華電國際電力股份有限公司

Huadian Power International Corporation Limited*

*(A Sino-foreign investment joint stock company limited by shares incorporated in the People's Republic of China (the "**PRC**"))*

(Stock Code: 1071)

ANNUAL RESULTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

The board of directors (the "**Board**") of Huadian Power International Corporation Limited* (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the financial year ended 31 December 2014 extracted from the audited financial statements of the Group prepared in accordance with International Financial Reporting Standards ("**IFRSs**").

FINANCIAL AND BUSINESS SUMMARY

- Power generation amounted to 180.17 million MWh, representing a year-on-year increase of approximately 2.69%; the volume of power sold amounted to 168.74 million MWh, representing an increase of approximately 2.67% over 2013;

- Turnover amounted to approximately RMB67,782 million, representing an increase of approximately 2.62% over 2013;

- Profit for the year attributable to equity shareholders of the Company amounted to approximately RMB5,959 million, representing an increase of approximately 45.45% over 2013;

- Earnings per share was approximately RMB0.743, and the Board proposes to declare a final cash dividend of RMB0.27 per share (tax inclusive, based on the total share capital of 8,807,289,800 shares) for the financial year ended 31 December 2014, totalling RMB2,377,968,246 (tax inclusive). The total dividend accounts for approximately 40% of the profit for the year attributable to equity shareholders of the Company for 2014.

STATUTORY SURPLUS RESERVE

According to the Company's Articles of Association, the Company is required to transfer at least 10% (at the discretion of the Board) of its profit after tax, as determined under the PRC accounting rules and regulations, to its statutory surplus reserve until the surplus reserve balance reaches 50% of its registered capital. The transfer to the statutory surplus reserve must be made before the distribution of dividend to shareholders. The statutory surplus reserve can be used to make up losses (if any) of the previous years and may be converted into share capital by issuance of new shares to shareholders in proportion to their existing shareholdings or by increasing the par value of the shares currently held by them, provided that the balance after the issue of new shares is not less than 25% of the registered share capital. On 30 March 2015, the Board resolved to transfer 10% of the annual profit after tax as determined under the PRC accounting rules and regulations, amounting to RMB220,173,000 (2013: RMB69,927,000), to the statutory surplus reserve.

DIVIDENDS

Pursuant to a resolution passed at the Board meeting held on 30 March 2015, the Board proposes to declare a final cash dividend of RMB0.27 per share (tax inclusive, based on the total share capital of 8,807,289,800 shares) for the financial year ended 31 December 2014, totalling RMB2,377,968,246 (tax inclusive). The total dividend accounts for approximately 40% of the profit for the year attributable to equity shareholders of the Company for 2014. The dividend distribution proposal is subject to the approval by the shareholders at the annual general meeting.

THE GROUP'S MAJOR EXISTING ASSETS

The Group is one of the largest comprehensive energy companies in the PRC, and primarily engages in the construction and operation of power plants, including large-scale efficient coal- or gas-fired generating units and various renewable energy projects, and the development, construction and operation of coal mines. The power plants and companies affiliated with the Group are all strategically located in the vicinity of electricity load centres or coal mining regions.

As at the date of this announcement, the controlled power plants of the Group which have commenced operation totaled 47, with the total controlled installed capacity of the Group amounting to 38,093.3 MW, including 34,051 MW attributable to controlled coal- or gas-fired generating units, and 4,042.3 MW attributable to controlled renewable energy generating units such as hydropower, wind power, solar power and biomass energy power generating units. The coal mining enterprises controlled or invested by the Group totaled 16, with coal resource reserves of approximately 2.2 billion tonnes and expected production capacity of approximately 10 million tonnes/year. The details are as follows:

(1) Details of controlled coal- or gas-fired generating units are as follows:

	Name of power plant/company	**Installed capacity** *(MW)*	**Equity interest held by the Company**	**Generating units**
1	Zouxian Plant	2,575	100%	1 x 635MW + 1 x 600MW + 4 x 335MW
2	Shiliquan Plant	800	100%	2 x 330MW + 1 x 140MW
3	Laicheng Plant	1,200	100%	4 x 300MW
4	Huadian Zouxian Power Generation Company Limited("**Zouxian Company**")	2,000	69%	2 x 1,000MW
5	Huadian Laizhou Power Generation Company Limited ("**Laizhou Company**")	2,000	75%	2 x 1,000MW
6	Huadian Weifang Power Generation Company Limited ("**Weifang Company**")	2,000	45%	2 x 670MW + 2 x 330MW
7	Huadian Qingdao Power Generation Company Limited ("**Qingdao Company**")	1,220	55%	1 x 320MW + 3 x 300MW
8	Huadian Zibo Thermal Power Company Limited ("**Zibo Company**")	950	100%	2 x 330MW + 2 x 145MW
9	Huadian Zhangqiu Power Generation Company Limited ("**Zhangqiu Company**")	925	87.5%	1 x 335MW + 1 x 300MW + 2 x 145MW
10	Huadian Tengzhou Xinyuan Thermal Power Company Limited ("**Tengzhou Company**")	930	93.257%	2 x 315MW + 2 x 150MW
11	Huadian Longkou Power Generation Company Limited ("**Longkou Company**") (formerly "Shandong Century Electric Power Development Company Limited")	880	84.31%	4 x 220MW
12	Huadian Ningxia Lingwu Power Generation Company Limited ("**Lingwu Company**")	3,320	65%	2 x 1,060MW + 2 x 600MW
13	Ningxia Zhongning Power Generation Company Limited ("**Zhongning Company**")	660	50%	2 x 330MW

	Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
14	Sichuan Guang'an Power Generation Company Limited ("**Guang'an Company**")	2,400	80%	2 x 600MW + 4 x 300MW
15	Huadian Xinxiang Power Generation Company Limited ("**Xinxiang Company**")	1,320	90%	2 x 660MW
16	Huadian Luohe Power Generation Company Limited ("**Luohe Company**")	660	75%	2 x 330MW
17	Huadian Qudong Power Generation Company Limited ("**Qudong Company**")	660	90%	2 x 330MW
18	Anhui Huadian Suzhou Power Generation Company Limited ("**Suzhou Company**")	1,260	97%	2 x 630MW
19	Anhui Huadian Wuhu Power Generation Company Limited ("**Wuhu Company**")	1,320	65%	2 x 660MW
20	Anhui Huadian Lu'an Power Plant Company Limited ("**Lu'an Company**")	1,320	95%	2 x 660MW
21	Hangzhou Huadian Banshan Power Generation Company Limited ("**Hangzhou Banshan Company**")	2,545	64%	3 x 415MW+ 3 x 390MW + 1 x 130MW
22	Hangzhou Huadian Xiasha Thermal Power Company Limited ("**Xiasha Company**")	246	56%	1 x 88MW +2 x 79MW
23	Hebei Huadian Shijiazhuang Thermal Power Company Limited ("**Shijiazhuang Thermal Power Company**")	1,075	82%	2 x 300MW +2 x 200MW + 3 x 25MW
24	Hebei Huadian Shijiazhuang Luhua Thermal Power Company Limited ("**Luhua Company**")	660	90%	2 x 330MW
25	Hebei Huarui Energy Group Corporation Limited ("**Huarui Company**") *(Note)*	1,784.36	100%	—
26	Shaoguan City Pingshi Electric Power Plant Company Limited (Plant B) ("**Pingshi Power Company**")	725	100%	2 x 300MW + 1 x 125MW
27	Tianjin Huadian Fuyuan Thermal Power Company Limited ("**Fuyuan Thermal Power Company**")	400	100%	2 x 200MW

Note: As at the date of this announcement, the interested installed capacity of Huarui Company held by the Company amounted to 1,784.36 MW. The installed capacity of wind power of Hebei Huadian Yuzhou Wind Power Company Limited, a wholly-owned subsidiary of Huarui Company, amounted to 99 MW.

(2) Details of controlled renewable energy generating units are as follows:

	Name of power plant/company	Installed capacity *(MW)*	Equity interest held by the Company	Generating units
1	Huadian Suzhou Biomass Energy Power Company Limited ("**Suzhou Biomass Energy Company**")	25	78%	2 x 12.5MW
2	Sichuan Huadian Luding Hydropower Company Limited ("**Luding Hydropower Company**")	920	100%	4 x 230MW
3	Sichuan Huadian Za-gunao Hydroelectric Development Company Limited ("**Za-gunao Hydroelectric Company**")	591	64%	3 x 65MW + 3 x 56MW + 3 x 46MW + 3 x 30MW
4	Lixian Xinghe Ganbao Power Company Limited ("**Ganbao Company**")	34	100%	4 x 8.5MW
5	Lixian Xinghe Power Company Limited ("**Lixian Company**")	33	100%	3 x 11MW
6	Sichuan Liangshan Shuiluohe Hydropower Development Company Limited ("**Shuiluohe Company**")	324	57%	3 x 70MW + 3 x 38MW
7	Hebei Huadian Complex Pumping-storage Hydropower Company Limited ("**Hebei Hydropower Company**")	57	100%	1 x 16MW + 2 x 15MW + 1 x 11MW
8	Huadian Inner Mongolia Kailu Wind Power Company Limited ("**Kailu Wind Power Company**")	399	100%	262 x 1.5MW + 2 x 3MW
9	Huadian Kezuozhongqi Wind Power Company Limited ("**Kezuozhongqi Wind Power Company**")	49.5	100%	33 x 1.5MW
10	Huadian Power International Ningxia New Energy Power Company Limited ("**Ningxia New Energy Company**")	815	100%	48 x 2MW + 466 x 1.5MW + 20MW
11	Hebei Huadian Guyuan Wind Power Company Limited ("**Guyuan Wind Power Company**")	250.5	100%	167 x 1.5MW
12	Hebei Huadian Kangbao Wind Power Company Limited ("**Kangbao Wind Power Company**")	49.5	100%	24 x 2MW + 1 x 1.5MW
13	State Development Zhangjiakou Wind Power Company Limited ("**Zhangjiakou Wind Power Company**")	100.5	100%	67 x 1.5MW
14	Huadian Laizhou Wind Power Company Limited ("**Laizhou Wind Power Company**")	40.5	55%	27 x 1.5MW
15	Huadian Laizhou Wind Power Generation Company Limited ("**Laizhou Wind Company**")	48	100%	24 x 2MW
16	Huadian Laizhou Wind Energy Power Company Limited ("**Laizhou Wind Energy Company**")	49.8	55%	24 x 2MW+1 x 1.8MW
17	Huadian Changyi Wind Power Company Limited ("**Changyi Wind Power Company**")	49.5	100%	33 x 1.5MW
18	Huadian Zibo Wind Power Company Limited ("**Zibo Wind Power Company**")	48	100%	24 x 2MW
19	Huadian Longkou Wind Power Company Limited ("**Longkou Wind Power Company**")	49.5	65%	23 x 1.5MW + 6 x 2.5MW
20	Huadian Ningxia Ningdong Shangde Solar Power Company Limited ("**Shangde Solar Company**")	10	60%	10 x 1MW

(3) Details of coal mining enterprises controlled or invested by the Group are as follows

	Name of company	Percentage of equity interest held by the Group	Resource reserves *(million tonnes)*	Interested resource reserves *(million tonnes)*	Capacity *(thousand tonnes/year)*
1	Shanxi Shuozhou Pinglu Maohua Bailu Coal Company Limited	100%	395	395	1,200
2	Shanxi Shuozhou Pinglu Maohua Wantongyuan Coal Company Limited	70%	373	261	2,100
3	Shanxi Shuozhou Pinglu Maohua Dongyi Coal Company Limited	70%	128	90	900
4	Shunge Mining Industry Company Limited of Inner Mongolia Alxa League Shunge Mining Group	100%	28	28	450
5	Inner Mongolia Haoyuan Coal Company Limited	85%	77	65	1,200
6	Inner Mongolia Huatong Ruisheng Energy Company Limited	90%	116	104	3,000
7	Anhui Wenhui New Products Promotion Company Limited	51%	39	20	600
8	Ningxia Yinxing Coal Company Limited	50%	1,037	519	4,000
9	Sichuan Huayingshan Longtan Coal Power Company Limited ("**Longtan Company**") *(Note)*	45%	97	44	1,500
10	Otog Front Banner Changcheng Mine Company Limited	35%	111	39	600
11	Inner Mongolia Fucheng Mining Company Limited	35%	238	83	2,400
12	Otog Front Banner Zhengtai Trading Company Limited	35%	216	76	2,400
13	Otog Front Banner Changcheng No. 3 Mining Company Limited (former "Otog Front Banner Quanhui Trading Company Limited")	35%	723	253	3,000
14	Otog Front Banner Changcheng No. 5 Mining Company Limited (former "Otog Front Banner Baihui Trading Company Limited")	35%	199	70	1,800
15	Huadian Coal Industry Group Company Limited	12.72%	—	—	—
16	Shandong Luneng Heze Coal Power Development Company Limited	12.27%	—	—	—

Note: The Group holds 45% equity interests in Longtan Company through its non-wholly-owned subsidiary, Guang'an Company.

BUSINESS REVIEW

(1) Power Generation

Power generation of the Group in 2014 amounted to 180.17 million MWh, representing a year-on-year increase of approximately 2.69%; the volume of power sold amounted to 168.74 million MWh, representing a year-on-year increase of approximately 2.67%. The annual utilisation hours of the Group's generating units and equipment were 4,912 hours; in particular, the annual utilisation hours of the coal-fired generating units were 5,381 hours. Coal consumption for power supply was 305.77g/KWh, much lower than the national average level.

(2) Turnover

In 2014, turnover of the Group amounted to approximately RMB67,782 million, representing an increase of approximately 2.62% over 2013. Revenue generated from sale of electricity amounted to approximately RMB63,762 million, representing an increase of approximately 2.58% over 2013; revenue generated from sale of heat amounted to approximately RMB2,989 million, representing an increase of approximately 0.89% over 2013; and revenue from sale of coal was approximately RMB1,031 million, representing an increase of approximately 10.67% over 2013.

(3) Profit

In 2014, operating profit of the Group amounted to approximately RMB14,723 million, representing an increase of approximately 17.93% over 2013, mainly due to decrease in coal prices and increase in volume of power sold. For the year ended 31 December 2014, the profit for the year attributable to equity shareholders of the Company amounted to approximately RMB5,959 million, and earnings per share was approximately RMB0.743.

(4) The Capacity of Newly-added Generating Units:

From 1 January 2014 to the date of this announcement, the capacity of the Group's newly-added generating units amounted to 2,889.3MW:

Name of project	**Capacity** *(MW)*
Lu'an Company	1,320
Xiasha Company	246
Fuyuan Thermal Power Company	400
Shuiluohe Company	210
Zhangjiakou Wind Power Company	100.5
Ningxia New Energy Company	416
Laizhou Wind Energy Company	49.8
Changyi Wind Power Company	49.5
Zibo Wind Power Company	48
Longkou Wind Power Company	49.5
Total	2,889.3

(5) Projects Approved and Under Construction

As at the date of this announcement, the Group's major generating units which have been officially approved by the relevant State or local authorities and under construction are as follows:

Name of project	**Planned installed capacity**
Chongqing Fengjie Project	2 x 600MW generating units
Shiliquan Plant Expansion Project	1 x 600MW generating unit
Shuozhou Thermal Power Branch Project	2 x 300MW heat-power co-generating units
Qingdao Company Phase III Project	1 x 300MW heat-power co-generating unit
Tianjin Huadian Nanjiang Thermal Power Company Limited ("**Nanjiang Thermal Power Company**") Phase I Project	2 x 300MW heat-power co-generating units
Nanjiang Thermal Power Company Phase II Project	900MW gas-fired generating units
Hangzhou Huadian Jiangdong Thermal Power Company Limited Project	2 x 400MW gas-fired generating units
Huadian Zhejiang Longyou Thermal Power Company Limited Project	2 x 200MW gas-fired generating units
Shenzhen Huadian Pingshan Distributed Energy Resources Project	3 x 100MW gas-fired generating units
Shijiazhuang Thermal Power Company Natural Gas Thermal Co-generating Project	2 x 400MW gas-fired generating units
Distributed Energy Resources Project of Guangdong Shunde West Eco-industrial Park	3 x 59MW gas-fired generating units
Project of Shuiluohe Company	492MW hydroelectric generating units
Project of Ningxia New Energy Company	400MW wind power generating units
Project of Kangbao Wind Power Company	49.5MW wind power generating units
Jincheng Wind Power Phase II Project of Laizhou Wind Company	48MW wind power generating units
Phase I Project of Huadian Tai' erzhuang Wind Farm	50MW wind power generating units
Project of Huadian Xuwen Wind Power Company Limited	99MW wind power generating units
Project of Huadian Feicheng New Energy Power Company Limited	99.8MW wind power generating units
Phase I Project of Huadian Laixi Nanshu Wind Power Farm	49.8MW wind power generating units
Yaotaishan Project of Huadian Xiaxian Wind Power Company Limited	100MW wind power generating units
Phase I of Wind Power Project in Inner Mongolia Shangdu Xijingzi	49.5MW wind power generating units
Solar Power Generation Project in Saibei, Zhangjiakou, Hebei	4MW solar power generating units
Solar Power Generation Project in Baituyao, Guyuan, Hebei	20MW solar power generating units
Solar Power Generation Project in Naobaotu, Kangbao, Hebei	30MW solar power generating units
Total	8,168.6MW

BUSINESS OUTLOOK

(1) Competition Landscape and Development Trend of the Industry

Overall, China's economy is expected to maintain stable growth in 2015, with GDP growth rate at around 7%. The economy growth will enter into a new normality in which the growth rate is expected to shift from high speed towards medium speed, the structural adjustment is expected to be optimized and the growth driver is expected to be changed. China is expected to intensify the implementation of major policies for people's livelihood , and foster reforms on key social sectors, which is expected to stimulate the momentum and vitality of national economic development. Meanwhile, the State is expected to put more efforts in construction of "One Belt and One Road", thus benefiting to the energy enterprises.

For power industry, the elastic coefficient of power is expected to be lowered due to the slower economic growth and optimized industry structure. The growth of power generation is expected to linger at low level since the power utilisation hours is expected to go downward as a result of sluggish growth of electricity demand.

For coal industry, with combined effect of factors such as slower economic growth and rigid environmental protection requirements, the demand for coal remains depressing and the total supply is expected to be loose. Therefore, the structural over-supply is not expected to be changed fundamentally in short term while the price of thermal coal is expected to stay low.

As for capital market, the capital cost is going into a downward spiral amid relatively loose financing environment. As China is expected to continue to adopt the proactive fiscal policy and prudent monetary policy, the Company's financing cost is expected to be reduced further amid such loose financing environment in future.

According to the general pattern of the development of the industry, the power industry is expected to be in its booming cycle and is expected to last for a certain period. The relatively loose operating environment is expected to enable the Company to boost its profitability in a continuous manner.

(2) Risks for the Group and Countermeasures

1. Operational and developmental risks brought about by the changes in market environment

In 2015, China's economy is expected to maintain a stable growth, accompanied by stronger downward pressure. The economic growth rate is expected to be slightly slower than last year. The demand for power is expected to grow at low speed due to the slower economic growth, which is expected to become a new normality. As more installed capacity is put into operation, the annual utilisation hours of generating units and equipment is potentially going downward.

The new round of power system reform is about to initiate in China. The pilot reform in respect of tariff and electricity has been pressed ahead by the State in Shenzhen and other cities. The power companies is thus expected to be confronted with more intensive competition in the market with the advancement of the reform. The new competition in the power market will be more diversified, which is expected to focus on assets structure, cost and reliability. In addition, the marketing mode is also expected to be changed substantially. The aforesaid factors is expected to bring significant impact on the operation and development of the Company in future.

As China is intensifying the power system reform, the downside risks in tariff are expected due to the widely anticipated reform for market-oriented tariff.

Facing the above risks, the Company will seize the rare opportunity emerging from the prosperous cycle of the industry, strive for more planned power generation, aim for a larger market share and make the utilisation hours reach or exceed the "three same (三同)" standards during its operation and development in future. Being prepared for the unexpected and the crises, the Company will continuously enhance its profitability and risk resistance capacity, thus laying a solid foundation for sustaining the development of the Company and addressing the changes in the market. More efforts will be put in optimization of power structure, reduction of energy consumption, enhancement of reliability of the generating units, and reinforcement of marketing system reform, striving to become an early mover in the reform of power system. The Company will leverage on the new circumstances and new opportunities in the development of power source, and transform the advantages from projects in pipeline into the advantages in scientific development. Meanwhile, the Company will change its development mode from focusing on self-directed development to a favourable combination of self-directed development and acquisition of assets from its parent company, thus vigorously promoting the sustainable development of the Company and comprehensively enhancing the value creation capacity of the Company.

2. Environmental risk

Currently, the environmental capacity has reached or exceeded the limits. People are urging for a clean environment. By implementing the new Environmental Law, the State focuses on control of smog weather and takes strict precautions against the pollution source. Rigid management and severe punishment are exerted during the enforcement of the law. “Zero tolerance” was adopted for the breach of the Environmental Law. For the power enterprises, the investment in environmental protection will be further increased as more stringent requirements will be posed on the operation of environmental facilities.

In this regard, the Group will focus on environment protection work as a priority task from the angle of corporate sustainability and development. In particular, the Company will standardize the management of operation and maintenance of environmental facilities, and improve the operation rate and efficiency of environmental protection facilities, so as to ensure standard-compliant emission. Adhering to the principle of “safety and reliability, mature technology and being cost-effective”, the Company will continue to optimize and refine the route of the technological improvement, and advance the implementation of technological improvement in a continuous manner.

(3) Development Strategy and Operation Plan in 2015

The current year and further a few years represent an important period of strategic opportunities for the growth of the Company, and a critical period for the Company to accelerate the pace of building it into a comprehensive energy enterprise with relatively strong competitiveness. First, taking the opportunity that the power generation industry is in its boom period, the Company will strive to increase the benefits in an all-round way. Second, by grasping the new opportunities in the new circumstances of power development, the Company will concentrate its resources to transform its advantages of pipeline projects to advantages of scientific development as well as transform its growth mode to strengthen the positive interaction with the parent company, with an aim to enhance its level of sustainable development. Third, the Company will get prepared with forethoughts for the changes arising from the power system reform initiative to effectively enhance marketing ability and market competitiveness. Fourth, through putting additional efforts in building institutional system for law-compliance enterprise governance and the construction of internal control system, punishment and prevention system and integrity-related risk control system, the Company will endeavour to uplift the level of normalized operation in all aspects.

In 2015, based on the actual progress of newly-built projects, the Group expects to invest approximately RMB16 billion in projects of thermal power, hydropower, wind power, and coal mines, and approximately RMB4 billion in technological transformation projects in environmental protection and energy conservation. Under the circumstance that there is no significant change in external condition, the Group is expected to generate electricity of approximately 183 million MWh and to see a decrease in power-generating equipments utilization hours. In order to accomplish the abovementioned objectives, the Group will mainly focus on the following tasks:

1. Strengthen operation management with an aim to enhance economic benefits. We will put more efforts in factors control, lay emphasis on electricity output management, establish the regional unified management on the principle of benefit maximization, centrally coordinate the mechanism for market competition management and strive for planned output and market transacted output to increase our market share. Efforts will be focused on fuel management and control. By leveraging our advantage in intensive management of fuel procurement, we will deepen the strategic cooperation with selected coal enterprises and grasp the favourable timing of purchase so as to effectively lower the purchase price. We will continue to enhance finance management and strive for policy support. Efforts will be put to further improve the management mechanism for the integration of business and finance functions. The proportion of long-term bonds will be increased to optimize financing structure. We will increase our policy awareness, striving to achieve new breakthrough in policies on tariff, taxes, energy conservation and environment protection, so as to scale up the contribution from policy-related benefits.

2. Stick to scientific development to improve development quality. A comprehensive analysis will be made on the development potential and circumstances in each region to formulate the development plan of the Company in a scientific manner. We will expedite the pace in development of projects located at the economically developed areas in coastal regions and areas along the rivers, coal abundant areas and areas alongside the coal transportation lines and areas alongside the power export channels. While speeding up wind power development, we will put active efforts in hydropower development, increase our efforts in photovoltaic power development, develop gas turbine projects in a prudent manner, actively advance the equity participation in nuclear power projects and press ahead with the development of coal enterprise in a steady manner. In addition, the whole-process management and supervision is to be strengthened for project construction with an aim to improve the construction management and control level in each aspect.

3. Guarantee production safety. We will strictly implement the system of responsibility in safe production and place focus on shoring up troubleshooting and governance of hidden dangers in weak sections so as to further consolidate the safety base. Down-to-earth efforts will be put in environmental management to standardize the operation maintenance of environmental facilities, so as to improve the rate of operation commencement and efficiency of environmental facilities and ensure the emissions meet relevant standards. With an aim to standardize production management, the standardized management practices and the "Zero Misoperation" activity will be strengthened to ensure a long-term safe, economical and stable running of the units.

4. Deepen reform and innovation to promote lean management. Through further deepening the reform of coal procurement system, we aims to build an industry leading modern large-scale coal logistics enterprise and spend every effort in building the coal logistics industry chain, which will enable us to not only purchase coal at low lost, but also cultivate new profit driver.

5. Further enhance human resources management. We will establish a high-quality team of employees with a rational structure, continuously ramp up development of and incentives for key talents to provide strong personnel support for the Group's development.

MANAGEMENT DISCUSSION AND ANALYSIS

(1) Macroeconomic Conditions and Electricity Demand

According to preliminary accounting based on relevant information and statistics, the gross domestic product ("GDP") of the PRC in 2014 amounted to RMB63,646.3 billion, representing an increase of 7.4% over 2013 determined based on comparable prices. Power consumption of the whole society totaled 5,523.3 million MWh, representing a growth of 3.8% and a decrease of 3.8 percentage points in growth speed over 2013, of which the consumption of the primary industry accounted for 99.424 million MWh, representing a year-on-year decrease of 0.24%, secondary industry accounted for 4,065.019 million MWh, representing a year-on-year increase of 3.72%, and tertiary industry accounted for 665.998 million MWh, representing a year-on-year increase of 6.39% and the consumption by urban and rural residents accounted for 692.823 million MWh, representing a year-on-year increase of 2.24%.

(2) Turnover

In 2014, the Group strengthened the management, actively strove for planned output and optimized scheduling, and achieved a considerable increase in power generation. The total volume of power sold by the Group for the year was 168.74 million MWh, representing an increase of approximately 2.67% over 2013. Turnover for the year amounted to approximately RMB67,782 million, representing an increase of approximately 2.62% over 2013. The increase in turnover was mainly due to the growth in volume of power sold.

(3) Major Operating Expenses

In 2014, the operating expenses of the Group amounted to approximately RMB53,058 million, representing a decrease of approximately 0.95% over 2013. The particulars are as follows:

The principal contribution to the operating expenses of the Group was fuel costs, which amounted to approximately RMB32,797 million in 2014, representing a decrease of approximately 8.21% over 2013. The fuel cost accounted for approximately 61.81% of the Group's operating expenses, representing a decrease of approximately 4.89 percentage points over 2013. The Group's unit price of standard coal for furnace decreased of 12.64% over 2013.

Depreciation and amortisation expenses of the Group amounted to approximately RMB8,066 million in 2014, representing an increase of approximately 7.43% over 2013. This was mainly due to the increase in deprecation and amortisation of newly operated technical reconstruction projects and the commencement of operations of new generating units.

Repairs, maintenances and inspection expenses of the Group amounted to approximately RMB2,837 million in 2014, representing an increase of approximately 12.17% over 2013. This was mainly due to the increase in power generation and number of generating units undergoing repairs, and the increase in costs of consumable materials as a result of the commencement of operations of denitration equipments.

Personnel costs of the Group amounted to approximately RMB3,731 million in 2014, representing an increase of approximately 8.96% over 2013. This was mainly due to the increase in both personnel costs expensed and payment base of social insurance due to the commencement of operation of new generating units.

Administration expenses of the Group amounted to approximately RMB3,381 million in 2014, representing an increase of approximately 49.36% over 2013, which was mainly due to the increase in impairment loss.

Tax and levies on operation by the Group amounted to approximately RMB482 million in 2014, representing an increase of approximately 22.74% over 2013, which was mainly due to the reduction of coal price, resulting in the decrease in deducted input tax, and increase in value-add tax payables.

(4) Investment Income

Investment income of the Group amounted to approximately RMB167 million in 2014, representing an increase by approximately RMB164 million or approximately 5,297.32% over the year of 2013, which was mainly attributable to the gain on disposal of equity interest in a subsidiary and an associate.

(5) Share of Profit of Associates and Joint Ventures

In 2014, profit of associates and joint ventures attributable to the Group amounted to approximately RMB713 million, representing an increase of approximately 31.93% over 2013. This was mainly due to the increased income from power generation companies invested by the Group.

(6) Finance Costs

Finance costs of the Group in 2014 amounted to approximately RMB6,318 million, representing an increase of approximately 3.84% over 2013. This was mainly attributable to the commencement of operations of new generating units as well as the increase in cost of capital.

(7) Income tax

Income tax of the Group in 2014 amounted to RMB1,936 million, representing an increase of approximately 27.77% over 2013, which was mainly due to the impact of increase in the Group's profit.

(8) Pledge and Mortgage of Assets

As at 31 December 2014, the Company's subsidiaries, including Qingdao Company, Tengzhou Company, Zibo Wind Power Company, Changyi Wind Power Company, Zhangjiakou Wind Power Company, Guang'an Company, Lingwu Company, Suzhou Company, Luding Hydropower Company, Wuhu Company, Shijiazhuang Thermal Power Company, Hangzhou Banshan Company, Za-gunao Hydroelectric Company, Laizhou Company, Zhongning Company, Shuiluohe Company, and Ningxia New Energy Company, have altogether pledged their income stream in respect of the sale of electricity, and trade receivables for sale of electricity as security for loans amounting to approximately RMB18,862 million. In addition, the 75% equity interest in Pingshi Power Company held by the Company was pledged as security for repayment of the current portion of long-term payables due within one year guaranteed by the Company.

As at 31 December 2014, the generating units and relevant equipment, land use right and mining rights of Pingshi Power Company, Shuiluohe Company and Shanxi Maohua Energy Investment Company Limited were mortgaged to secure their loans amounting to RMB3,641 million.

(9) Indebtedness

As at 31 December 2014, the total borrowings of the Group amounted to approximately RMB82,725 million, of which borrowings denominated in US dollars and Euro amounted to approximately US$188 million and approximately EUR21 million, respectively. The liabilities to assets ratio was 77.26%, decreased of approximately 3.42 percentage points compared to 2013. Borrowings of the Group were mainly of floating rates. Short-term borrowings and long-term borrowings due within one year amounted to approximately RMB22,933 million, and long-term borrowings due after one year amounted to approximately RMB59,792 million. The closing balance of short-term and super short-term debenture payables of the Group amounted to approximately RMB16,805 million, and the medium-term notes (including the portion due within one year) and balance of the debt financing instruments issued through non-public offering to target subscribers (including the portion due within one year) amounted to approximately RMB14,445 million. The closing balance of obligations under finance lease of the Group amounted to RMB3,072 million, increased by RMB1,581 million or 106.08% as compared with last year.

(10) Contingent Liabilities

As at 31 December 2014, Guang'an Company, a subsidiary of the Company, provided guarantees to banks for loans amounting to approximately RMB76 million to Longtan Company, an associate of Guang'an Company.

(11) Provision

Provision represents the Group's best estimate of its liabilities and remedial work costs arising from mine disposal and environmental restoration based on industry standards and historical experience. As at 31 December 2014, the balance of the Group's provision amounted to RMB86 million.

(12) Cash Flow Analysis

In 2014, the net cash inflow from operating activities of the Group amounted to approximately RMB17,004 million, increased by approximately RMB1,554 million over 2013, mainly due to more power generation by the Group and lower procurement prices of coal in 2014; the net cash outflow used in investing activities amounted to approximately RMB18,579 million, increased by approximately RMB4,393 million over 2013, mainly due to the increase in external investment and construction in progress of the Group in 2014 as compared to that of 2013; the net cash inflow from financing activities amounted to approximately RMB3,860 million, varied by approximately RMB5,264 million over the net cash outflow from financing activities amounting to approximately RMB1,404 million in 2013, mainly due to increase in equity financing and bank loans of the Group in 2014.

(13) Impairment Loss

In 2014, according to the impairment testing results, the Group mainly made provisions for impairment loss for the assets of coal mining enterprises with an indication of impairment due to the long-term downturn of coal market. In 2014, the provisions for impairment loss are expected to result in a decrease of the total profit of the Group for 2014 by approximately RMB1,615 million and the profit for the year attributable to equity shareholders of the Company by approximately RMB1,191 million, respectively.

The board of directors of the Company is of the view that pursuant to the IFRSs, the provision for asset impairment is based on the principle of prudence, is well-founded, and fairly reflects the asset conditions of the Company and therefore approved the provision for asset impairment.

Significant Events and Subsequent Events

(1) Extraordinary General Meeting

The Company held the first extraordinary general meeting of 2014 on 13 January 2014. The general meeting considered and approved the resolution in relation to the election and appointments of Mr. Li Qingkui and Mr. Gou Wei as directors of the sixth session of the Board.

For details, please see the announcement in relation to the voting results of the extraordinary general meeting of the Company dated 13 January 2014.

The Company held the second extraordinary general meeting of 2014 on 23 December 2014. The general meeting considered and approved the Resolution on Amendments to the Articles of Association and Its Appendixes, the Codes on Shareholders' General Meetings and the Codes on Supervisory Committee, the Resolution on the Continuing Connected Transaction Contemplated under the Framework Agreement Entered into between the Company and China Huadian Corporation ("**China Huadian**"), the Resolution on the Financial Services Agreement Entered into between the Company and China Huadian Finance Corporation Limited, and the Resolution on Loans Provided by China Huadian and Shandong International Trust Corporation ("**Shandong International Trust**").

For details, please see the announcement in relation to the voting results of the extraordinary general meeting of the Company dated 23 December 2014.

(2) Appointment and Re-election of Directors of New Session of the Board and the Supervisory Committee

The term of office of both the sixth session of the Board and the sixth session of the Supervisory Committee of the Company expired at the conclusion of the 2013 annual general meeting. In accordance with the provisions under relevant laws and the Articles of Association, on 30 May 2014, the Company convened the 2013 annual general meeting, at which twelve members including Mr. Li Qingkui were elected to compose the seventh session of the Board of the Company. Mr. Wang Jixin resigned as a Director of the Board due to work reasons and Mr. Ding Huiping was elected and appointed as a Director of the Board. Mr. Li Xiaopeng, Mr. Peng Xingyu and the staff representative Mr. Chen Bin were elected to compose the seventh session of the Supervisory Committee of the Company. The term of office of both the seventh session of the Board and the seventh session of the Supervisory Committee is three years.

For details, please see the announcement in relation to the voting results of the annual general meeting of the Company dated 30 May 2014.

(3) Amendments to the Articles of Association

On 30 May 2014, the Company convened the annual general meeting, at which it considered and approved the amendments to relevant revisions and improvements to the contents regarding profit distribution in the Articles of Association.

For details, please see the announcement of the Company dated 13 January 2014 and 30 May 2014.

On 23 December 2014, the Company convened an extraordinary general meeting, at which relevant revisions and improvements to the contents in the Articles of Association and its appendixes were considered and approved in accordance with the Opinions on Further Standardising Operations and Intensifying Reforms of Companies Listed Overseas (Guo Jing Mao Qi Gai [1999] No. 230《關於進一步促進境外上市公司規範運作和深化改革的意見》(國經貿企改[1999] 230 號)), Guidelines on Articles of Association of Listed Companies (Revised in 2014) and relevant provisions under the laws, regulations and rules of the place where the Company is listed as well as the actual situation of the Company.

For details, please see the announcement of the Company dated 29 August 2014 and 23 December 2014.

(4) Completion of Subscription of 1,150,000,000 New A Shares with China Huadian ("2014 A Shares Subscription")

On 18 July 2014, the Company completed the 2014 A Shares Subscription, pursuant to which China Huadian has subscribed in cash for a total of 1,150,000,000 A Shares of the Company. In accordance with the Subscription Agreement Regarding Non-public Issuance of A Shares of Huadian Power International Corporation Limited between China Huadian Corporation and Huadian Power International Corporation Limited and the relevant requirements of the Rules Governing the Trading of Stocks on the Shanghai Stock Exchange, if any ex-right or ex-dividend event occurs during the period from the price determination date to the date of issuance, the subscription price per share will be adjusted accordingly. As the 2013 annual general meeting of the Company approved the profit distribution plan of RMB0.225 per share (tax inclusive), the ultimate subscription price of the 2014 A Shares Subscription was adjusted from the original RMB3.12 per share to RMB2.895 per share. The total proceeds raised amounted to approximately RMB3,329 million, with the net amount of approximately RMB3,311 million, which has been wholly used to supplement the working capital of the Company. Upon completion of the 2014 A Shares Subscription, China Huadian and its associates, as the ultimate beneficial owner, held 4,406,923,853 shares in aggregate, representing approximately 51.72% of the then enlarged total issued share capital of the Company.

For details, please see the announcements of the Company dated 30 May 2014, 26 June 2014, 21 July 2014 and 29 December 2014.

(5) Completion of Non-public Issuance of 286,205,600 H Shares (the "2014 Issuance of H Shares")

On 30 July 2014, the Company completed the issuance of an additional 286,205,600 H shares of the Company (the "**H Shares**"). Ten investors in total subscribed for the H Shares placed by the Company, at the placing price of HK$4.92 per share. The total proceeds raised amounted to approximately HK$1,408 million, and the net proceeds amounted to approximately HK$1,384 million, approximately 90% of which has been used to supplement the working capital of the Company in accordance with the intended use of proceeds as stated before. Upon completion of the 2014 Issuance of H Shares, the total share capital of the Company was increased to 8,807,289,800 Shares. The aggregate shareholding of China Huadian and its associates, as the ultimate beneficial owner, decreased to 50.04%.

For details, please see the announcements of the Company dated 23 July 2014, 30 July 2014 and 29 December 2014.

(6) Change of principal place of business in Hong Kong

The principal place of business of the Company in Hong Kong has been changed to 36/F, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong with effect from 1 December 2014.

For details, please see the announcement of the Company dated 1 December 2014.

(7) Proposed non-public issuance of A Shares and China Huadian A Shares Subscription.

On 29 December 2014, the Board resolved to propose a non-public issuance of A Shares ("**2015 Non-public Issuance of A Shares**"). The non-public issuance is proposed to target not more than ten specified investors, including China Huadian. The Shares to be issued under the non-public issuance are RMB denominated ordinary Shares of the Company with a nominal value of RMB1.00 per Share, which will be listed in the PRC (i.e., A Shares).The number of Shares to be issued under the non-public issuance will not exceed 1,418,000,000 A Shares, and the issue price shall be not less than RMB5.04 per Share and the final issue price will be determined by a book-building process. China Huadian will subscribe for an aggregate of not less than 20% of the number of A Shares actually issued under the issuance. China Huadian is a connected person of the Company, and therefore, its subscription for A Shares under the 2015 Non-public Issuance of A Shares constitutes a connected transaction of the Company. It was approved by independent shareholders at an extraordinary general meeting held on 13 February 2015.

The 2015 Non-public Issuance of A Shares is subject to other conditions, and the relevant new A Shares will be issued pursuant to the Refreshed General Mandate (as defined in the announcement of the Company dated 29 December 2014).

For details, please refer to the announcements of the Company dated 29 December 2014 and 13 February 2015; and the circular of the Company dated 20 January 2015.

(8) Re-designation of Directors, Change of General Manager and Change of Authorized Representative

On 30 March 2015, the Company convened the 7th meeting of the seventh session of the Board, at which the Board appointed Mr. Chen Bin (former non-executive Director of the Company) as an executive Director, a general manager and an authorized representative with effect from the conclusion of the 7th meeting of the seventh session of the Board. Terms of office of executive Director will expire on the expiration date of the seventh session of the Board, and is subject to re-election. Mr. Chen Bin will continue to serve as a member of the Nomination Committee and the Strategy Committee of the Company.

Mr. Chen Jianhua (former executive Director, general manager and authorized representative of the Company) has resigned as a general manager and an authorized representative of the Company due to work arrangement and served as a non-executive Director of the Company since 30 March 2015, until the expiration date of the seventh session of the Board and is subject to re-election. Mr. Chen Jianhua will continue to serve as a vice chairman and a member of the Strategy Committee of the Company. Mr. Chen Jianhua performed his due duty and responsibilities with diligence as executive Director of the Company, general manager and an authorized representative during his terms of office, the Company would like to express its gratitude for Mr. Chen Jianhua' s outstanding contribution to the development of the Company.

For details please refer to the announcement of the Company dated 30 March 2015.

SHAREHOLDINGS OF SUBSTANTIAL SHAREHOLDERS

So far as the directors of the Company are aware, each of the following persons, not being a director, supervisor, chief executive or members of the senior management of the Company, had an interest or short position as at 31 December 2014 in the Company's shares or underlying shares (as the case may be) which was disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "**SFO**"), or was otherwise interested in 5% or more of any class of issued share capital of the Company as at 31 December 2014, or was a substantial shareholder of the Company as at 31 December 2014 (as defined by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Hong Kong Listing Rules**"):

Name of shareholder	Class of shares	Number of shares held	Approximate percentage of the total number of shares of the Company in issue	Approximate percentage of the total number of A shares of the Company in issue	Approximate percentage of the total number of H shares of the Company in issue
China Huadian	A shares	4,604,661,853 *(Note 1)*	52.28%	64.95%	—
	H shares	85,862,000(L) *(Note 2)*	0.97%	—	5.00%
Shandong International Trust	A shares	800,766,729	9.09%	11.29%	—
JPMorgan Chase & Co.	H shares	188,164,650(L)	2.14%	—	10.95%
		10,668,298(S)	0.12%	—	0.62%
		47,669,554(P)	0.54%	—	2.77%
Alliance Bernstein L.P.	H shares	104,464,000(L)	1.19%	—	6.08%
Morgan Stanley	H shares	101,002,994(L)	1.15%	—	5.88%
		9,860,000(S)	0.11%	—	0.57%
BlackRock, Inc.	H shares	87,964,471(L)	1.00%	—	5.12%
		658,000(S)	0.01%	—	0.04%

(L) = long position
(S) = short position
(P) = lending pool

Note 1: As at 31 December 2014, China Huadian (as beneficial owner) held 4,321,061,853 A Shares, representing 60.95% of the Company's total issued A Shares. In addition, China Huadian entered into a conditional subscription agreement with the Company on 29 December 2014 in relation to China Huadian A Shares Subscription, pursuant to which, China Huadian agrees to subscribe in cash and the Company agrees to place to China Huadian an aggregate of not less than 20% of the new A Shares to be issued under the 2015 Non-public A Share Issuance (i.e. an aggregate of not more than 1,418,000,000 A Shares). As at the date of this announcement, the 2015 Non-public A Share Issuance and China Huadian A Shares Subscription have not been completed.

Note 2: So far as the directors of the Company are aware or are given to understand, these 85,862,000 H shares were held in the name of HKSCC Nominees Limited and were directly held through a wholly-owned subsidiary of China Huadian, namely, China Huadian Hong Kong Company Limited.

Save as disclosed above and so far as the directors are aware, as at 31 December 2014, no other person (other than the directors, supervisors, chief executive or members of senior management of the Company) had any interest or short position in the Company' shares or underlying shares (as the case may be) which was disclosed to the Company and the Hong Kong Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under section 336 of the SFO, or was otherwise a substantial shareholder (as defined in the Listing Rules) of the Company.

CORPORATE GOVERNANCE

The codes on corporate governance adopted by the Company include, but not limited to, the following documents:

1. Articles of Association;
2. Code on Shareholders' General Meetings, Code on Board Practices and Code on Supervisory Committee (as parts of the current Articles of Association of the Company);
3. Working procedures for Audit Committee, Remuneration and Appraisal Committee, Nomination Committee, and Strategic Committee of the Board of the Company;
4. Working Requirements for Independent Directors;
5. Working Requirements for Secretary to the Board;
6. Working Rules for General Manager;
7. Code on the Company's Investment Projects;
8. Management Methods on Raised Proceeds;
9. Management Methods on External Guarantees;
10. Management Rules on Information Disclosure;
11. Management Rules on Investor Relations and Implementation Procedures;
12. Code on Trading in Securities of the Company by Directors (Supervisors) of the Company;
13. Code on Trading in Securities of the Company by Employees of the Company;
14. Management Methods for Affairs of the Board of Directors;
15. Working Rules on Annual Report for the Audit Committee of the Board;
16. Working Rules on Annual Report for Independent Directors;
17. Management Methods on Connected Transactions; and
18. Insider Registration and Management Methods.

The Board is committed to the principles of corporate governance consistent with prudent management and enhancement of shareholders' value. Transparency, accountability and independence are enshrined under these principles.

The Board has reviewed the relevant requirements prescribed under the corporate governance codes adopted by the Company and its actual practices, and has taken the view that the corporate governance of the Company during the period has met the requirements under the code provisions in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 to the Hong Kong Listing Rules and there was no deviation from such provisions. In certain aspects, the corporate governance codes adopted by the Company are more stringent than the code provisions set out in the CG Code, the particulars of which are as follows:

— The Company has formulated the Code on Trading in Securities of Huadian Power International Corporation Limited* by Directors (Supervisors) and the Code on Trading in Securities of Huadian Power International Corporation Limited* by Employees, which are on terms no less exacting than those set out in the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), as set out in Appendix 10 to the Hong Kong Listing Rules.

— In addition to the Audit Committee, the Remuneration and Appraisal Committee and the Nomination Committee, the Company has established the Strategic Committee and stipulated the Working Procedures for the Strategic Committee.

— In the financial year of 2014, a total of 10 Board meetings were held by the Company.

— The Audit Committee comprises five members, including two non-executive directors and three independent non-executive directors.

DESIGNATED DEPOSITS AND OVERDUE TIME DEPOSITS

As at 31 December 2014, the Group's deposits placed with financial institutions or other parties did not include any designated or entrusted deposits, or any material time deposits which could not be collected by the Group upon maturity.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the financial year of 2014, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of its issued listed securities ("securities" having the meaning as ascribed thereto under paragraph 1 of Appendix 16 to the Hong Kong Listing Rules).

AUDIT COMMITTEE

The Company's Audit Committee has reviewed the annual results of the Group for 2014 and the financial statements prepared under IFRSs for the financial year ended 31 December 2014.

MATERIAL LITIGATION

As at 31 December 2014, some members of the Group were party to certain litigations arising from the Group's ordinary course of business or acquisition of assets. The final outcome of these contingent liabilities, litigations or other legal proceedings cannot be ascertained at present, but the management of the Group believes that any possible legal liability which may incur from the aforesaid cases will not have material adverse effect on the financial position and operating results of the Group.

By order of the Board
Huadian Power International Corporation Limited*
Li Qingkui
Chairman

As at the date of this announcement, the Board comprises:

Li Qingkui (Chairman, Non-executive Director), Chen Jianhua (Vice Chairman, Non-executive Director), Chen Dianlu (Vice Chairman, Non-executive Director), Chen Bin (Executive Director), Geng Yuanzhu (Executive Director), Wang Yingli (Non-executive Director), Gou Wei (Non-executive Director), Chu Yu (Non-executive Director), Wang Yuesheng (Independent Non-executive Director), Ning Jiming (Independent Non-executive Director), Yang Jinguan (Independent Non-executive Director) and Ding Huiping (Independent Non-executive Director).

Beijing, the PRC
30 March 2015

* *For identification purposes only*

I SUMMPARY OF FINANCIAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRSs

The consolidated financial information set out below is extracted from the audited consolidated financial statements prepared under IFRSs of the Group as set out in its 2014 annual report.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 31 December 2014
(Expressed in Renminbi)

	Notes	**2014** *RMB'000*	2013 *RMB'000*
Turnover	4	**67,781,771**	66,049,455
Operating expenses			
Fuel costs		**(32,796,510)**	(35,728,815)
Cost of coal sold		**(707,246)**	(799,552)
Depreciation and amortisation		**(8,065,685)**	(7,507,923)
Repairs, maintenance and inspection		**(2,836,626)**	(2,528,906)
Personnel costs	5	**(3,730,776)**	(3,423,951)
Administration expenses		**(3,380,610)**	(2,263,469)
Tax and levies on operation	6	**(481,688)**	(392,452)
Other operating expenses		**(1,059,155)**	(919,708)
		(53,058,296)	(53,564,776)
Operating profit		**14,723,475**	12,484,679
Investment income	7	**167,263**	3,099
Other revenue	8	**426,887**	366,557
Other net income	8	**(325,838)**	(281,174)
Interest income from bank deposits		**70,839**	64,800
Finance costs	9	**(6,317,901)**	(6,084,007)
Share of profits less losses of associates and a joint venture		**713,366**	540,722
Profit before taxation		**9,458,091**	7,094,676
Income tax	11	**(1,936,271)**	(1,515,481)
Profit for the year	10	**7,521,820**	5,579,195
Other comprehensive income/(expense) for the year (net of tax):			
Items that may be subsequently reclassified to profit or loss:			
Net fair value gain/(loss) on available-for-sale investments	12	**27,054**	(6,343)
Total comprehensive income for the year		**7,548,874**	5,572,852
Profit for the year attributable to:			
Equity shareholders of the Company		**5,959,045**	4,096,933
Non-controlling interests		**1,562,775**	1,482,262
		7,521,820	5,579,195
Total comprehensive income for the year attributable to:			
Equity shareholders of the Company		**5,985,780**	4,090,585
Non-controlling interests		**1,563,094**	1,482,267
		7,548,874	5,572,852
Basic earnings per share	13	**RMB0.743**	RMB0.556

Consolidated statement of financial position

As at 31 December 2014

(Expressed in Renminbi)

	Notes	2014 RMB'000	2013 RMB'000
Non-current assets			
Property, plant and equipment		**127,014,543**	119,045,738
Construction in progress		**19,744,389**	16,811,390
Lease prepayments		**1,976,102**	2,027,296
Intangible assets		**5,308,476**	4,644,694
Goodwill		**1,021,112**	1,033,120
Interests in associates and a joint venture		**10,226,885**	10,329,396
Available-for-sale investments		**386,832**	363,489
Other non-current assets		**2,048,035**	1,800,405
Deferred tax assets		**388,527**	259,669
		168,114,901	156,315,197
Current assets			
Inventories		**3,262,816**	3,156,314
Trade debtors and bills receivable	14	**8,954,117**	8,402,725
Deposits, other receivables and prepayments		**2,769,304**	2,315,572
Tax recoverable		**154,271**	84,120
Restricted deposits		**319,493**	33,283
Lease prepayments		**70,168**	69,369
Cash and cash equivalents		**5,204,959**	2,920,016
		20,735,128	16,981,399
Current liabilities			
Bank loans		**18,843,245**	20,602,798
Loans from shareholders		**550,000**	1,473,136
State loans		**9,633**	10,631
Other loans		**3,530,120**	2,266,205
Short-term debentures payable		**16,805,230**	17,250,400
Long-term debentures payables-current portion		**7,392,270**	1,498,965
Amount due to the parent company		**65,073**	14,326
Obligations under finance leases	15	**581,562**	362,372
Trade creditors and bills payable	16	**14,481,887**	12,100,180
Other payables		**7,241,535**	6,127,974
Tax payable		**579,543**	412,100
		70,080,098	62,119,087
Net current liabilities		**(49,344,970)**	(45,137,688)
Total assets less current liabilities		**118,769,931**	111,177,509

Consolidated statement of financial position *(Continued)*
As at 31 December 2014
(Expressed in Renminbi)

	Notes	2014 RMB'000	2013 RMB'000
Non-current liabilities			
Bank loans		**53,501,585**	50,773,395
Loans from shareholders		**550,000**	1,020,407
State loans		**86,712**	107,315
Other loans		**5,653,348**	6,209,423
Long-term debentures payable		**7,052,401**	11,866,318
Obligations under finance leases	15	**2,490,591**	1,128,410
Long-term payables		**410,447**	765,181
Provisions		**86,458**	80,050
Deferred government grants	8(a)	**989,726**	896,797
Deferred income		**2,210,399**	1,990,752
Deferred tax liabilities		**2,801,802**	2,859,754
		75,833,469	77,697,802
NET ASSETS		**42,936,462**	33,479,707
CAPITAL AND RESERVES			
Share capital		**8,807,290**	7,371,084
Reserves		**22,897,890**	15,639,437
Total equity attributable to equity shareholders of the Company		**31,705,180**	23,010,521
Non-controlling interests		**11,231,282**	10,469,186
TOTAL EQUITY		**42,936,462**	33,479,707

Notes to the financial statements

1. Basis of Preparation of the Financial Statements

The consolidated financial statements for the year ended 31 December 2014 comprise the Group and its interests in associates and a joint venture.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the financial instruments classified as available-for-sale are stated at their fair value.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in this financial information is determined on such a basis, except for leasing transactions that are within the scope of IAS 17 Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 Inventories, or value in use in IAS 36 Impairment of Assets. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

— Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

— Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

— Level 3 inputs are unobservable inputs for the asset or liability.

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

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

2. Changes in Accounting Policies

In the current year, the Group has applied, for the first time, the following new or revised IFRSs:

- Amendments to IFRS 10, IFRS12 and IAS 27 — Investment Entities
- Amendments to IAS 32 — Offsetting Financial Assets and Financial Liabilities
- Amendments to IAS 39 — Novation of Derivatives and Continuation of Hedge Accounting
- IFRS Interpretations Committee ("IFRIC") 21 — Levies

The application of the new or revised IFRSs in the current year has had no material effect on the amounts reported in this financial information and/or disclosures set out in this financial information.

3. Segment Information

The chief operating decision makers review the Group's revenue and profit as a whole, which is determined in accordance with the Group's accounting policies, for resources allocation and performance assessment. Therefore, the Group has only one operating and reportable segment and no further segment information is presented in this financial information. The Group's major customers are the power grid operators in relation to the sale of electricity and the revenue has been disclosed in note 4. The Group's assets are mainly located in the PRC.

4. Turnover

Turnover represents the sale of electricity, heat and coal. Major components of the Group's turnover are as follows:

	2014	2013
	RMB'000	*RMB'000*
Sale of electricity	**63,761,606**	62,154,933
Sale of heat	**2,988,856**	2,962,605
Sale of coal	**1,031,309**	931,917
	67,781,771	66,049,455

5. Personnel costs

	2014	2013
	RMB'000	*RMB'000*
Wages, welfare and other benefits	**2,521,607**	2,313,029
Retirement costs	**573,994**	490,819
Other staff costs	**635,175**	620,103
	3,730,776	3,423,951

6. Tax and levies on operation

Tax and levies on operation represent city maintenance and construction tax and education surcharge, which are calculated at 1–7% and 3–5% (2013: 1–7% and 3–5%), respectively, of net value added tax ("**VAT**") payable.

7. Investment income

	2014	2013
	RMB'000	*RMB'000*
Gain on disposal of a subsidiary	**115,835**	—
Gain on disposal of an associate	**48,517**	—
Gain on disposal of available-for-sale investment	**—**	271
Dividend income from listed available-for-sale investment	**2,050**	1,893
Dividend income from unlisted available-for-sale investments	**861**	935
	167,263	3,099

8. Other revenue and net income

	2014	2013
	RMB'000	*RMB'000*
Other revenue		
Government grants *(note (a))*	**270,445**	268,185
Revenue from upfront connection and installation fees for heating networks	**111,835**	91,406
Others	**44,607**	6,966
	426,887	366,557

	2014	2013
	RMB'000	*RMB'000*
Other net income		
Net loss on disposal of property, plant and equipment	**(571,449)**	(404,293)
Net income from sale of materials	**380,560**	291,965
Electricity price regulation fund *(note (b))*	**(124,823)**	(121,663)
Others	**(10,126)**	(47,183)
	(325,838)	(281,174)

Notes:

(a) Government grants mainly represent the grants from government for heat supply and environmental protection. There is no unfulfilled condition relating to those grants.

In addition, for grants related to assets, such grants have been deferred and released to profit or loss in accordance with the useful lives of the related assets. In 2014, the Group received such grants amounting to RMB154 million (2013: RMB184 million), and the amount released to profit or loss is RMB61 milllion (2013: RMB61 million).

(b) Electricity price regulation fund represents the expenses levied on electricity supplied by subsidiaries located in Ningxia Hui Autonomous Region ("**Ningxia**") to other provinces in the PRC. Payment or collection of such fund to government is based on regulations issued by Ningxia local authorities.

9. Finance costs

	2014 *RMB'000*	2013 *RMB'000*
Interest on loans and other financial liabilities wholly repayable within five years	**4,461,595**	3,993,877
Interest on loans and other financial liabilities not wholly repayable within five years	**2,323,447**	2,656,759
Less: interest capitalised	**(699,349)**	(639,269)
	6,085,693	6,011,367
Net foreign exchange loss/(gain)	**10,071**	(48,230)
Amortisation on unrecognised finance charges	**150,332**	79,339
Other finance costs	**71,805**	41,531
	6,317,901	6,084,007

The borrowing costs have been capitalised at an average rate of 6.38% per annum (2013: 6.26%) for construction in progress.

10. Profit for the year

Profit for the year is arrived at after charging/(crediting):

	2014 *RMB'000*	2013 *RMB'000*
Amortisation		
— Lease prepayments	**69,685**	72,535
— Intangible assets and other assets	**156,948**	146,074
Auditors' remuneration	**9,600**	8,600
Cost of inventories expensed	**36,032,935**	38,861,805
Depreciation	**7,839,052**	7,289,314
Impairment losses		
— Trade debtors and bills receivable	**79,269**	11,473
— Deposits, other receivables and prepayments	**5,873**	76
— Inventories	**21,016**	—
— Construction in progress	**48,158**	5,987
— Property, plant and equipment	**1,506,847**	419,620
— Available-for-sale investments	**—**	1,161
— Long-term receivables	**—**	97,861
Reversal of impairment losses		
— Trade debtors and bills receivable	**(156)**	(544)
— Deposits, other receivables and prepayments	**(45,267)**	(7,975)
— Inventories	**(979)**	—
Operating lease charges in respect of land and buildings	**107,746**	104,770
Research and development costs	**19,701**	30,261

11. Income tax in the consolidated statement of profit or loss and other comprehensive income

	2014 *RMB'000*	2013 *RMB'000*
Current tax		
Charge for PRC enterprise income tax for the year	**2,120,505**	1,331,008
Under/(over) provision in respect of prior years	**13,042**	(9,765)
	2,133,547	1,321,243
Deferred tax		
Origination and reversal of temporary differences and tax losses	**(197,276)**	194,238
Total income tax expense in the consolidated statement of profit or loss and other comprehensive income	**1,936,271**	1,515,481

12. Other comprehensive income/(expenses)

	2014 *RMB'000*	2013 *RMB'000*
Available-for-sale equity securities:		
Changes in fair value recognised for the year	**32,890**	(8,512)
Net deferred tax (charged)/credited to other comprehensive income	**(5,836)**	2,169
Other comprehensive income/(expense), net of income tax	**27,054**	(6,343)

13. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company for the year ended 31 December 2014 of RMB5,959 million (2013: RMB4,097 million) and the weighted average of 8,018,787,948 ordinary shares in issue during the year (2013: 7,371,084,200 shares).

(b) Diluted earnings per share

No diluted earnings per share was presented as there were no potential ordinary shares outstanding during the years ended 31 December 2014 and 2013.

14. Trade debtors and bills receivable

	2014	2013
	RMB'000	*RMB'000*
Trade debtors and bills receivable for the sale of electricity	**8,076,581**	7,302,703
Trade debtors and bills receivable for the sale of heat	**377,171**	463,741
Trade debtors and bills receivable for the sale of coal	**594,941**	670,439
	9,048,693	8,436,883
Less: allowance for doubtful debts	**(94,576)**	(34,158)
	8,954,117	8,402,725

Notes:

(i) As at 31 December 2014, trade and bills receivables of the Group include factored trade receivables with recourse totalling RMB442 million (2013: RMB484 million). These receivables were not derecognised as the Group remains exposed to the credit risk of these receivables. The carrying amount of the associated bank loans amounted to RMB400 million (2013: RMB450 million).

(ii) At 31 December 2014, the Group endorsed certain bills receivable accepted by banks in the PRC (the "**Endorsed Bills**") with a carrying amount of RMB321 million (2013: RMB336 million) to certain of its suppliers in order to settle the trade payables due to such suppliers (the "**Endorsement**"). In the opinion of the directors, the Group has retained the substantial risks and rewards, which include default risks relating to such Endorsed Bills, and accordingly, it continued to recognise the full carrying amounts of the Endorsed Bills and the associated liabilities. Subsequent to the Endorsement, the Group does not retain any rights on the use of the Endorsed Bills, including sale, transfer or pledge of the Endorsed Bills to any other third parties. The aggregate carrying amount of the trade payables and other payables settled by the Endorsed Bills is RMB321 million (2013: RMB336 million) as at 31 December 2014.

(iii) As at 31 December 2014, bank acceptance bills discounted or endorsed to banks and suppliers of RMB2,770 million (2013: RMB1,625 million) are derecognised by the Group (the "Derecognised Bills "). In accordance with the Law of Negotiable Instruments in the PRC, the holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "**Continuing Involvement**"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant. Losses related to derecognition of the Derecognised Bills was RMB1.3 million (2013: RMB3.86 million) in total and charged into profit or loss.

(iv) As at 31 December 2014, trade receivables amounted to RMB830 million (2013: RMB930 million) had been factored to a bank on a non-recourse basis. These trade receivables were derecognised as the Group had transferred the significant risks and rewards relating to the trade receivables to the bank under the non-recourse factoring agreements. Losses related to derecognition of the derecognised trade receivables was RMB0.7 million (2013: RMB1.3 million) in total and charged into profit or loss.

14. Trade debtors and bills receivable *(Continued)*

As at 31 December 2014, the ageing analysis of trade debtors and bills receivable (net of allowance for doubtful debts), presented based on the invoice date, which approximated to the revenue recognition date, is as follows:

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**8,552,193**	8,016,756
1 to 2 years	**111,498**	274,014
2 to 3 years	**204,242**	111,572
Over 3 years	**86,184**	383
	8,954,117	8,402,725

Receivables from sale of electricity and heat are due within 30 days and 90 days from the date of billing, respectively. Receivables from sale of coal are due within 60 days from the date of billing.

15. Obligations under finance leases

The Group had obligations under finance leases payable as follows:

	At 31 December 2014		At 31 December 2013	
	Present value of the minimum lease payments	**Total minimum lease payments**	Present value of the minimum lease payments	Total minimum lease payments
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*
Within 1 year	**581,562**	**752,876**	362,372	376,437
After 1 year but within 2 years	**621,549**	**772,655**	277,246	305,459
After 2 years but within 5 years	**1,669,042**	**1,872,776**	646,771	821,805
After 5 years	**200,000**	**216,115**	204,393	335,573
	2,490,591	**2,861,546**	1,128,410	1,462,837
	3,072,153	**3,614,422**	1,490,782	1,839,274
Less: total future interest expenses		**(542,269)**		(348,492)
Present value of finance lease obligations		**3,072,153**		1,490,782

In 2014, the Group entered into nine new agreements with independent leasing companies to sell certain of the Group's facilities to those leasing companies and leaseback the facilities for a 5-year period. The Group has an option to purchase these facilities at a nominal price of RMB1 at the end of the lease period. As at 31 December 2014, the carrying amounts of the facilities held under finance lease included in generators, machinery and equipement of property, plant and equipment and concession assets of intangible assets amounted to RMB3,924 million and RMB265 million (2013: RMB1,712 million and RMB282 million), respectively.

16. Trade creditors and bills payable

As at 31 December 2014, the ageing analysis of trade creditors and bills payable, presented based on the invoice date, is as follows:

	2014	2013
	RMB'000	*RMB'000*
Within 1 year	**10,728,824**	9,219,493
1 to 2 years	**1,682,652**	1,585,383
Over 2 years	**2,070,411**	1,295,304
	14,481,887	12,100,180

17. Dividends

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

	2014	2013
	RMB'000	*RMB'000*
Final dividend proposed after the end of reporting period of RMB0.270 per share (2013: RMB0.225 per share)	**2,377,968**	1,658,494

Pursuant to a resolution passed at the Directors' meeting held on 30 March 2015, final dividend of RMB0.270 per share will be payable to shareholders for 2014, subject to the approval of the shareholders at the coming annual general meeting.

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

	2014	2013
	RMB'000	*RMB'000*
Final dividend in respect of the previous financial year approved and paid during the year, of RMB0.225 per share (2013: RMB0.065 per share)	**1,658,494**	479,120

18. Acquisition of a subsidiary

On 1 April 2014, the Group acquired 100% interests in State Development Zhangjiakou Wind Power Company Limited ("**Zhangjiakou Wind**"). Zhangjiakou Wind is principally engaged in the generation and sale of electricity and was acquired with the objective of improving the Group's power of generation and sale of electricity in Hebei Province.

Consideration transferred

The fair value of the total consideration transferred was RMB225 million, which was fully paid in cash by the Group.

Acquisition-related costs

Acquisition-related costs amounting to RMB0.3 million have been excluded from the cost of acquisition and have been recognised directly as an expense in the current reporting period and included in the 'administrative expenses' line item in the consolidated statement of profit or loss and other comprehensive income.

18. Acquisition of a subsidiary *(Continued)*

Assets and liabilities recognised at the date of acquisition

	RMB'000
Property, plant and equipment	11,729
Construction in process	12,693
Intangible assets	754,178
Trade debtors and bills receivable	12,001
Deposits, other receivables and prepayments	296
Cash and cash equivalents	6,298
Trade creditors and bills payable	(2,320)
Other payables	(33,307)
Bank loans	(535,000)
Deferred tax liabilities	(4,630)
	221,938

Goodwill arising on acquisition

	RMB'000
Consideration transferred	225,000
Less: recognised amount of identifiable net assets acquired (100%)	(221,938)
Goodwill on acquisition	3,062

Goodwill arising in the acquisition of Zhangjiakou Wind represented the anticipated future operating synergies in the wind power operation from the combination.

The trade and bills receivables acquired with a fair value of RMB12 million at the date of the acquisition had gross contractual amounts of RMB12 million.

Net cash outflow arising on acquisition

	RMB'000
Consideration paid in cash	225,000
Less: cash and cash equivalent balances acquired	(6,298)
	218,702

Impact of acquisition on the results of the Group

Included in the profit for the year is RMB0.55 million profit attributable to Zhangjiakou Wind. Turnover for the year includes RMB55 million attributable to Zhangjiakou Wind. Had the acquisition of Zhangjiakou Wind been effected at the beginning of the year, the total amount of turnover of the Group for the year would have been RMB67,796 million and the amount of the profit for the year would have been RMB7,519 million.

The 'proforma' information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the year, nor is it intended to be a projection of future results.

In determining the 'pro-forma' turnover and profit of the Group had Zhangjiakou Wind been acquired at the beginning of the year, the directors calculated depreciation and amortisation of property, plant and equipment and intangible assets based on the recognised amounts at the date of the acquisition.

19. CONTINGENT LIABILITIES

As at 31 December 2014, a subsidiary of the Company was the defendant in certain lawsuits for events incurred before the acquisition date. At the end of the reporting period, above lawsuits were in progress whose final outcomes cannot be determined at present, the directors of the Company considered that the outcome of these outstanding lawsuits will not result in significant adverse effect on the financial position and operating results of the Group.

Sichuan Guang'an Power Generation Company Limited, a subsidiary of the Group, provided guarantees to banks for loans granted to Sichuan Huayingshan Longtan Coal Company Limited amounting to RMB76 million (2013: RMB87 million); Ningxia Zhongning Power Generation Company, a subsidiary of the Group, provided guarantees to banks for loans granted to China Aluminium Ningxia Energy Group Company Limited (formerly known as Ningxia Power Company (Group) Limited, hereinafter referred to as "Ningxia Power Company"). At 31 December 2014, the financial guarantee to Ningxia Power Company is released (2013: RMB20 million).

Apart from the above litigations and guarantees, the Group has no other material contingent liabilities as at 31 December 2014 (2013: Nil).

II. SUMMARY OF FINANCIAL INFORMATION IN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER CHINA ACCOUNTING STANDARDS FOR BUSINESS ENTERPRISES ("CAS")

The consolidated financial information set out below is extracted from the audited consolidated financial statements prepared under CAS of the Group as set out in its 2014 annual report.

Consolidated balance sheet and balance sheet

As at 31 December 2014
(Expressed in Renminbi'000)

Item	The Group **31 Dec. 2014**	The Group 31 Dec. 2013 (Restated)	The Company **31 Dec. 2014**	The Company 31 Dec. 2013 (Restated)
Current assets:				
Cash at bank and on hand	**5,524,452**	2,953,299	**1,559,719**	371,814
Bills receivable	**1,456,480**	1,054,155	**400**	200
Trade receivables	**7,497,637**	7,348,570	**745,344**	710,228
Prepayments	**483,241**	709,363	**109,560**	27,380
Dividends receivable	**442,587**	186,842	**1,295,615**	168,572
Other receivables	**1,017,709**	611,901	**9,698,033**	9,263,355
Inventories	**3,262,816**	3,156,314	**453,979**	370,431
Other current assets	**980,038**	891,586	**95,108**	82,328
Total current assets	**20,664,960**	16,912,030	**13,957,758**	10,994,308
Non-current assets:				
Available-for-sale financial assets	**386,519**	363,176	**130,109**	130,109
Long-term receivables	**205,710**	105,530	**209,429**	266,516
Long-term equity investments	**10,210,214**	10,312,725	**41,126,007**	39,928,091
Fixed assets	**119,985,997**	110,463,122	**7,977,147**	7,784,282
Construction in progress	**17,485,197**	14,703,640	**3,386,447**	1,607,249
Construction materials	**73,109**	781,502	**24,645**	3,583
Construction and construction material prepayments	**2,233,919**	1,374,046	**910,644**	778,549
Intangible assets	**14,061,314**	14,985,399	**116,722**	115,567
Goodwill	**847,500**	859,508	**12,111**	12,111
Deferred tax assets	**267,818**	262,292	**—**	—
Other non-current assets	**1,842,325**	1,694,875	**200,054**	26,673
Total non-current assets	**167,599,622**	155,905,815	**54,093,315**	50,652,730
Total assets	**188,264,582**	172,817,845	**68,051,073**	61,647,038

Consolidated balance sheet and balance sheet *(Continued)*

As at 31 December 2014

(Expressed in Renminbi'000)

Item	The Group 31 Dec. 2014	The Group 31 Dec. 2013 (Restated)	The Company 31 Dec. 2014	The Company 31 Dec. 2013 (Restated)
Current liabilities:				
Short-term loans	**15,625,907**	15,066,948	**6,616,957**	5,562,356
Bills payable	**1,007,551**	734,798	**198,854**	—
Trade payables	**13,534,982**	11,365,382	**911,961**	838,533
Receipts in advances	**1,349,167**	1,021,317	**5,515**	4,202
Wages payable	**137,995**	125,073	**26,425**	24,688
Taxes payable	**1,058,317**	742,130	**64,481**	43,089
Interests payable	**697,465**	657,604	**503,168**	433,790
Dividends payable	**262,659**	12,906	**—**	—
Other payables	**4,057,914**	3,727,320	**1,174,997**	1,283,564
Other current liabilities	**16,805,230**	17,250,400	**16,805,230**	17,250,400
Non-current liabilities due within one year	**15,542,911**	11,415,209	**8,401,288**	3,094,091
Total current liabilities	**70,080,098**	62,119,087	**34,708,876**	28,534,713
Non-current liabilities:				
Long-term loans	**59,791,645**	58,110,540	**3,554,926**	3,530,217
Debentures payable	**7,052,401**	11,866,318	**7,052,401**	11,866,318
Long-term payables	**2,901,038**	1,893,591	**—**	—
Special payables	**11,667**	12,266	**5,656**	5,656
Provision	**86,458**	80,050	**—**	—
Deferred tax liabilities	**2,602,610**	2,777,119	**46,121**	46,121
Deferred income	**2,744,397**	2,418,731	**28,469**	23,327
Total non-current liabilities	**75,190,216**	77,158,615	**10,687,573**	15,471,639
Total liabilities	**145,270,314**	139,277,702	**45,396,449**	44,006,352
Shareholders' equity:				
Share capital	**8,807,290**	7,371,084	**8,807,290**	7,371,084
Capital reserve	**9,264,804**	6,323,944	**8,984,046**	6,015,946
Other comprehensive income	**27,444**	709	**8,809**	149
Specific reserve	**107,674**	60,611	**81,084**	23,344
Surplus reserve	**1,830,257**	1,610,084	**1,830,257**	1,610,084
Retained earnings	**11,617,118**	7,593,971	**2,943,138**	2,620,079
Total equity attributable to equity shareholders of the Company	**31,654,587**	22,960,403	**22,654,624**	17,640,686
Minority interests	**11,339,681**	10,579,740	**—**	—
Total shareholders' equity	**42,994,268**	33,540,143	**22,654,624**	17,640,686
Total liabilities and shareholders' equity	**188,264,582**	172,817,845	**68,051,073**	61,647,038

Consolidated income statement and income statement

For the year ended 31 December 2014

(Expressed in Renminbi'000)

	The Group		The Company	
Item	**2014**	2013	**2014**	2013
1. Total operating income	**68,397,717**	66,624,666	**10,068,190**	9,206,506
2. Total operating cost				
Less: Operating costs	**49,326,514**	51,042,080	**7,252,458**	7,543,991
Sales taxes and surcharges	**528,885**	449,746	**97,700**	100,197
Administrative expenses	**1,772,793**	1,763,713	**391,221**	425,422
Finance expenses	**6,247,062**	6,019,207	**1,624,322**	1,548,735
Impairment loss	**1,614,761**	527,659	**2,030,758**	193,738
Add: Investment income	**831,772**	509,154	**3,572,936**	1,157,094
Including: income from investment in associates and joint venture	**664,509**	506,055	**163,072**	179,809
3. Operating profit	**9,739,474**	7,331,415	**2,244,667**	551,517
Add: Non-operating income	**413,838**	475,415	**15,566**	186,167
Including: profit on disposal of non-current assets	**16,382**	130,936	**6,284**	180,650
Less: Non-operating expenses	**751,586**	586,450	**58,507**	38,412
Including: loss on disposal of non-current assets	**587,831**	372,758	**52,777**	31,735
4. Total profit	**9,401,726**	7,220,380	**2,201,726**	699,272
Less: Income tax expenses	**1,943,046**	1,565,121	**—**	—
5. Net profit	**7,458,680**	5,655,259	**2,201,726**	699,272
Attributable to equity shareholders of the Company	**5,901,814**	4,138,608	**2,201,726**	699,272
Minority interests	**1,556,866**	1,516,651	**—**	—

Consolidated income statement and income statement *(Continued)*

For the year ended 31 December 2014

(Expressed in Renminbi'000)

	The Group		The Company	
Item	**2014**	2013	**2014**	2013
6. Other comprehensive income, net of tax	**27,054**	(6,343)	**8,660**	149
Attributable to equity shareholders of the Company, net of tax	**26,735**	(6,348)	**8,660**	149
(i) Items that will not be subsequently reclassified to profit or loss:	**—**	—	**—**	—
(ii) Items that may be subsequently reclassified to profit or loss:	**26,735**	(6,348)	**8,660**	149
(1) Shares of other comprehensive income that may be subsequently reclassified to profit or loss of investees accounted for under the equity method	**9,228**	159	**8,660**	149
(2) Gain/(loss) arising from available-for-sale financial assets	**17,507**	(6,507)	**—**	—
Attributable to Minority interests, net of tax	**319**	5	**—**	—
7. Total comprehensive income	**7,485,734**	5,648,916	**2,210,386**	699,421
Attributable to equity shareholders of the Company	**5,928,549**	4,132,260	**2,210,386**	699,421
Minority interests	**1,557,185**	1,516,656	**—**	—
8. Earnings per share				
Basic earnings per share *(RMB/Share)*	**0.736**	0.561	**n/a**	n/a
Diluted earnings per share *(RMB/Share)*	**n/a**	n/a	**n/a**	n/a

III. RECONCILIATION OF THE FINANCIAL STATEMENTS PREPARED UNDER CAS AND IFRSs

Effects of major differences between the CAS and IFRSs on net profit and net assets attributable to equity shareholders of the Company are analysed as follows:

		Profit for the year attributable to equity shareholders of the Company		**Total equity attributable to equity shareholders of the Company**	
		2014	2013	**31 Dec 2014**	31 Dec 2013
	Note	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
Amounts under CAS		**5,901,814**	4,138,608	**31,654,587**	22,960,403
Adjustments:					
Business combination involving entities under common control	(i)	**(29,311)**	(191,784)	**463,919**	493,230
Government grants	(ii)	**29,431**	27,652	**(444,060)**	(456,551)
Maintenance, production and other similar funds	(iii)	**56,245**	38,428	**818**	(11,857)
Taxation impact of the adjustments		**6,775**	49,640	**(78,483)**	(85,258)
Attributable to non-controlling interests		**(5,909)**	34,389	**108,399**	110,554
Amounts under IFRSs		**5,959,045**	4,096,933	**31,705,180**	23,010,521

Notes:

(i) According to the accounting policies adopted in the Group's financial statements prepared under IFRSs, assets and liabilities acquired by the Group during business combination, irrespective of whether such business combination is involving entities under common control or not, are measured at the fair value of identifiable assets and liabilities of the acquiree at the date of acquisition. In preparing the consolidated financial statements, the respective financial statements of subsidiaries are adjusted based on the fair value of individual identifiable assets and liabilities at the date of acquisition. The excess of purchase consideration paid by the Company over its share of fair value of identifiable net assets of the acquired was recognised as goodwill.

In accordance with CAS, assets and liabilities acquired by the Group in business combination involving entities under common control are measured at their carrying value at the date of combination. The excess of carrying value of purchase consideration paid by the Company over its share of carrying value of identifiable net assets of the acquiree for business combination involving entities under common control reduces the share premium of capital reserve or retained profits.

In addition, according to CAS, in respect of business combination involving entities under common control, when preparing consolidated financial statements, the opening balances as well as the comparative figures of the financial statements should be adjusted as if the current structure and operations resulting from the acquisitions had been in existence since prior periods (no earlier than the later of both parties were under common control).

(ii) According to IFRSs, conditional government grants should be first recorded in long-term liabilities and amortised to profit or loss using the straight line method over the useful lives of the relevant assets after fulfilling the requirements from the government in respect of the construction projects.

According to CAS, government grants related to assets (required to be recorded in capital reserve pursuant to the relevant government notice) are not recognised as deferred income.

(iii) Pursuant to the relevant PRC regulations for coal mining companies, provision for production maintenance, production safety and other similar funds are accrued by the Group at fixed rates based on coal production volume. Provision for maintenance and production funds is recognised as expense in profit or loss with a corresponding adjustment to the specific reserve. The maintenance and production funds could be utilised when expenses or capital expenditures on production maintenance and safety measures are incurred. The amount of maintenance and production funds utilised would be transferred from the specific reserve back to retained earnings.

According to IFRSs, coal mining companies are required to set aside an amount to a fund for production maintenance, production safety and other similar funds through transferring from retained earnings to specific reserve. When qualifying revenue expenditures are incurred, such expenses are recorded in the profit or loss as incurred. When capital expenditures are incurred, an amount is transferred to property, plant and equipment and is depreciated in accordance with the depreciation policy of the Group. Internal equity items transfers take place based on the actual application amount of such expenses whereas specific reserve is offset against retained earnings to the extent of zero.