gains/(losses) on disposal of investments, dividend income from available-for-sale investments and exchange gains or losses.

Inter-segment sales are charged at prevailing market rates.

5 TURNOVER AND SEGMENT INFORMATION (Continued)

Segment information of the Group's revenue and results is presented below:

For the year ended 31 December 2015:

	Thermal power HK$'000	Renewable energy HK$'000	Coal mining HK$'000	Eliminations HK$'000	Total HK$'000
Segment revenue					
External sales	62,808,349	5,335,519	3,292,007	—	71,435,875
Inter-segment sales	—	—	224,870	(224,870)	—
Total	62,808,349	5,335,519	3,516,877	(224,870)	71,435,875
Segment profit/(loss)	21,901,302	2,671,712	(4,097,682)	—	20,475,332
Unallocated corporate expenses					(772,075)
Interest income					300,445
Fair value changes on derivative financial instruments					(145,458)
Gains on disposal of a subsidiary					550,731
Gains on disposal of other equity investments, net					41,258
Finance costs					(3,216,382)
Share of results of associates					(717,586)
Share of results of joint ventures					247,113
Dividend income from available-for-sale investments					187,899
Exchange losses					(630,030)
Profit before income tax					16,321,247

For the year ended 31 December 2014:

	Thermal power HK$'000	Renewable energy HK$'000	Coal mining HK$'000	Eliminations HK$'000	Total HK$'000
Segment revenue					
External sales	62,596,734	4,583,593	3,500,301	—	70,680,628
Inter-segment sales	—	—	233,588	(233,588)	—
Total	62,596,734	4,583,593	3,733,889	(233,588)	70,680,628
Segment profit/(loss)	18,708,528	2,467,601	(6,405,084)	—	14,771,045
Unallocated corporate expenses					(773,221)
Interest income					230,629
Fair value changes on derivative financial instruments					593,936
Gains on disposal of equity investments					275,868
Finance costs					(3,325,487)
Share of results of associates					(1,177,765)
Share of results of joint ventures					467,461
Dividend income rom available-for-sale investments					235,930
Exchange losses					(113,991)
Profit before income tax					11,184,405

5 TURNOVER AND SEGMENT INFORMATION (Continued)

Segment information about the Group's assets and liabilities is presented below:

	2015 HK$'000	2014 HK$'000
Segment assets		
– Thermal power	111,351,972	119,908,101
– Renewable energy	42,150,744	40,459,392
– Coal mining	28,257,633	35,875,755
Total segment assets	181,760,349	196,243,248
Investments in associates	9,484,351	11,222,297
Investments in joint ventures	3,689,000	2,472,578
Available-for-sale and loans to an available-for-sale investee	1,895,559	1,933,386
Loans to/amounts due from associates and joint ventures	796,643	1,407,010
Pledged bank deposits, and cash and cash equivalents	7,997,349	9,057,568
Deferred income tax assets	556,150	739,113
Derivative financial instruments	—	575,898
Other corporate assets, mainly representing assets held by head office and investment holding companies	1,906,478	1,996,983
Consolidated assets	208,085,879	225,648,081

	2015 HK$'000	2014 HK$'000
Segment liabilities		
– Thermal power	18,025,456	18,842,280
– Renewable energy	3,875,579	4,470,842
– Coal mining	7,347,266	9,502,674
Total segment liabilities	29,248,301	32,815,796
Bank and other borrowings	88,517,336	100,432,860
Derivative financial instruments	26,571	92,242
Deferred income tax liabilities	2,459,682	2,635,041
Current income tax liabilities	1,330,166	1,486,367
Amounts due to associates and joint ventures	1,705,121	732,641
Amounts due to other related parties	577,667	959,233
Other corporate liabilities, mainly representing liabilities of head office and investment holding companies	481,692	701,533
Consolidated liabilities	124,346,536	139,855,713

5 TURNOVER AND SEGMENT INFORMATION (Continued)

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

- all assets are allocated to operating segments other than investments in associates, investments in joint ventures, available-for-sale investments and loans to an available-for-sale investee company, loans to/amounts due from associates and joint ventures, amounts due from other companies, deferred income tax assets, pledged bank deposits and cash and cash equivalents managed by corporate office, and other unallocated corporate assets; and

- all liabilities are allocated to operating segments other than bank and other borrowings, derivative financial instruments, deferred income tax liabilities, current income tax liabilities, amounts due to associates and joint ventures, amounts due to other related parties and other unallocated corporate liabilities.

Other segment information is presented below:

For the year ended 31 December 2015:

	Thermal power HK$'000	Renewable energy HK$'000	Coal mining HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit and segment assets:					
Additions to non-current assets (Note i)	8,845,264	5,511,523	2,274,315	200,325	16,831,427
Depreciation and amortisation	(7,125,120)	(1,941,509)	(697,219)	(23,355)	(9,787,203)
Impairment charges	(778,261)	—	(3,594,632)	—	(4,372,893)
Net (losses)/gains on disposal of property, plant and equipment	(7,844)	(2,467)	2,615	—	(7,696)
Amounts regularly provided to chief operating decision maker but not included in the measure of segment profit:					
Share of results of associates	1,285,009	—	(2,002,595)	—	(717,586)
Share of results of joint ventures	361,775	—	(114,662)	—	247,113
Finance costs	(1,442,751)	(696,683)	(974,828)	(102,120)	(3,216,382)
Interest Income	59,790	12,694	188,632	39,329	300,445
Income tax expense	(4,584,659)	(143,932)	(190,397)	(889,880)	(5,808,868)

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

5 TURNOVER AND SEGMENT INFORMATION (Continued)

For the year ended 31 December 2014:

	Thermal power HK$'000	Renewable energy HK$'000	Coal mining HK$'000	Unallocated HK$'000	Total HK$'000
Amounts included in the measure of segment profit and segment assets:					
Additions to non-current assets	12,932,724	8,831,115	1,724,618	399,702	23,888,159
Depreciation and amortisation	(6,443,468)	(1,645,851)	(492,201)	(18,023)	(8,599,543)
Impairment charges	(287,225)	—	(5,807,167)	—	(6,094,392)
Net gains/(losses) on disposal of property, plant and equipment	25,013	(448)	(18,698)	6,807	12,674
Amounts regularly provided to chief operating decision maker but not included in the measure of segment profit:					
Share of results of associates	1,315,066	—	(2,492,831)	—	(1,177,765)
Share of results of joint ventures	521,135	—	(53,674)	—	467,461
Finance costs	(1,553,035)	(600,351)	(1,008,724)	(163,377)	(3,325,487)
Interest Income	59,550	7,634	122,044	41,401	230,629
Income tax expense	(3,719,789)	(113,370)	(153,340)	(304,289)	(4,290,788)

Geographical information

The Group's operations are principally located in the PRC. All of the Group's revenue from external customers are attributed to customers located in the PRC. The Group's non-current assets excluding financial instruments and deferred income tax assets, which amounted to HK$174,714,548,000 as at 31 December 2015 (2014: HK$183,866,525,000) are located in the PRC, other than Hong Kong.

Information about major customers

Revenue from customers of each corresponding year contributing over 10% of the total sales of the Group are as follows:

	2015 HK$'000	2014 HK$'000
Customer A	**17,659,317**	17,520,398
Customer B	**10,495,422**	8,565,684
Customer C	**8,729,402**	9,279,827

The customers quoted relate to the thermal power and renewable energy segments.

6 PROPERTY, PLANT AND EQUIPMENT

	Buildings HK$'000	Power generating plant and equipment HK$'000	Mining structures HK$'000	Motor vehicles, furniture, fixtures, equipment and others HK$'000	Construction in progress HK$'000	Total HK$'000
At 1 January 2014						
Cost	29,838,741	108,042,023	1,339,656	2,550,304	32,157,336	173,928,060
Impairment	(381,819)	(214,696)	(8,965)	(5,205)	(783,824)	(1,394,509)
Accumulated depreciation	(8,053,454)	(30,941,192)	(745,706)	(1,214,157)	—	(40,954,509)
Net book amount	21,403,468	76,886,135	584,985	1,330,942	31,373,512	131,579,042
Year ended 31 December 2014						
Opening net book amount	21,403,468	76,886,135	584,985	1,330,942	31,373,512	131,579,042
Exchange differences	(60,786)	(211,888)	(788)	(4,194)	(71,097)	(348,753)
Additions	26,259	1,313,351	—	633,998	25,573,684	27,547,292
Transfer	6,679,695	21,384,997	1,365,036	531	(29,430,259)	—
Disposals	(97,263)	(297,381)	(16,720)	(26,329)	(8,266)	(445,959)
Impairment	(526,885)	(624,565)	(133,565)	(487,365)	(1,324,312)	(3,096,692)
Depreciation charge	(1,466,866)	(6,583,093)	(86,975)	(190,064)	—	(8,326,998)
Closing net book amount	25,957,622	91,867,556	1,711,973	1,257,519	26,113,262	146,907,932
At 31 December 2014						
Cost	35,952,043	128,634,051	2,720,147	3,004,904	28,188,803	198,499,948
Impairment	(706,400)	(830,664)	(210,442)	(492,445)	(2,075,541)	(4,315,492)
Accumulated depreciation	(9,288,021)	(35,935,831)	(797,732)	(1,254,940)	—	(47,276,524)
Net book amount	25,957,622	91,867,556	1,711,973	1,257,519	26,113,262	146,907,932
Year ended 31 December 2015						
Opening net book amount	25,957,622	91,867,556	1,711,973	1,257,519	26,113,262	146,907,932
Exchange differences	(1,475,909)	(5,529,263)	(99,496)	(79,467)	(1,736,569)	(8,920,704)
Relating to disposal of a subsidiary (Note 48)	(42,101)	(44,829)	—	(6,384)	(13,700)	(107,014)
Additions	697,681	1,118,563	—	3,867,406	11,213,389	16,897,039
Transfer	5,626,026	13,962,436	1,086,575	75,236	(20,750,273)	—
Disposals	(12,718)	(59,513)	—	(6,670)	(21,030)	(99,931)
Impairment	(1,447,915)	(20,425)	(124,847)	(327)	(815,948)	(2,409,462)
Depreciation charge	(1,745,396)	(7,437,434)	(100,813)	(139,007)	—	(9,422,650)
Closing net book amount	27,557,290	93,857,091	2,473,392	4,968,306	13,989,131	142,845,210
At 31 December 2015						
Cost	39,056,763	134,670,425	3,453,654	6,993,042	16,978,035	201,151,919
Impairment	(1,370,400)	(1,166,195)	(125,759)	(814,863)	(2,988,904)	(6,466,121)
Accumulated depreciation	(10,129,074)	(39,647,138)	(854,503)	(1,209,873)	—	(51,840,588)
Net book amount	27,557,289	93,857,092	2,473,392	4,968,306	13,989,131	142,845,210

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

Construction work in progress as at 31 December 2015 mainly comprises infrastructure contruction of new power plants, technical impovement projects of power plants and coal mines being constructed in the PRC.

During the year, the Group has capitalised borrowing costs amounting to HK$941,320,000 (2014: HK$1,091,894,000) (Note 41) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of the borrowings of 5.61% (2014: 5.88%).

Depreciation expenses of HK$9,364,433,000 and HK$58,217,000 (2014: HK$8,256,297,000 and HK$70,701,000) has been recorded in operating expenses and construction in progress, respectively.

The impairment charges related to property, plant and equipment amounting to HK$2,409,462,000 (2014: HK$3,096,692,000) has been recorded in operating expenses. The movement on the provision for impairment of property, plant and equipment of the Group by segment is as follows:

	Thermal power		Coal mining	
	2015 HK$'000	2014 HK$'000	**2015 HK$'000**	2014 HK$'000
At 1 January	**499,225**	278,248	**3,816,267**	1,116,261
Exchange differences	**(82,501)**	(3,804)	**(69,687)**	(11,187)
Impairment charged to profit or loss	**537,422**	254,249	**1,872,040**	2,842,443
Disposals	**(87,223)**	(29,468)	**(19,422)**	(131,250)
At 31 December	**866,923**	499,225	**5,599,198**	3,816,267

During the year, certain coal-fired power generators were determined to be closed down and certain power assets were retired, consequently the Group has made an impairment charge of HK$537,422,000, after considering any possible benefit receivable during the disposal process. The recoverable amounts of these assets are based on their fair value less costs of disposal.

The impairment charge of HK$1,872,040,000 reported in coal mining segment for the year ended 31 December 2015 mainly related to property, plant and equipment held by subsidiaries located in Shanxi, Hunan, and Jiangsu Province. The impairment provision made was mainly due to: (1) coal prices continued to drop in the China domestic market in 2015; and (2) construction of certain coal mines were temporarily or fully suspended as a result of the coal market downturn and China's supply-side reform, which have led to decrease in estimated cash inflow to be generated from certain coal mines throughout their estimated operating periods.

Each coal mine is determined as one CGU. The impairment loss attributable to these CGUs was then allocated to write down the assets in the CGU on a pro rata basis based on the carrying amount of each asset (including prepaid lease payment (Note 7), mining rights (Note 8) and related property, plant and equipment) in the CGU.

6 PROPERTY, PLANT AND EQUIPMENT (Continued)

Except for certain coal mining related assets, of which the recoverable amounts were determined based on their fair value less costs of disposal, the recoverable amounts of most of coal mine CGUs held by subsidiaries and one associate, Taiyuan China Resources Coal Co., Ltd., were determined based on value in use ("VIU") calculation. The VIU of these coal mine CGUs have been estimated using calculations of pre-tax cash flow projections developed based on financial budgets compiled by management covering a five-year period. Cash flows beyond the five-year period are extrapolated without considering any growth rate. The annual production volume of each coal mine CGU throughout the projection period is consistent with the certificate of each mining right or technical feasibility report. The key assumptions and discount rate used for VIU calculations and the recoverable amount of those CGUs where there has been impairment loss are as follows:

	2015	2014
Real pre-tax discount rate	7.4%-10.1%	8.0%-11.7%
Coal prices (% annual growth rate)	0%	0%
Recoverable amounts of the CGUs held by the Group	HK$5,466,952,000	HK$8,074,832,000
Recoverable amounts of the CGUs held by the associate	HK$6,306,030,000	HK$8,269,272,000

Another key assumption is the full operation timing for certain mines currently in construction. The management currently estimated a full operation of all mines by the end of year 2019.

Should the coal prices have been 5% lower while holding other variables constant, the Group would have recognised a further impairment against the CGUs by HK$1,198,396,000 (2014: HK$1,309,708,000) and a further unrecorgnised investment loss in the associate of HK$328,732,000 (2014: HK$416,385,000).

As at 31 December 2015, total net book value of property, plant and equipment pledged as collateral for the Group's bank borrowings amounted to HK$5,315,378,000 (2014: HK$5,123,992,000) (Note 32).

As at 31 December 2015, the ownership certificates of certain buildings ("Building Ownership Certificates") of the Group with an aggregate carrying value of approximately HK$8,541,120,000 (2014: HK$9,990,515,000) had not been obtained by the Group. After consultation made with the Company's legal counsel, the directors of the Company consider that there is no legal restriction for the Group to apply for and obtain the Building Ownership Certificates and it should not lead to any significant adverse impact on the operations of the Group.

7 PREPAID LEASE PAYMENTS

The Group's prepaid lease payments are related to leases of land located in the PRC and their net book value are analysed as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	**3,218,044**	2,747,683
Exchange differences	**(163,388)**	(24,823)
Additions	**447,740**	611,763
Disposal of a subsidiary (Note 48)	**(47,712)**	—
Amortisation charge	**(100,504)**	(71,005)
Disposal	**(728)**	(29,152)
Impairment	**(9,396)**	(16,422)
At 31 December	**3,344,056**	3,218,044

Amortisation of HK$79,902,000 and HK$20,602,000 (2014: HK$60,566,000 and HK$10,439,000) has been recorded in operating expenses and construction in progress, respectively.

The impairment charge of HK$9,396,000 reported for the year ended 31 December 2015 related to certain land use rights held by subsidiaries located in Shanxi and Hunan Province, which is engaged in the coal mining business. Further considerations in performing impairment tests, the key assumptions used in the impairment calculation and the sensitivity analysis are set out in Note 6.

Certain bank borrowings of the Group are secured by land leases at an aggregate carrying amount of HK$51,985,000 (2014: HK$43,354,000) (Note 32).

As at 31 December 2015, land use right certificates ("Land Certificates") of certain parcels of land of the Group with an aggregate carrying value of HK$780,491,000 (2014: HK$724,216,000) had not been obtained. After consultation made with the Company's legal counsel, the directors consider that there is no legal restriction for the Group to apply for and obtain the Land Certificates and it should not lead to any significant adverse impact on the operations of the Group.

8 MINING RIGHTS AND EXPLORATION AND RESOURCES RIGHTS

(a) Mining rights

	2015 HK$'000	2014 HK$'000
At 1 January		
Cost	**22,573,895**	22,611,089
Impairment	**(2,953,320)**	(27,708)
Accumulated amortisation	**(1,482,097)**	(1,202,118)
Opening net book amount	**18,138,478**	21,381,263
Exchange differences	**(752,463)**	(69,153)
Additions	—	34,898
Impairment	**(1,219,930)**	(2,925,850)
Amortisation charge	**(342,868)**	(282,680)
Disposal	**(7,320)**	—
Closing net book amount	**15,815,897**	18,138,478
At 31 December		
Cost	**21,640,513**	22,573,895
Impairment	**(4,131,307)**	(2,953,320)
Accumulated amortisation	**(1,693,309)**	(1,482,097)
Net book amount	**15,815,897**	18,138,478

Amortisation is provided to write off the cost of the mining rights using the unit of production method based on the proved and probable reserves of the coal mines. Amortisation of HK$342,868,000 (2014: HK$282,680,000) and impairment of HK$1,219,930,000 (2014: HK$2,925,850,000) have been recorded in operating expenses.

The impairment charge of HK$1,219,930,000 reported for the year ended 31 December 2015 related to certain mining rights held by subsidiaries located in Shanxi Province, which is engaged in the coal mining business. Further considerations in performing impairment tests, the key assumptions used in the impairment calculation and the sensitivity analysis are set out in Note 6.

As at 31 December 2015, the ownership certificates of certain mining rights ("Mining Rights Ownership Certificates") of the Group with an aggregate carrying value of approximately HK$2,051,848,000 (2014: HK$2,965,223,000) had not been obtained by the Group. After the consultation made with the Company's legal counsel, the directors of the Company consider that there is no legal restriction for the Group to apply for and obtain the Mining rights Ownership Certificates and it should not lead to any significant adverse impact on the operations of the Group.

(b) Exploration and resources rights

	2015 HK$'000	2014 HK$'000
At 31 December 2014	**171,989**	172,565
Exchange differences	**(10,042)**	(576)
At 31 December 2015	**161,947**	171,989

9 SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2015:

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
Resources Shajiao C Investments Limited 香港潤朗沙角投資有限公司	Hong Kong, Limited Liability Company	Share capital – HK$10,000	—	90	10	Investment holding
China Resources Power (Jiangsu) Investment Company Limited ("Jiangsu Investment") 華潤電力(江蘇)投資有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB1,500,000,000	—	100	—	Investment holding
Nanjing Chemical Industry Park Thermoeletricity Co., Ltd. ("Nanjing Chemical") 南京化學工業園熱電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – US$127,580,252	—	90	10	Operation of a power station
Jiang Su Nanre Power Generation Co. Ltd. ("Jiang Su Nanre") 江蘇南熱發電有限責任公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB1,030,000,000	—	100	—	Operation of a power station
China Resources Power Dengfeng Co., Ltd. 華潤電力登封有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB1,760,000,000	—	85	15	Operation of a power station
China Resources (Luoyang) Thermal Power Co., Ltd. 洛陽華潤熱電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB80,000,000	—	51	49	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%)		Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
			Directly	Indirectly		
China Resources Power (Changshu) Co., Ltd. 華潤電力(常熟)有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – US$173,520,000	—	100	—	Operation of a power station
China Resources Power Hunan Liyujiang Co., Ltd. ("Hunan Liyujiang") 湖南華潤電力鯉魚江有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB573,660,000	—	60	40	Operation of a power station
China Resources Power Hubei Co., Ltd. 華潤電力湖北有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB 2,690,000,000 Paid-up capital – RMB 2,330,207,262	—	100	—	Operation of a power station
China Resources (Jiaozuo) Thermal Power Co., Ltd. 焦作華潤熱電有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB267,540,000 Paid-up capital – RMB218,548,500	—	100	—	Operation of a power station
China Resources Power Performance Co., Ltd.	The British Virgin Islands, Hong Kong, Limited Liability Company	Share capital – HK$0.01	100	—	—	Investment holding
Tangshan China Resources Thermal Power Co., Ltd. 唐山華潤熱電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB270,490,000	—	80	20	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%)		Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
			Directly	Indirectly		
China Resources Power (Tangshan Caofeidian) Co., Ltd 華潤電力(唐山曹妃甸)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB783,000,000	—	90	10	Operation of a power station
China Resources Power Project Service Co., Ltd. 華潤電力工程服務有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – HK$50,000,000	100	—	—	Power station project consultancy services
CR Power Fuel (Henan) Co., Ltd. 華潤電力燃料(河南)有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – HK$140,390,000 Paid-up capital – HK$127,254,108	—	100	—	Sale of coal
Hu Nan CR Coal Industry Co., Ltd. 湖南華潤煤業有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – RMB237,860,000	—	100	—	Coal mining
Shantou Dan Nan Wind Power Co., Ltd. 汕頭丹南風能有限公司	PRC, Sino-Foreign Contractual Joint Venture	Registered and paid-up capital – US$10,000,000	—	55	45	Operation of a power station
Guangzhou China Resources Thermal Co. Ltd. 廣州華潤熱電有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – RMB1,100,000,000	—	100	—	Operation of a power station
China Resources Golden Concord (Beijing) Co-Generation Power Co. Ltd. 華潤協鑫(北京)熱電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB247,100,000	—	51	49	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
Fuyang China Resources Power Co., Ltd. 阜陽華潤電力有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered capital – RMB1,259,000,000 Paid-up capital – RMB919,000,000	—	55	45	Operation of a power station
Yunnan China Resources Power (Honghe) Co., Ltd. 雲南華潤電力(紅河)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital - RMB279,400,000	—	70	30	Operation of a power station
Yanshi China Resources Transport Co., Ltd. ("Yanshi Transport") 偃師華潤運輸有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB11,000,000	—	54.55	45.45	Provision of local logistic services
China Resources Power Maintenance Henan Co., Ltd. ("Maintenance Henan") 華潤電力檢修(河南)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital - RMB24,100,000	—	100	—	Power station maintenance service
Panzhihua China Resources Hydro Power Development Co., Ltd. 攀枝花華潤水電開發有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB50,000,000	—	70	30	Development of a power station
Shenzhen South China Energy Co., Ltd. 深圳南國能源有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB50,000,000	—	100	—	Investment holding
China Resources Power Investment Co., Ltd. 華潤電力投資有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB15,800,000,000 Paid-up capital – RMB13,582,904,778	100	—	—	Investment holding

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
China Resources Cangzhou Co-generation Co., Ltd. 滄州華潤熱電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB550,000,000	—	95	5	Operation of a power station
Xuzhou Huaxin Power Generation Co., Ltd. ("Xuzhou Huaxin") 徐州華鑫發電有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB480,000,000	—	72	28	Operation of a power station
China Resources Tianneng Xuzhou Coal & Power Co., Ltd. ("Xuzhou Tianneng") 華潤天能徐州煤電有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – RMB95,526,310	—	100	—	Exploration and sale of coal and operation of a power station
China Resources Wind Power (Shantou) Co. Ltd. 華潤電力風能(汕頭)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB73,430,000	—	100	—	Operation of a power station
China Resources Power (Xingning) Co., Ltd. 華潤電力(興寧)有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – RMB337,500,000	—	100	—	Operation of a power station
China Resources Wind Power (Chengde) Co., Ltd. 華潤電力風能(承德)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB176,320,000	—	100	—	Operation of a power station
China Resources Power (Jining) Co., Ltd. 華潤電力(濟寧)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital - RMB195,000,000	90	—	10	Development of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%)		Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
			Directly	Indirectly		
China Resources Power (Heze) Co., Ltd. 華潤電力(荷澤)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB931,250,000	90	—	10	Development of a power station
China Resources Power (Lianyuan) Co., Ltd. 華潤電力(漣源)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB578,000,000	—	100		Operation of a power station
Shenyang China Resources Thermal Power Co., Ltd. ("Shenyang Power Company") (iii) 瀋陽華潤熱電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB552,000,000	—	54	46	Operation of a power station
Inner Mongolia Dengkou Jinniu Coal and Power Co., Ltd. 內蒙古磴口金牛煤電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered capital – RMB198,585,700 paid-up capital – RMB194,468,645	—	75	25	Operation of a power station
China Resources Wind Power (Yan Tai) Co., Ltd. 華潤電力風能(煙台)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB198,585,700	—	95	5	Operation of a power station
China Resources Wind Power (Shantouchaonan) Co., Ltd. 華潤電力風能(汕頭潮南)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital - RMB360,040,323	—	100	—	Operation of a power station
China Resources Power (Liuzhi) Co., Ltd. 華潤電力(六枝)有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital - US$97,000,000	100	—	—	Development of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
Henan Tianzhong Coal Mining Co., Ltd. 河南天中煤業有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB200,000,000	—	100	—	Coal mining
China Resources Power (Wenzhou) Co., Ltd. ("Wenzhou Co") 華潤電力(溫州)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered capital RMB2,000,000,000 Paid-up capital – RMB1,667,972,355	75	—	25	Development of a power station
China Resources Nanjing Co-generation Co., Ltd. 南京華潤熱電有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB728,000,000	—	65	35	Operation of a power station
Shanxi China Resources Liansheng Energy Investment Co., Ltd. ("Shanxi CR Liansheng") 山西華潤聯盛能源投資有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB3,800,000,000	—	51	49	Coal mining
Sichuan China Resources Yazui River Hydro Power Development Co., Ltd. 四川華潤鴨嘴河水電開發有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB473,750,000	—	51	49	Operation of a power station
Xuzhou Huaxing Investment Co., Ltd. ("Xuzhou Huaxing") 徐州華興投資有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB405,610,000	—	51	49	Investment holding
Yunnan China Resources Power (Xishuangbanna) Co., Ltd. 雲南華潤電力(西雙版納)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB20,000,000	—	95	5	Development of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
China Resources Power (Yichang) Co., Ltd. 華潤電力(宜昌)有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB769,000,000 Paid-up capital – RMB600,000,000	—	100	—	Development of a power station
China Resources Wind Power (Huilai) Co., Ltd. 華潤電力風能(惠來)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered capital – RMB339,189,500 Paid-up capital – RMB276,018,331	—	100	—	Operation of a power station
China Resources Wind Power (Weihai) Co., Ltd. 華潤電力風能(威海)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB128,732,760	—	100	—	Operation of a power station
China Resources Wind Power (Yangjiang) Co., Ltd. 華潤電力風能(陽江)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB246,065,600	—	100	—	Operation of a power station
China Resources Wind Power (Yantai Penglai) Co., Ltd. 華潤電力風能(煙台蓬萊)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered capital – RMB179,880,000 Paid-up capital – RMB171,505,465	—	95	5	Operation of a power station
China Resources Wind Power (Chengde Yudaokou) Co., Ltd. 華潤電力風能(承德禦道口)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB379,585,074	—	100	—	Operation of a power station
AACI SAADEC(HK) Holdings Limited("AACI (HK)")	Hong Kong, Limited Liability Company	Ordinary shares – HK$10,000 Non-voting shares – US$30,016,000	—	100	—	Investment holding

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%)		Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
			Directly	Indirectly		
Hunan China Resources Tangdong Coal Mining Co., Ltd. 湖南華潤煤業唐洞煤礦有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB15,000,000	—	77.73	22.27	Coal mining
China Resources Wind Power Inner Mongolia Ba Yinhile Co., Ltd. 華潤電力風能內蒙古巴音錫勒有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB237,200,000	—	100	—	Operation of a power station
China Resources Wind Power (Shantou Haojiang) Co., Ltd. 華潤電力風能(汕頭濠江)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB56,002,238	—	100	—	Operation of a power station
China Resources Wind Power(Chengde Weichang) Co., Ltd. 華潤電力風能(承德圍場)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB162,616,100	—	100	—	Operation of a power station
China Resources Wind Power(Guazhou) Co., Ltd. 華潤電力風能(瓜州)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB418,059,847	—	100	—	Operation of a power station
China Resources Wind Power(Penglaidaliuhang) Co., Ltd. 華潤電力風能(蓬萊大柳行)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB128,723,569	—	100	—	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
China Resources Wind Power (Fuxin) Co., Ltd. 華潤電力風能(阜新)有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB228,911,500	—	100	—	Operation of a power station
China Resources Wind Power(Jianping) Co., Ltd. 華潤電力風能(建平)有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – RMB 237,001,167	—	100	—	Operation of a power station
Shanxi China Resources Coal Company Limited ("Shanxi Coal") 山西華潤煤业有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB800,000,000	—	75.5	24.5	Coal mining
Shanxi China Resources Daning Energy Co., Ltd. ("Shanxi China Resources Daning") 山西華潤大寧能源有限公司	PRC, Sino-Foreign Contractual Joint Venture	Registered and paid-up capital – US$53,600,000	—	51	49	Coal mining
Elite Wing Limited 英飛有限公司	The British Virgin Islands, Hong Kong, Limited Liability Company	Share capital – US$11	100	—	—	Investment holding
China Resources New Energy (Suixian Tianhekou) Wind Power Limited 華潤新能源(隨縣天河口)風能有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB326,613,800 Paid-up capital – RMB323,647,913	—	100	—	Development of a power station
China Resources Tianneng Xuzhou Mining Development Co., Ltd. 華潤天能徐州礦業開發有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB7,500,000	—	100	—	Coal mining

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
Guizhou Tianrun Mining Co., Ltd. 貴州天潤礦業有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB100,000,000	—	100	—	Coal mining
Shenyang China Resources Thermal Co., Ltd. 瀋陽華潤熱力有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB5,000,000	—	100	—	Operation of a heat and power co-gen station
China Resources Power Tangshan Fengrun Company Limited 華潤電力唐山豐潤有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered capital – RMB690,135,000 Paid-up capital – RMB524,174,250	—	60	40	Operation of a power station
China Resources New Energy (Fuxin) Wind Power Company Limited 華潤新能源(阜新)風能有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB135,460,000 Paid-up capital – RMB115,339,600	—	100	—	Operation of a power station
China Resources New Energy (Zoucheng) Wind Power Company Limited 華潤新能源風能(鄒城)有限公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB111,730,000 Paid-up capital – RMB96,929,930	—	100	—	Operation of a power station
China Resources New Energy (Rongxian) Wind Power Company Limited 華潤新能源(容縣)風能有限責任公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – HK$281,670,000 Paid-up capital – RMB169,947,100	—	100	—	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%)		Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
			Directly	Indirectly		
China Resources New Energy (Linyi) Wind Power Company Limited 華潤新能源(臨沂)有限公司(i)	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB229,450,000 Paid-up capital – RMB189,285,400	—	100	—	Operation of a power station
China Resources New Energy (Jinping) Wind Power Company Limited 華潤新能源(錦屏)風能有限責任公司	PRC, Wholly Foreign Owned Enterprise	Registered capital – RMB145,349,300 Paid-up capital – RMB69,893,430	—	100	—	Operation of a power station
Panjin Rundian Thermal Company Limited 盤錦潤電熱力有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB10,000,000	—	100	—	Operation of a heat and power co-gen station
China Resources Power (Tongshan) Co., Ltd. (Tongshan Power) 銅山華潤電力有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB1,500,000,000	—	54.5	45.5	Operation of a power station
China Resources Wind Power Development Company Limited 華潤電力(風能)開發有限公司	Hong Kong, Limited Liability Company	Share capital – HK$1,000	—	100	—	Investment holding

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
China Resources Power Hunan Co., Ltd. 華潤電力湖南有限公司	PRC, Wholly Foreign Owned Enterprise	Registered and paid-up capital – RMB1,361,000,000	—	100	—	Operation of a power station
China Resources Power Henan Shouyangshan Co., Ltd. 河南華潤電力首陽山有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB1,237,500,000	—	85	15	Operation of a power station
China Resources Cangzhou Co-Generation Co., Ltd. 滄州華潤熱電有限公司	PRC, Sino-Foreign Equity Joint Venture	Registered and paid-up capital – RMB 550,000,000	—	95	5	Operation of a heat and power co-gen station
China Resources Coal (Group) Co., Ltd. 華潤煤業(集團)有限公司	PRC, Limited Liability Company	Registered and paid-up capital – RMB200,000,000	—	100	—	Coal mining
China Resources New Energy (Mulan Weichang) Wind Power Limited 華潤新能源(木蘭圍場)风能有限公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB421,798,700 Paid-up capital – RMB30,000,000	—	100	—	Operation of a power station
China Resources New Energy (Liping) Wind Power Limited Company 華潤新能源(黎平)風能有限責任公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB288,930,400 Paid-up capital – RMB192,746,040	—	100	—	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
China Resources New Energy (Jianhe) Wind Power Limited Company 華潤新能源(劍河)風能有限責任公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB291,844,200 Paid-up capital – RMB70,111,120	—	100	—	Operation of a power station
China Resources New Energy (Xinzhou) Wind Power Limited 華潤新能源(忻州)風能有限責任公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB264,950,000 Paid-up capital – RMB161,000,000	—	100	—	Operation of a power station
China Resources Wind Power (Zaoyang) Co., Ltd. 華潤風電(棗陽)有限公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB199,526,000 Paid-up capital – RMB170,646,800	—	100	—	Operation of a power station
China Resources Wind Power (Dean) Co., Ltd. 華潤風電(德安)有限公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB110,000,000 Paid-up capital – RMB53,705,200	—	100	—	Operation of a power station
China Resources Wind Power (Yicheng) Co., Ltd. 華潤風電(宜城)有限公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB116,771,500 Paid-up capital – RMB93,991,000	—	100	—	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%)		Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
			Directly	Indirectly		
China Resources Wind Power (Guangshui) Co., Ltd. 華潤風電(廣水)有限公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB118,047,900 Paid-up capital – RMB113,294,500	—	100	—	Operation of a power station
China Resources Power (Ningwu) Co; Ltd. 華潤電力(寧武)有限公司	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB100,000,000 Paid-up capital – RMB18,000,000	—	100	—	Operation of a power station
China Resources Wind Power (Haiyuan) Co., Ltd 華潤風電(海原)有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB434,662,600 paid-up capital – RMB82,000,000.00	—	100	—	Operation of a power station
China Resources Wind Power (Longyan) Conpany Limited 華潤風電(龍岩)有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB100,000,000 Paid-up capital – RMB5,000,000	—	100	—	Operation of a power station
Shouzheng Tendering (Hongkong) Compang Limited 守正招標(香港)有限公司(i)	Hong Kong, Limited Liability Company	Registered and paid-up capital – HK$1	—	100	—	Investment holding
China Resources New Energy (HuanXian) Wind Power CO., Ltd. 華潤新能源(環縣)風能有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB113,640,000 Paid-up capital – RMB71,500,000	—	100	—	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%)		Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
			Directly	Indirectly		
Shouzheng Tendering Company Limited 守正招標有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB50,000,000 Paid-up capital - RMB5,000,000	—	100	—	Tendering
China Resources Wind Power (Xuwen) Co., Ltd. 華潤風電(徐聞)有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB110,000,000 Paid-up capital – RMB12,000,000	—	100	—	Operation of a power station
China Resources New Energy Photovoltaic Power Generation (ZhaoTong) Co.,Ltd. 華潤新能源光伏發電(昭通)有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered and paid-up capital – RMB58,400,000	—	100	—	Operation of a power station
China Resources New Energy Photovoltaic Power Generation (TaiLai) Co.,Ltd. 華潤新能源光伏發電(泰來)有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB60,120,000 Paid-up capital – RMB18,000,000	—	100	—	Operation of a power station

9 SUBSIDIARIES (Continued)

The following is a list of the principal subsidiaries at 31 December 2015: *(continued)*

Name of subsidiary	Place of incorporation and operation and form of legal entity	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held (%) Directly	Percentage of equity interest held (%) Indirectly	Proportion of ordinary shares held by non-controlling interests (%)	Principal activities
China Resources Wind Power (Ruichang) Company Limited 華潤風電(瑞昌)有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB75,000,000 Paid-up capital – RMB33,000,000	—	100	—	Operation of a power station
China Resources Wind Power (Xinfeng) Company Limited 華潤風電(新豐)有限公司(i)	PRC, Wholly foreign Owned Enterprise	Registered capital – RMB100,000,000 Paid-up capital – RMB13,000,000	—	100	—	Operation of a power station

(i) Established in 2015.

The above table lists the principal subsidiaries of the Group which in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

Some of the subsidiaries' English names represent managements' translation of the Chinese names as they have not adopted formal English names.

The subsidiaries incorporated in the PRC are all limited liability companies.

9 SUBSIDIARIES (Continued)

(a) Material non-controlling interests

The total non-controlling interests profit for the year is HK$487,138,000 (2014: loss of HK$2,321,241,000), of which HK$2,059,008,000 (2014: HK$4,703,990,000) loss is from Shanxi CR Liansheng. The non-controling interests in other subsidiaries are not material.

Summarised financial information on subsidiaries with material non-controlling interests

Set out below is the summarised financial information for Shanxi CR Liansheng:

Summarised balance sheet

	Shanxi CR Liansheng	
	2015 HK$'000	2014 HK$'000
Current		
Assets	**807,892**	3,214,132
Liabilities	**(3,729,202)**	(7,922,914)
Total current net liabilities	**(2,921,310)**	(4,708,782)
Non-current		
Assets	**11,854,461**	13,310,866
Liabilities	**(18,704,472)**	(14,205,486)
Total non-current net liabilities	**(6,850,011)**	(894,620)
Net liabilities	**(9,771,321)**	(5,603,402)

9 SUBSIDIARIES (Continued)

(a) Material non-controlling interests (Continued)

Summarised financial information on subsidiaries with material non-controlling interests (Continued)

Summarised income statement and statement of comprehensive income

	Shanxi CR Liansheng	
	2015 HK$'000	2014 HK$'000
Revenue	**1,394,908**	1,250,840
Loss before income tax	**(4,365,810)**	(9,305,138)
Income tax expense	**(419)**	(2,341)
Post-tax loss from continuing operations	**(4,366,229)**	(9,307,479)
Other comprehensive income	**198,310**	—
Total comprehensive income	**(4,167,919)**	(9,307,479)
Total comprehensive income allocated to non-controlling interests	**(2,059,008)**	(4,703,990)
Dividends paid to non-controlling interests	**—**	—

Summarised cash flows

	Shanxi CR Liansheng	
	2015 HK$'000	2014 HK$'000
Cash flows from operating activities		
Cash generated from operations	**395,665**	(565,012)
Income tax paid	**(419)**	(116)
Net cash generated from/(used in) operating activities	**395,246**	(565,128)
Net cash used in investing activities	**(1,635,919)**	(2,938,766)
Net cash generated from financing activities	**1,133,740**	3,620,812
Net (decrease)/increase in cash and cash equivalents	**(106,933)**	116,918
Cash and cash equivalents at beginning of year	**128,385**	11,026
Exchange gains on cash and cash equivalents	**(3,358)**	441
Cash and cash equivalents at end of year	**18,094**	128,385

The information above is the amount before inter-company eliminations.

(b) Significant restrictions

As at 31 December 2015, cash and short-term deposits of HK$6,176,610,000 (2014: HK$7,695,986,000) are held in China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through cash dividend approved by the shareholders' meeting in accordance with the relevant laws and regulations.

10 INVESTMENTS IN AND LOANS TO ASSOCIATES

(a) Investments in associates

	2015 HK$'000	2014 HK$'000
At 1 January	**11,222,297**	12,995,773
Capital contributions to associates	**20,263**	20,431
Disposal of associates (Note i)	**(949,647)**	(295,419)
Share of profits/(losses)	**1,274,483**	(17,828)
Dividends	**(1,710,870)**	(1,456,501)
Other comprehensive income	**(147,397)**	(11,954)
Exchange differences	**(224,778)**	(12,205)
At 31 December	**9,484,351**	11,222,297

Note i: During the year ended 31 December 2015, the Group disposed two associates, namely Shanxi Jinrun Coal and Power Co., Ltd. ("Shanxi Jinrun"), and Xuzhou Chacheng Electric Power Co., Ltd. ("Xuzhou Chacheng"), respectively. At the disposal date, carrying amounts of Shanxi Jinrun and Xuzhou Chacheng were approximately HK$587,213,000 and HK$362,434,000, respectively. Disposal gains were recognised within "other (losses)/gains – net" in the consolidated income statement.

Included in the Group's cost of investment in associates is goodwill of HK$817,344,000 (2014: HK$817,344,000) arising from acquisition of certain associates.

As at 31 December 2015, the investments in principal associates of the Group, all of which were accounted for using equity method, were as follows:

Name of associate	Place of incorporation and operation	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held Directly	 Indirectly	Principal activities
Guangdong Guanghope Power Co., Ltd. ("Guangdong Guanghope ") 廣東廣合電力有限公司 (Note i) (Sino-Foreign Co-operative Joint Venture)	PRC	Registered capital - US$391,600,000 Paid-up capital - US$241,600,000	—	35.08	Operation of a power station
Hebei Harv Power Generation Company Limited ("Hebei Harv Power ") 河北衡豐發電有限責任公司 (Sino-Foreign Equity Joint Venture)	PRC	Registered and paid-up capital - RMB777,000,000	—	25	Operation of a power station
Zhejiang Wenzhou Telluride Power Generating Company Limited ("Zhejiang Wenzhou Telluride ") 浙江溫州特魯萊發電有限責任公司 (Sino-Foreign Co-operative Joint Venture)	PRC	Registered and paid-up capital - RMB796,120,000	—	40	Operation of a power station

10 INVESTMENTS IN AND LOANS TO ASSOCIATES (Continued)

(a) Investments in associates (Continued)

Name of associate	Place of incorporation and operation	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held		Principal activities
			Directly	Indirectly	
China Resources (Xuzhou) Electric Power Co., Ltd. ("CR Xuzhou Eletric Power") 徐州華潤電力有限公司 (Sino-Foreign Equity Joint Venture)	PRC	Registered and paid-up capital - RMB863,110,000	—	42.65	Operation of a power station
Hengshui Hengxing Power Generation Company Limited 衡水恒興發電有限責任公司 (Sino-Foreign Equity Joint Venture)	PRC	Registered and paid-up capital - RMB475,000,000	—	25	Operation of a power station
Henan Yonghua Energy Co., Ltd. ("Henan Yonghua Energy") 河南永華能源有限公司 (Limited Liability Company)	PRC	Registered and paid-up capital - RMB300,000,000	—	41.65	Exploration and sale of coal
Zhengzhou Huayuan Coal Mining Co., Ltd. 鄭州華轅煤業有限公司 (Sino-Foreign Equity Joint Venture)	PRC	Registered and paid-up capital - RMB750,000,000	—	30.67	Exploration and sale of coal
Yangzhou No. 2 Power Generation Co.,Ltd. ("Yangzhou No. 2 Power ") 揚州第二發電有限責任公司 (Sino-Foreign Equity Joint Venture)	PRC	Registered and paid-up capital - RMB1,692,000,000	45	—	Operation of a power station
Guizhou Hualong Coal Mining Co., Ltd. 貴州華隆煤業有限公司 (Sino-Foreign Equity Joint Venture)	PRC	Registered and paid-up capital - RMB800,000,000	49		Coal mining
Jiangsu Zhenjiang Power Generation Co., Ltd. ("Jiangsu Zhenjiang Power ") 江蘇鎮江發電有限公司 (Limited Liability Company)	PRC	Registered and paid-up capital - RMB1,482,200,000	—	42.5	Operation of a power station
Guodian Changzhou Power Corporation. ("Guodian Changzhou Power ") 國電常州發電有限公司 (Limited Liability Company)	PRC	Registered and paid-up capital - RMB1,000,000,000	—	25	Operation of a power station

10 INVESTMENTS IN AND LOANS TO ASSOCIATES (Continued)

(a) Investments in associates (Continued)

Name of associate	Place of incorporation and operation	Issued and fully paid share capital/registered capital and paid-up capital	Percentage of equity interest held Directly	Percentage of equity interest held Indirectly	Principal activities
Taiyuan China Resources Coal Co., Ltd. ("Taiyuan China Resources Coal") 太原華潤煤業有限公司 (Limited Liability Company)	PRC	Registered and paid-up capital RMB4,000,000,000	—	24.99	Coal mining
Hunan Taohuajiang Nuclear Power Co., Ltd. ("Hunan Taohuajiang Nuclear") 湖南桃花江核電有限公司 (Limited Liability Company)	PRC	Registered capital RMB1,025,704,000 Paid-up capital RMB1,116,480,000	—	25	Operation of a power station
Chongqing Energy(Guizhou) Coal and Power Co., Ltd. 重慶能源(貴州)煤電有限公司 (Sino-Foreign Equity Joint Venture)	PRC	Registered and paid-up capital RMB100,000,000	—	49	Operation of a power station
China Resources Lanhua (Jincheng) Pharmaceutical Co. Ltd. 華潤蘭花(晉城)藥業有限公司	PRC	Registered capital RMB50,000,000 Paid-up capital RMB42,500,000	—	30	Purchase, plant and sale of Chinese medicine

Note i: One of the Company's subsidiaries entered into a joint venture contract and supplemental agreements with Guangdong Province Shajiao (Plant-C) Power Generation Corporation ('PRC partner') for the construction, operation and management of the Guangdong Province Shajiao C Power Station in Guangdong Province of the PRC, which are undertaken by Guangdong Guanghope, a co-operative joint venture company established in the PRC. The co-operation period commenced on 15 June 1992 and will expire in June 2016, which is 20 years after the completion date of construction of the power station in June 1996. Upon expiry of the co-operation period, all the remaining assets of Guangdong Guanghope will be handed over to the PRC partner without any compensation.

The above table lists the associates of the Group which in the opinion of the directors of the Company, principally affected the results of the year or formed a substantial portion of the net assets of the Group. To give details of other associates would, in the opinion of the directors of the Company, result in particulars of excessive length.

Some of the associates' English names represent managements' translation of the Chinese names as they have not adopted formal English names.

All the associates are limited liability companies.

As at 31 December 2015, the Group provided guarantees amounting to HK$633,424,000, HK$158,107,000, and nil (2014: HK$674,562,000, HK$167,910,000, and HK$39,905,000) to secure bank loans of three associates, being Guizhou Hualong Coal Mining Co., Ltd, Hunan Taohuajiang Nuclear and Henan Yonghua Energy, respectively (Note 51). Expiry dates of guarantees are disclosed in Note 3.1(c).

10 INVESTMENTS IN AND LOANS TO ASSOCIATES (Continued)

(a) Investments in associates (Continued)

Summarised financial information for material associates

Set out below are the summarised financial information for Taiyuan China Resources Coal. Other associates are considered not to be material to the Group.

Summarised balance sheet

	Taiyuan China Resources Coal	
	2015 HK$'000	2014 HK$'000
Current		
Cash and cash equivalents	**131,067**	110,787
Other current assets (excluding cash)	**508,910**	1,123,958
Total current assets	**639,977**	1,234,745
Financial liabilities (excluding trade and other payables and provisions)	**(2,561,602)**	(3,375,282)
Other current liabilities (including trade and other payables and provisions)	**(3,973,862)**	(4,899,206)
Total current liabilities	**(6,535,464)**	(8,274,488)
Non-current		
Assets	**6,254,828**	10,168,094
Financial liabilities	**(7,081,220)**	(5,495,569)
Net liabilities	**(6,721,879)**	(2,367,218)

Summarised income statement and statement of comprehensive income

	Taiyuan China Resources Coal	
	2015 HK$'000	2014 HK$'000
Revenue	**142,525**	844,271
Depreciation and amortisation	**(193,864)**	(214,934)
Interest income	**3,197**	1,870
Interest expense	**(265,442)**	(314,483)
Impairment charge	**(3,638,630)**	(4,363,358)
Loss before income tax	**(4,354,661)**	(5,060,883)
Income tax expense	**—**	—
Loss for the year	**(4,354,661)**	(5,060,883)
Other comprehensive income	**—**	—
Total comprehensive income	**(4,354,661)**	(5,060,883)
Dividends received from the associate	**—**	—

The information above reflects the amounts presented in the financial statements of Taiyuan China Resources Coal adjusted for differences in accounting policies between the Group and the associate.

10 INVESTMENTS IN AND LOANS TO ASSOCIATES (Continued)

(a) Investments in associates (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in the associate:

	Taiyuan China Resources Coal	
	2015	2014
	HK$'000	HK$'000
Opening net assets 1 January	**(2,367,218)**	2,716,345
Loss for the year	**(4,354,661)**	(5,060,883)
Exchange differences	**—**	(22,680)
Closing net assets	**(6,721,879)**	(2,367,218)
Interest in associates (49%)	**(3,293,721)**	(1,159,937)
Write-down of loans to the associate (Note 10(b) (i))	**3,152,006**	1,159,937
Unrecognised share of losses of the associate (i)	**141,715**	—
Carrying value	**—**	—

(i) The Group has discontinued recognition of its share of losses of the associate. As of 31 December 2015, the amounts of unrecognised share of results of the associate, both for the year and cumulatively, are HK$141,715,000, respectively (2014: Nil).

Summarised financial information for other immaterial associates

Set out below are the summarised financial information for the immaterial associates which are accounted for using the equity method.

	2015	2014
	HK$'000	HK$'000
Profit from continuing operations	**3,266,552**	1,302,068
Other comprehensive income	**(147,397)**	(11,954)
Total comprehensive income	**3,119,155**	1,290,114

10 INVESTMENTS IN AND LOANS TO ASSOCIATES (Continued)

(b) Loans to associates

	2015 HK$'000	2014 HK$'000
Non current (i):		
Loans	3,152,006	1,969,166
Less: written down of loans	(3,152,006)	(1,159,937)
	—	809,229
Current (ii)	23,395	—
	23,395	809,229

i. The loan was due from Taiyuan China Resources Coal, which has been written down to reflect the loss recognised in applying the equity method exceeding investment in the associate (Note 10 (a)).

Movements on the written down are as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	(1,159,937)	—
Charged to profit or loss	(1,992,069)	(1,159,937)
At 31 December	(3,152,006)	(1,159,937)

The loan is denominated in RMB, unsecured, with annual interest rate of 5.2250% and repayable within three years.

ii. As at 31 December 2015, loans to associates are all denominated in RMB, unsecured, with annual interest rates of 4.35%. The fair values of loans to associates approximate their carrying amounts.

11 INVESTMENTS IN AND LOANS TO JOINT VENTURES

(a) Investments in joint ventures

	2015 HK$'000	2014 HK$'000
At 1 January	2,472,578	1,873,202
Exercise of call option (Note 33 (a))	474,336	—
Capital contribution to joint ventures	119,363	219,763
Transfer from investments in a subsidiary as a result of disposal (Note 48)	914,342	—
Share of profits	247,113	467,461
Dividends	(409,088)	(73,129)
Other comprehensive income	(81,082)	(13,090)
Exchange differences	(43,174)	(1,629)
At 31 December	3,694,388	2,472,578

11 INVESTMENTS IN AND LOANS TO JOINT VENTURES (Continued)

(a) Investments in joint ventures (Continued)

As at 31 December 2015, investments in joint ventures of the Group, all of which were accounted for using equity method, were as follows:

Name of joint venture	Place of incorporation and operation	Issued and fully paid share capital/ registered capital and paid-up capital	Percentage of equity interest held (%)		Principal activities
			Directly	Indirectly	
Tianjin Zhonghai China Resources Marine Shipping Company Limited (Note i) ("Tianjin Zhonghai CR Marine") 天津中海華潤航運有限公司	PRC	Registered and paid-up capital - RMB768,000,000	—	49	Provision of logistic services
Resources J Energy Investment Limited ("Recourses J") (Note 33(a)) 潤捷能源投資有限公司	HK	Share capital -US$266,599,544	66	—	Investment holding
China Resources Power (Hezhou) Co., Limited (Note 33(a)) 華潤電力(賀州)有限公司	PRC	Registered capital – RMB1,724,000,000 Paid-up capital – RMB1,724,000,000	—	66	Operation of a power station
Yangcheng Asia-america Daning Railway Operation Co., Ltd (ii) 陽城亞美大寧鐵路專線營運有限公司	PRC	Registered and paid-up capital -RMB151,600,000	—	22.44	Railway operation
Lanhua Daning Coal Mining Co., Ltd (ii) 山西蘭花大寧煤炭有限公司	PRC	Registered and paid-up capital -RMB 26,200,000	—	22.78	Coal Mining
Lanhua Daning Electric Power Co., Ltd (ii) 山西蘭花大寧發電有限公司	PRC	Registered and paid-up capital -RMB 90,000,000	—	24.99	Operation of a power station
Fujian Hui'an Quanhui Power Co., Ltd ("Hui'an Quanhui") 福建惠安泉惠發電有限責任公司	PRC	Registered and paid-up capital - RMB320,000,000	—	50	Operation of a power station
China Resources Power (Jinzhou) Co., Ltd. ("Jinzhou Power Company") (Note 48) 華潤電力(錦州)有限公司	PRC	Registered and paid-up capital - RMB764,922,500	—	50	Operation of a power station
Shanxi Zhonglv China Resources Company Limited 山西中鋁華潤有限公司(iii)	PRC	Registered and paid-up capital - RMB200,000,000	—	50	Operation of a power station

11 INVESTMENTS IN AND LOANS TO JOINT VENTURES (Continued)

(a) Investments in joint ventures (Continued)

Notes:

i. Under the shareholders' agreement and the Memorandum and Articles of Tianjin Zhonghai CR Marine, over two third of the board members' approval is required to decide on certain key financial and operating matters. The Group and the respective joint venture holder each holds 50% of the voting rights in the joint venture and hence the directors of the Company consider that the Group and the respective joint venture holder exercise joint control over Tianjin Zhonghai CR Marine.

ii. One subsidiary of the Group, named Shanxi China Resources Daning directly holds 44%, 44.46% and 49% interests of the three companies repectively. As the three companies are jointly controlled by the Group and the third parties, they have been accounted for as joint ventures of the Group.

iii. In November 2015, the Group and an independent third party entered into an investment agreement to establish Shanxi Zhonglv China Resources Company Limited. The Group and the third party each hold 50% of the voting rights in the joint venture.

Some of the joint ventures' English names represent managements' translation of the Chinese names as they have not adopted formal English names.

All the entities above are limited liability companies.

The Group and a third party jointly provided guarantees amounting to HK$159,266,000 (31 December 2014: HK$169,141,000) to secure financial leasing by Shanxi Lanhua Daning Electric Power Co., Ltd (Note 51). The guarantees will expire in 5 years.

According to the assessment of directors of the Company, as at 31 December 2015, no individual joint venture is material to the Group, therefore, no information on individual joint venture is disclosed.

Set out below are the summarised financial information for the immaterial joint ventures which are accounted for using the equity method.

	2015 HK$'000	2014 HK$'000
Profit from continuing operations	**247,113**	467,461
Other comprehensive income	**(81,082)**	(13,090)
Total comprehensive income	**166,031**	454,371

11 INVESTMENTS IN AND LOANS TO JOINT VENTURES (Continued)

(b) Loans to joint ventures

	2015 HK$'000	2014 HK$'000
Loans to joint ventures	**354,538**	376,521
Less: provision for impairment loans	**(184,010)**	(4,946)
	170,528	371,575

As at 31 December 2015, original loans to joint ventures are unsecured and amount to RMB273,178,000 and RMB23,847,000, equivalent to approximately HK$326,073,000 and HK$28,465,000 respectively due from two joint ventures of Shanxi China Resources Daning. The net loans amount after provision are RMB119,018,000 and RMB23,847,000, equivalent to approximately HK$142,063,000 and HK$28,465,000 (2014: HK$341,345,000 and HK$30,230,000), respectively, with annual interest rates ranging from 6.37% to 8.02%. The amounts of HK$142,063,000 (2014: HK$341,345,000) are overdue.

As at 31 December 2015, the fair values of loans to joint ventures approximate their carrying amounts. The fair values are based on cash flows discounted using a rate based on benchmark lending rate of People's Bank of China. The fair values are within level 2 of the fair value hierarchy.

Movements on the provision for impairment of loans to joint ventures are as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	**4,946**	4,981
Provision for the impairment of loans	**192,324**	—
Exchange differences	**(13,260)**	(35)
At 31 December	**184,010**	4,946

12 GOODWILL

The movements in the carrying amount of goodwill during the year are as follows:

	Goodwill HK$'000
At 1 January 2014	
Cost	4,367,210
Accumulated impairment loss	(1,240,269)
Net book amount	3,126,941
Year ended 31 December 2014	
Opening net book amount	3,126,941
Exchange differences	(3,273)
Closing net book amount	3,123,668
At 31 December 2014	
Cost	4,363,770
Accumulated impairment loss	(1,240,102)
Net book amount	3,123,668
Year ended 31 December 2015	
Opening net book amount	**3,123,668**
Impairment charge	**(425,728)**
Disposal of a subsidiary (Note 48)	**(881,423)**
Exchange differences	**(55,593)**
Closing net book amount	**1,760,924**
At 31 December 2015	
Cost	**2,737,742**
Accumulated impairment loss	**(976,818)**
Net book amount	**1,760,924**

12 GOODWILL (Continued)

Impairment tests for goodwill:

Goodwill is allocated to the CGUs of the Company's subsidiaries within three segments, thermal power, renewable energy and coal mining, in different provinces in the PRC. The carrying amounts of major goodwill allocated to individual CGUs are as follows:

2015	Opening HK$'000	Impairment HK$'000	Disposal of a subsidiary HK$'000	Exchange difference HK$'000	Closing HK$'000
Thermal power segment					
– Jinzhou Power Company	881,423	—	(881,423)	—	—
– Shenyang Power Company	528,774	(180,000)	—	—	348,774
– Xingning Power Company	167,072	(51,000)	—	—	116,072
– Other companies	1,320,933	—	—	(55,601)	1,265,332
Renewable energy segment	30,746	—	—	—	30,746
Coal mining segment	194,720	(194,728)	—	8	—
Total	3,123,668	(425,728)	(881,423)	(55,593)	1,760,924

2014	Opening HK$'000	Impairment HK$'000	Exchange difference HK$'000	Closing HK$'000
Thermal power segment				
– Jinzhou Power Company	881,423	—	—	881,423
– Shenyang Power Company	528,774	—	—	528,774
– Other companies	1,491,197	—	(3,192)	1,488,005
Renewable energy segment	30,746	—	—	30,746
Coal mining segment	194,801	—	(81)	194,720
Total	3,126,941	—	(3,273)	3,123,668

During the year ended 31 December 2015, the management made additional impairment provision of HK$231,000,000 and HK$194,728,000 in thermal power segment and coal mining segment, respectively, which are mainly due to: (1) certain thermal power generators of Shenyang Power Company are expected to be closed down in coming 5 years due to environmental protection requirement of the government; (2) the change of business plan for Xingning Power Company; (3) certain coal mines of Tianneng Company are expected to be closed down as a result of the coal market downturn.

12 GOODWILL (Continued)

The recoverable amounts of each of the CGUs are determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and operating expenses are based on past practices and expectations of future changes in the market.

As at 31 December 2015, the Group performed impairment review for goodwill based on pre-tax cash flow projection covering a period of shorter than the useful life of the property, plant and equipment and operation period of each of the CGU. The first 5 years derived from the most recent financial budgets approved by management, while the forecast beyond 5 years is compiled based on the financial budget and assumes no growth.

For each of the CGUs with significant amount of goodwill, the key assumptions and discount rate used in the value-in-use calculations in 2015 and 2014 are as follows:

Thermal power segment	**2015**	2014
Gross margin	**10%~34%**	10%~38%
Sales growth rate	**-22%~22%**	-4%~13%
Pre-tax discount rate	**10%~19.0%**	11%~14%

Coal mining segment	**2015**	2014
Gross margin	**0%**	26%
Sales growth rate	**-9%~26%**	-18%~47%
Pre-tax discount rate	**10%**	10%

At 31 December 2015, except certain CGUs with impairement recorgnised during the year which are mentioned above, the recoverable amount calculated based on value in use exceeded carrying value by HK$546,113,000. A gross margin of 14.7%-25.30%, or a rise in pre-tax discount rate to 10.60%-30.80%, all changes taken in isolation, would remove the remaining headroom.

13 AVAILABLE-FOR-SALE INVESTMENTS AND LOANS TO AN AVAILABLE-FOR-SALE INVESTEE COMPANY

(a) Available-for-sale investments

Available-for-sale investments represent investments in unlisted equity of eleven (2014: nine) limited liability entities registered in the PRC. Movement of available-for-sale investments is disclosed in Note 3.3(c).

Fair value of available-for-sale investment in Tanggang Railway has been determined using dividend discounted model. The key assumptions used for dividend discounted model calculations are as follows:

Real discount rate	12%
Average growth rate of dividends	3%

As at 31 December 2015, none of the carrying amounts of interests in each of the companies exceed 10% of total assets of the Group.

As at 31 December 2015, available-for sale investments are all denominated in RMB.

(b) Loans to an available-for-sale investee company

	2015 HK$'000	2014 HK$'000
Non current	303,214	181,698
Current	89,673	95,233
	392,887	276,931

As at 31 December 2015, loans to an available-for-sale investee company, are unsecured, denominated in RMB, bearing interests at the rate published by the People's Bank of China, and repayable in 2016 and 2018, respectively.

As at 31 December 2015, the fair values of the loans to an available-for-sale investee company approximate their carrying amounts. The fair values are based on cash flows discounted using a rate based on benchmark lending rate of the People's bank of China. The fair values are within level 2 of the fair value hierarchy.

14 PREPAYMENT FOR NON-CURRENT ASSETS

	2015 HK$'000	2014 HK$'000
Prepayments for acquisition of property, plant and equipment	**1,280,575**	1,985,588
Prepayments for acquisition of mining/exploration rights (i)	**1,391,773**	1,478,068
Prepayments for establishment of associates	**79,692**	79,692
Deposits paid for capital contribution for an available-for-sale investment	**33,347**	33,347
Prepayments for acquisition of intangible assets	**3,832**	2,342
	2,789,219	3,579,037

(i) In January 2008 and December 2011, the Group entered into agreements with a local government authority in the PRC to acquire the exploration and resources right attached to an area of 21,000 hectares of a coal mine located in Inner Mongolia at a consideration amounted to RMB5,782,130,000 (equivalents to HK$6,901,724,000). Up to 31 December 2015, deposit amounting to RMB1,166,000,000 (equivalent to HK$1,391,773,000) (2014: RMB1,166,000,000, equivalent to HK$1,478,068,000) had been paid by the Group, with the remaining balance payable at approximately RMB4,616,130,000 (equivalent to HK$5,509,951,000 (Note 46)) (2014: RMB5,734,000,000, equivalent to HK$7,268,648,000) included in the capital commitments.

15 INVENTORIES

	2015 HK$'000	2014 HK$'000
Coal	**1,260,527**	2,185,632
Spare parts and consumables	**1,000,905**	1,062,645
Fuel oil	**45,208**	60,597
	2,306,640	3,308,874

The cost of inventories recognised as operating expenses amounted to HK$26,979,841,000 (2014: HK$32,081,397,000), which included inventory write-down of HK$32,982,000 (2014: HK$33,413,000).

The impairment charges related to inventories amounting to HK$32,982,000 (2014: HK$33,413,000) has been recorded in operating expenses. The movement on the provision for impairment of inventories of the Group is as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	**50,894**	82,380
Exchange differences	**(4,415)**	(2,781)
Impairment charged to profit or loss	**32,982**	33,413
Disposal	**(4,135)**	(62,118)
At 31 December	**75,326**	50,894

16 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS

Trade and other receivables, and prepayments comprise the following:

	2015 HK$'000	2014 HK$'000
Trade receivables		
– Accounts receivable	8,601,610	10,051,035
– Notes receivable	874,639	1,164,204
	9,476,249	11,215,239
Less: provision for impairment of trade receivables	(139,123)	(93,730)
Trade receivables – net	9,337,126	11,121,509
Input VAT and prepayment for income tax	2,996,994	5,941,065
Prepayments for coal and fuel	187,266	278,062
Deposits for environmental protection	212,389	219,173
Dividends receivable from available-for-sale investee companies	25,144	370,085
Others	1,962,452	1,898,952
	5,384,245	8,707,337
Less: provision for impairment of other receivables	(133,981)	(144,304)
	14,587,390	19,684,542

All the trade and other receivables are denominated in RMB.

As at 31 December 2015, the ageing analysis of trade receivables based on invoice date is as follows:

	2015 HK$'000	2014 HK$'000
0-30 days	7,728,447	8,598,987
31-60 days	388,482	374,018
Over 60 days	1,359,320	2,242,234
	9,476,249	11,215,239

The Group's trade debtors are mainly thermal power and renewable energy electricity sales receivable from local grid companies. Generally, the Group usually grant about 60 days' credit period to customers from the end of the month in which the sales is made, except for the tariff premium. 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.

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, standardized procedures for the settlement of the tariff premium come into force since 2012 and approvals on a project by project basis are required before the allocation of funds to local grid companies.

16 TRADE RECEIVABLES, OTHER RECEIVABLES AND PREPAYMENTS (Continued)

As at 31 December 2015, certain of the operating projects have been approved for the tariff premium and certain projects are in the process of applying for the approval.The ageing analysis of these trade receivables is as follows:

	2015 HK$'000	2014 HK$'000
Over 60 days	**88,918**	589,639

As at 31 December 2015, included in trade receivables was an amount of HK$116,766,000 (2014: HK$87,510,000) which is trade receivables from fellow subsidiaries or associates and is aged within one year.

Movements on the provision for impairment of trade receivables of the Group are as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	**93,730**	87,037
Provision for doubtful accounts	**82,232**	14,243
Receivables written off during the year as uncollectible	**(27,251)**	(7,382)
Exchange differences	**(9,588)**	(168)
At 31 December	**139,123**	93,730

Movements on the provision for impairment of other receivables of the Group are as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	**144,304**	136,892
Provision for doubtful accounts	**839**	7,772
Receivables written off during the year as uncollectible	**(2,526)**	—
Disposal of a subsidiary	**(212)**	—
Exchange differences	**(8,424)**	(360)
At 31 December	**133,981**	144,304

Management of the Group closely monitors the credit quality of trade and other receivables. The Group makes provision against impairment of trade and other receivables based on the assessment results of credit quality of the respective parties.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. The Group does not hold any collateral as security.

As at 31 December 2015, the fair values of trade and other receivables approximate their carrying amounts.

17 AMOUNTS DUE FROM ASSOCIATES

	2015 HK$'000	2014 HK$'000
Dividends receivable from associates	**361,506**	67,292
Interests receivable from associates	**57,871**	26,834
Other amounts due from associates - non-trading	**46,094**	11,899
	465,471	106,025

Amounts due from associates are denominated in RMB, unsecured, non-interest bearing and repayable on demand.

The Group does not provide any allowance for amounts due from associates because the Group had not experienced any default history from associates. Management of the Group closely monitors the credit quality of amounts due from associates and considers that the amounts are neither past due nor impaired. The Group does not hold any collateral over these balances.

As at 31 December 2015, the fair values of the amounts due from associates approximate their carrying amounts.

18 AMOUNTS DUE FROM JOINT VENTURES

	2015 HK$'000	2014 HK$'000
Interests receivable from joint ventures	**134,690**	119,024
Other amounts due from joint ventures	**2,559**	1,157
	137,249	120,181

The amounts due from joint ventures are all denominated in RMB, unsecured, non-interest bearing and repayable on demand.

The Group does not provide any impairment provision against amounts due from joint ventures because there was no default history experienced from the joint ventures. Management of the Group closely monitors the credit quality of amounts due from joint ventures and considers the amounts are neither past due nor impaired. The Group does not hold any collateral over these balances.

As at 31 December 2015, the fair values of the amounts due from joint ventures approximate their carrying amounts.

19 AMOUNTS DUE FROM OTHER RELATED COMPANIES/LOAN TO A NON-CONTROLLING SHAREHOLDER OF A SUBSIDIARY

(a) Amounts due from other related companies

	2015 HK$'000	2014 HK$'000
Non-trading related:		
Amounts due from non-controlling shareholders of subsidiaries	**37,610**	39,942
Amounts due from fellow subsidiaries	**1,820**	45,395
	39,430	85,337

The amounts due from other related parties of the Group are unsecured, non-interest bearing and repayable on demand.

The amounts due from other related parties of the Group are all denominated in RMB.

The Group does not provide any impairment provision against amounts due from other related companies because there was no default history experienced from the related companies. Management of the Group closely monitors the credit quality of amounts due from other related companies and considers the amounts are neither past due nor impaired. The Group does not hold any collateral over these balances.

As at 31 December 2015, the fair values of the amounts due from other related parties approximate their carrying amounts.

(b) Loan to a non-controlling shareholder of a subsidiary

As at 31 December 2015, loan to a non-controlling shareholder of a subsidiary is unsecured, denominated in RMB, with annual interest rates of 5%.

As at 31 December 2015, the fair value of loan to a non-controlling shareholder of a subsidiary approximates its carrying amount. The fair value is based on cash flows discounted using a rate based on benchmark lending rate of the People's Bank of China. The fair value is within level 2 of the fair value hierarchy.

20 PLEDGED AND RESTRICTED BANK DEPOSITS

Pledged and restricted bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group, deposits restricted for special purpose and time deposits.

As at 31 December 2015, deposits amounting to HK$296,653,000 (2014: HK$431,361,000) had been pledged to secure bank acceptance bills. Deposits amounting to HK$285,099,000 (2014: HK$276,530,000) were restricted for environmental protection and industry transformation use with the approval of certain governments. Deposits amounting to Nil (2014: HK$64,542,000) were restricted by a PRC court order.

Term deposits amounting to HK$141,652,000 (2014: Nil) were three months to one year with deposit interest rate ranging from 1.6% to 3.3% per annum. The term deposits can be withdrawn on demand. None of the deposits is either past due or impaired.

As at 31 December 2015, the pledged and restricted bank deposits are all denominated in RMB and the fair values approximate their carrying amounts.

21 CASH AND CASH EQUIVALENTS

	2015 HK$'000	2014 HK$'000
Cash at bank and on hand	**7,273,945**	8,266,120
Others	**—**	19,015
	7,273,945	8,285,135

As at 31 December 2015, included in cash and cash equivalents was an amount of HK$88,408,000 (2014: HK$918,208,000) which is deposited in China Resources Bank of Zhuhai Co., Ltd, a fellow subsidiary of the Group, with interest rates ranging from 0.35% to 1.265% (2014: 0.385% to 1.265%) per annum.

The cash and cash equivalents of the Group are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
RMB	**6,263,319**	7,043,448
HK$	**740,454**	601,508
US$	**270,172**	640,178
Others	**—**	1
	7,273,945	8,285,135

As at 31 December 2015, the fair values of cash and cash equivalents approximate their carrying amounts.

22 SHARE CAPITAL AND OTHER STATUTORY CAPITAL RESERVES

Ordinary shares, issued and fully paid:

	Number of shares '000	Share capital HK$'000
Balance at 1 January 2014	4,791,457	4,791,457
Issued upon exercise of share options	5,887	5,887
Transition to no-par value regime on 3 March 2014 (Note a)	—	17,305,448
Balance at 31 December 2014	4,797,344	22,102,792
Balance at 1 January 2015	**4,797,344**	**22,102,792**
Issued upon exercise of share options	**3,149**	**29,071**
Scrip dividends	**6,711**	**120,595**
Balance at 31 December 2015	**4,807,204**	**22,252,458**

(a) In accordance with the transitional provisions set out in section 37 of Schedule 11 to the Hong Kong Companies Ordinance (Cap. 622), on 3 March 2014, any amount standing to the credit of the share premium account has become part of the Company's share capital.

23 SHARE OPTIONS

Pursuant to the Share Option Scheme approved by a resolution of the shareholders of the Company dated 6 October 2003, the Board may, at its absolute discretion, offer any employee, director, consultant or advisor of (i) CRH and its subsidiaries; and (ii) the Company, its subsidiaries and associated companies, options to subscribe for the Company's shares, for the promotion of success of the business of the Group. The exercise price of the share option will be determined at the highest of (1) the closing price of the Company's shares on the Stock Exchange on the date of grant of the option; (2) the average closing price of the Company's shares on the Stock Exchange on the five trading days immediately preceding the date of grant; and (3) the nominal value of the shares.

Options granted are exercisable during the period from the vesting date to the last day of the ten-year period after grant date. The share options have vesting periods from one to five years and every 20% will be vested at the end of each year.

Movements in the number of share options outstanding and their related exercise prices under the Share Option Scheme in 2014 and 2015 are as follows:

			Number of options							
	Exercise price HK$	Date of grant	1 Jan 2014	Exercised during the year ended 31 Dec 2014	Lapsed during the year ended 31 Dec 2014	Reclassified during the year ended 31 Dec 2014	Outstanding as at 31 Dec 2014	Exercised during the year ended 31 Dec 2015	Lapsed/ (cancelled) during the year ended 31 Dec 2015	Outstanding as at 31 Dec 2015
Directors of CRH and its subsidiaries	3.919	18 Mar 2005	753,320	(549,720)	–	–	203,600	–	(203,600)	–
Directors of the Company	12.21	30 Mar 2007	203,600	–	–	(203,600)	–	–	–	–
Employees of CRH and its subsidiaries, other than the Group	3.919	18 Mar 2005	2,199,960	(1,080)	–	–	2,198,880	(327,200)	(1,871,680)	–
Employees of the Group	4.175	1 Sep 2004	641,340	(254,500)	(386,840)	–	–	–	–	–
	3.919	18 Mar 2005	551,160	–	–	–	551,160	–	(551,160)	–
	4.641	18 Nov 2005	4,776,840	(831,780)	–	–	3,945,060	(1,593,480)	(2,351,580)	–
	6.925	5 Sep 2006	3,613,520	(1,013,400)	–	–	2,600,120	(651,520)	–	1,948,600
	12.21	30 Mar 2007	9,717,940	(3,236,640)	–	–	6,481,300	(576,640)	–	5,904,660
Other participants – Chen Jimin	12.21	30 Mar 2007	–	–	–	203,600	203,600	–	–	–
			22,457,680	(5,887,120)	(386,840)	–	16,183,720	(3,148,840)	(5,181,620)	7,853,260
Exercisable at the end of the year			**22,457,680**				**16,183,720**			**7,853,260**
Weighted average exercise price			**8.23**	**9.11**	**4.18**	**12.21**	**8.00**	**6.42**	**4.57**	**10.90**

23 SHARE OPTIONS (Continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Expiry date	Exercise price in HK$ per share option	Options 2015	Options 2014
17 March 2015	3.919	—	2,953,640
17 November 2015	4.641	—	3,945,060
4 September 2016	6.925	**1,948,600**	2,600,120
29 March 2017	12.21	**5,904,660**	6,684,900
		7,853,260	16,183,720

In 2015 and 2014, there were no share option expenses recognised in either the consolidated income statement or the Group's share option reserve.

The weighted average closing price of the Company's shares at dates on which the options were exercised during the year was HK$19.96 (2014: HK$20.77).

24 SHARES HELD FOR SHARE AWARD SCHEME

On 25 April 2008 (the "Adoption Date"), a Medium to Long-term Performance Evaluation Incentive Plan (the "Scheme") was adopted by the Company. The Scheme shall be valid and effective for a period of 10 years commencing from the Adoption Date.

Pursuant to the rules of the Scheme, the Company has set up a trust, and BOCI - Prudential Trustee Limited ("Trustee") acts as the trustee. The Company's shares may be purchased by the Trustee from the market out of cash contributed by the Group and be held in trust for the qualified employees until such shares are vested and proceeds from sale of shares distributed to the qualified employees in accordance with the provisions of the Scheme.

During the year ended 31 December 2015, a total number of 1,523,000 shares (2014: 1,706,000) were vested. The proceeds of sales of the vested shares have been distributed to the relevant directors and employees in accordance with the Scheme. The awarded sum amounting to HK$24,347,000 (2014: HK$27,282,000) was determined based on the net proceeds form the sale of the vested shares and recognised as an expense in the consolidated income statement.

24 SHARES HELD FOR SHARE AWARD SCHEME (Continued)

Under the Scheme, there were total unvested shares of 34,771,553 (2014: 36,294,698) amounting to HK$550,180,000 (2014: HK$574,527,000) held by the Trustee at 31 December 2015. The movement of the shares held for the Scheme is as follows:

	2015		2014	
	Number of shares '000	Amount HK$'000	Number of shares '000	Amount HK$'000
At 1 January Granted and	**36,295**	**574,527**	38,001	601,809
Vested and sold during the year	**(1,523)**	**(24,347)**	(1,706)	(27,282)
At 31 December	**34,772**	**550,180**	36,295	574,527

25 OTHER RESERVES

Details of changes in reserves of the Group are set out in the consolidated statement of changes in equity on pages 79 to 80.

General reserve is part of the shareholders' funds and comprises statutory surplus reserves, enterprise expansion funds and reserve funds of subsidiaries in the PRC. Pursuant to the provisions of their respective Articles of Association, certain of the Company's subsidiaries established in the PRC shall make appropriation from their profit after tax to the general reserves. The general reserves shall be used for making up losses, capitalisation into capital and expansion of the operations and production of the respective subsidiaries and associates.

The special reserves of the Group represents the difference between the nominal amount of the share capital issued by the Company and the nominal amount of the share capital of subsidiaries acquired pursuant to a group reorganisation for the purpose of the preparation of the listing of the Company's shares on the Stock Exchange of Hong Kong.

25 OTHER RESERVES (Continued)

The movement of the capital reserve is as follows:

	2015 HK$'000	2014 HK$'000
Opening balance at 1 January	**426,160**	168,376
Share of other comprehensive income of investments accounted for using the equity method	**3,862**	8,740
Changes in fair values of available-for-sale investments, net of tax	**(158,381)**	191,560
Release to profit or loss in relation to disposal of associates	**(21)**	—
Release to profit or loss in relation to disposal of a subsidiary	**22,392**	—
Change in ownership interests in a subsidiary without change of control (Note 47)	**100,488**	—
Transfers (Note a)	**239,396**	196,672
Transfers upon utilisation (Note b)	**(171,117)**	(139,188)
Closing balance at 31 December	**462,779**	426,160

Notes:

(a) Pursuant to certain regulations in the PRC governing the mining industry, the Group is required to make an annual transfer to the capital reserve account an amount being calculated at the volume of coal ore extracted each year, mulitplied by the applicable rate per tonne of coal ore. Pursuant to the relevant provisions of the PRC Companies Law, the fund can only be used for future improvement of the mining facilities and enhancement of safety production environment. The fund is not available for distribution to either shareholders of the Company or equity owners of the related entities.

(b) During the year ended 31 December 2015, HK$171,117,000 (2014: HK$139,188,000) had been utilised for expenditures incurred in the relevant assets as stated in Note a, and therefore the corresponding amount was transferred out of the capital reserve account to retained earnings.

26 RETAINED EARNINGS

	2015 HK$'000	2014 HK$'000
At 1 January	**33,981,578**	30,697,309
Profit for the year	**10,025,241**	9,214,858
Dividends paid to owners of the Company (Note 44)	**(3,810,518)**	(3,567,009)
Profit appropriation to reserves	**(1,963,823)**	(2,306,096)
Transfers	**(239,396)**	(196,672)
Transfers upon utilisation	**171,117**	139,188
Transfer in relation to disposal of a subsidiary	**92,205**	—
At 31 December	**38,256,404**	33,981,578

27 PERPETUAL CAPITAL SECURITIES

On 11 May 2011, China Resources Power East Foundation Co., Ltd., a subsidiary of the Group, issued US$750,000,000 (equivalent to HK$5,835,750,000) 7.25% Guaranteed Perpetual Capital Securities ("Perpetual Capital Securities") at an issue price of 100 per cent which is guaranteed by the Company. The Perpetual Capital Securities were issued for general corporate funding purposes. Coupon payments of 7.25% per annum on the Perpetual Capital Securities are paid semi-annually in arrears from 9 November 2011 and can be deferred at the discretion of the Group. The Perpetual Capital Securities have no fixed maturity and are redeemable at the discretion of the Group on or after 9 May 2016 at their principal amounts together with any accrued, unpaid or deferred coupon interest payments. In addition, while any coupon payments are unpaid or deferred, the Group undertakes not to declare, pay any dividends nor to make any distributions or similar periodic payments in respect of, or repurchase, redeem or otherwise acquire any securities of lower or equal rank.

28 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS

	2015 HK$'000	2014 HK$'000
Trade payables (i)	10,423,118	10,464,048
Other payables and accruals (ii)	18,198,889	21,496,609
	28,622,007	31,960,657

(i) Ageing analysis of trade payables is as follows:

	2015 HK$'000	2014 HK$'000
0-30 days	5,555,057	7,111,508
31-90 days	2,502,235	1,795,255
Over 90 days	2,365,826	1,557,285
	10,423,118	10,464,048

The average credit term for purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are within the credit terms.

28 TRADE PAYABLES, OTHER PAYABLES AND ACCRUALS (Continued)

(ii) Other payables and accruals include:

	2015 HK$'000	2014 HK$'000
Payables in respect of purchase of non-current assets	**12,532,528**	13,129,500
Other tax payables	**1,133,982**	2,678,134
Accrued wages	**1,188,703**	1,265,072
Advances from customers	**708,209**	662,287
Interests payable	**406,263**	643,594
Payable in respect of employee settlement costs of a subsidiary	**323,902**	530,084
Deferred consideration payables	**142,447**	279,360
Retirement and other long-term employee benefits obligations - current (Note 40 (iii))	**63,374**	103,092
Others	**1,699,481**	2,205,486
	18,198,889	21,496,609

Trade and other payables are unsecured, interest free, and repayable on demand. They are mainly denominated in RMB.

As at 31 December 2015, the fair values of trade and other payables of the Group approximate their carrying amounts.

29 AMOUNTS DUE TO ASSOCIATES

Except the amount due to Jiangsu Zhenjiang Power which is market-interest bearing, amounts due to associates as at 31 December 2015 are unsecured, non-interest bearing, and repayable on demand.

The amounts due to associates are mainly denominated in RMB.

As at 31 December 2015, the fair values of amounts due to associates approximate their carrying amounts.

30 AMOUNTS DUE TO JOINT VENTURES

The amounts due to joint ventures are unsecured, non-interest bearing, and repayable on demand. They are all denominated in RMB.

As at 31 December 2015, the fair values of amounts due to joint ventures approximate their carrying amounts.

31 AMOUNTS DUE TO OTHER RELATED COMPANIES

	2015 HK$'000	2014 HK$'000
Amounts due to non-controlling shareholders of subsidiaries	**534,395**	920,473
Amounts due to holding company	**35,768**	35,768
Amounts due to fellow subsidiaries	**6,731**	2,218
Amounts due to an intermediate holding company	**773**	774
	577,667	959,233

Amounts due to other related companies are unsecured, non-interest bearing, and repayable on demand. They are mainly denominated in RMB.

As at 31 December 2015, the fair values of amounts due to other related companies approximate their carrying amounts.

32 BORROWINGS

	2015 HK$'000	2014 HK$'000
Non-current		
Bank loans		
– Secured	**3,784,420**	5,425,444
– Unsecured	**47,440,070**	63,607,866
Corporate bonds and notes (i)	**9,889,225**	10,502,397
	61,113,715	79,535,707
Current		
Bank loans		
– Secured	**2,636,491**	967,855
– Unsecured	**24,767,130**	12,800,775
Corporate bonds and notes (i)	**—**	7,128,523
	27,403,621	20,897,153
Total borrowings	**88,517,336**	100,432,860

As at 31 December 2015, included in borrowings was an secured amount of Nil (2014: HK$63,382,000) which was due to China Resources Bank of Zhuhai Co., Ltd, a fellow subsidiary of the Group, with an interest rate of 6% per annum.

As at 31 December 2015, the secured bank loans of the Group were secured by:

	2015 HK$'000	2014 HK$'000
Buildings and equipment (Note 6)	**5,315,378**	5,123,992
Prepaid lease payments (Note 7)	**51,985**	43,354
	5,367,363	5,167,346

32 BORROWINGS (Continued)

At 31 December 2015, the borrowings were repayable as follows:

	2015 HK$'000	2014 HK$'000
Within 1 year	**27,403,621**	20,897,153
Between 1 and 2 years	**6,982,328**	18,638,320
Between 2 and 5 years	**39,098,179**	45,690,298
Over 5 years	**15,033,208**	15,207,089
	88,517,336	100,432,860

As at 31 December 2015, the fair values of borrowings approximate their carrying amounts. The fair values are based on cash flows discounted using a rate based on benchmark lending rate of the People's Bank of China or LIBOR rate. The fair values are within level 2 of the fair value hierarchy.

The carrying amounts of the borrowings are denominated in the following currencies:

	2015 HK$'000	2014 HK$'000
RMB	**62,934,517**	60,071,111
HK$	**23,709,364**	33,531,577
US$	**1,860,230**	6,815,438
Euro	**13,225**	14,734
	88,517,336	100,432,860

As at 31 December 2015, the Group had the following undrawn borrowing facilities:

	2015 HK$'000	2014 HK$'000
Expiring within one year	**82,305,674**	92,026,495
Expiring beyond one year	**57,265,502**	46,401,391
	139,571,176	138,427,886

At 31 December 2015, the interest rate risk of the Group's borrowings of HK$5,317,586,000 (2014: HK$8,002,000,000) was hedged using interest rate swaps (floating to fixed interest swaps) (see Note 33(b) for details).

During the year ended 31 December 2015, bank borrowings bear average annual interest rate at 4.29% (2014: 4.55%).

32 BORROWINGS (Continued)

(i) Corporate bonds and notes with fixed rates issued by the Group are as follows:

(a) issued by China Resources Power Investment Company Limited ("CR Power Investment"), a wholly-owned subsidiary of the Company, in the PRC:

(1) RMB4,000,000,000 (equivalent to HK$4,774,520,000) - 5.6% due November 2018 (issued in November 2011).

(2) RMB3,300,000,000 (equivalent to HK$3,938,979,000) - 4.70% due January 2020 (issued in January 2010) and RMB500,000,000 (equivalent to HK$596,815,000) - 4.95% due January 2020 (issued in January 2010).

The maturity of the corporate bonds is 10 years from the date of issue, subject to the right of sale-back described below. The corporate bonds are divided into two tranches, amounting to RMB3,300,000,000 (equivalent to HK$3,938,979,000) ("Tranche 1") and RMB500,000,000 (equivalent to HK$596,815,000) ("Tranche 2"), and carry coupon rates of 4.70% and 4.95% for Tranche 1 and Tranche 2, respectively. At the end of the fifth and seventh year from the issue of corporate bonds for Tranche 1 and Tranche 2, respectively, the issuer has the right to adjust the coupon rate ("New Coupon Rate") and the corporate bonds holders have the right to sell the corporate bonds held by them, in whole or in part, to CR Power Investment at a total consideration equivalent to the total face value of the corresponding corporate bonds within 5 business days after the announcement of the New Coupon Rate. During the year ended 31 December 2015, RMB1,515,000,000 (equivalent to HK$1,808,349,000) of Tranche 1 had been redeemed by CR Power Investment.

(3) RMB2,000,000,000 (equivalent to HK$2,387,260,000) - 5.05% due May 2019 (issued in May 2012).

33 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are analysed as follows:

	As at	
	31 December 2015 HK$'000	31 December 2014 HK$'000
Assets:		
Call option (Note a)		
– Non-current	—	575,898
Liabilities:		
Cash flow hedges - Interest rate swaps (Note b)		
– Current	**26,571**	19,966
– Non-current	—	72,276
	26,571	92,242

33 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(a) In 2010, the Group and an independent third party (the "Joint Venturer") entered into a share subscription agreement ("Share Subscription Agreement") and pursuant to which formed a company, namely Resources J Energy Investment Limited ("Resources J").

Pursuant to a Call Option Agreement entered into between the Group and the Joint Venturer dated 19 August 2010, the Joint Venturer granted the Group a call option at a consideration of HK$1 to acquire 16% equity interest ("Call Option Shares") in Resources J at a pre-determined consideration. The consideration is determined based on the capital contributed by the Joint Venturer attributable for the Call Option Shares plus interest accrued at a compound annual interest rate at 5.5%, reduced by 32% of the dividend received by the Joint Venturer in respect of the Call Option Shares, and the interest on dividend received by the Joint Venturer in respect of the Call Option Shares. The call option can be exercised on any business day within the period from 17 December 2015 to 1 January 2016 ("Call Option Period").

The call option is categorised as derivative financial instrument and the fair value changes should be recognised in profit and loss in subsequent periods. During the year ended 31 December 2015, loss of HK$151,816,000 (Note 3.3(c)) was recognised arising from the assessed fair value change of the call option. The fair value change has been recognised as "other (losses)/gains - net" in the consolidated income statement.

As at 31 December 2015, the Group has issued a notice to the Joint Venturer to acquire the 16% equity interest. Therefore, the equity interests in Resources J held by the Group changed from 50% to 66%. However, as certain key financial and operating matters should be approved by the board members appointed by both the Group and the Joint Venturer, the directors of the Company consider that Resources J is still jointly controlled by the Group and the Joint Venturer.

In addition, pursuant to Put Option Agreement entered into between the Group and the Joint Venturer dated 19 August 2010, the Group granted the Joint Venturer two put options at a consideration of HK$1. The first put option is to sell the 16% equity interest ("First Put Option Shares") in Resources J at a predetermined consideration. The first put option may be exercised on any business day within the period of 15 business days starting on the date that the Call Option Period expires, from 2 January 2016 to 17 January 2016. The second put option is to sell the 34% equity interest ("Second Put Option Shares") in Resources J at a pre-determined consideration. The second put option may only be exercised on any business day within a period of 15 business days starting on the 5th anniversary date of the commencement of the commercial operation of China Resources Power (Hezhou) Co., Limited ("CRP Hezhou"), when the first and the second generation units of CRP Hezhou having passed the 168-hour reliability test, as supported by certain document(s) issued by Southern Electricity Grid or its authorised branch, or any other competent authority in the PRC after the test is passed.

The consideration is pre-determined based on the capital contributed by the Joint Venture attributable for First/Second Put Option Shares plus the interest at a compound annual interest at 5.5%, reduced by the dividend received by the Joint Venture in respect of the First/Second Put Option Shares and the interest on dividend received by the Joint Venture in respect of the First/Second Put Option Shares. In the opinion of the directors of the Company, the fair value of the two put options was assessed not to be significant to the Group as at 31 December 2015.

33 DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

(b) The Group uses interest rate swaps (net quarterly settlement) to minimise its exposure to interest expenses of certain of its floating-rate Hong Kong Dollars/United States Dollars denominated bank borrowings by swapping floating interest rates to fixed interest rates. The interest rate swaps and the corresponding bank borrowings have similar terms and the directors of the Company considered most of the interest rate swaps as highly effective hedging instruments.

The fair value of a hedging derivative is classified as a non-current liability if the remaining maturity of the hedged item is more than 12 months and, as a current liability, if the maturity of the hedged item is less than 12 months.

The notional principal amounts of the outstanding interest rate swap contracts at 31 December 2015 were HK$5,317,586,000 (2014: HK$8,002,000,000) (Note 32). As at 31 December 2015, the fixed interest rates were contracted at a range from 1.120% to 2.325% (2014: 1.120% to 2.325%), and the main floating rates are HIBOR and LIBOR. Gains and losses recognised in the hedging reserve in equity on interest rate swap contracts as of 31 December 2015 will be continuously released to the consolidated income statement until the repayment of the bank borrowings.

The movements in the carrying amount of cash flow hedges during the years are as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	**92,242**	173,652
Cash flow hedges – Effective portion: – Charged to other comprehensive income	**(59,313)**	(63,371)
Cash flow hedges – Ineffective portion: – Fair value gains	**(6,358)**	(18,039)
At 31 December	**26,571**	92,242

The above derivatives are measured at fair value by making reference to the market value provided by the counterparty financial institutions. The fair value is within level 2 of the fair value hierarchy.

The maximum exposure to credit risk at the reporting date is the fair value of the derivative in the consolidated balance sheet.

34 FINANCIAL INSTRUMENTS BY CATEGORY

31 December 2015	Loans and receivables HK$'000	Assets at fair value through the profit &loss HK$'000	Available-for-sale investments HK$'000	Total HK$'000
Assets as per consolidated balance sheet				
Available-for-sale investments	—	—	1,497,284	1,497,284
Loans to associates	23,395	—	—	23,395
Loans to joint ventures	170,528	—	—	170,528
Loan to a non-controlling shareholder of a subsidiary	16,114	—	—	16,114
Loan to an available-for-sale investee company	392,887	—	—	392,887
Amounts due from associates	465,471	—	—	465,471
Amounts due from joint ventures	137,249	—	—	137,249
Amounts due from other related companies	39,430	—	—	39,430
Trade and other receivables excluding prepayments	14,400,124	—	—	14,400,124
Cash and cash equivalents, and pledged bank deposits	7,997,349	—	—	7,997,349
Total	23,642,547	—	1,497,284	25,139,831

31 December 2015	Derivative financial instruments HK$'000	Other financial liabilities at amortised cost HK$'000	Total HK$'000
Liabilities as per consolidated balance sheet			
Borrowings	—	88,517,336	88,517,336
Derivative financial instruments	26,571	—	26,571
Trade and other payables excluding non-financial liabilities	—	25,061,390	25,061,390
Amounts due to associates	—	796,493	796,493
Amounts due to joint ventures	—	908,628	908,628
Amounts due to other related companies	—	577,667	577,667
Total	26,571	115,861,514	115,888,085

34 FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

31 December 2014	Loans and receivables HK$'000	Assets at fair value through the profit &loss HK$'000	Derivative financial instruments HK$'000	Available-for-sale investments HK$'000	Total HK$'000
Assets as per consolidated balance sheet					
Available-for-sale investments	—	—	—	1,656,455	1,656,455
Derivative financial instruments	—	—	575,898	—	575,898
Loans to associates	809,229	—	—	—	809,229
Loans to joint ventures	371,575	—	—	—	371,575
Loan to a non-controlling shareholder of a subsidiary	17,113	—	—	—	17,113
Loan to an available-for-sale investee company	276,931	—	—	—	276,931
Amounts due from associates	106,025	—	—	—	106,025
Amounts due from joint ventures	120,181	—	—	—	120,181
Amounts due from other related companies	85,337	—	—	—	85,337
Trade and other receivables excluding prepayments	19,406,480	—	—	—	19,406,480
Financial assets at fair value through profit or loss	—	5,217	—	—	5,217
Cash and cash equivalents, and pledged bank deposits	9,057,568	—	—	—	9,057,568
Total	30,250,439	5,217	575,898	1,656,455	32,488,009

31 December 2014	Derivative financial instruments HK$'000	Other financial liabilities at amortised cost HK$'000	Total HK$'000
Liabilities as per consolidated balance sheet			
Borrowings	—	100,432,860	100,432,860
Derivative financial instruments	92,242	—	92,242
Trade and other payables excluding non-financial liabilities	—	26,442,628	26,442,628
Amounts due to associates	—	730,760	730,760
Amounts due to joint ventures	—	1,881	1,881
Amounts due to other related companies	—	959,233	959,233
Total	92,242	128,567,362	128,659,604

35 DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX LIABILITIES

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	2015 HK$'000	2014 HK$'000
Deferred income tax assets:		
– Deferred income tax assets to be recovered after more than 12 months	453,742	596,257
– Deferred income tax assets to be recovered within 12 months	102,408	142,856
	556,150	739,113
Deferred income tax liabilities:		
– Deferred income tax liabilities to be settled after more than 12 months	(2,347,959)	(2,591,039)
– Deferred income tax liabilities to be settled within 12 months	(111,723)	(44,002)
	(2,459,682)	(2,635,041)
Deferred income tax liabilities (net)	(1,903,532)	(1,895,928)

The gross movement on the deferred income tax accounts is as follows:

	2015 HK$'000	2014 HK$'000
At 1 January	(1,895,928)	(2,075,080)
Exchange differences	6,339	(12,702)
Relating to disposal of a subsidiary	(150,309)	—
Credited to profit or loss (Note 42)	77,706	262,802
Credited/(charged) to other comprehensive income (Note 42)	58,660	(70,948)
At 31 December	(1,903,532)	(1,895,928)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdictions, are as follows:

Deferred income tax assets	Accrued expenses	Retirement benefit obligations	Impairment and provision	Government grant	Others	Total
As at 1 January 2014	166,475	82,446	130,337	68,956	60,195	508,409
Exchange differences	(150)	(201)	(204)	(88)	(93)	(736)
(Charged)/credited to profit or loss	(23,469)	140,769	56,435	12,768	57,958	244,461
As at 31 December 2014	142,856	223,014	186,568	81,636	118,060	752,134
Exchange differences	(10,016)	(9,091)	(9,062)	(4,849)	(5,903)	(38,921)
Relating to disposal of a subsidiary	—	(150,309)	—	—	—	(150,309)
(Charged)/credited to profit or loss	(30,432)	(2,135)	26,498	2,078	8,699	4,708
As at 31 December 2015	102,408	61,479	204,004	78,865	120,856	567,612

35 DEFERRED INCOME TAX ASSETS AND DEFERRED INCOME TAX LIABILITIES (Continued)

Deferred income tax liabilities	Difference of depreciation life	Fair value of mining rights	Fair value of prepaid lease payments	Fair value of property plant and equipment	Fair value changes of available-for-sale investments	Distributable profits of PRC subsidiaries, associates and joint ventures	Mining fund (Note i)	Others	Total
As at 1 January 2014	(171,540)	(1,759,883)	(71,741)	(280,086)	—	(104,339)	(165,760)	(30,140)	(2,583,489)
Exchange differences	(992)	(8,357)	(336)	(1,300)	—	—	(843)	(138)	(11,966)
(Charged)/credited to profit or loss	(14,197)	36,986	4,034	29,032	—	(41,393)	2,456	1,423	18,341
Charged to other comprehensive income	—	—	—	—	(70,948)	—	—	—	(70,948)
As at 31 December 2014	(186,729)	(1,731,254)	(68,043)	(252,354)	(70,948)	(145,732)	(164,147)	(28,855)	(2,648,062)
Exchange differences	11,960	7,261	5,317	6,970	10,357	—	2,508	887	45,260
(Charged)/credited to profit or loss	(25,410)	50,972	5,728	34,870	—	(3,949)	6,393	4,394	72,998
Credited to other comprehensive income	—	—	—	—	58,660	—	—	—	58,660
As at 31 December 2015	**(200,179)**	**(1,673,021)**	**(56,998)**	**(210,514)**	**(1,931)**	**(149,681)**	**(155,246)**	**(23,574)**	**(2,471,144)**

Note i:

Pursuant to certain regulations in the PRC relating to the mining industry, the Group is required to transfer an amount to the capital reserve account and such fund is not available for distribution to shareholders (see Note 25(a) for details). Such amounts are deductible for tax purposes when they are set aside but are expensed for accounting purposes only when they are utilised. Therefore, a deferred tax liability is recorded for such temporary differences.

At 31 December 2015, the Group did not recognise deferred income tax assets in respect of losses amounting to HK$6,058,483,000 (2014: HK$4,827,276,000) and deductible temporary differences amounting to HK$11,239,180,000 (2014: HK$6,840,830,000) due to the unpredictability of future profit streams. Included in unrecognised tax losses at 31 December 2015 are losses of approximately HK$5,857,845,000 (2014: HK$4,620,185,000) that will expire within 5 years from the year of originating, in or before 2020. Other losses may be carried forward indefinitely.

Under the Enterprise Income Tax ("EIT") Law of PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. The directors of the Company believe that the Group has sufficient funds in the overseas companies within the Group and therefore the Company will not require certain PRC subsidiaries to declare dividends in the foreseeable future out of their profits earned from 1 January 2008 onwards to 31 December 2015. Accordingly, the Group did not recognise withholding tax liabilities for profits retained by certain PRC subsidiaries amounting to HK$44,581,828,000 (2014: HK$28,661,019,000) for the years from 2008 to 2015.

36 DEFERRED INCOME

Deferred income mainly represents subsidies granted by certain PRC governmental departments related to assets. As at 31 December 2015, government grants of HK$62,463,000 (31 December 2014: HK$43,956,000) was amortised to the consolidated income statement (Note 37(i)).

37 OTHER INCOME

	2015 HK$'000	2014 HK$'000
Sales of scrap materials	**673,898**	736,810
Government grant (i)	**389,954**	319,490
Interest income	**300,445**	230,629
Service income from heat supply connection contracts	**242,536**	217,703
Dividend income from available-for-sale investments	**187,899**	235,930
Service fee income	**69,135**	55,558
Management fee income	**38,352**	48,094
Others	**186,489**	213,674
	2,088,708	2,057,888

(i) During the year ended 31 December 2015, the Group received grants from certain PRC governmental departments to compensate high operating costs amounting to HK$216,073,000 (2014: HK$174,106,000). There were no ongoing obligations or conditions attached with these grants and, therefore, the Group recognised the grants as income upon receipt.

During the year ended 31 December 2015, the Group received grants amounting to HK$59,735,000 (2014: HK$80,862,000), from the PRC government, which were used for encouraging certain PRC subsidiaries to increase supply of electricity, and grants for encouraging the development of environmental friendly electricity generation, amounting to HK$51,683,000 (2014: HK$20,566,000). There were no ongoing obligations or conditions attached to these grants and, therefore, the Group recognised the grants as income upon receipt.

During the year ended 31 December 2015, the government grants relating to assets are credited to other income amounting to HK$62,463,000 (2014: HK$43,956,000).

38 OTHER (LOSSES)/GAINS - NET

	2015 HK$'000	2014 HK$'000
Net exchange losses	**(630,030)**	(113,991)
Fair value changes on derivative financial instruments	**(145,458)**	593,936
Fair value changes on financial assets at fair value through profit or loss	**—**	2,269
Net (losses)/gains on disposal of property, plant and equipment	**(7,696)**	12,674
Net (losses)/gains on disposal of prepaid lease payments	**(728)**	101,792
Net gains on disposal of a subsidiary (Note 48)	**550,731**	—
Net gains on disposal of other equity investments	**41,258**	275,868
Others	**47,935**	40,395
	(143,988)	912,943

39 EMPLOYEE BENEFIT EXPENSES

	2015 HK$'000	2014 HK$'000
Wages, salaries and bonus	**4,354,429**	4,060,208
Pension costs - retirement benefit schemes (Note 40(i) & (ii))	**757,686**	727,653
Termination benefit costs (Note 40(iii))	**138,871**	426,296
	5,250,986	5,214,157

(i) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three (2014: two) directors whose emoluments are reflected in the analysis shown in Note 54. The emoluments paid to the remaining two (2014: three) individuals during the year are as follows.

	2015 HK$'000	2014 HK$'000
Salaries and other benefits	**3,456**	5,546
Bonus	**3,724**	5,695
Post-employment benefits	**123**	210
	7,303	11,451

Emoluments of these two (2014: three) individuals are within the following bands:

	Number of individuals	
	2015	2014
Emolument bands		
HK$3,500,001 to HK$4,000,000	**2**	2
HK$4,000,001 to HK$4,500,000	—	1

40 RETIREMENT AND OTHER LONG-TERM EMPLOYEE BENEFITS SCHEMES

	2015 HK$'000	2014 HK$'000
Retirement benefit schemes - Hong Kong (i)	**2,985**	3,297
Retirement benefit schemes - PRC (ii)	**754,701**	724,356
Termination benefit (iii)	**138,871**	426,296
	896,557	1,153,949

(i) Hong Kong

The Group operates various defined contribution retirement schemes which are available to all Hong Kong employees. The assets of the schemes are held separately from those of the Group in an independently administered fund. The amount of contributions is based on a specified percentage of the basic salary of employees and any forfeited contributions in respect of unvested benefits of staff leavers are used to reduce the Group's contributions.

(ii) PRC

The employees of the Group in the PRC are members of state-managed retirement benefit schemes operated by the respective local government in the PRC. The Group is required to contribute a specified percentage of payroll costs to the schemes to fund the benefits. The only obligation of the Group with respect to these schemes is to make the specified contributions. The amounts charged to the consolidated income statement and capitalised in the construction in progress are HK$754,701,000 (2014: HK$724,356,000) and HK$16,300,000 (2014: HK$65,340,000), respectively.

(iii) Termination benefit

(a) For certain selected employees of Hunan Liyujiang, Shenyang Power Company, Hunan CR Coal, and China Resources Power Maintenance Henan employed by the vendors of the businesses as at respective acquisition dates (the "Pre-acquisition Employees"), the Group has offered early retirement packages to those who met certain specified criteria and accepted voluntary redundancy. Such arrangement required specific approval granted by management of the Group. The Group is obliged to pay such termination benefits to those early retired employees (i.e. retired before their statutory retirement age), who had been working for more than 30 years or in accordance with the respective entities' early retirement policy. These early retired employees are entitled to certain monthly benefits up to their statutory retirement age.

These obligations were provided for by the Group at the present value of the total expected benefit payments. Where the obligation does not fall due within twelve months, the obligation payable has been discounted using a pre-tax rate that reflects management's current market assessment of the time value of money and risk specific to the obligation (the discount rate was determined with reference to market yields at the balance sheet date on treasury bonds in the PRC). The amount of these obligations charged to the consolidated income statement for the year ended 31 December 2015 is HK$10,200,000 (2014: HK$87,275,000).

As at 31 December 2015, the carrying amount of these termination benefit payable in current and the non-current portion are approximately HK$14,590,000 (2014: HK$17,730,000) (Note 28(ii)) and HK$69,877,000 (2014: HK$86,177,000), respectively.

40 RETIREMENT AND OTHER LONG-TERM EMPLOYEE BENEFITS SCHEMES (Continued)

(iii) Termination benefit (Continued)

(b) In 2015, Hunan China Resources Tangdong Coal Mining Co., Ltd. and Hunan CR Coal Industry Co., Ltd closed down certain coal mines and offered a termination benefit package to those employees. These obligations were provided for by the Group at the present value of the total expected benefit payments. Where the obligation does not fall due within twelve months, the obligation payable has been discounted using a pre-tax rate that reflects management's current market assessment of the time value of money and risk specific to the obligation (the discount rate was determined with reference to market yields at the balance sheet date on treasury bonds in the PRC). The amount of these obligations charged to the consolidated income statement for the year ended 31 December 2015 is HK$128,671,000.

As at 31 December 2015, the carrying amount of these termination benefit payable in current and the non-current portion is approximately HK$48,784,000 (Note 28(ii)) and HK$79,887,000, respectively.

41 FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interests on bank and other borrowings	**3,293,250**	3,462,167
Interests on corporate bonds	**668,629**	830,096
Interests on loans from related parties	**4,049**	15,451
Others	**195,823**	109,667
	4,157,702	4,417,381
Less: interests capitalised in property, plant and equipment (Note 6)	**(941,320)**	(1,091,894)
	3,216,382	3,325,487

Borrowing costs capitalised during the year arose on funds borrowed specifically for the purpose of obtaining qualifying assets and on the general borrowing pool which are calculated by applying a capitalisation rate of 4.71% (2014: 5.88%) per annum to expenditures incurred on qualifying assets.

42 INCOME TAX EXPENSE

	2015 HK$'000	2014 HK$'000
Current income tax		
– PRC enterprise income tax	**5,886,574**	4,553,590
Deferred income tax (Note 35)	**(77,706)**	(262,802)
	5,808,868	4,290,788

No provision for Hong Kong profits tax has been made as the Group had no taxable profit in Hong Kong or incurred tax losses for both years.

PRC enterprise income tax has been calculated based on the estimated assessable profits in accordance with the relevant tax rates applicable to certain subsidiaries in the PRC.

Pursuant to CaiShui [2008] No. 46 Notice on the Execution of the Catalogue of Public Infrastructure Projects Entitled for Preferential Tax Treatment, certain wind power plant projects of the Group, which were set up after 1 January 2008, are entitled to a tax holiday of a three-year full exemption, followed by a three-year 50% exemption of enterprise income tax, commencing from their first turnover-making year.

Pursuant to CaiShui [2011] No. 58 Notice on Tax Policy Issues concerning Further Implementing the Western China Development Strategy, certain entities of the Company's PRC subsidiaries, which are located in the western regions of the PRC, are entitled to a tax holiday of a two-year full PRC enterprise income tax exemption, followed by a three-year 50% exemption commencing from their first year of reporting turnover and can enjoy a preferential income tax rate of 15% after the tax holiday.

In addition, certain of the Company's PRC subsidiaries are entitled to certain tax credit ("Tax Credit") against their assessable EIT, which is calculated as 10% of the current year's purchases and use of specific environmental friendly, water and energy-saving, safety-enhanced equipment in the Group's electricity generation business. The portion of Tax Credit that has not been utilised in the current period can be carried forward for future tax credit over a period of not more than five years.

42 INCOME TAX EXPENSE (Continued)

The reconciliation of the effective income tax rate from the statutory income tax rate is as follows:

	2015 HK$'000	2014 HK$'000
Profit before income tax	**16,321,247**	11,184,405
Calculated at a tax rate of 25% (2014: 25%)	**4,080,312**	2,796,101
Tax exemptions and concessions granted to PRC subsidiaries	**(325,665)**	(359,307)
Reduction of tax in respect of tax credit	**(384,584)**	(380,069)
Income not subject to tax	**(61,825)**	(116,924)
Expenses not deductible for tax purposes	**353,414**	457,905
Unrecognised deductible temporary differences	**1,075,786**	1,364,695
Unrecognised tax losses	**487,807**	472,923
Utilisation of previously unrecognised tax losses	**(9,960)**	(102,046)
Withholding tax on the earnings remitted/anticipated to be remitted by certain subsidiaries/associates/joint ventures	**593,583**	157,510
	5,808,868	4,290,788

Tax rate of 25% (2014: 25%) is adopted for the taxation reconciliation as such tax rate is applicable to most of the Group's operations in the PRC for the year.

The tax credit/(charge) relating to components of other comprehensive income is as follows:

	2015			2014		
	Before tax HK$'000	Tax credit HK$'000	After tax HK$'000	Before tax HK$'000	Tax charge HK$'000	After tax HK$'000
Exchange differences	**(6,221,279)**	—	**(6,221,279)**	(198,087)	—	(198,087)
Share of other comprehensive income of investments accounted for using equity method	**(228,479)**	—	**(228,479)**	(23,937)	—	(23,937)
Release to profit or loss in relation to disposal of associates	**(100,441)**	—	**(100,441)**	—	—	—
Release to profit or loss in relation to disposal of a subsidiary	**(349,149)**	—	**(349,149)**	—	—	—
Cash flow hedge	**59,313**	—	**59,313**	63,371	—	63,371
Fair value changes of available-for-sale investments	**(234,639)**	**58,660**	**(175,979)**	283,792	(70,948)	212,844
Other comprehensive income	**(7,074,674)**	**58,660**	**(7,016,014)**	125,139	(70,948)	54,191
Current tax		—			—	
Deffered tax		**58,660**			(70,948)	
		58,660			(70,948)	

43 EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year excluding ordinary shares purchased by the Company and held as treasury shares (Note 24).

	2015 HK$'000	2014 HK$'000
Profit attributable to owners of the Company	**10,025,241**	9,214,858
Weighted average number of ordinary shares in issue (thousands)	**4,765,466**	4,756,556

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has one category of dilutive potential ordinary shares: share option (Note 23). For the share option, a calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options.

The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	2015 HK$'000	2014 HK$'000
Earnings		
Profit attributable to owners of the Company	**10,025,241**	9,214,858
Weighted average number of ordinary shares in issue (thousands)	**4,765,466**	4,756,556
Adjustments for:		
– Share options (thousands)	**6,334**	11,815
Weighted average number of ordinary shares for diluted earnings per share (thousands)	**4,771,800**	4,768,371

44 DIVIDENDS

	2015 HK$'000	2014 HK$'000
Dividend recognised as distribution during the year (i):		
Final dividend for 2014 of HK$0.70 (2014: for 2013 of HK$0.67) per share on 4,763,067,000 (2013: 4,755,696,000) shares	**3,334,147**	3,186,316
Interim dividend for 2015 of HK$0.10 (2014: HK$0.08) per share on 4,763,710,000 (2014: 4,758,663,000) shares (ii)	**476,371**	380,693
	3,810,518	3,567,009
Dividend proposed after the end of the reporting year (iii):		
Proposed final dividend for 2015 of HK$0.75 (2014: HK$0.70) per share	**4,807,204**	3,332,997

(i) The dividends paid in 2015 and 2014 were HK$3,810,518,000 and HK$3,567,009,000 respectively. They were stated after elimination of HK$29,036,000 (2014: HK$28,501,000) paid for shares held by the Medium to Long-term Performance Evaluation Incentive Plan, which is a share award scheme of the Group (Note 24).

(ii) The interim dividend of HK$0.1 per share (2014: HK$0.08 per share) is paid in cash, with an option to receive new and fully paid shares in lieu of cash (Note 22). The interim dividend for 2015 is based on 4,799,462,017 shares in issue as at 18 August 2015, which included shares held by the Incentive Plan. The interim dividend, amounting to HK$476,317,000 (2014: HK$383,607,000) after elimination of HK$3,629,000 paid for shares held by the Incentive Plan, has been recognised in shareholders' equity in the year ended 31 December 2015.

(iii) A final dividend in respect of the year ended 31 December 2015 of HK$0.75 per share, amounting to a total dividend of HK$4,807,204 is to be proposed at the annual general meeting on 6 June 2016. The consolidated financial statements do not reflect this dividend payable.

45 CASH GENERATED FROM OPERATIONS

	2015 HK$'000	2014 HK$'000
Profit before income tax	**16,321,247**	11,184,405
Adjustments for:		
Depreciation for property, plant and equipment (Note 6)	**9,364,433**	8,256,297
Amortisation of mining rights (Note 8(a))	**342,868**	282,680
Amortisation of prepaid lease payments (Note 7)	**79,902**	60,566
Impairment charges on property, plant and equipment (Note 6) *	**2,409,462**	3,096,692
Impairment charges on prepaid lease payments (Note 7) *	**9,396**	16,422
Impairment charges on mining rights (Note 8(a)) *	**1,219,930**	2,925,850
Impairment charges on goodwill (Note 12) *	**425,728**	—
Impairment charges on inventories (Note 15) *	**32,982**	33,413
Provision for impairment of doubtful accounts (Notes 11(b),16) *	**275,395**	22,015
Exchange losses (Note 38)	**630,030**	113,991
Interest expense (Note 41)	**3,216,382**	3,273,007
Interest income (Note 37)	**(300,445)**	(230,629)
Fair value changes on financial assets at fair value through profit or loss (Note 38)	**—**	(2,269)
Fair value changes on derivative financial instruments (Note 38)	**145,458**	(593,936)
Share of results of associates	**717,586**	1,177,765
Share of results of joint ventures	**(247,113)**	(467,461)
Dividends received from available-for-sale investments (Note 37)	**(187,899)**	(235,930)
Net losses/(gains) on disposal of property, plant and equipment (Note 38)	**7,696**	(12,674)
Net losses/(gains) on disposal of prepaid lease payments (Note 38)	**728**	(101,792)
Net gains on disposal of a subsidiary (Note 38)	**(550,731)**	—
Net gains on disposal of other equity investments (Note 38)	**(41,258)**	(275,868)
Changes in working capital:		
Decrease in inventories	**731,820**	86,649
Decrease/(increase) in trade receivables, other receivables and prepayments	**3,927,353**	(1,094,571)
Increase in trade payables, other payables and accruals	**54,851**	3,162,598
(Decrease)/increase in retirement and other long-term employee benefits obligations	**(641,460)**	247,878
Cash generated from operations	**37,944,341**	30,925,098

* Total impairment provisions charged to the consolidated income statement for the year ended 31 December 2015 is HK$4,372,893,000 (2014: HK$6,094,392,000).

45 CASH GENERATED FROM OPERATIONS (Continued)

In the statement of cash flows, proceeds from sale of property, plant and equipment comprise:

	2015 HK$'000	2014 HK$'000
Net book amount (Note 6)	99,931	445,959
Net (losses)/gains on disposal of property, plant and equipment (Note 38)	(7,696)	12,674
Proceeds from disposal of property, plant and equipment	92,235	458,633

In the statement of cash flows, proceeds from sale of prepaid lease payments comprise:

	2015 HK$'000	2014 HK$'000
Net book amount (Note 7)	728	29,152
Net (losses)/gains on disposal of prepaid lease payments (Note 38)	(728)	101,792
Proceeds from disposal of prepaid lease payaments	—	130,944

46 COMMITMENTS

(i) Capital commitments

Capital expenditure contracted for at the end of the reporting period but not yet incurred is as follows:

	2015 HK$'000	2014 HK$'000
Contracted for but not provided in the financial statements		
– Capital expenditure in respect of the additions of property, plant and equipment	18,866,555	17,798,130
– Capital expenditure in respect of the acquisition of mining/exploration rights	5,509,951	7,268,648
– Capital expenditure in respect of the acquisition of intangible assets	7,188	61,976
	24,383,694	25,128,754

46 COMMITMENTS (Continued)

(ii) Operating lease commitments - as lessee

The Group has various land and buildings, office premises and other assets under non-cancellable operating lease agreements. The lease terms of the Group's agreements are between one to ten years.

Total future minimum lease payments under non-cancelable operating leases are as follows:

	2015 Land and buildings HK$'000	2015 Others HK$'000	2014 Land and buildings HK$'000	2014 Others HK$'000
No later than 1 year	**43,702**	**147,092**	51,609	144,774
Later than 1 year and no later than 5 years	**70,227**	**235,033**	73,524	286,876
Later than 5 years	**54,055**	**86,668**	41,779	105,983
	167,984	**468,793**	166,912	537,633

47 CHANGE IN OWNERSHIP INTERESTS IN A SUBSIDIARY WITHOUT CHANGE OF CONTROL

On 16 January 2015, the Group disposed of 10% of interests in China Resources Power Dengfeng Co., Ltd. ("Dengfeng Company") at a consideration of HK$389,555,000. After the disposal, the Group holds 75% of interests in Dengfeng Company. The carrying amount of the non-controlling interests in Dengfeng Company on the date of disposal was approximately HK$433,601,000. The Group recognised an increase in non-controlling interests of approximately HK$289,067,000 and an increase in equity attributable to owners of the Company of approximately HK$100,488,000. The effect of change in the ownership interests of Dengfeng Company on the equity attributable to owners of the Company during the period is summarised as follows:

	31 December 2015 HK$'000	31 December 2014 HK$'000
Carrying amount of non-controlling interests disposed	**(289,067)**	—
Consideration received from non-controlling interests	**389,555**	—
Gain on disposal recognised within equity	**100,488**	—

There were no changes in ownership interests in subsidiaries without change of control during the year ended 31 December 2014.

48 DISPOSAL OF A SUBSIDIARY

On 21 September 2015, the Group entered into an agreement with an independent third party to dispose of its 50% equity interest in Jinzhou Power Company at a consideration of RMB750,000,000 (equivalent to HK$914,342,000). After the transaction, the Group holds 50% of its equity interests jointly with the third party by virtue of contractual arrangements between the two parties, therefore Jinzhou Power Company is accounted for as a joint venture of the Group.

The cash flows from the disposal were as follows:

	HK$'000
Consideration received - Cash consideration	914,342
Less: cash and cash equivalents held by the subsidiary on the disposal date	(9,794)
Net proceeds from disposal	904,548

Net assets of Jinzhou Power Company as at the date of the disposal were as follows:

	HK$'000
Cash and cash equivalents	9,794
Trade and other receivables	1,019,446
Inventories	20
Property, plant and equipment (Note 6)	107,014
Prepaid lease payments (Note 7)	47,712
Deferred tax assets (Note 35)	150,309
Retirement and other long-term employee benefits obligations	(519,197)
Trade and other payables	(69,419)
Total identifiable net assets	745,679

The gain on disposal of Jinzhou Power Company was calculated as follows:

	HK$'000
50% of equity interest retained stated at fair value	914,342
Consideration received	914,342
	1,828,684
Less:	
Net assets disposed	(745,679)
Goodwill (Note 12)	(881,423)
	(1,627,102)
Add:	
Transfer from other comprehensive income	349,149
Gain on disposal of the subsidiary	550,731

49 AUDITORS' REMUNERATION

	2015 HK$'000	`2014 HK$'000
Auditor's remuneration		
– Audit services	**10,248**	10,211
– Non-audit services	**494**	78
	10,742	10,289

50 RELATED PARTY TRANSACTIONS

(a) The Group entered into two trademark licence agreements dated 17 October 2003 with CRNC and CRH, respectively, under which the Group was granted irrevocable, royalty free and non-exclusive licences to use certain trade marks and the rights to sub-license the same to any member of the Group in consideration of a nominal amount of HK$1 each.

(b) Key management compensation

Key management includes directors (executive and non-executive) and senior management. The compensation paid or payable to key management for employee services is shown below:

	2015 HK$'000	2014 HK$'000
Salaries and other short-term employee benefits	**40,841**	44,515
Post-employment benefits	**821**	916
	41,662	45,431

50 RELATED PARTY TRANSACTIONS (Continued)

(c) In addition to those disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the year:

Name of related company	Relationship	Nature of transactions	2015 HK$'000	2014 HK$'000
China Resources Co., Ltd. ("CRC")	Intermediate holding company	Interest expense	—	6,362
		Disposal of a subsidiary	—	39,393
CRH	Intermediate holding company	Interest expense	—	8,973
China Resources Property Management Co., Ltd.	Fellow subsidiary	Rental expense	**7,557**	8,416
China Resources (Shenzhen) Co., Ltd.	Fellow subsidiary	Rental expense	**8,196**	10,750
Beijing China Resources Building Co., Ltd.	Fellow subsidiary	Rental expense	**4,129**	—
Taiyuan China Resources Coal	Associate	Interest income (Note 10(b))	**157,580**	66,127
		Sales of coal	—	163
Shanxi Jinrun Coal and Power Co., Ltd	Associate	Interest expense	—	15,437
Certain subsidiaries of China Resources Cement Holdings Limited	Fellow subsidiaries	Sales of de-sulphur gypsum	**157**	2,952
		Sales of ash and slag	**714**	9,797
		Purchase of limestone powder	**1,953**	2,631
		Sales of carbon emission permit	—	12,976
		Sales of coal	—	3,300
China Resources Packaging Materials Co., Ltd.	Fellow subsidiary	Sales of coal	**2,071**	60,486
Jiangsu Zhenjiang Power	Associate	Sales of coal	**18,433**	528,862
		Sales of power	**23,743**	9,301
		Interest income	—	18,978
		Providing agency service fee	**25,049**	21,274
		Purchase of power volume quota	**4,049**	60,234
		Interest expense paid (Note 29)	**3,810**	2,561
CR Xuzhou Electric Power	Associate	Sales of coal	**13,052**	31,870
		Sales of power	**184,497**	186,706
		Providing agency service fee	**20,617**	21,182
		Interest income	—	19,155
		Providing maintenance service	**20,964**	20,498

50 RELATED PARTY TRANSACTIONS (Continued)

(c) In addition to those disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties during the year: *(continued)*

Name of related company	Relationship	Nature of transactions	2015 HK$'000	2014 HK$'000
Thriving Choice Limited	Fellow subsidiary	Interest expense	—	6,478
Nanjing Yanjiang Heating Power Co.,Ltd	Associate	Sales of heat	**78,890**	92,633
China Resouces Power Hezhou Co., Ltd	Joint venture	Management fee income	**38,178**	48,262
		Interest expense	—	3,714
		Providing maintenance service	**21,499**	24,113
Yangcheng Asia-america Daning Railway Operation Co., Ltd	Joint venture	Interest income (Note 11(b))	**23,595**	23,919
Shanxi Lanhua Daning Electric Power Co., Ltd	Joint venture	Interest income (Note 11(b))	**2,624**	1,978
Chongqing Energy (Guizhou) Coal and Power Co., Ltd	Associate	Interest income (Note 10(b))	**6**	—
China Resources Energy Service Co., Ltd	Fellow subsidiary	Contract environment management fee, contract energy management fee and exclusive operation fee	**92,969**	69,834
China Resources Bank of Zhuhai Company Limited	Fellow subsidiary	Interest expense paid (Note 32)	**239**	4,166
		Interest income received (Note 21)	**3,285**	6,565
Tianjin Zhonghai CR Marine	Joint venture	Purchase of coal transportation service	**139,355**	16,818

50 RELATED PARTY TRANSACTIONS (Continued)

(d) Transactions/balances with other state-controlled entities

The Group operates in an economic environment currently predominated by entities directly or indirectly owned or controlled, jointly controlled or significantly influenced by the Chinese government ("state-controlled entities"). In addition, the Group itself is part of a larger group of companies under CRNC, ultimate holding company of the Company, which is controlled by the Chinese State government. Apart from the transactions with the parent company and its subsidiaries which have been disclosed in other notes to the consolidated financial statement, the Group also conducts business with other state-controlled entities during the ordinary course of its business. The directors consider those state-controlled entities are independent third parties so far as the Group's business transactions with them are concerned.

The Group operates power plants in the PRC and sells all its electricity to the power grid companies which are state-controlled entities in the PRC. The Group also purchases/sells significant amounts of coal from/to certain state-controlled entities. Furthermore, the Group has certain borrowings and deposits with certain banks which are state-controlled entities in its ordinary course of business. The Group has also entered into various transactions, including other operating expenses with other state-controlled entities which individually and collectively were insignificant during the year.

51 CONTINGENCY

As at 31 December 2015, the Group provided certain guarantees amounting to HK$950,797,000 (2014: HK$1,051,518,000) to its related parties (Notes 10 and 11).

In addition, there were certain pending litigations and claims against the Group as of 31 December 2015. After consulting the legal counsels, the directors are of the view that the likelihood of any material financial impact to the Group is remote, therefore, no provisions have been made in light of such litigations and claims.

52 EVENTS AFTER THE BALANCE SHEET DATE

Other than disclosed elsewhere in the financial statements, the Group had no other significant subsequent event.

53 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY

Balance sheet of the Company

	As at 31 December	
	2015 HK$'000	2014 HK$'000
ASSETS		
Non-current assets		
Property, plant and equipment	389,849	327,371
Prepayment for non-current assets	66,726	66,828
Investments in subsidiaries	25,974,519	25,974,519
Loans to subsidiaries	17,820,049	6,963,466
Investments in associates	2,280,453	2,712,810
Investments in joint ventures	1,270,108	795,773
Available-for-sale investments	160,642	108,358
Derivative financial instruments	—	575,898
	47,962,346	37,525,023
Current assets		
Trade receivables, other receivables and prepayments	93,936	116,824
Amounts due from associates	10,948	11,571
Amounts due from joint ventures	26	650
Amounts due from other related companies	23,110,926	43,051,381
Cash and cash equivalents	1,776,378	1,268,405
	24,992,214	44,448,831
Total assets	72,954,560	81,973,854

53 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Balance sheet of the Company (Continued)

	Note	As at 31 December 2015 HK$'000	2014 HK$'000
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital		**22,252,458**	22,102,792
Other reserves	Note (a)	**(460,126)**	(534,945)
Retained earnings	Note (a)	**7,740,889**	4,648,630
Total equity		**29,533,221**	26,216,477
LIABILITIES			
Non-current liabilities			
Borrowings		**23,436,336**	36,587,480
Derivative financial instruments		**—**	72,276
		23,436,336	36,659,756
Current liabilities			
Trade payables, other payables and accruals		**189,214**	264,102
Loan from a subsidiary		**5,835,750**	5,835,750
Amounts due to joint ventures		**836**	634
Amounts due to other related companies		**1,683,662**	1,654,069
Current income tax liabilities		**89,220**	143,875
Borrowings		**12,159,750**	11,179,225
Derivative financial instruments		**26,571**	19,966
		19,985,003	19,097,621
Total liabilities		**43,421,339**	55,757,377
Total equity and liabilities		**72,954,560**	81,973,854

The balance sheet of the Company was approved by the Board of Directors on 21 March 2016 and was signed on its behalf.

Director   Director

53 BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

Note (a) Reserve movement of the Company

	Retained earnings HK$'000	Other reserve HK$'000
At 1 January 2014	5,416,908	(600,073)
Profit for the year	2,798,731	—
Dividends paid to owners of the Company (Note 44)	(3,567,009)	—
Cash flow hedges	—	63,371
Transfer of share option reserve on exercise of share options	—	(25,525)
Vesting of shares under medium to long-term performance evaluation incentive plan	—	27,282
At 31 December 2014	4,648,630	(534,945)
At 1 January 2015	**4,648,630**	**(534,945)**
Profit for the year	**6,902,777**	—
Dividends paid to owners of the Company (Note 44)	**(3,810,518)**	—
Cash flow hedges	—	**59,313**
Transfer of share option reserve on exercise of share options	—	**(8,841)**
Vesting of shares under medium to long-term performance evaluation incentive plan	—	**24,347**
At 31 December 2015	**7,740,889**	**(460,126)**

54 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP.622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP.622G))

(a) Directors' and chief executive's emoluments

The remuneration of each director and the chief executive for the year ended 31 December 2015 is set out below:

Name	Fees HK$'000	Salaries and bonus HK$'000	Pension costs HK$'000	Share-based compensation HK$'000	Total HK$'000
Zhou Junqing (i)	—	5,195	281	—	5,476
Zhang Shen Wen	—	3,671	78	—	3,749
Wang Xiao Bin	—	3,154	78	—	3,232
Ma Chiu Cheung, Andrew	345	—	—	—	345
Leung Oi-sie, Elsie	345	—	—	—	345
Ch'ien Kuo Fung, Raymond	300	—	—	—	300
Chen Ying (ii)	58	—	—	—	58
So Chak Kwong, Jack	345				345
Wang Yan (ii)	58	—	—	—	58
Du Wen Min (ii)	—	—	—	—	—
Wei Bin (ii)	—	—	—	—	—
	1,451	12,020	437	—	13,908

(i) Ms. Zhou Junqing is an Executive Director and the President of the Company, and acts as the chief executive of the Group.

(ii) Included in the directors' emoluments disclosed above, Mr. Chen Ying, Mr. Wang Yan, Mr. Du Wen Min and Mr. Wei Bin of the Company also received emoluments from the related companies.

54 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP.622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP.622G)) (Continued)

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

The remuneration of each director and the chief executive for the year ended 31 December 2014 is set out below:

Name	Fees HK$'000	Salaries and bonus HK$'000	Pension costs HK$'000	Share-based compensation HK$'000	Total HK$'000
Zhou Junqing (i)	—	5,690	281	—	5,971
Wang Yu Jun (ii)	—	1,303	51	—	1,354
Zhang Shen Wen	—	4,030	77	—	4,107
Wang Xiao Bin	—	3,435	77	—	3,512
Anthony H. Adams (iii)	165	—	—	—	165
Chen Ji Min (iv)	134	—	—	—	134
Ma Chiu Cheung, Andrew	300	—	—	—	300
Leung Oi-sie, Elsie	300	—	—	—	300
Ch'ien Kuo Fung, Raymond	300	—	—	—	300
Huang Dao Guo (vi)	43	—	—	—	43
Chen Ying	70	—	—	—	70
So Chak Kwong, Jack (v)	167	—	—	—	167
Wang Yan (vii)	27	—	—	—	27
Du Wen Min (ii)	—	—	—	—	—
Wei Bin (ii)	—	—	—	—	—
	1,506	14,458	486	—	16,450

(i) Ms. Zhou Junqing is an Executive Director and the President of the Company, and acts as the Chief Executive of the Group.

(ii) Mr Wang Yu Jun resigned from his position as an Executive Director and the chief excecutive of the Group on 22 September 2014.

(iii) Mr Adams resigned from his position as a Non-executive Director on 18 July 2014.

(iv) Mr Chen Ji Min resigned from his position as a Non-executive Director on 11 June 2014.

(v) Mr So Chak Kwong, Jack was appointed as a Non-executive Director on 11 June 2014.

(vi) Mr Huang Dao Guo resigned from his position as a Non-executive Director on 13 August 2014.

(vii) Mr Wang Yan was appointed as Non-executive Director on 13 August 2014.

(viii) Included in the directors' emoluments disclosed above, Mr. Chen Ying, Mr. Wang Yan, Mr. Du Wen Min and Mr. Wei Bin of the Company also received emoluments from the related companies.

During the year, no remuneration has been paid by the Group to the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

No directors have waived any remuneration during the year.

54 BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP.622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP.622G)) (Continued)

(b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2014: Nil).

(c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2015, the Company did not pay consideration to any third parties for making available directors' services (2014: Nil).

(d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

As at 31 December 2015, there are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and connected entities with such directors (2014: Nil).

(e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2014: Nil).

Corporate Information

Chairman & President	Zhou Junqing
Executive Directors	Zhou Junqing Zhang Shen Wen Wang Xiao Bin
Non-executive Directors	Du Wen Min Wei Bin Chen Ying Wang Yan
Independent Non-executive Directors	Ma Chiu Cheung, Andrew Leung Oi-Sie, Elsie K.F. Ch'ien, Raymond So Chak Kwong, Jack
Company Secretary	Wang Xiao Bin
Auditors	Pricewaterhouse Coopers
Legal Advisor	Morrison & Foerster
Share Registrar	Computershare Hong Kong Investor Services Limited Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
Registered Office	Rooms 2001-2002, 20th Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong. General Line: (852) 2593 7530 Facsimile: (852) 2593 7531

Informational for Investors

SHARE LISTING AND STOCK CODE

The Company's shares are listed on The Stock Exchange of Hong Kong Limited. Our stock code is 836.

FINANCIAL DIARY

Financial year end	31 December 2015
Announcement of final results	21 March 2016
Last day to register for final dividend	14 June 2016
Book close	31 May 2016 to 6 June 2016
Payment of final dividend	on or about 23 June 2016

SHAREHOLDER ENQUIRIES

For enquires about share transfer and registration, please contact the Company's Share Registrar:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong.
Telephone: (852) 2862 8628
Facsimile: (852) 2865 0990

For enquires from investors and securities analysts, please contact:

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