



Guangdong Electric Power Development Co., Ltd.

Semi-Annual Report 2007

August 14, 2007

Important Notices

The Board of directors and directors of the Company hereby guarantees that there are no false records, misleading representation or important omissions in this report and shall assume joint and several liability for the authenticity, accuracy and completeness of the contents hereof .

Director Pan Li,Deng An,Li Zhuoxian,Zhong Weimin,Gao Shiqiang,Yao Jiheng,Zou Xiaoping,Wang Jun, Zhu Baohe did not attend the meeting in person due to business.

Director Pan Li and Deng An authorized director Hong Rongkun to attend the meeting and exercise voting right on their behalf. Director Li Zhuoxian and Zhong Weimin authorized director Liu Qian to attend the meeting and exercise voting right on their behalf. Director Gao Shiqiang,Yao Jiheng,Zou Xiaoping,Wang Jun, Zhu Baohe authorized director Liu Luoshou,Zhang Yao,Wu Bin,Song Xianzhong,Sha Qilin to attend the meeting and exercise voting right on their behalf.

Chairman of the Board of Directors, Pan Li, General Manager, Liu Luoshou ,and Financial Deputy General Manager, Li Xiaoqing and Financial Manager ,Liu Xuemao severally and jointly accept responsibility for the correctness, accuracy and completeness of the information contained in this Semi-annual report.

The Semi -annual report of the Company is unaudited.

English translation for reference only. Should there be any inconsistency between the Chinese and English versions, the Chinese version shall prevail.

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I. Basic Information of the Company

(1) Legal name of the company

Name in Chinese: 广东电力发展股份有限公司

Name in English: GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

English abbreviation: GED

(2) Stock exchange for listing: Shenzhen Stock Exchange

Stock abbreviation: Yue Dian Li A, Yue Dian Li B

Stock code: 000539、200539

(3) Registered address of Company: 23-26/F, South Tower, Yudian Plaza , 2 Tianhe Dong Road, Guangzhou, Guangdong Province

Office address: 23-26/F, South Tower, Yudian Plaza , 2 Tianhe Dong Road, Guangzhou, Guangdong Province

Company's web site: <http://www.ged.com.cn>

Company's E-mail: ged@ged.com.cn

(4) Legal Representative: Pan Li

General Manager: Liu Luoshou

(5) Secretary to the board of Directors: Liu Wei

Contact Tel: (020)87570276

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Representative of stock affairs: Liang Jiangyong

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Address: 26/F, South Tower, Yudian Plaza , 2 Tianhe Dong Road, Guangzhou, Guangdong Province

Post code: 510630

(6) For information disclosure: China Securities, Securities Times and Hongkong Commercial daily

Web site: <http://www.cninfo.com.cn>

Place where company's periodic report is kept: Office of board affairs

II. Highlights of financial data and indicators

(I) Highlights of financial data and indicators

Unit: RMB'000

	Ended this report	Ended previous year	Increase/Decrease (%)
Current assets	4,524,388	3,530,558	28%
Current liabilities	8,902,581	7,134,533	25%
Total assets	22,723,745	20,625,186	10%
Shareholders' equity (not including minority equity)	8,784,723	8,708,358	1%
Net assets per share	3.30	3.27	1%
	Report period (Jan—June)	Same period of the previous year	Increase /decrease over the same period of the previous year (%)
Net profit attributable to the owners of the Company	483,072	361,917	33%
Net profit attributable to the owners of the Company after deducting of non-recurring gain/loss	483,072	361,917	33%
Earnings per share for profit attributable to the equity holders of the Company	0.18	0.14	29%
Earnings per share after deducting non-recurring gains and losses	0.18	0.14	29%
Return on net assets (not including minority equity)	0.05	0.02	250%
Cash flow generated from operating activities, net	50,245	727,059	-93%

Unit: RMB

Items of non-recurring gains and losses	Amount
None.	

(II) Profit Statement (Appendix)

Profit in the report period (RMB'000)		Return on net assets (%)		Earnings per share (RMB)	
		Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from Key operations	907,209	10%	10%	0.34	0.34
Operating profit	926,127	11%	11%	0.35	0.35
Net profit attributable to the owners of parent company	483,072	6%	6%	0.18	0.18
Net profit attributable to the owners of parent company after deducting of non-recurring gain/loss	483,072	6%	6%	0.18	0.18

(III) Difference between items calculated pursuant to domestic and foreign accounting standards

Unit: RMB'000

	Domestic accounting standards	Overseas(international) accounting standards
Net profit	414,680	483,072
Notes to difference	Amortization of deferred staff and workers' expenses: RMB-5.109 million, Difference of land use right amortization: RMB -0.58million, Affirm and amortize of deferred revenue: RMB 1.538 million, Interest capitalization difference and depreciation infection: RMB -1.436 million, Establishment charges difference: RMB 70.928 million, Influence of accounting for establishment charges of affiliated companies as gains and losses on investment income: RMB35.564 million, Mainly the influence of Establishment charges adjusted:RMB-34.98.6, Deferred tax generated: RMB4.078 million, Others (mainly the influence of standard difference on minority gains and losses): RMB-1.605million.	

III.Change of share capital and shareholding of Principal shareholders

(I) In the report term, there were 235,928,021 conditional shares became negotiable in the stock market, the shareholding structure was therefore changed.

Statement of change in shareholding structure after the conditional shares became negotiable in the stock market

Unit: shares

	Before the change	Changed (+, -)	After the change
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	Amount	Proportion	Issuing of new shares	Bonus shares	Transferred from reserves	Other	Sub total	Amount	Proportion
I. Shares with conditional subscription	1,481,239,375	55.70%				-235,931,383	-235,931,383	1,245,307,992	46.83%
1. State-owned shares									
2. State-owned legal person shares	1,394,663,439	52.44%				-162,177,647	-162,177,647	1,232,485,792	46.34%
3. Other domestic shares	86,575,936	3.26%				-73,753,736	-73,753,736	12,822,200	0.48%
Incl: Non-government domestic legal person shares	86,566,926	3.26%				-73,750,374	-73,750,374	12,816,552	0.48%
Domestic natural person shares	9,010	0.00%				-3,362	-3,362	5,648	0.00%
4. Share held by foreign investors									
Incl: Shares held by foreign legal persons									
Foreign natural person shares									
II. Shares with unconditional subscription	1,178,164,625	44.30%				235,931,383	235,931,383	1,414,096,008	53.17%
1. Common shares in RMB	512,824,625	19.28%				235,931,383	235,931,383	748,756,008	28.16%
2. Foreign shares in domestic market	665,340,000	25.02%						665,340,000	25.02%
3. Foreign shares in overseas market	0	0.00%						0	0.00%
4. others									
III. Total of capital shares	2,659,404,000	100.00%				0	0	2,659,404,000	100.00%

(2) As of June 30, 2007, The Company had 132,238 shareholders; including 72,142 A share shareholders and 60,096 B share shareholders.

(3) Top 10 shareholders and top 10 holders of shares (as of June 30, 2007)

Unit: Share

Name of the shareholder	Increase/decrease	Total shares of end years	Proportion (%)	Type	Conditional shares	Pledged or frozen	Properties of shareholder
Guangdong Yudean Group Company Limited.	0	1,231,772,068	46.32%	RMB Common shares	1,231,772,068	0	State-owned legal person
China Xinda Asset Management Corporation	0	81,105,045	3.05%	RMB Common shares	0	0	State-owned legal person
Guangdong Electric Power Development Company	0	78,639,451	2.96%	RMB Common shares	0	0	State-owned legal person
Guangdong Guangfa Electric Power Investment Co., Ltd.	26,663,936	56,028,508	2.11%	RMB Common shares	0	0	Non-government domestic legal person
Guangdong Guangkong Group Co., Ltd.	-70,000	40,482,522	1.52%	RMB Common shares	0	0	Non-government domestic legal person
102 portfolio of National Social Security Fund	-410,364	30,678,767	1.15%	RMB Common shares	0	0	Non-government domestic legal person
108 portfolio of National Social Security Fund	-2,713,090	29,000,000	1.09%	RMB Common shares	0	0	Non-government domestic legal person
SCHRODER INTL SELECTION FD-GREAT R CN FD GTI 25287	-1,449,463	16,151,237	0.61%	Foreign shares placed in domestic exchange	0	State-owned legal person	Foreign legal persons
Natio Securities Co.,Ltd.	-6,317,654	15,462,400	0.58%	Foreign shares placed in domestic	0	Unknown	Foreign legal persons

				exchange			
SCHRODERS KOREA LIMITED	2,570,320	14,565,520	0.55%	Foreign shares placed in domestic exchange	0	Unknown	Foreign legal persons
The relationship and consistent of above shareholders		Guangdong Electric Power Development Co., Ltd.the third of the top 10 shareholders, is a subsidiary of Yuedian Group, Which is the No.1 shareholder; its is unknown whether relationship exists between other shareholders.					

(IV) Top 10 holders of unconditional shares

Name of the shareholder	Unconditional shares	Type of shares
China Xinda Asset Management Corporation	81,105,045	RMB Common shares
Guangdong Electric Power Development Company	78,639,451	RMB Common shares
Guangdong Guangfa Electric Power Investment Co., Ltd.	56,028,508	RMB Common shares
Guangdong Guangkong Group Co., Ltd.	40,482,522	RMB Common shares
102 portfolio of National Social Security Fund	30,678,767	RMB Common shares
108 portfolio of National Social Security Fund	29,000,000	RMB Common shares
SCHRODER INTL SELECTION FD-GREATER CN FD GTI 25287	16,151,237	Foreign shares placed in domestic exchange
Natio Securities Co.,Ltd.	15,462,400	Foreign shares placed in domestic exchange
SCHRODERS KOREA LIMITED	14,565,520	Foreign shares placed in domestic exchange
JPMBLSA RE FTIF TEMPLETON CHINA FUND GTI 5497	13,059,476	Foreign shares placed in domestic exchange
Notes to the related relationship between the shareholders or their concerted action	Unknown	

(V) There was no change in the Company's controlling shareholder or actual controller during the reporting period.

IV. Particulars of Directors, Supervisors and Senior Executives

In the report period, Mr. Wu Bin, the Director of the Company, purchased 2,300 Yue Dian Li B shares. As of the end of the report period, he accumulatively held 5,300 Yue Dian Li B shares.

Ms Liu Xuemao, the financial controller of the Company, sell 5,000 Yue Dian Li B shares. As of the end of the report period, she accumulatively held 15,000 Yue Dian Li B shares. The shareholding of other directors, supervisors and senior executives of the Company remained unchanged.

V. Discussion and Analysis of the Management

In the first half of 2007, following with the rapid economic development and continuing of hot weather in Guangdong province, the demand in electricity power was on a high level. But constrained by the negative factors including short supplying of LNG power fuel, high rising of fuel price, and block of power distribution project, the power supply was under significant pressure beyond expectation.

In the first half, the overall workload of provincial network has updated the historical record for 15 times up to 43.09 million Kw, which was a 25.01% increase over the same period of last year. The overall power supply has reached up to 154.141 billion Kwh, which was a 13.41% increase over the same period of last year. The over demand situation has provided the Company a favorable market environment.

Meanwhile, for most of the newly constructed power plants have been completed and put into production in the 2nd half of 2006 and 1st half of 2007. Therefore the output in the report term has increased significantly over the same period of last year. In the report term, the Company has achieved controllable output of 15.152 billion Kwh, which was a 30.69% of increase over the same period of last year, and 47.18% of annual goal. The Company has achieved accumulation of controllable output supplied to the

network of 14.103 billion Kwh, which was a 30.47% of increase over the same period of last year; accumulation of equity output of 11.938 billion Kwh, which was a 28.74% of increase over the same period of last year; accumulation of equity output to the network of 11.12 billion Kwh, which was a 28.41% of increase over the same period of last year.

Increasing of power output has brought up the overall turnover to RMB4,863 million, which is a 22% of increase over the same period of last year. Under the precondition of safe production, the Company is doing its best to increase the output and reduce the costs, and reduce the negative influence of increasing coal and shipping costs. Meanwhile, thanks to the associated prices between coal and electricity started later last year, the Company has achieved certain growth in business operation in the first half of this year. In the report term, the Company has realized net profit of RMB483 million attributable to the owners of the parent company, which is a 33% of increase over the same period of last year.

In the report term, most projects under construction were completed and put into production except for generator unit #1 and #2 of Guandong Honghaiwan Power Plant Co., Ltd. The controllable capacity has reached up to 6.74 million Kw, and the equity capacity has reached up to 5.20 million. They were nearly doubled over that of the 2005. Meanwhile, the Company has been keeping on the way of sustainable development, doing its best to push forward the preparation works of unit #3 and #4 of Huilai Power Plant, the 3rd phase of Shajiao A Power Plant, Maoming Hebo Port Power Plant, Maoming Oil Shale Mine Power Supply Joint Project, Zhanjiang Wind Power Plant, and the 2nd phase of Zhanjiang Aoli Diesel Power Plant. Aggressively develop large capacity and high performance generator units, and explore the development in fields of resource integrative application and clean energy. Capital operation was enforced to obtain high quality assets and projects. Participated in the bidding of national “920” projects. Successfully acquired the 1.28% shares of Shenneng Holdings Co., Ltd., and 29% shares of Yunnan Baoshan Binglang River Hydroelectric Power Co., Ltd. Moreover, the Company participated in establishing of Sunshine Insurance Shareholding Co., Ltd. to catch the opportunities brought by rapid development of finance and insurance industry.

High demand in power supply is expected to extend to the 2nd half of this year in Guangdong province. This is providing a positive situation to the output of power plants under the Company, and also a higher requirement on safe production. However the high rising coal and shipping prices are not going to be changed in a short period of time, the new round of associated prices of coal and electricity is still of uncertain, the Company will still face the pressure brought by high costs and depressing profit margin. The Company will keep enforcing the production management to ensure the safe and steady operation of all generator units, and achieve the annual output goal. To fully develop the internal potential and do its best in cost control to ensure a sound profitability. Fully accelerate the projects under construction, to achieve the goal of doubling the overall capacity over 2005. Push forward the preparation works of new projects, to lay a solid foundation for sustainable development.

(1) Analysis on operating results and financial position

Unit: RMB'0000

Item	Jan-June 2007	Jan-June 2006	Increase/Decrease(%)
Operating income	486,347.6	398,080.5	18%
Operating cost	395,626.7	326,280.8	18%
Key operating profit	90,720.9	71,799.7	21%
Net profit	48,307.2	36,191.7	33%
Net Increase in cash and cash equivalents	(30,110.9)	36,596.6	182%

Main reasons for change:

(1) Income from main operation increased year on year due to the increase in on-grid electricity volume and rise in electricity rate;

(2) Cost of main operation increased year on year due to increase in power output and rise in unit fuel cost to certain extent;

(3) Profit from main operation increased year on year due to increase in power output and rise

in on-grid electricity rate;

(4) Cash and cash equivalents increased mainly due to the increase of Investment in the report period.

(II) Main operating status of the Company in the report period:

1. The scope of main operation and its operating status

The Company is a big power generating company engaged in operation and construction of power stations and power transmission and transformation projects.

As of June 30, 2007, the installed generating capacity in operation held by the Company reached 6,740MW. The power output and on-grid electricity volume were 15.152 billion kwh and 14.103 billion kwh respectively, a respective increase of 30.69% and 30.47% year on year. The installed generating capacity in operation held by the Company on equity basis reached 5,200MW. The power output and on-grid electricity volume on equity basis were 11.938 billion kwh and 11.1.2 billion kwh respectively, a respective increase of 28.74% and 28.41% year on year.

Operating result for first half year of 2007 is as follows:

Unit: RMB'0000

	Area	Main operating income	Main operating cost	Gross profit(%)	Increase/decrease on main operating income over (%)	Increase /decrease on main operating cost over (%)	Increase /decrease on gross profit over
Electricity	Guangdong	486,347.6	395,626.7	23%	22%	21%	26%
Of which: Related transactions	No						

The status of power production of the power plants under the Company and its controlled subsidiaries in the report period is as follows:

The power output and on-grid electricity volume of Shajiao A Power Plant, a wholly-owned

subsidiary of the Company, were 4.206 billion kwh and 3.892 billion kwh respectively, which respectively decreased by 4.78% and 3.79% year on year. It fulfilled 51.53% of the power generation plan for the year.

Zhanjiang Electric Power Co., Ltd., in which the Company is holding 76% of the shares, has achieved net profit of RMB234 million, output of 3.673 billion Kwh, online supply of 3.475 billion Kwh, which have increased by 3.06% and 2.87% respectively over the same period of last year. It was 51.53% of the annual goal.

Guangdong Yuejia Electric Power Co., Ltd., in which the Company is holding 58% of the shares, has achieved net profit of RMB85 million, output of 1.649 billion Kwh, online supply of 1.496 billion Kwh, which have increased by 7.71% and 7.86% respectively over the same period of last year. It was 51.29% of the annual goal.

Guangdong Shaoguan Yuejiang Power Co., Ltd., in which the Company is holding 65% of the shares, has achieved net profit of RMB37million, output of 1.859 billion Kwh, online supply of 1.693 billion Kwh, which have increased by 2.2% and 0.59% respectively over the same period of last year. It was 56.85% of the annual goal.

Maoming Reineng Thermoelectricity Co., Ltd., in which the Company is holding 51% of the shares, has achieved net profit of RMB7 million, output of 0.534 billion Kwh, online supply of 0.49 billion Kwh, which have Descend by 19.82% and 19.8% respectively over the same period of last year. The overall annual goal has only been accomplished by 43.06%. This was caused by an overhaul and a minor maintaining of the only generator unit of this company.

Maoming Zhenneng Thermoelectricity Co., Ltd., in which the Company is holding 54.8% of the shares, has achieved net profit of RMB14 million, output of 0.216 billion Kwh, online supply of 0.201 billion Kwh, The unit was put into production in May this year.

Guangdong Yuedian Jinghai Power Co., Ltd., in which the Company is holding 51% of the shares, has achieved net profit of RMB56 million, output of 1.285 billion Kwh, online supply of 1.218 billion Kwh,

Unit #1 and #2 of this company will be put into production in February and June respectively.

As of June 30, 2007, the income from main operation and total profit of the Company were RMB4,863million and RMB840 million respectively. After deduction of minority gains and losses, the net profit that belongs to parent company was RMB483 million, a year-on-year increase of 33%.

2. There was no material change in the Company's profit structure, main operation or its structure in the report period. Benefiting from the rise in electricity volume and electricity rate that was increased last half of last year, gross profit rate rose by 1% year on year from 22% to 23%.

3. The Company was not involved in other business operation activities that had significant influence on profit.

4. The income from investment in no joint venture accounted for more than 10% (including 10%) of the Company's net profit.

5. Problems and difficulties occurred in operation

(1) The coal and shipping prices keep rising, the new round of associated price are still not executed, thus the Company is still under the pressure of high costs, and the profit margin is shrinking. The Company will do its best to enlarge the output and depress the costs, to increase the gains.

(2) For Shenzhen Bay LNG power plant in which the Company holds 40% shares, and Huizhou LNG power plant in which the Company holds 32% of shares, they were not working normally for shortness of fuel. This has constrained the investment gains of these projects. The Company will urge these companies to reduce the negative influence to the lowest limit.

(3) For Zhanjiang Aoli Diesel power plant project in which the Company holds 39% of shares, there is considerable risk of halt in fuel supply. The Company will carry forward the negotiation about the researching of "oil to coal" reforming.

(III) The investment of the Company

1. During the reporting period, there were no raised funds used as all of the funds have been used up by the Company.

2. Progress and income of important investment projects utilizing non-raised funds.

Unit: (RMB) 0000

Projects	Investment progress of the project	Turnover of the project
Desulfurization projects of the subsidiary power plants	All desulfurization engineering projects are in process	Environmental protection project with no income.
Huizhou Natural Gas Power Co.,Ltd.	#3 unit of this project were put into production in June 2007.	0.8
Shenzhen Guangqian Electric Power Co., Ltd.	#2 and 3# units of this project are expected to be put into production in January and March of 2007 respectively.	3,376
Zhanjiang Zhongyue Energy Co., Ltd.	#1 and 2# units of this project were put into production in January 2007	-1,397
Guangdong Yuedian Shareholding (West) Co., Ltd.	Generator unit #1 and #2 in Guizhou Pannan Power Plant has been put into production in 2006, in which the Company is holding 55% of the investor's equity.	-3
Guangdong Honghaiwan Power Plant Co., Ltd.	Generator unit #1 and #2 will be put into production in the 2 nd half of 2007	No gains for not completed yet
Guangdong Yuedian Shibeishan Wind Power Plant Co., Ltd.	All wind power generators are in operation	-153
Sunshine Property Insurance Holdings Co., Ltd.	28 provincial branches have launched and realized insurance income of RMB2.027 billion in 2007.	No gains in the report term
Linchang Yuntou Yuedian Hydroelectric Power Co., Ltd.	Xintangfang Hydro-power Station is under construction in Yunnan Linchang, Dayakou Hydro-power Station is under preparation stage.	4
Shanxi Yuedian Energy Co., Ltd.	This Company is planning to invest in developing of Huo'erxinhe Coal Mine, Madaotou Coal Mine, and Shuancigou Coal Mine.	11
Guangdong Yuedian Finance Co., Ltd.	As of May 2007, this company has collected savings up to RMB5.5 billion, delivered loan credit up to RMB5.7 billion, and loan of RMB2.15 billion.	146
Guangdong Yuedian Shipping Co., Ltd.	The company has gained the capacity of 200 thousand ton, and is still expanding	587
Total	-	2571.8

(IV) Plan for the second half year:

1. To continue to ensure effective production safety management of power plants, arrange reasonably with power plants units to overhaul and maintain, ensure continuous and steady

operation of generating units and strive to fulfill this year's power generation plan.

2. The Company will concentrate itself on construction of Shanwei Power Plant to make sure it will be put into production within the year, speedup application processes of newly developed projects, enlarge the Company's reservation of new projects.

3. To enforce cost control, reduce expenses, and keep the Company in sound profitability.

4. According to the requirement of new laws and policies, further improve the Company's administrative and internal controlling system, and upgrade the Company's operation according to the law.

VI. Important Events

(I) Status of corporate governance structure

In the report term, the Company kept following with the Company Law, Securities Law, regulations of China Securities Regulatory Commission, and also the requirements of Share Listing Rules of Shenzhen Stock Exchange, to well manage its legal person administrative system, and the situation was complying with the requirements.

According to "Information Disclosure Administrative Criteria of Listed Companies" released by China Securities Regulatory Commission in January 2007, the Company produced its own "Information Disclosure Administrative Criteria" correspondingly, and was approved on the 14th meeting of the 5th term of Board. It regulates the information disclosure issues and protects the investor's rights to the highest limit.

According to "Circular about arrangement of special administrative activities of listed companies" (Guangdong-Zhengjian [2007]48) issued by China Securities Regulatory Commission Guangdong Bureau, the Company performed self-inspection and produced report and rectifying plan, which have been approved by the special meeting of the 5th term of Board, verified by China Securities Regulatory Commission Guangdong Bureau, and released by official presses on July 24th 2007.

(II) The status of implementation of profit distribution plan of the Company for 2006 in

the report period

The profit distribution plan for 2006 was examined and adopted at the shareholders' general meeting of the Company on May 23, 2007. And <the pronouncement of dividend distribution of the Company for 2006> was published in the appointed media on June 27, 2007. Stock right was registered on July 3, 2007 (July 6 for B shares). The ex-dividend date is July 4, 2007. Cash dividends were distributed on July 4 (for A shares) and July 6 (for B shares).

(III)The Company was not involved in any material lawsuit or arbitration in the report period.

(IV) Stock investment

Unit: (RMB)

Stock category	Stock Code	Stock ID	Initial investment (yuan)	Amount held (shares)	Book value at the end of term	Portion in total stock investment at the end of report term (%)	Gain/loss of the report term
Other stock investment held at the end of report term				-			
Gain/loss of disposed stock investment in the report term			-	-	-	-	2,311,533.18
Total				-		100%	2,311,533.18

(V) Shareholding in other listed companies

Unit: (RMB)

Stock Code	Stock abbreviation	Initial investment	Share portion	Book value at the end of term	Gain/loss of the report term	Change of owners' equity in the report term
000027	Shen Energy A	14,128,402.74	0.62%	166,767,368.32	0	71,986,978.56
Total		14,128,402.74	-	166,767,368.32	0	71,986,978.56

(VI) Shareholding in non-listed financial enterprises and enterprises which is going to be listed

Unit: (RMB)

Name of the enterprises	Initial investment	Amount held (shares)	Share portion	Book value at the end of term	Gain/loss of the report term	Change of owners' equity in the report term
Sunshine Property Insurance Holdings Co., Ltd.	206,000,000.00	200,000,000.00	18.18%	206,000,000.00	0	0

Sunshine Insurance Holdings Co., Ltd.	150,000,000.00	150,000,000.00	11.11%	150,000,000.00	0	0
Total	356,000,000.00	350,000,000.00	-	356,000,000.00	0	0

(VII) Acquisition or swap in of assets

Unit: (RMB) 0000

The other party of the trade or ultimate dominator	Asset sold out or purchased in	Date of purchase	Price	Net profit contributed to the Company since acquisition to the end of the report term (Applicable for merger of firms under different ownership)	Net profit contributed to the Company from the beginning of year to the end of the report term (Applicable for merger of firms under same ownership)	If it was a related transaction (state pricing basis if yes)	Pricing policies	Completely transferred or not	Debt & credit transferred or not
Yunnan Machinery & Equipment Imp & Exp Co., Ltd.	29% of the investors' equity of Yunnan Baoshan Binlang River Hydroelectric Power Co., Ltd.	May 18,2007	10,250.00	0.00	0.00	No	Calculated on the capital inputted by the other party	No	No
Shanghai Electric Power Co., East China Power Network Co., Ltd.	1.28% of the shares of Shenneng Holdings Co., Ltd.	June 11,2007	24,688.00	0.00	0.00	No	Arithmetic average of the A share closing prices of Shenneng in 30 days before the specified date	No	No

(VIII) Related transactions

Content of transaction	Related party	Transaction amount(RMB)	Proportion to amount of similar transactions
Purchase of fuels and materials	Guangdong Yuedian Group Co., Ltd.	1,892,442,367.21	70.91%
	Shaoguan Power Plant	472,751,299.91	17.71%
Operating costs apportion	Shaoguan Power Plant	25,168,160.58	100%
Contract management	Maoming Thermoelectricity Plant	12,628,569.80	100%
Provide working services	Meizhou Jiacheng Electric Power Co., Ltd.	2,400,000.00	100%
Lease land	Guangdong Yuedian real estate investment Co., Ltd.	1,545,600.00	100%

The pricing policy of the said related transaction: For the price of fuel purchase, if the state sets a price, such price shall apply. If the State does not set a price, market price shall apply. The related parties promised that the price offered would not be higher than the price of products of the same quality offered to third parties. The price of materials shall be settled according to market price.

The said related transactions were settled in cash and did not have unfavorable influence on the profit of the Company. There is no significant difference from estimated related transactions.

(IX) Other major related transactions

1. Shanxi Yuedian Energy Co., Ltd. (the Company is holding 40% of its equity) is planning to accept the 30% shares of Shanxi Huo'erxinha Coal Co., Ltd., and carry forward the preparation works of other coal mining projects. According to the needs of coal mining developing, Guangdong Yudean Group Company Limited. (associated party of the Company) and the Company has increased their investment in Shanxi Yuedian Energy Co., Ltd. from RMB200 million up to RMB400 million. At the portion of 40%, the

Company is about to input another RMB80 million, and totaled to RMB160 million in this company.

2. The Company and its controlled subsidiaries have opened trade account in Guangdong Yuedian Finance Co., Ltd. (in which the Company is holding 25% of the shares) to realize prompt and cheap trade clearing among the member companies. It will benefit by lower the financial costs and obtain capital support from the collaborating of other members.

3. In the report term, according to the needs in capital, the Company and its controlled subsidiaries has raised loans from Guangdong Yuedian Finance Co., Ltd. amounted to RMB2.09 billion.

4. According to the construction progress, the Company has invested RMB135.0209 million of principal in Guangdong Yuedian Holding (West) Investment Co., Ltd. basing on the share portion and in term of consigned loans. The interests has accumulated to RMB3.8032 million up to this year.

5. The Company borrowed principle of RMB0.6 billion from Guangdong Yudean Group Company Limited according to the board minutes and the actual cash requirement.

(X) Particulars of external guarantee

The Company provided guarantee to Lincang Yuntou Yuedian Water and electricity Development Co., Ltd., a shares subsidiary, from 2007. It is expected that the provision of guarantee will be completed in 2022. As of June 30, 2007, the balance of the said guarantee was RMB 34.30 million.

In the report period, the Company was not involved in fund occupation and regulation-violating guarantee mentioned in the Circular on Certain Issues Relating to Standardization of Fund Transfer Between Listed Companies and Their Related Parties and Guarantees Provided by Listed Companies (ZJF (2003) No. 56 Document) issued by CSRC.

(XI) Important contracts and commitments of the Company

1. In the report term, the Company conducted no major contract issues which recognized by Shenzhen Stock Exchange according to “Instruction of Information Disclosure No.6 – major contracts”

The Company did not hold in trust or contract for or lease the material assets of other companies nor did other companies hold in trust, contract for or lease the material assets of the

Company.

2. In the report period, the Company was not involved in any material entrusted money management or any entrusted money management that existed in previous periods and continued in the report period.

3. Commitments (Refer to Financial Report (II) Note 10 to Financial Statements - Commitments)

4. The commitments of the Company or shareholders holding over 5% equity of the Company in the report period

The commitment of Guangdong Yuedian Group Co., Ltd., the controlling shareholder of the Company, in the Company's Plan for Share Holding Structure Reform and the status of fulfillment:

Name of shareholder	Commitment	Status of fulfillment of commitment	Remarks
Guangdong Yudean Group Company Limited.	The shares of the Company held by Yuedian Group will not be listed, traded or assigned within 3 years from the date of obtaining the right of listing and negotiation. The shares purchased by Yuedian Group when implementing the plan for share purchase will not be restricted by this commitment.	The shares of the Company held by Yuedian Group have been frozen, which will be unfrozen and can be traded and transferred from January 19, 2009.	Under fulfillment
Guangdong Yudean Group Company Limited.	To make the following proposal for dividend distribution to the shareholders' general meeting of the Company: Not lower than 50% of the distributable profit for the current year will be distributed as cash dividends in 2005 - 2007. It also guarantees to cast affirmative vote to this proposal at the time of voting at the shareholders' general meeting.	The Company held 2006 shareholders' general meeting on May 23, 2007, at which the Plan for Profit Distribution and Dividend Distribution for 2006 was examined and adopted. The cash dividend mentioned in this plan is more than the distributable profit made in 2006 by 50%. Besides, Guangdong Yudean Group Company Limited. cast affirmative vote	Under fulfillment

		on this plan at the shareholders' general meeting.	
Guangdong Yudean Group Company Limited.	Under the premise of obtaining the exemption of tender offer obligation given by CSRC, if the P/E of the Company (market price divided by the audited earnings per share for the previous year) is not higher than 13 times, it will have the right to purchase the A shares of the Company with the cash dividends distributed by the Company to Guangdong Yudean Group Company Limited. in 2005 to 2007 within 3 months after cash dividends are available for use each year (the balance of funds after purchase will be carried forward for use). The total quantity of A shares thus purchased will not exceed 10% of the total shares of the Company. Within 6 months after the completion of share purchase plan each time, Guangdong Yudean Group Company Limited. will not sell the shares purchased and will perform relevant information disclosure obligation.	From the date of implementation of the Company's plan for dividend distribution to the end of this report, the P/E (market price divided by the audited earnings per share for the previous year) of Yue Dian Li was higher than 13 times.	The conditions for agreement performance are not satisfied
Guangdong Yudean Group Company Limited.	To bear all expenses relating to this share holding structure reform.	Guangdong Yudean Group Company Limited. has borne all expenses of the Company's share holding structure reform as promised.	Fulfilled
Guangdong Yudean Group Company Limited.	To advance the consideration to be paid for obtaining the right of listing and negotiation of the non-negotiable shares held by the shareholders holding non-negotiable shares who do not expressly agree to participate in this share holding structure reform one day before the holding of relevant shareholders' meeting for this share holding structure reform and those who are unable to make the arrangement of consideration payment due to dispute over title, pledge or freezing of equity.	Guangdong Yudean Group Company Limited. has, as promised, advanced the consideration to be paid for obtaining the right of listing and negotiation of the non-negotiable shares held by the shareholders holding non-negotiable shares who do not expressly agree to participate in this share holding	Fulfilled

		structure reform one day before the holding of relevant shareholders' meeting for this share holding structure reform and those who are unable to make the arrangement of consideration payment due to dispute over title, pledge or freezing of equity.	
Guangdong Yudean Group Company Limited.	To actively promote equity stimulation to the management according to relevant policies and regulations and subject to the approval by relevant department after the completion of this share holding structure reform.	Guangdong Yudean Group Company Limited. has actively promoted the research of equity stimulation to the management of the Company.	Under fulfillment

(XII) The Company's acceptance of investigation and research and interview

1. In the report period, the Company received 13 institutional investors for investigation and research, held a telephone conference and attended one communication meeting organized by a third party mainly for the purpose of communication in respect of the Company's production and operation status in current period and future development plan. The Company did not provide written materials to the visitors. The Company and relevant information disclosure obligors strictly followed the principle of fair information disclosure, neither implemented discriminatory policy, nor disclosed or divulged non-public significant information to specific objects selectively and privately. They disclosed information according to the principle of timeliness and did not intentionally choose the time point of disclosure or lighten the effect of information disclosure so as to cause actual unfairness.

2. The registration form of acceptance of investigation, communication and interview in the report period for future reference

Date	Place	Mode	Visitor	Content of discussion and materials provided
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March 9,2007	Office of the Company	Onsite investigation	Zhongjin Co.	Current operation and progress of under construction projects
March 12,2007	Office of the Company	Onsite investigation	No.1 Shanghai	Current operation and progress of under construction projects
March 13,2007	Office of the Company	Elephone communication	Huili Foundation	Current operation and progress of under construction projects
March 15,2007	Beijing	Attend meeting	Investors and analyzers	Current operation and progress of under construction projects
March 16,2007	Office of the Company	Onsite investigation	Clients of JP Morgan	Current operation and progress of under construction projects
March 23,2007	Office of the Company	Onsite investigation	Asian Investment Management	Current operation and progress of under construction projects
April 12,2007	Office of the Company	Elephone communication	Clients of JP Morgan	Current operation and progress of under construction projects
April 16,2007	Office of the Company	Elephone communication	Guangzhou Securities	Current operation and progress of under construction projects
April 17,2007	Office of the Company	Onsite investigation	Clients of Rongtong Foundation	Current operation and progress of under construction projects
April 27,2007	Office of the Company	Elephone communication	Clients of ZhongjinCo.	Current operation and progress of under construction projects
May 30,2007	Office of the Company	Elephone communication	Clients of Gaohua	Current operation and progress of under construction projects
June 5,2007	Office of the Company	Onsite investigation	Clients of Gaohua	Current operation and progress of under construction projects
June 7,2007	Office of the Company	Onsite investigation	Xincheng Foundation	Current operation and progress of under construction projects
June 13,2007	Office of the Company	Onsite investigation	Clients of JP Morgan	Current operation and progress of under construction projects

VII. Financial Report (Unaudited)

(I) Financial statements

(II) Notes to financial statements

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONDENSED CONSOLIDATED INTERIM BALANCE SHEET
AS OF 30 JUNE 2007**

	Note	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	7	14,245,956	13,555,180
Leasehold land payments		390,482	395,365
Intangible assets		211,390	228,093
Investments in associates		2,079,288	1,939,100
Loans and receivables		137,604	137,604
Available-for-sale financial assets		585,643	328,200
Investment property		14,958	-
Deferred tax assets		143,490	115,431
Deferred staff costs		25,546	30,655
Long-term prepayments for coal purchases	9(b)	365,000	365,000
		<u>18,199,357</u>	<u>17,094,628</u>
Current assets			
Materials and supplies		427,454	421,455
Loans and receivables		2,378,522	1,009,382
Short-term bank deposits		-	80,000
Cash and bank		1,718,412	2,019,721
		<u>4,524,388</u>	<u>3,530,558</u>
		<u>22,723,745</u>	<u>20,625,186</u>
EQUITY			
<i>Capital and reserves attributable to the Company's equity holders</i>			
Share capital		2,659,404	2,659,404
Other reserves		5,395,272	5,135,547
Retained earnings		730,047	913,407
		<u>8,784,723</u>	<u>8,708,358</u>
<i>Minority interest</i>		<u>2,967,945</u>	<u>2,888,480</u>
Total equity		<u>11,752,668</u>	<u>11,596,838</u>
LIABILITIES			
Non-current liabilities			
Borrowings	8	1,886,880	1,749,880
Early retirement obligation		64,796	73,982
Deferred tax liabilities		81,435	33,030
Deferred revenue		35,385	36,923
		<u>2,068,496</u>	<u>1,893,815</u>

Current liabilities

Trade payables		1,528,809	948,749
Taxes payable		279,661	327,332
Other payables and accruals		1,473,801	1,439,392
Borrowings	8	5,620,310	4,419,060
		<u>8,902,581</u>	<u>7,134,533</u>
Total liabilities		<u>10,971,077</u>	<u>9,028,348</u>

Total equity and liabilities

		<u>22,723,745</u>	<u>20,625,186</u>
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The accompanying notes form an integral part of this condensed consolidated interim financial information.

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONDENSED CONSOLIDATED INTERIM INCOME STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	Note	Six months ended 30 June	
		2007 Rmb'000 (Unaudited)	2006 Rmb'000 (Unaudited)
Operating revenue	9(b)	4,863,476	3,980,805
Operating costs		(3,956,267)	(3,262,808)
Other operating income, net		18,918	16,987
Operating profit		926,127	734,984
Finance costs		(125,544)	(59,639)
Share of results of associates		39,228	(4,501)
Profit before income tax		839,811	670,844
Income tax expense		(213,857)	(231,338)
Profit after tax		625,954	439,506
Attributable to:			
Equity holders of the Company		483,072	361,917
Minority interest		142,882	77,589
		625,954	439,506
Earnings per share for profit attributable to the equity holders of the Company during the period			
- Basic and diluted	5	Rmb0.18	Rmb0.14

The accompanying notes form an integral part of this condensed consolidated interim financial information.

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	Note	Attributable to equity holders of the Company			Minority	Total equity
		Share capital	Other reserves	Retained earnings	interest	
		Rmb'000 (Unaudited)	Rmb'000 (Unaudited)	Rmb'000 (Unaudited)	Rmb'000 (Unaudited)	Rmb'000 (Unaudited)
Balances at 1 January 2006		2,659,404	4,849,107	955,138	2,083,629	10,547,278
Capital injection from minority interest		-	-	-	661,500	661,500
Dividends relating to 2005	6	-	-	(478,693)	(60,214)	(538,907)
Profit for the period		-	-	361,917	77,589	439,506
Appropriation from retained earnings		-	180,056	(180,056)	-	-
Others		-	11,310	-	10,866	22,176
Balances at 30 June 2006		2,659,404	5,040,473	658,306	2,773,370	11,131,553
Balances at 1 January 2007		2,659,404	5,135,547	913,407	2,888,480	11,596,838
Capital injection from minority interest		-	-	-	42,450	42,450
Dividends relating to 2006	6	-	-	(478,693)	(105,867)	(584,560)
Profit for the period		-	-	483,072	142,882	625,954
Appropriation from retained earnings		-	187,739	(187,739)	-	-
Fair value gains of available-for-sale financial assets (net of tax)		-	71,986	-	-	71,986
Balances at 30 June 2007		2,659,404	5,395,272	730,047	2,967,945	11,752,668

The accompanying notes form an integral part of this condensed consolidated interim financial information.

GUANGDONG ELECTRIC POWER DEVELOPMENT CO., LTD.

**CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2007**

	Six months ended 30 June	
	2007	2006
	Rmb'000 (Unaudited)	Rmb'000 (Unaudited)
Cash flows from operating activities		
Cash generated from operations	437,316	1,110,098
Interest paid	(125,544)	(59,639)
Income tax paid	(261,527)	(323,400)
Net cash generated from operating activities	<u>50,245</u>	<u>727,059</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(1,062,184)	(2,594,329)
Proceeds from disposal of property, plant and equipment	151	-
Purchases of intangible assets	(2,270)	(35)
Additional leasehold land payments	-	(13,231)
Additional investments in associates	(100,960)	(125,629)
Additional available-for-sale financial assets	(150,000)	-
Acquisition of a new associate	(82,000)	(1,800)
Interest received	13,895	10,366
Dividends received from associates	-	2,625
Dividends received from available-for-sale financial assets	-	2,224
Loans granted	-	(45,551)
Net cash used in investing activities	<u>(1,383,368)</u>	<u>(2,765,360)</u>
Cash flows from financing activities		
Proceeds from borrowings	1,338,250	2,035,314
Dividends paid to Company's shareholders	(242,819)	(219,833)
Dividends paid to minority interest	(105,867)	(72,714)
Capital contribution from minority interest	42,450	661,500
Net cash generated from financing activities	<u>1,032,014</u>	<u>2,404,267</u>
Net increase in cash and cash equivalents	(301,109)	365,966
Cash and cash equivalents at beginning of period	<u>2,019,521</u>	<u>870,950</u>
Cash and cash equivalents at end of period	<u>1,718,412</u>	<u>1,236,916</u>
Analysis of balances of cash and cash equivalents		
Cash at bank and in hand	1,718,412	1,236,916

The accompanying notes form an integral part of this condensed consolidated interim financial information.

1. General Information

Guangdong Electric Power Development Co., Ltd. (the “Company”) is a joint stock limited company incorporated in the People’s Republic of China (the “PRC”) on 3 November 1992. The Company’s Renminbi (“Rmb”) Denominated Domestic Shares (“A Shares”) and Domestically Listed Foreign Shares (“B Shares”) were listed on the Shenzhen Stock Exchange on 26 November 1993 and 28 June 1995 respectively.

In 2001, pursuant to the Approval on the Implementation Plan of Guangdong Province’s Reform of Power Industry Structure Relating to Restructuring of Generation and Transmission Assets, a document issued by Guangdong Provincial Government and referred to as Yue Fu Han [2001] No. 252, Guangdong Electric Power Holding Co. (“GPHC”), the former major shareholder of the Company, was split into two separate companies, namely, Guangdong Power Grid Corporation (“GPGC”, formerly Guangdong Guangdian Group Co., Ltd.) and Guangdong Yudean Group Co., Ltd. (“Yudean”, formerly Guangdong Yuedian Assets Management Co., Ltd.). After restructuring, the electricity transmission and distribution in Guangdong Province, the PRC, were controlled and managed by GPGC, while Yudean concentrated in the investment and management of power plants. According to the Reply to Issues in the Restructuring of Provincial Power Companies Assets with a document number of Yue Cai Qi [2001] No. 247, the Company’s 50.15% equity interest formerly held by GPHC was transferred to Yudean on 1 August 2001. As such, the directors of the Company considered Yudean (the “Parent Company”) as the immediate and ultimate parent company.

On 19 January 2006, the Company’s equity interest held by GPHC was decreased from 50.15% to 46.32% pursuant to the share reform scheme of the Company approved by the shareholders on 9 December 2005.

The Company and its subsidiaries (the “Group”) are principally engaged in the business of developing electric power plants in Guangdong Province, the PRC. The Company’s registered address is 23th to 26th floor, Yuedian Plaza , 2 Tianhe East Road, Guangzhou City, Guangdong Province, the PRC.

1. General Information (Continued)

As of 30 June 2007, the Company had the following subsidiaries, which were incorporated in the PRC as limited liability companies:

Name of entity	Date of incorporation	Attributable equity interest to the Company		Paid-in capital (Rmb)	Principal activities
		2007	2006		
Zhanjiang Electric Power Co., Ltd. ("Zhanjiang Electric")	21 November 1995	76%	76%	2,875,440,000	Electricity generation
Guangdong Yuejia Electric Power Co., Ltd. ("Yuejia Electric")	25 January 1996	58%	58%	1,200,000,000	Electricity generation
Guangdong Shaoguan Yuejiang Electric Power Co., Ltd. ("Yuejiang Electric")	16 September 1997	65%	65%	770,000,000	Electricity generation
Maoming Ruineng Thermal Power Co., Ltd. ("Maoming Ruineng")	1 January 2001	51%	51%	217,157,500	Electricity generation
Maoming Zhenneng Thermolectric Power Co., Ltd. ("Maoming Zhenneng")	27 August 2004	55.4%	52.84%	321,750,000	Electricity generation
Guangdong Yudean Jinghai Electric Power Development Co., Ltd. ("Jinghai Electric")	25 March 2005	51%	51%	1,550,000,000	Electricity generation
Guangdong Oil Shale Power Generation Co., Ltd. ("Oil Shale Power")	27 January 2006	83.66%	73.45%	235,000,000	Electricity generation (under construction)
Guangdong Yudean Zhanjiang Wind Power Co., Ltd. ("Zhanjiang Wind Power")	12 October 2006	70%	70%	160,000,000	Electricity generation (under construction)
Zhanjiang Yuheng Power Repair Co., Ltd. ("Zhanjiang Yuheng")	2 June 2006	76%	76%	20,000,000	Providing repair and maintenance service

The English names of all companies listed above are direct translations of their registered name in Chinese.

The condensed consolidated interim financial information was approved for issue on 10 August 2007.

2. Basis of preparation

The condensed consolidated interim financial information for the half-year ended 30 June 2007 has been prepared in accordance with IAS 34, "Interim Financial Reporting". The interim condensed financial report should be read in conjunction with the annual consolidated financial statements for the year ended 31 December 2006.

As of 30 June 2007, the Group had net current liabilities of approximately Rmb4,378,193,000. Notwithstanding the foregoing, the consolidated financial statements have been prepared on a going concern basis as the directors, having considered the current operation and business plan of the Group as well as any available banking facilities, are of the opinion that the Group will have sufficient working capital to enable it to operate as a going concern.

3. Accounting policies

The accounting policies adopted are consistent with those of the annual consolidated financial statements for the year ended 31 December 2006.

The following amendments to standards and interpretations are mandatory for financial year ending 31 December 2007.

- IAS 1 Amendments to Capital Disclosures, applicable for annual periods beginning on or after 1 January 2007. The amendment was adopted by the Group and the full disclosures as required by IAS 1 will be disclosed in the year-end financial statements.
- IFRS 7 Amendments to Financial Instrument: Disclosures, applicable for annual periods beginning on or after 1 January 2007. The amendment was adopted by the Group and the full disclosures as required by IFRS 7 will be disclosed in the year-end financial statements.
- IFRIC-Int 7 Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies, applicable for annual periods beginning on or after 1 March 2006. This is not relevant for the Group.
- IFRIC-Int 8 Scope of IFRS 2, Share-based Payment, applicable for annual periods beginning on or after 1 May 2006. This is not relevant for the Group.
- IFRIC-Int 9 Reassessment of Embedded Derivatives, applicable for annual periods beginning on or after 1 June 2006. This does not have any impact to the Group as there is not any embedded derivative prior to 1 June 2006.
- IFRIC-Int 10 Interim Financial Reporting and Impairment, applicable for annual periods beginning on or after 1 November 2006. This does not have any impact to the Group as there is not any impairment of goodwill and impairment of investments in equity instruments or in financial assets carried at cost prior to 1 November 2006.

The following new standards and interpretations have been issued but are not effective for 2007 and have not been early adopted:

- IFRS 8 Operating Segments, applicable for annual periods beginning on or after 1 January 2009.
- IFRIC-Int 11 IFRS 2 – Group and Treasury Share Transactions, applicable for annual periods beginning on or after 1 March 2007.
- IFRIC-Int 12 Service Concession Arrangements, applicable for annual periods beginning on or after 1 January 2008.
- IFRIC-Int 13 Customer Loyalty Programmes, applicable for annual periods beginning on or after 1 July 2008.
- IAS 23 Revised Borrowing Costs, applicable for annual periods beginning on or after 1 January 2009.

4. Segment information

No segment information is presented as the Group operates substantially in the business of developing electric power plants in the PRC, which accounted for substantially all of the consolidated revenue and results of the Group.

No geographical segment information is presented as its revenues are all generated in the Guangdong Province, the PRC, and its assets are located in the Guangdong Province, the PRC.

5. Earnings per share

The calculation of basic earnings per share is based on the net profit for the six months ended 30 June 2007 attributable to equity holders of approximately Rmb483,072,000 (six months ended 30 June 2006: approximately Rmb361,917,000), divided by the weighted average number of ordinary shares in issue during the period of 2,659,404,000 shares (six months ended 30 June 2006: 2,659,404,000 shares). There were no dilutive potential shares as of the year end.

6. Dividends

A dividend that related to 2006 amounting to Rmb478,692,720 (Rmb0.18 per share) was declared on 23 May 2007 (six months ended 30 June 2006: Rmb478,692,720 based on Rmb0.18 per share).

7. Property, plant and equipment

During the six months ended 30 June 2007, the addition of the Group's property, plant and equipment amounted to approximately Rmb1,205,435,000 (for the six months ended 30 June 2006: Rmb441,782,000), and the disposal of the Group's property, plant and equipment amounted to approximately Rmb3,108,000 (for the six months ended 30 June 2006: Rmb690,000).

8. Borrowings

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
Current		
Short-term bank borrowings	5,424,800	4,180,000
Current portion of long-term bank borrowings	195,510	239,060
	<u>5,620,310</u>	<u>4,419,060</u>
Non-current		
Long-term bank borrowings	2,082,390	1,988,940
Less: current portion of long-term bank borrowings	(195,510)	(239,060)
	<u>1,886,880</u>	<u>1,749,880</u>
	<u>7,507,190</u>	<u>6,168,940</u>

8. Borrowings (Continued)

The borrowings consist of following:

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
Secured bank borrowings (i)	1,405,390	1,448,940
Unsecured bank borrowings (ii)	6,101,800	4,720,000
	<u>7,507,190</u>	<u>6,168,940</u>

(i) Details of the secured bank borrowings are as follows:

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
Secured over the future revenue from power generation and trade receivables of Yuejiang Electric	1,032,390	1,075,940
Secured over certain electric utility plants, future revenue from the power generation and other interests of Maoming Riuneng (Note a)	323,000	323,000
Secured over certain electric utility plants and leasehold land payments of Yuejia Electric (Note b)	50,000	50,000
	<u>1,405,390</u>	<u>1,448,940</u>

Note a: The Company issued a letter of undertaking to a bank in relation of this bank borrowing of Maoming Ruineng, pursuant to which: (1) the Company should maintain 51% equity interest in Maoming Ruineng. All transfer of the relevant equity interest should obtain a written consent by the bank; 2) the Company was prohibited from any mortgage, pledge or other guarantee on its equity interest in Maoming Ruineng directly or indirectly held; (3) the Company and other investors are prohibited from modifying the articles of association of Maoming Ruineng unless it is required by laws or with a written consent by the bank.

As of 30 June 2007, the related bank borrowing amounted to Rmb323,000,000 (31 December 2006: Rmb323,000,000), which are also secured over certain electric utility plants amounting to approximately Rmb336,980,000 (31 December 2006: Rmb346,488,000) and the future revenue from the power generation and other interests of Maoming Ruineng.

8. Borrowings (Continued)

Note b: The borrowings are secured over certain electric utility plants amounting to approximately Rmb116,325,000 (31 December 2006: Rmb125,905,000) and certain leasehold land payments amounting to approximately Rmb16,667,000 (31 December 2006: Rmb16,958,000) of Yuejia Electric.

(ii) Details of the unsecured bank borrowings are as follows:

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
Entrusted loan granted by Yudean through a bank (Note 9(b)(viii))	600,000	800,000
Loans granted by Guangdong Yudean Finance Co., Ltd. (Note 9(b)(viii))	1,794,800	-
Loans granted by banks	3,707,000	3,920,000
	<u>6,101,800</u>	<u>4,720,000</u>

The interest rate exposure of the borrowings of the Group is as follows:

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
At fixed rates	5,474,800	4,553,000
At floating rates	2,032,390	1,615,940
	<u>7,507,190</u>	<u>6,168,940</u>

The effective interest rate of the bank borrowings as of 30 June 2007 is 5.4% (31 December 2006: 5.1%). The carrying amounts of the Group's borrowings approximate their fair values.

The Group has the following undrawn committed borrowing facilities:

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
Floating rate		
- Expiring within 1 year	2,240,000	7,805,000
- Expiring beyond 1 year	3,472,000	450,000
	<u>5,712,000</u>	<u>8,255,000</u>

The facilities have been arranged to finance the capital expenditures of the Group.

9. Significant related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

The Company is controlled by the Parent Company, and is ultimately controlled by the PRC government, which also controls a significant portion of the productive assets and entities in the PRC. In accordance with IAS 24, state-owned enterprises and their subsidiaries ("other state-owned companies"), other than the Parent Company and its fellow subsidiaries and associates, are also defined as related parties of the Company.

(a) The Group had the following material related parties:

I. Parent company and fellow subsidiaries

Name of related parties	Relationship with the Company
Guangdong Yudean Group Co., Ltd.	Parent Company
Guangdong Electric Material Supply Co., Ltd.	Controlled by the parent company
Maoming Thermal Power Plant	Controlled by the parent company
Shaoguan Electric Power Plant	Controlled by the parent company
Meizhou Jiacheng Power Co., Ltd.	Controlled by the parent company
Shaoguan Power Plant D Co., Ltd.	Controlled by the parent company
Shajiao Power Plant C	Controlled by the parent company
Shaoguan No.9 Generator Co., Ltd.	Controlled by the parent company
Guangdong Yudean Real Estate Investment Co., Ltd.	Controlled by the parent company
Guangdong Yudean Finance Co., Ltd.	Controlled by the parent company

II. Associates

Yangshan Jiangkeng Hydroelectric Station
Yangshan Zhongxinkeng Electric Power Co., Ltd. ("Zhongxinkeng")
Guangdong Yudean Holding Western Investment Co., Ltd. ("Yudean Western")
Shenzhen Guang Qian Power Limited Company ("Shenzhen Guang Qian")
Zhanjiang Zhongyue Energy Co., Ltd. ("Zhongyue Energy")
Guangdong Huizhou LNG Power Co., Ltd. ("Huizhou LNG")
Guangdong Yudean Shibeishan Wind Power Co., Ltd. ("Shibeishan")
Guangdong Red Gulf Electric Power Co., Ltd. ("Red Gulf")
Lincang Yuntou Yudean Water Power Co., Ltd. ("Lincang Yuntou")
Guangdong Yudean Shipping Co., Ltd. ("Yudean Shipping")
Weixin Yuntou Yudean Zhaxi Energy Co., Ltd.
Huaneng Shantou Wind Power Co., Ltd.
Shanxi Yudean Energy Co., Ltd. ("Shanxi Energy")
Guangdong Yudean Finance Co., Ltd. ("Yudean Finance")

9. Significant related party transactions (Continued)

III. Other state-owned companies

For the purpose of related party transactions disclosure, the Group has identified, to the extent practicable, those corporate customers and suppliers which are state-owned enterprises based on their immediate ownership structure. It should be noted, however, that substantially all of the Group's business activities are conducted in the PRC and the influence of the PRC government in the Chinese economy is pervasive. In this regard, the PRC government indirectly holds interests in many companies. Many state-owned enterprises have multi-layered corporate structure and the ownership structures change over time as a result of transfers and privatization programs. Some of these interests may, in themselves or when combined with other indirect interest, be controlling interests. Such interests, however, would not be known to the Group and are not reflected in the disclosures below. The Group believes that meaningful information relating to related party disclosures has been adequately disclosed.

(b) Other than the information as disclosed elsewhere in the notes to the consolidated interim financial information, the Group had carried out the following material related party transactions:

(i) Sales to related parties

	Six months ended 30 June	
	2007	2006
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Sales of electricity to GPGC	4,772,379	3,965,932
Sales of stream to Maoming Thermal Power Plant	-	551
Sales of stream to other state-owned companies	10,059	14,322

(ii) Purchase of coal, oil and other raw materials from related parties

	Six months ended 30 June	
	2007	2006
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
Guangdong Electric Material Supply Co., Ltd. *	1,892,442	1,502,898
Shaoguan Electric Power Plant **	472,751	381,204

* The Company, Zhanjiang Electric, Maoming Ruineng, Maoming Zhenneng and Jinghai Electric purchase coal and oil from Guangdong Electric Materials Supply Co., Ltd., a subsidiary of the Parent Company.

** Yuejiang Electric purchases coal, oil and other materials from Shaoguan Electric Power Plant, a subsidiary of the Parent Company.

9. Significant related party transactions (Continued)

(iii) Long-term prepayment for coal purchase

As of 30 June 2007, the long-term prepayments amounting to Rmb365,000,000 (31 December 2006: Rmb365,000,000) for coal purchases represented prepayments placed with the Parent Company to purchase and store fossil fuel on behalf of Shajiao Power Plant A of the Company, Zhanjiang Electric and Maoming Ruineng. The prepayments are unsecured, non-interest bearing and long-term in nature. The directors consider that the prepayment is necessary for maintaining the proper operation of Shajiao Power Plant A, Zhanjiang Electric and Maoming Ruineng.

(iv) Service income

According to a written agreement, Yuejia Electric provided repair and maintenance or staff to Meizhou Jiacheng Power Co., Ltd. For the six months ended 30 June 2007, the service income received from Meizhou Jiacheng Power Co., Ltd. amounted to approximately Rmb2,400,000 (six months ended 30 June 2006: Nil).

(v) Common expense allocation

According to a mutual agreement, Yuejiang Electric and Shaoguan Electric Power Plant agreed to allocate certain administrative expenses based on the proportion of their respective generators' capacity. For the six months ended 30 June 2007, the expenses paid to Shaoguan Electric Power Plant amounted to approximately Rmb25,168,000 (six months ended 30 June 2006: Rmb25,865,000).

(vi) Generator management fee

According to a written agreement, the management of No. 5 Generator in Maoming Ruineng was conducted by Maoming Thermal Power Plant. The management fee charged for current period was agreed as a fixed sum of Rmb10,180,000 plus other variable charge calculated at Rmb5/MWH based on the on-grid electricity volume. For the six months ended 30 June 2007, the total management fee charged by Maoming Thermal Power Plant amounted to approximately Rmb12,629,000 (six months ended 30 June 2006: Rmb13,170,000).

According to a written agreement, the management of all generators of Zhongyue Energy was conducted by Zhanjiang Electric. For the six months ended 30 June 2007, the net income of the management fee from Zhongyue Energy amounted to approximately Rmb7,757,000 (six months ended 30 June 2006: Nil).

9. Significant related party transactions (Continued)

	Six months ended 30 June	
	2007	2006
	Rmb'000	Rmb'000
	(Unaudited)	(Unaudited)
(vii) Interest income		
Zhongxinkeng (Note 9(c))	-	54
Yudean Finance (Note 9(c))	2,796	-
Yudean Western (Note 9(c))	3,803	2,224
	<hr/>	<hr/>
(viii) Interest expense		
Interest expenses on entrusted loans granted by the Parent Company (Note 9(c))	19,730	17,369
Interest expenses on loans granted by Yudean Finance (Note 9(c))	16,079	-
	<hr/>	<hr/>
(ix) Guarantee provided by Yudean Finance		

As of 30 June 2007, the outstanding balance of bills issued by the Group and guaranteed by Yudean Finance amounted to approximately Rmb259,372,000.

(x) Investments made by the Parent Company

As of 30 June 2007, the Parent Company is one of the investors of the following subsidiaries and associates of the Group:

Company	Attributable equity interest owned by the Parent Company (%)
Jinghai Electric	49%
Yudean Western	35%
Shenzhen Guang Qian	60%
Huizhou LNG	33%
Shibeishan	40%
Red Gulf	40%
Yudean Shipping	35%
Yudean Finance	65%
Shanxi Energy	60%

9. Significant related party transactions (Continued)

(c) As of 30 June 2007, the Group had the following material balances with related parties:

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
Due from related companies		
Included in loans and receivables – Non-current		
- Loan to Zhongxinkeng (i)	2,581	2,581
- Loans to Yudean Western (ii)	135,023	135,023
	<hr/>	<hr/>
Included in long-term prepayments for coal purchases		
- Prepayments to the Parent Company (9(b)(iii))	365,000	365,000
	<hr/>	<hr/>
Included in loans and receivables – Current		
- Due from GPGC	1,794,677	884,897
- Due from the Parent Company	-	6,667
- Due from subsidiaries of the Parent Company	1,352	5,078
- Due from associates	20,960	-
- Interests receivable from associates	13,519	11,402
	<hr/>	<hr/>
Included in cash and bank – Current		
- Deposits maintained in Yudean Finance (iii)	912,961	-
	<hr/>	<hr/>
Due to related companies		
Included in borrowings		
- entrusted loans from the Parent Company (iv)	600,000	800,000
- loans from Yudean Finance (v)	1,794,800	-
	<hr/>	<hr/>
Included in trade payables		
- Due to subsidiaries of the Parent Company	1,495,660	674,206
	<hr/>	<hr/>
Included in other payables and accruals		
- Due to the Parent Company	221,719	7,525
- Due to subsidiaries of the Parent Company	293,574	299,071
	<hr/>	<hr/>

- (i) Loan to Zhongxinkeng is unsecured, bears interest at 7.56% (2006: 7.56%) per annum and will mature in 2008.
- (ii) Loans to Yudean Western are unsecured, bear interest from 5.18% to 5.83% (2006: from 4.94% to 5.83%) per annum and will mature from 2008 to 2009.
- (iii) The annual interest rate for the deposits maintained in Yudean Finance was commensurate with the prevailing interest rates offered by banks in the PRC (2006: nil).
- (iv) The annual interest rate for the entrusted loans from the Parent Company was 5.02% in 2007 (2006: 5.02%).

9. Significant related party transactions (Continued)

(v) The Company, Yuejiang Electric and Jinghai Electric borrowed loans from Yudean Finance amounting to Rmb1,794,800,000 as of 30 June 2007 (31 December 2006: Nil). Interest rates for these loans were ranged from 5.022% to 5.27% (2006: nil).

Except for (i) - (v) as disclosed above, the balances with other related parties are unsecured, interest-free and have no fixed terms of repayment.

10. Capital commitments

Capital expenditure contracted for at the balance sheet but not recognised in the condensed consolidated interim financial information is as follows:

	30 June 2007 Rmb'000 (Unaudited)	31 December 2006 Rmb'000 (Audited)
Investment in subsidiaries	-	114,000
Investment in associates	235,033	9,740
Investment in available-for-sale financial assets	20,500	-
Acquisition of property, plant and equipment	1,326,598	2,726,183
	<u>1,582,131</u>	<u>2,849,923</u>

11. Contingencies

As of 30 June 2007, the Company provided guarantee to the associate, Lincang Yuntou, for its bank loan of Rmb34,300,000 (31 December 2006: Nil).

VIII. Documents Available for Inspection

1. Text of Semi-annual report 2007 carrying the signature of Chairman of the Board;
2. Financial statements bearing the seal and signature of legal representative, financial controller and the person in charge of the accounting organ;
3. All original copies of official documents and notices, which were disclosed in Securities Times, China Securities and Hong Kong Commercial Daily (Both English and Chinese version);
4. The article of association of the Company;
5. English version of the semi-annual report.

The documents mentioned above are kept in office, and are ready for reference at any time (except public holidays, Saturday and Sunday).

Guangdong Electric Power Development Co., Ltd.

Chairman of the board of directors: Pan Li

August 14, 2007