

The following is the text of a report, prepared for the purpose of incorporation in this prospectus, received from the Company's reporting accountant, Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong.



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December 12, 2011

The Directors
Beijing Jingneng Clean Energy Co., Limited
(formerly 北京京能能源科技投資有限公司 and 北京市能源投資公司)
Goldman Sachs (Asia) L.L.C.
UBS AG, Hong Kong Branch
BOCI Asia Limited

Dear Sirs,

We set out below our report on the financial information (the "Financial Information") regarding 北京京能清潔能源電力股份有限公司 (Beijing Jingneng Clean Energy Co., Limited, English name for identification purpose) (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for each of the three years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2011 (the "Relevant Periods") for inclusion in the prospectus of the Company dated December 12, 2011 (the "Prospectus") in connection with initial listing of the shares of the Company on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company was established under the name 北京市能源投資公司 (Beijing Energy Investment Company, English name for identification purpose) on February 3, 1993 in the People's Republic of China (the "PRC") by 北京市綜合投資公司, a state-owned enterprise. On November 16, 2006, the Company was transformed into a limited company and the name of the Company was changed to 北京京能能源科技投資有限公司 (Beijing Jingneng Energy Technology Investment Co., Ltd., English name for identification purpose). After the injection of capital from foreign investors as set out in Note 37(c) to Section A of this report, the Company changed its business registration to sino-foreign invested enterprise with limited liability in the PRC on April 29, 2010. On August 25, 2010, the Company was transformed and registered as a joint stock company with limited liability under the Company Law of the PRC and the name of the Company was changed to 北京京能清潔能源電力股份有限公司.

北京市綜合投資公司, whose name was subsequently changed to 北京能源投資(集團)有限公司 (Beijing Energy Investment Holding Co., Ltd, English name for identification purpose) ("BEIH") on December 8, 2004, is a state-owned enterprise established in the PRC with limited liability and is wholly-owned by the State-owned Assets Supervision and Administration Commission ("SASAC") of the People's Government of Beijing Municipality of the PRC ("Beijing Government"). Throughout the Relevant Periods and up to the date of this report, the Company's immediate and ultimate holding company is BEIH.

The information of the Company's direct and indirect interests in the subsidiaries, associates and jointly controlled entities throughout the Relevant Periods and up to the date of this report is set out respectively in Notes 47, 48 and 49 to Section A of this report.

The audited statutory financial statements of the Company for each of the two years ended December 31, 2008 and 2009 were prepared in accordance with the generally accepted accounting principles in the PRC ("PRC GAAP") and were audited by 天健正信會計師事務所有限責任公司 (Ascenda Certified Public Accountants, English name for identification purpose only, formerly known as 天健光華(北京)會計師事務所有限責任公司), a firm of certified public accountants registered in the PRC. And the audited statutory financial statements of the Company for the year ended December 31, 2010 were prepared in accordance with PRC GAAP and were audited by 國富浩華會計師事務所有限責任公司 (Crowe Horwath China CPAs CO., Ltd., English name for identification purpose only), a firm of certified public accountants registered in the PRC. Details of the audited financial statements of the Company's subsidiaries are set out in Note 47 to the Section A of this report.

For the purpose of this report, the directors of the Company (the "Directors") have prepared the consolidated financial statements of the Company and its subsidiaries for the Relevant Periods (the "Underlying Financial Statements") in accordance with the International Financial Reporting Standards ("IFRSs"). The Underlying Financial Statements have been audited by Deloitte Touche Tohmatsu CPA Ltd., a firm of certified public accountants registered in the PRC, in accordance with International Standards on Auditing issued by International Auditing and Assurance Standards Board ("IAASB").

We have examined the Underlying Financial Statements and performed such additional procedures as necessary in accordance with the Auditing Guideline 3.340 "Prospectuses and the Reporting Accountant" as recommended by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

The Financial Information of the Group for the Relevant Periods set out in this report has been prepared from the Underlying Financial Statements. No adjustments were considered necessary to the Underlying Financial Statements in preparing the Financial Information.

The Underlying Financial Statements are the responsibility of the Directors who approved their issue. The Directors are also responsible for the contents of the Prospectus in which this report is included. It is our responsibility to compile the Financial Information set out in this report from the Underlying Financial Statements, to form an independent opinion on the Financial Information and to report our opinion to you.

In our opinion, the Financial Information gives, for the purpose of this report, a true and fair view of the state of affairs of the Company and of the Group as at December 31, 2008, 2009 and 2010 and June 30, 2011 and of the results and cash flows of the Group for the Relevant Periods.

The comparative consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the six months ended June 30, 2010 together with the notes thereon have been extracted from the Group's unaudited consolidated financial information for the same period (the "June 30,

2010 Financial Information”) which was prepared by the Directors solely for the purpose of this report. We conducted our review on the June 30, 2010 Financial Information in accordance with the International Standard on Review Engagements 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the IAASB. Our review of the June 30, 2010 Financial Information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the June 30, 2010 Financial Information. Based on our review, nothing has come to our attention that causes us to believe that the June 30, 2010 Financial Information is not prepared, in all material respects, in accordance with the accounting policies consistent with those used in the preparation of the Financial Information, which conform with the IFRSs.

A. FINANCIAL INFORMATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended December 31,			Six months ended June 30,	
		2008	2009	2010	2010	2011
		RMB'000	RMB'000	RMB'000	RMB'000 <i>(unaudited)</i>	RMB'000
Revenue	6	2,256,653	4,785,453	3,642,818	1,972,638	1,892,255
Other income	7	502,242	580,246	609,044	221,364	429,301
Gas consumption		(1,008,461)	(1,458,644)	(1,970,455)	(1,048,780)	(1,027,237)
Service concession construction costs		(918,135)	(2,375,681)	—	—	—
Depreciation and amortization	11	(253,618)	(496,447)	(758,117)	(362,904)	(391,610)
Personnel costs	11	(72,103)	(119,396)	(184,343)	(64,690)	(81,204)
Repairs and maintenance		(76,026)	(98,745)	(104,497)	(42,603)	(36,163)
Other expenses		(196,779)	(335,854)	(253,186)	(113,511)	(76,745)
Other gains and losses	8	10,291	(3,632)	27,780	(11,212)	305
Profit from operations		244,064	477,300	1,009,044	550,302	708,902
Interest income	9	21,912	17,974	12,707	6,385	9,178
Finance costs	9	(214,348)	(299,201)	(500,259)	(255,773)	(283,755)
Share of results of associates		9,933	15,559	55,151	53,312	78,298
Share of results of jointly controlled entities		7,628	5,105	440	365	(1,281)
Profit before taxation		69,189	216,737	577,083	354,591	511,342
Income tax expense	10	(19,954)	(17,790)	(56,280)	(47,760)	(76,273)
Profit for the year/period	11	49,235	198,947	520,803	306,831	435,069
Other comprehensive income:						
— Share of other comprehensive income of a jointly controlled entity		(2,441)	2,224	—	—	—
Other comprehensive income for the year/period		(2,441)	2,224	—	—	—
Total comprehensive income		46,794	201,171	520,803	306,831	435,069
Profit for the year/period attributable to:						
— Equity owners of the Company		44,956	179,585	488,919	285,361	403,889
— Non-controlling interests		4,279	19,362	31,884	21,470	31,180
		49,235	198,947	520,803	306,831	435,069
Total comprehensive income for the year/period attributable to:						
— Equity owners of the Company		42,515	181,809	488,919	285,361	403,889
— Non-controlling interests		4,279	19,362	31,884	21,470	31,180
		46,794	201,171	520,803	306,831	435,069
Earnings per share						
Basic	14	1.75	4.88	10.23	6.27	8.08

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Notes	At December 31,			At
		2008	2009	2010	June 30,
		RMB'000	RMB'000	RMB'000	2011
				RMB'000	
Non-current assets					
Property, plant and equipment	15	8,162,639	11,104,117	11,812,691	12,703,573
Intangible assets	16	1,757,627	3,995,919	3,806,328	3,714,751
Goodwill	17	12,636	—	—	—
Prepaid lease payments	18	21,554	44,121	58,707	85,811
Investments in associates	20(a)	186,922	1,291,037	1,120,351	1,198,649
Loans to associates	20(b)	84,949	110,582	109,961	123,440
Investments in jointly controlled entities	21(a)	155,288	106,885	200,745	199,464
Loans to jointly controlled entities	21(b)	56,829	46,942	—	—
Deferred tax assets	22	4,908	30,715	82,719	63,889
Loan receivables	23	55,995	—	—	—
Available-for-sale financial assets	24	692,617	88,048	98,048	98,048
Value-added tax recoverable	28	—	535,590	562,456	494,746
Restricted bank deposits	30	87,147	2,238	—	—
Deposit paid for acquisition of property, plant and equipment		—	—	474,272	300,215
		<u>11,279,111</u>	<u>17,356,194</u>	<u>18,326,278</u>	<u>18,982,586</u>
Current assets					
Inventories	25	85,841	35,032	35,103	37,255
Trade and bill receivables	26	301,718	849,787	1,157,357	732,888
Other receivables, deposits and prepayments	27	126,472	85,419	105,727	191,662
Current tax assets		—	—	—	32,746
Amounts due from related parties	43(c)	14,773	100,497	16,240	3,724
Loan to jointly controlled entities	21(b)	—	—	40,604	—
Prepaid lease payments	18	703	1,040	1,294	2,965
Value-added tax recoverable	28	2,584	178,763	245,434	258,259
Held-to-maturity financial asset	29	20,000	—	—	—
Restricted bank deposits	30	68	13,979	—	—
Cash and cash equivalents	31	569,513	753,899	638,825	1,196,527
		<u>1,121,672</u>	<u>2,018,416</u>	<u>2,240,584</u>	<u>2,456,026</u>
Assets classified as held for sale	32	—	—	282,398	—
		<u>1,121,672</u>	<u>2,018,416</u>	<u>2,522,982</u>	<u>2,456,026</u>
Current liabilities					
Trade and other payables	33	1,317,322	1,563,497	1,644,320	719,197
Amounts due to related parties	43(d)	246,297	97,594	157,605	364,899
Bank and other borrowings—due within one year	34	2,718,222	3,599,122	2,731,300	5,416,024
Income tax payable		2,046	9,251	43,495	15,066
Deferred income—current portion	35	19,936	27,859	90,576	3,409
		<u>4,303,823</u>	<u>5,297,323</u>	<u>4,667,296</u>	<u>6,518,595</u>
Liabilities associated with assets classified as held for sale	32	—	—	176,147	—
		<u>4,303,823</u>	<u>5,297,323</u>	<u>4,843,443</u>	<u>6,518,595</u>
Net current liabilities		<u>(3,182,151)</u>	<u>(3,278,907)</u>	<u>(2,320,461)</u>	<u>(4,062,569)</u>
Total assets less current liabilities		<u>8,096,960</u>	<u>14,077,287</u>	<u>16,005,817</u>	<u>14,920,017</u>
Non-current liabilities					
Bank and other borrowings—due after one year	34	3,794,723	8,461,056	8,883,437	7,432,627
Deferred tax liabilities	22	—	—	4,186	4,016
Deferred income	35	47,369	50,688	44,737	43,421
Other non-current liabilities	36	99,698	—	—	—
		<u>3,941,790</u>	<u>8,511,744</u>	<u>8,932,360</u>	<u>7,480,064</u>
Net assets		<u>4,155,170</u>	<u>5,565,543</u>	<u>7,073,457</u>	<u>7,439,953</u>
Capital and reserves					
Registered capital/share capital	37	500,000	1,006,441	5,000,000	5,000,000
Reserves		<u>3,214,708</u>	<u>4,270,111</u>	<u>1,764,180</u>	<u>2,122,488</u>
Equity attributable to equity owners of the Company		<u>3,714,708</u>	<u>5,276,552</u>	<u>6,764,180</u>	<u>7,122,488</u>
Non-controlling interests		<u>440,462</u>	<u>288,991</u>	<u>309,277</u>	<u>317,465</u>
Total equity		<u>4,155,170</u>	<u>5,565,543</u>	<u>7,073,457</u>	<u>7,439,953</u>

STATEMENTS OF FINANCIAL POSITION

	Notes	At December 31,			At June 30,
		2008	2009	2010	2011
		RMB'000	RMB'000	RMB'000	RMB'000
Non-current assets					
Property, plant and equipment	15	650,469	1,308,334	1,336,118	1,305,505
Investments in subsidiaries	19	150,015	3,343,524	4,438,366	4,862,632
Loans to subsidiaries—non-current portion	19	73,276	—	—	—
Prepaid lease prepayments	18	—	—	1,436	1,436
Investments in associates	20(a)	127,009	1,273,755	947,681	947,681
Loans to associates	20(b)	84,949	110,582	109,440	123,440
Investments in jointly controlled entities	21(a)	130,000	105,000	192,000	192,000
Loans to jointly controlled entities	21(b)	46,829	46,942	—	—
Deferred tax assets	22	—	—	23,196	21,588
Loan receivables	23	48,393	—	—	—
Available-for-sale financial assets	24	691,972	20,000	30,000	30,000
Value-added tax recoverable	28	—	63,576	14,912	464
Deposit paid for acquisition of property, plant and equipment		—	—	—	6,278
		<u>2,002,912</u>	<u>6,271,713</u>	<u>7,093,149</u>	<u>7,491,024</u>
Current assets					
Inventories	25	6,404	881	376	—
Trade and bill receivables	26	21,698	12,317	42,111	13,512
Other receivables, deposits and prepayments	27	7,861	5,506	13,388	44,725
Amounts due from related parties	43(c)	7,888	99,251	—	3,308
Loans to subsidiaries—current portion	19	—	—	—	1,320,754
Loans to jointly controlled entities	21(b)	—	—	40,604	—
Prepaid lease prepayments	18	—	—	29	29
Value-added tax recoverable	28	—	18,266	35,180	29,249
Restricted bank deposits	30	68	151	—	—
Cash and cash equivalents	31	78,631	94,401	92,403	91,234
		<u>122,550</u>	<u>230,773</u>	<u>224,091</u>	<u>1,502,811</u>
Current liabilities					
Trade and other payables	33	159,672	220,740	121,413	74,493
Amounts due to related parties	43(d)	95,788	3,046	61,621	142,721
Amounts due to a subsidiary		—	—	—	750
Bank and other borrowings—due within one year	34	280,000	180,000	200,000	1,573,000
Income tax payable		856	1,359	—	—
Deferred income—current portion	35	2,631	2,632	—	2,162
		<u>538,947</u>	<u>407,777</u>	<u>383,034</u>	<u>1,793,126</u>
Net current liabilities		<u>(416,397)</u>	<u>(177,004)</u>	<u>(158,943)</u>	<u>(290,315)</u>
Total assets less current liabilities		<u>1,586,515</u>	<u>6,094,709</u>	<u>6,934,206</u>	<u>7,200,709</u>
Non-current liabilities					
Bank and other borrowings—due after one year	34	458,000	780,000	460,000	460,000
Deferred income	35	47,369	44,737	44,737	43,421
		<u>505,369</u>	<u>824,737</u>	<u>504,737</u>	<u>503,421</u>
Net assets		<u>1,081,146</u>	<u>5,269,972</u>	<u>6,429,469</u>	<u>6,697,288</u>
Capital and reserves					
Registered capital/share capital	37	500,000	1,006,441	5,000,000	5,000,000
Reserves	38	581,146	4,263,531	1,429,469	1,697,288
Total equity		<u>1,081,146</u>	<u>5,269,972</u>	<u>6,429,469</u>	<u>6,697,288</u>

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Attributable to equity owners of the Company					Total	Attributable to non-controlling interests	Total equity
	Registered capital/ share capital	Capital reserve	Statutory surplus reserve	Other reserves	Accumulated (losses) profits			
	RMB'000 (Note 37)	RMB'000 (Note (a))	RMB'000 (Note (e))	RMB'000 (Note (f))	RMB'000			
For the three years ended								
December 31, 2010 and six months ended June 30, 2011								
At January 1, 2008	500,000	2,229,353	2,612	4,131	(84,193)	2,651,903	391,085	3,042,988
Capital contribution to subsidiaries under common control by BEIH (Note (b))	—	1,032,188	—	—	—	1,032,188	47,148	1,079,336
Dividend declared by a subsidiary under common control by BEIH (Note 13(a))	—	—	—	—	(11,898)	(11,898)	(2,050)	(13,948)
Appropriation to statutory reserve	—	—	6,228	—	(6,228)	—	—	—
	<u>500,000</u>	<u>3,261,541</u>	<u>8,840</u>	<u>4,131</u>	<u>(102,319)</u>	<u>3,672,193</u>	<u>436,183</u>	<u>4,108,376</u>
Profit for the year	—	—	—	—	44,956	44,956	4,279	49,235
Other comprehensive income	—	—	—	(2,441)	—	(2,441)	—	(2,441)
Total comprehensive income for the year	—	—	—	(2,441)	44,956	42,515	4,279	46,794
At December 31, 2008	500,000	3,261,541	8,840	1,690	(57,363)	3,714,708	440,462	4,155,170
Capital contribution to subsidiaries under common control by BEIH (Note (b))	—	494,778	—	—	—	494,778	—	494,778
Increase in registered capital by:								
— Cash (Note 37(a) & (b))	406,441	43,559	—	—	—	450,000	—	450,000
— Capitalization of reserve (Note 37(a))	100,000	(100,000)	—	—	—	—	—	—
Appropriation to statutory surplus reserve	—	—	19,802	—	(19,802)	—	—	—
Acquisition of additional interests in a subsidiary (Note (c))	—	15,348	—	—	—	15,348	(15,348)	—
Transfer of additional interests in an associate held by BEIH (Notes 2(b))	—	548,448	—	—	58,457	606,905	—	606,905
Transfer of subsidiaries to BEIH (Note 2(c))	—	(375,842)	—	—	—	(375,842)	(48,055)	(423,897)
Payable waived by BEIH (Note (d))	—	81,416	—	—	—	81,416	—	81,416
Deemed contribution from acquisition of additional interests in subsidiaries by BEIH (Note (i))	—	96,507	238	—	10,685	107,430	(107,430)	—
	<u>1,006,441</u>	<u>4,065,755</u>	<u>28,880</u>	<u>1,690</u>	<u>(8,023)</u>	<u>5,094,743</u>	<u>269,629</u>	<u>5,364,372</u>

APPENDIX I

ACCOUNTANTS' REPORT

	Attributable to equity owners of the Company					Attributable to non-controlling interests		Total equity
	Registered capital/ share capital	Capital reserve	Statutory surplus reserve	Other reserves	Accumulated (losses) profits	Total	Total equity	
	RMB'000 (Note 37)	RMB'000 (Note (a))	RMB'000 (Note (e))	RMB'000 (Note (f))	RMB'000	RMB'000	RMB'000	
Profit for the year	—	—	—	—	179,585	179,585	19,362	198,947
Other comprehensive income	—	—	—	2,224	—	2,224	—	2,224
Total comprehensive income for the year	—	—	—	2,224	179,585	181,809	19,362	201,171
At December 31, 2009	1,006,441	4,065,755	28,880	3,914	171,562	5,276,552	288,991	5,565,543
Capital contribution to subsidiaries under common control by BEIH (Note b)	—	80,000	—	—	—	80,000	—	80,000
Increase in registered capital by cash (Note 37(c))	159,771	1,083,960	—	—	—	1,243,731	—	1,243,731
Capitalization of reserves on transformation into joint stock company (Note 37(d))	3,833,788	(3,799,494)	(34,294)	—	—	—	—	—
Transfer of Company's associate to BEIH's subsidiary (Note 2(d))	—	(14,692)	—	—	—	(14,692)	—	(14,692)
Adjustment on interest in an associate transferred by BEIH (Note 2(b))	—	(145,731)	—	—	—	(145,731)	—	(145,731)
Appropriation to statutory surplus reserve	—	—	73,795	—	(73,795)	—	—	—
Share of associates' other reserves (Note (g))	—	74,719	—	—	—	74,719	—	74,719
Acquisition of a subsidiary from BEIH (Note 2(a))	—	(3,000)	—	—	—	(3,000)	—	(3,000)
Dilution in non-controlling interest (Note (h))	—	(800)	—	—	—	(800)	800	—
Dividend declared (Note 13(b))	—	—	—	—	(235,518)	(235,518)	(12,398)	(247,916)
	<u>5,000,000</u>	<u>1,340,717</u>	<u>68,381</u>	<u>3,914</u>	<u>(137,751)</u>	<u>6,275,261</u>	<u>277,393</u>	<u>6,552,654</u>
Profit/total comprehensive income for the year	—	—	—	—	488,919	488,919	31,884	520,803
At December 31, 2010	5,000,000	1,340,717	68,381	3,914	351,168	6,764,180	309,277	7,073,457
Additional capital injection in a subsidiary by non-controlling interests	—	—	—	—	—	—	19,480	19,480
Disposal of investment in an associate and an subsidiary to BEIH (Note 2(e))	—	35,739	—	—	—	35,739	1,166	36,905
Appropriation to statutory surplus reserve	—	—	83,701	—	(83,701)	—	—	—
Acquisition of a subsidiary from BEIH (Note 2(a))	—	(81,320)	—	—	—	(81,320)	—	(81,320)
Dividend declared (Note 13(c))	—	—	—	—	—	—	(43,638)	(43,638)
	<u>5,000,000</u>	<u>1,295,136</u>	<u>152,082</u>	<u>3,914</u>	<u>267,467</u>	<u>6,718,599</u>	<u>286,285</u>	<u>7,004,884</u>
Profit/total comprehensive income for the period	—	—	—	—	403,889	403,889	31,180	435,069
At June 30, 2011	<u>5,000,000</u>	<u>1,295,136</u>	<u>152,082</u>	<u>3,914</u>	<u>671,356</u>	<u>7,122,488</u>	<u>317,465</u>	<u>7,439,953</u>

	Attributable to equity owners of the Company					Total	Attributable to non-controlling interests	Total equity
	Registered capital/ share capital	Capital reserve	Statutory surplus reserve	Other reserves	Accumulated (losses) profits			
	RMB'000 (Note 37)	RMB'000 (Note (a))	RMB'000 (Note (e))	RMB'000 (Note (f))	RMB'000			
For the six months ended								
June 30, 2010 (Unaudited)								
At January 1, 2010	1,006,441	4,065,755	28,880	3,914	171,562	5,276,552	288,991	5,565,543
Increase in registered capital by cash (Note 37(c))	159,771	1,083,960	—	—	—	1,243,731	—	1,243,731
Transfer of Company's associate to BEIH's subsidiary (Note 2(d))	—	(14,692)	—	—	—	(14,692)	—	(14,692)
Adjustment on interest in an associate transferred by BEIH (Note 2(b))	—	(145,731)	—	—	—	(145,731)	—	(145,731)
Appropriation to statutory surplus reserve	—	—	24,706	—	(24,706)	—	—	—
Dividend declared (Note 13(b)) ...	—	—	—	—	(235,518)	(235,518)	(12,398)	(247,916)
	<u>1,166,212</u>	<u>4,989,292</u>	<u>53,586</u>	<u>3,914</u>	<u>(88,662)</u>	<u>6,124,342</u>	<u>276,593</u>	<u>6,400,935</u>
Profit/total comprehensive income for the period	—	—	—	—	285,361	285,361	21,470	306,831
At June 30, 2010	<u>1,166,212</u>	<u>4,989,292</u>	<u>53,586</u>	<u>3,914</u>	<u>196,699</u>	<u>6,409,703</u>	<u>298,063</u>	<u>6,707,766</u>

Notes:

- (a) Included in the balance of capital reserve at January 1, 2008 is an amount of RMB1,553,006,000 which represents the registered capital of the entities injected by BEIH and accounted for using the merger method of accounting as set out in Note 2(a).
- (b) The amounts represents the increase of registered capital of the subsidiaries mentioned in (a) by cash injection of BEIH during the Relevant Periods.
- (c) In September 2009, the non-controlling shareholders of the Company's subsidiary, 北京源深節能技術有限責任公司 (Beijing Yuanshen Energy-saving Technology Co., Ltd., English name for identification purpose) ("Yuan Shen Jie Neng"), transferred their aggregated 25% equity interest in Yuan Shen Jie Neng at no consideration pursuant to the order of SASAC of Beijing Government. The non-controlling shareholders are state-owned entities under the administration of SASAC of Beijing Government. The non-controlling interests prior to this transfer amounting to RMB15,348,000 was recorded as capital reserve.
- (d) During the year ended December 31, 2009, BEIH acted as the operator of state-owned assets entrusted by the government, and approved to transfer certain designated funds amounting to RMB81,416,000 to capital reserve (see Note 33(b)).
- (e) According to the relevant requirement in the memorandum of the Company and its subsidiaries, a portion of their profits after taxation computed in accordance with the PRC GAAP will be transferred to statutory surplus reserve. The transfer to this reserve must be made before the distribution of a dividend to equity owners. Such statutory surplus reserve can be used to offset the previous years' losses, if any, and increase capital. The statutory surplus reserve is non-distributable other than upon liquidation.
- (f) Other reserves represent the share of other comprehensive income of associates and jointly controlled entities.
- (g) The amount represents the share of increase in 北京京能國際能源股份有限公司 (Beijing Jingneng International Power Co., Ltd. for identification purpose) ("Beijing Jingneng International")'s capital reserves, which attributed to the exchange of certain subsidiaries between Beijing Jingneng International and BEIH.
- (h) On November 24, 2010, the Company increased its equity interest in a subsidiary, 北京京橋熱電有限責任公司 (Beijing Jingqiao Thermal Power Co., Ltd., English name for identification purpose) ("Jingqiao Power"), to 80.03% by capital injection of RMB40,000,000. The non-controlling interest's share of the capital injection was RMB800,000.
- (i) BEIH acquired the additional interests in two entities which were original owned by a fellow subsidiary not fully controlled by BEIH in December 2009. After such acquisition, BEIH transferred 100% equity interests in these two subsidiaries into the Company as the contribution under the Group reorganization in December 2009.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	Year ended December 31,			Six months ended June 30,	
		2008	2009	2010	2010	2011
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Operating activities						
Profit before taxation		69,189	216,737	577,083	354,591	511,342
Adjustments for:						
Depreciation and amortization	11	253,618	496,447	758,117	362,904	391,610
Reversal of inventory provision		(199)	(52)	—	—	—
Impairment losses on:						
— Property, plant and equipment	8	—	12,351	—	—	—
— Doubtful receivables	8	185	892	164	13	—
Dividend from available-for-sale financial assets		(1,720)	(2,126)	(847)	(847)	(2,096)
(Gain) loss on disposal of:						
— Property, plant and equipment	8	(15)	2,979	339	—	606
— Available-for-sale financial assets		172	—	—	—	—
Gain on capital contribution from the non-controlling interests in an associate and a jointly controlled entity	8	—	—	(36,796)	—	—
Share of results of associates		(9,933)	(15,559)	(55,151)	(53,312)	(78,298)
Share of results of jointly controlled entities		(7,628)	(5,105)	(440)	(365)	1,281
Interest income	9	(21,912)	(17,974)	(12,707)	(6,385)	(9,178)
Finance costs	9	214,348	299,201	500,259	255,773	283,755
Prepaid lease payments released to profit or loss	11	466	969	1,350	623	799
Deferred income released to profit or loss	7	—	(2,631)	(2,755)	(1,358)	(1,316)
Operating cash flows before movements in working capital		496,571	986,129	1,728,616	911,637	1,098,505
Decrease (increase) in inventories		9,041	(19,335)	(5,577)	(368)	(2,152)
(Increase) decrease in trade and bill receivables		(243,916)	(582,334)	(342,201)	247,245	424,469
(Increase) decrease in other receivables, deposits and prepayments		(50,864)	(57,227)	155,872	(17,953)	(13,957)
Decrease (increase) in amounts due from related parties		1,885	(682)	(15,037)	(297)	59
Increase (decrease) in trade and other payables		105,624	36,940	9,548	59,257	(88,250)
Increase (decrease) in amounts due to related parties		74,723	(64,505)	11,355	24,679	(7,550)
Increase (decrease) in deferred income		17,305	7,779	65,492	(19,114)	(87,167)
Cash generated from operations		410,369	306,765	1,608,068	1,205,086	1,323,957
Income tax paid		(24,149)	(36,394)	(69,853)	(55,668)	(111,345)
Net cash generated from operating activities		386,220	270,371	1,538,215	1,149,418	1,212,612
Investing activities						
Interest received		21,912	17,974	12,707	6,385	7,551
Dividends received		3,635	3,131	181,604	7,565	—
Repayment of loans receivable		15,051	—	—	—	—
Repayment of loans by associates		—	—	621	—	200,522
Cash advanced to associates		(27,853)	(25,633)	—	—	(214,001)
Repayment of loans by jointly controlled entities		—	9,887	6,337	6,338	40,604
Cash advanced to jointly controlled entities		(22,805)	—	—	—	—
Repayment of loan from related party		26,084	6,211	94,840	92,192	110,625
Acquisition of:						
— Property, plant and equipment		(2,679,588)	(3,592,071)	(1,644,891)	(1,095,896)	(1,711,611)
— Intangible assets		(1,023,245)	(2,302,275)	(192)	—	(9,474)
— Available-for-sales financial assets		—	(68,428)	(10,000)	(10,000)	—
Additional capital contribution to a jointly controlled entity		—	—	(87,000)	—	—
Prepaid lease payments on land use rights		(25,261)	(19,538)	(30,279)	(14,412)	(29,574)

APPENDIX I

ACCOUNTANTS' REPORT

	Notes	Year ended December 31,			Six months ended June 30,	
		2008	2009	2010	2010	2011
		RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Proceeds on disposals of:						
— Property, plant and equipment		19,256	9,340	2,406	660	1,576
— Intangible assets		663	—	—	—	—
— Available-for-sales financial assets		295	—	—	—	—
(Deposit) receipt of restricted bank deposits		(1,407)	10,185	16,217	2,349	—
Cash received from government grants		50,000	6,094	—	—	—
Deposit paid for acquisition of property, plant and equipment		—	—	(474,272)	(173,738)	—
Cash received from held-to-maturity financial assets on maturity		—	20,000	—	—	—
Settlement of consideration payable for acquisition of a subsidiary		—	—	—	—	(3,000)
Cash (outflow) inflow on disposal of subsidiaries	2(c)/2(e)	—	(208,818)	—	—	17,499
Cash inflow on disposal of an investment in an associate classified as asset held for sales		—	—	—	—	15,782
Net cash used in investing activities		<u>(3,643,263)</u>	<u>(6,133,941)</u>	<u>(1,931,902)</u>	<u>(1,178,557)</u>	<u>(1,573,501)</u>
Financing activities						
Interest paid		(359,487)	(456,262)	(496,168)	(315,353)	(283,471)
Cash received from capital contribution		1,044,971	944,777	1,323,731	1,243,731	19,480
New bank loans raised		5,650,560	11,531,400	5,523,000	2,615,000	5,452,411
Repayments of bank loans		(2,901,311)	(5,887,776)	(5,815,486)	(3,130,586)	(4,218,497)
Advances from related parties		50,000	—	—	—	—
Repayment to related parties		(28,517)	(84,199)	(67,271)	(65,808)	—
Prepaid costs for new share issuing		—	—	—	—	(26,915)
Dividends paid to:						
— Shareholders		—	—	(174,118)	(57,791)	—
— non-controlling interests		—	—	(12,398)	—	(26,183)
Net cash generated from financing activities		<u>3,456,216</u>	<u>6,047,940</u>	<u>281,290</u>	<u>289,193</u>	<u>916,825</u>
Net increase (decrease) in cash and cash equivalents		<u>199,173</u>	<u>184,370</u>	<u>(112,397)</u>	<u>260,054</u>	<u>555,936</u>
Cash and cash equivalents at the beginning of the year/period		<u>370,340</u>	<u>569,513</u>	<u>753,899</u>	<u>753,899</u>	<u>640,590</u>
Effect of foreign exchange rate changes		<u>—</u>	<u>16</u>	<u>(912)</u>	<u>(2,635)</u>	<u>1</u>
Cash and cash equivalents at the end of the year/period		<u><u>569,513</u></u>	<u><u>753,899</u></u>	<u><u>640,590</u></u>	<u><u>1,011,318</u></u>	<u><u>1,196,527</u></u>
Represented by:						
— Cash and cash equivalents included in a disposal group reclassified as assets held for sale	32	—	—	1,765	—	—
— Cash and cash equivalents at the end of the year/period	31	<u>569,513</u>	<u>753,899</u>	<u>638,825</u>	<u>1,011,318</u>	<u>1,196,527</u>

NOTES TO THE FINANCIAL INFORMATION**1. GENERAL**

The Company is principally engaged in investment holdings and clean energy power generation and its registered office and the principal place of operations of the Company is at Room 118, No. 1 Ziguang East Road, Badaling Economic Development Zone, Yanqing County, Beijing, the PRC.

The Financial Information is presented in Renminbi (“RMB”), which is the functional currency of the Company and its subsidiaries.

2. BASIS OF PREPARATION

- (a) Pursuant to the group reorganization approved by the Board of Directors of BEIH on December 15, 2009, BEIH transferred its businesses and operations related to wind power and gas power through the transfer of its interests in the following entities to the Company:
- (i) 74% equity interests in 北京太陽宮燃氣熱電有限公司 (Beijing Taiyanggong Gas-fired Power Company, English name for identification purpose) (“Taiyanggong Power”);
 - (ii) 78% equity interests in Jingqiao Power;
 - (iii) 100% equity interests in 北京京豐燃氣發電有限責任公司 (Beijing Jingfeng Natural Gas-fired Power Co., Ltd., English name for identification purpose) (“Jingfeng Power”);
 - (iv) 100% equity interests in 北京京能新能源有限公司 (Beijing Jingneng New Energy Co., Ltd., English name for identification purpose) (“New Energy”);
 - (v) 100% equity interests in 內蒙古京能商都風力發電有限責任公司 (Inner Mongolia Jingneng Shangdu Wind Power Co., Ltd., English name for identification purpose) (“Shangdu Power”);
 - (vi) 100% equity interests in 內蒙古京能察右中風力發電有限責任公司 (Inner Mongolia Jingneng Chayouzhong Energy Co., Ltd., English name for identification purpose) (“Chayouzhong Energy”);
 - (vii) 100% equity interests in 錫林郭勒吉相華亞風力發電有限責任公司 (Xilinguole Jixianghuaya Wind Power Co., Ltd., English name for identification purpose) (“Xilinguole Power”);
 - (viii) 100% equity interests in 內蒙古京能烏蘭伊力更風力發電有限責任公司 (Inner Mongolia Jingneng Wulanyiligeng Wind Power Co., Ltd., English name for identification purpose) (“Wulanyiligeng Power”);
 - (ix) 100% equity interests in 內蒙古京能霍林郭勒風力發電有限責任公司 (Inner Mongolia Huolinguole Wind Power Co., Ltd., English name for identification purpose) (“Huolinguole Power”);

- (x) 100% equity interests in 黑水縣三聯水電開發有限責任公司 (Heishui County Sanlian HydroPower Development Co., Ltd., English name for identification purpose) (“Sanlian Power”); and
- (xi) 100% equity interests in 北京華富能源諮詢有限公司 (Beijing Huafu Energy Consultancy Co., Ltd., English name for identification only) (“Beijing Huafu Energy”).

In addition, Beijing Jingneng International transferred 100% equity interests in 內蒙古京能巴林右風力發電有限責任公司 (Inner Mongolia Jingneng Balinyou Wind Power Co., Ltd., English name for identification purpose) (“Balinyou Wind Power”) to New Energy at cash consideration of RMB3,000,000 on December 30, 2010.

In addition, BEIH transferred 100% equity interests in 北京京能高安屯燃氣熱電有限責任公司 (Beijing Jing Neng Gas-fired Power Co., Ltd., English Name for identification purpose) (“Gaoantun Power”) to the Company at cash consideration of RMB81,320,000 on May 12, 2011.

As the Company and the entities transferred from BEIH and acquired from Beijing Jingneng International as set out above (“Common Controlled Entities”) are under common controlled by BEIH prior and after the reorganization,

- (i) The consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the Relevant Periods include the results, changes in equity and cash flows of the Common Controlled Entities as if the Common Controlled Entities were in the Group throughout the Relevant Periods, or since their respective dates of establishment; and
 - (ii) The consolidated statements of financial position as at December 31, 2008 include the assets and liabilities of the Common Controlled Entities as if the Common Controlled Entities were in the Group at that date.
- (b) In addition to the reorganization as set out above, BEIH also transferred 9.28% equity interest in Beijing Jingneng International to the Company on December 31, 2009. Together with the existing 10.72% equity interest of Beijing Jingneng International held by the Company, the Company held 20% of Beijing Jingneng International, and Beijing Jingneng International became the Company’s associate. The additional 9.28% equity interest was recorded at the fair value of the equity interest as at December 31, 2009 amounting to RMB548,448,000, which was accounted for as capital contribution from BEIH and presented as capital reserve. The excess of the share of the net fair value of the identifiable assets and liabilities over the carrying amount of 10.72% equity interest as at December 31, 2009 amounting to RMB58,457,000 was distributable pursuant to relevant rules in the PRC and therefore credited to the accumulated profits.

On January 21, 2010, the Company, BEIH and a group of strategic investors agreed that the accumulated profits attributable to 9.28% equity interest of Beijing Jingneng International as at December 31, 2009 should be entitled to BEIH. On

June 11, 2010, the shareholders of Beijing Jingneng International approved a dividend distribution resolution to distribute all of the accumulated profits of Beijing Jingneng International as at December 31, 2009. The dividend attributable to 9.28% equity interest amounting to RMB145,731,000 was allocated to BEIH pursuant to the above agreement and accounted for as an adjustment to reduce the fair value of the contribution of equity interest received from BEIH.

- (c) To rationalize the group structure for the purpose of listing of the Company's shares on the Stock Exchange (the "Listing"), the Company has transferred the following subsidiaries to BEIH on December 31, 2009:
- (i) 100% equity interests in Yuan Shen Jie Neng;
 - (ii) 60% equity interests in 北京博爾節能設備技術開發有限責任公司 (Beijing Boer Energy-saving Equipment Technology Development Co., Ltd., English name for identification purpose) ("Bo Er Jie Neng");
 - (iii) 80% equity interests in 北京華源高潔能源供應技術有限責任公司 (Beijing Huayangaojie Energy Supplying Technology Co., Ltd., English name for identification purpose); and
 - (iv) 51% equity interests in 北京嘉捷博大汽車節能技術有限公司 (Beijing Jiajie Boda Automobiles Energy Saving Technology Co., Ltd., English name for identification purpose).

The entities transferred out as above were accounted for as a distribution to BEIH and the details of the assets and liabilities derecognized on the date of transfer are set out as follows:

	<i>RMB'000</i>
Assets and liabilities derecognized:	
Property, plant and equipment	60,700
Intangible assets	54,541
Goodwill	12,636
Investments in associates	92,050
Investments in jointly controlled entities	50,671
Available-for-sale financial assets	91,840
Inventories	69,546
Trade and bill receivables	37,283
Other receivables, deposits and prepayments	192,338
Restricted bank deposits	60,815
Cash and cash equivalents	208,818
Trade and other payables	(359,307)
Bank and other borrowings	(96,391)
Other non-current liabilities	(99,698)
	<u>375,842</u>
Non-controlling interests	48,055
Total amount derecognized	<u>423,897</u>
Net cash outflow on derecognition-cash and cash equivalents disposal of	<u>(208,818)</u>

- (d) On February 24, 2010, the Company transferred 46.92% equity interest in its associate, 北京科利源熱電有限公司 (Beijing Keliyuan Thermal Power Co., Ltd., English name for identification purpose) ("Beijing Keliyuan"), to one of BEIH's subsidiaries.

The carrying amount of Beijing Keliyuan amounting to RMB14,692,000 is accounted for as distribution to BEIH, the equity participant.

- (e) On January 18, 2011, the Group has disposed of its subsidiary, 山東京能生物質發電有限公司 (Shandong Jingneng Biomass Power Co., Ltd., English name for identification purpose) (“Shandong Jingneng Energy”), and its associate, 國電湯原生物質發電有限公司 (Guodian Tangyuan Biomass Power Co., Ltd., English name for identification purpose) (“Guodian Tangyuan”), to BEIH, with the approval from SASAC of Beijing Government. The Group has fully received the consideration of RMB19,264,000 and RMB15,782,000 respectively. The disposal gain amounting to RMB35,739,000 is accounted for as contribution from BEIH.

In the RMB35,739,000 contribution, RMB22,125,000 is related to the gain on disposal of Shangdong Jingneng Energy.

The details of the assets and liabilities (classified as held for sales) of Shangdong Jingneng Energy at the disposal date and the disposal gain recorded as the contribution from BEIH are set out as below:

	<i>RMB'000</i>
Assets and liabilities derecognized:	
Property, plant and equipment	222,808
Intangible assets	84
Prepaid lease prepayments	14,089
Inventories	5,507
Trade and bills receivable	34,297
Other receivables, deposits and prepayments	570
Cash and cash equivalents	1,765
Trade and other payables	(17,220)
Bank and other borrowings	(152,956)
Deferred Income	(5,971)
Other borrowings from the Company	(107,000)
	<u>(4,027)</u>
Less:	
Non-controlling Interest	(1,166)
Net liabilities disposed	<u>(2,861)</u>
Total consideration received by cash	<u>19,264</u>
Gain on disposal recorded in contribution from BEIH	<u>22,125</u>
Net cash inflow on disposal of subsidiaries	<u>17,499</u>

- (f) In preparing the Underlying Financial Statements, the Directors have given careful consideration that at December 31, 2008, 2009 and 2010 and June 30, 2011, the Group has net current liabilities of RMB3,182,151,000, RMB3,278,907,000, RMB2,320,461,000 and RMB4,062,569,000 and the Company has net current liabilities of RMB416,397,000, RMB177,004,000, RMB158,943,000 and RMB290,315,000 respectively. Taking into consideration of the unutilized banking facilities available to Group of RMB13,997,225,000 at October 31, 2011, and the Group's cash inflows generated from operating activities, the Directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly the Financial Information has been prepared on a going concern basis.

3. ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS

For the purpose of preparing and presenting the Financial Information for the Relevant Periods, the Group has consistently adopted International Accounting Standards (“IASs”) and IFRSs issued by International Accounting Standards Board, which are effective for the accounting period beginning on January 1, 2011 throughout the Relevant Periods, except for IFRS 3 (Revised 2008), which has been applied for business combination for which the acquisition date is on or after January 1, 2010 and IAS 27 (Revised 2008) which has been applied for accounting period beginning on January 1, 2010.

At the date of this report, the following new and revised standards, amendments and interpretation have been issued which are not yet effective:

IAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income ⁽⁴⁾
IAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ⁽²⁾
IAS 19 (Revised 2011)	Employee Benefits ⁽³⁾
IAS 27 (Revised 2011)	Separate Financial Statements ⁽³⁾
IAS 28 (Revised 2011)	Investments in Associates and Joint Ventures ⁽³⁾
IFRS 1 (Amendments)	Severe Hyperinflations and Removal of Fixed Dates for First-time Adopters ⁽¹⁾
IFRS 7 (Amendments)	Disclosures — Transfers of Financial Assets ⁽¹⁾
IFRS 9	Financial Instruments ⁽³⁾
IFRS 10	Consolidated Financial Statements ⁽³⁾
IFRS 11	Joint Arrangements ⁽³⁾
IFRS 12	Disclosure of Interests in Other Entities ⁽³⁾
IFRS 13	Fair Value Measurement ⁽³⁾
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine ⁽³⁾

Notes:

- (1) Effective for annual periods beginning on or after July 1, 2011
- (2) Effective for annual periods beginning on or after January 1, 2012
- (3) Effective for annual periods beginning on or after January 1, 2013
- (4) Effective for annual periods beginning on or after July 1, 2012

The Group has not early adopted these new and revised standards, amendments and interpretation in the preparation of the Financial Information.

IFRS 9 Financial Instruments

IFRS 9 introduces new requirements for the classification and measurement of financial assets and will be effective from annual period beginning on or after 1 January 2013, with earlier application permitted. The Standard requires all recognized financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* to be measured at either amortized cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortized cost. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods. The Group is in the process of assessing the impact of IFRS 9.

IFRS 10 Consolidated Financial Statements***IFRS 11 Joint Arrangements******IFRS 12 Disclosure of Interests in Other Entities***

In May 2011, IASB issued IFRS 10, 11 and 12 which revisited the definitions and principles for accounting of investee companies. Under IFRS 10, an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, whereas the existing IAS 27 Consolidated and Separate Financial Statements defines control as power to govern financial and operating policies of an entity so as to obtain economic benefits from its operations. IFRS 11 requires that an entity shall assess its rights and obligations by considering the structure and legal form of the arrangement, the contractual terms of the parties and other relevant facts and circumstances. IFRS 11 classifies joint arrangement into two types, which are joint operations and joint ventures. Joint operators shall recognize and measure the assets and liabilities and the related revenues and expenses in relation to its interests in accordance with the relevant IFRSs, whereas a joint venture should recognize an investment and account for that investment using equity method in accordance with IAS 28 (Revised 2011), unless the entity is exempted from applying the equity method. The standards also set out other requirements in applying these principles. IFRS 12 specifies the disclosure requirements for interests in other entities. IFRS 10, 11 and 12 supersedes IAS 31 Interests in Joint Ventures, SIC-12 Consolidation—Special Purpose Entities and SIC-13 Jointly Controlled Entities—Non-Monetary Contributions by Venturers. IAS 27 and IAS 28 are also revised accordingly. The standards are effective for annual periods beginning on or after 1 January 2013. The Group is in the process of assessing the impact of these standards.

IFRS 13 Fair Value Measurement

IFRS 13 defines fair value, sets out a single framework for measuring fair value and specifies disclosures for fair value measurements. It also provides guidance on fair value measurement which removes inconsistencies included in various existing IFRSs regarding fair values. The standard is effective for annual periods beginning on or after 1 January 2013. The Group is in the process of assessing the impact of this standard.

4. SIGNIFICANT ACCOUNTING POLICIES

The Financial Information has been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value and certain properties, plant and equipment which are recorded as deemed cost, and in accordance with accounting policies set out below which are in conformity with IFRSs.

The Financial Information also includes applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) and by the Hong Kong Companies Ordinance.

Basis of consolidation

The Financial Information incorporates the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the Relevant Periods, are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Non-controlling interests in the net assets of consolidated subsidiaries are presented separately from the owners of the Company. Non-controlling interests in the net assets consist of the amount of those interests at the date of the original business combination and the share of non-controlling equity owners in equity since the date of the consolidation.

Business combinations

(i) Business combination under common control

For group reorganization under common control, merger accounting is adopted. In applying merger accounting, financial statement items of the combining entities or businesses for the reporting period in which the common control combination occurs, and for any comparative periods disclosed, are included in the consolidated statements of financial position, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and consolidated statements of cash flow of the combined entity as if the combination had occurred from the date when the combining entities or businesses first came under the control of the controlling party or parties.

(ii) Business combination other than under common control

Prior to January 1, 2010

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognized at their fair values at the acquisition date.

Goodwill arising on acquisition was recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The non-controlling interest in the acquiree was initially measured at the non-controlling interest's proportion of the net fair value of the assets, liabilities and contingent liabilities recognized.

On or after January 1, 2010

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognized in profit or loss as incurred.

At the acquisition date, the acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 (Revised 2008) are recognized at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12 "Income Taxes" and IAS 19 "Employee Benefits" respectively.

Goodwill

Goodwill arising in a business combination is recognized as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree over the net of the acquisition-date fair value of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, the excess is recognized immediately in profit or loss as a bargain purchase gain.

For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognized directly in the profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalized is included in the determination of the amount of profit or loss on disposal.

Change in ownership interests in subsidiaries not resulting in loss of control

Changes in the Group's ownership interests in a subsidiary that do not result in loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity

as owners). The carrying amounts of the controlling and non-controlling interests will be adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity (capital reserves) and attributed to the owners of the Company.

Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of goods, include electricity, heat energy and other goods, is recognized when such goods are delivered and title has passed.

The Group sells carbon credits known as Certified Emission Reductions ("CERs") generated from wind farms or other clean energy facilities which have been registered under the United Nation's Clean Development Mechanism ("CDM"), the Group also sells Voluntary Emission Reductions ("VERs") generated from CDM projects but generated before the registration with CDM. The revenue in relation to CERs and VERs are recognized when there is a persuasive arrangement between the Group and a buyer, the selling price is fixed or determinable, the relevant electricity has been generated and CERs and VERs have been verified and admitted by the Clean Development Mechanism Executive Board.

Revenue from providing construction services under the wind-farm concession arrangements are recognized by reference to the stage of completion of the concession arrangements at the end of each reporting period, as measured by contract cost incurred for work performed to date bear to the estimated total contract cost. Operation or service revenue is recognized in the period in which the services are provided by the Group.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly

discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognized when the shareholders' rights to receive payment have been established.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessee

Operating lease payments under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognized as a reduction of rental expense over the lease term on a straight-line basis.

Prepaid operating lease payments on land use rights are carried at cost and amortized over the lease term on a straight-line basis.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that, necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost eligible for capitalization.

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

Retirement benefit costs

Payments to defined contribution retirement benefit schemes under the state-managed retirement benefits schemes in the PRC are charged as an expense when employees have rendered service entitling them to the contributions.

Foreign currencies

The individual financial statements of each group entity are presented in the currency of the primary economic environment in which the entity operates (the "functional currency").

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates

prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not re-translated.

Exchange differences arising on the settlement of monetary items, and on the re-translation of monetary items, are recognized in profit or loss in the period in which they arise.

Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognize as expenses the related costs for which the grants are intended to compensate. Government grants related to depreciable assets are recognized as deferred income in the consolidated statement of financial position and transferred to profit or loss over the useful lives of the related assets. Other government grants are recognized as revenue over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred taxation.

The tax currently payable is based on taxable profit for the year/period. Taxable profit differs from profit as reported in the consolidated statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of each reporting period.

Deferred taxation is recognized on temporary differences between the carrying amounts of assets and liabilities in the Financial Information and the corresponding tax base used in the computation of taxable profit. Deferred taxation liabilities are generally recognized for all taxable temporary differences and deferred taxation assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred taxation liabilities are recognized for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising

from deductible temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred taxation assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rate and tax laws that have been enacted or substantively enacted by the end of each reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of each reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognized in profit or loss, except when it relates to items that are recognized in the comprehensive income or directly in equity, in which case the deferred tax is also recognized in other comprehensive income or directly in equity respectively.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any recognized impairment loss except for certain property, plant and equipment stated at deemed cost under PRC GAAP less accumulated depreciation and any recognized impairment loss on the first adoption of IFRSs.

Depreciation is provided to write off the cost of items of property, plant and equipment, other than construction in progress, over their estimated useful lives after taking into account of their estimated residual values, using the straight-line method.

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognized impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset, calculated as the difference between the net disposal proceeds and the carrying amount of the item, is included in the profit or loss in the period in which the item is derecognized.

Intangible assets

The Group recognize an intangible assets arising from the wind farm concession arrangement when it has a right to charge for the usage of the concession infrastructure.

Intangible assets received as a consideration for providing construction services in a concession arrangement are measured at fair value upon initial recognition. Subsequent to initial recognition the intangible asset is measured at cost less accumulated amortization and accumulated impairment losses.

Intangible assets acquired separately and with finite useful lives are carried at cost less amortization and any accumulated impairment losses. Amortization for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development or from the development stage of an internal project is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible assets; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Gain or losses arising from derecognition of intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss in the period when the assets is derecognized.

Impairment losses on tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior years. A reversal of an impairment loss is recognized as income immediately.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's statement of financial position at cost less any identified impairment loss.

Investments in associates

An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate which includes any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

On the Company's statement of financial position, the investments in associates are stated at cost less any identified impairment loss.

Investments in jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the Financial Information using the equity method of accounting. Under the equity method, investments in jointly controlled entities are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities, less any identified impairment loss. When the Group's share of losses of a jointly controlled entity equals or

exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognizing its share of further losses. An additional share of losses is provided for and a liability is recognized only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

On the Company's statement of financial position, the investments in jointly controlled entities are stated at cost less any identified impairment loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the weighted average method.

Financial instruments

Financial assets and financial liabilities are recognized in the statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities other than financial assets and financial liabilities at fair value through profit or loss are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets

The Group's financial assets are classified into held-for-trading financial assets, loans and receivables, held-to-maturity financial assets and available-for-sale financial assets. All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Held-for-trading financial assets

A financial asset is classified as held-for-trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Held-for-trading financial assets are measured at fair value, with changes in fair value arising from re-measurement recognized directly in profit or loss in the period in which they

arise. The net gain or loss recognized in profit or loss includes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade, bills and other receivables, amounts due from related parties, loan receivables, loans to subsidiaries, associate and jointly controlled entities, restricted bank deposits and cash and cash equivalents) are carried at amortized cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Held-to-maturity financial assets

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Subsequent to initial recognition, held to maturity investments are measured at amortized cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts, including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognized on an effective interest basis for loans and receivables and held-to-maturity financial assets.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, are measured at cost less any identified impairment losses at the end of the reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Loans and receivables, held-to-maturity financial assets and available-for-sale financial assets are assessed for indicators of impairment at the end of the reporting period. Financial

assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

For an available-for-sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organization.

For financial assets carried at amortized cost, an impairment loss is recognized in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the credit period, observable changes in national or local economic conditions that correlate with default on receivables.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade, bill and other receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss. When an account and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For available-for-sale financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

For loans and receivables and held-to-maturity financial assets, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the original carrying amount would have been had the impairment not been recognized.

Financial liabilities and equity instruments

Financial liabilities and equity instruments issued by the group entities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the group entities after deducting all of their respective liabilities.

Financial liabilities

Financial liabilities (including trade and other payables, amounts due to related parties and a subsidiary, other non-current liabilities and bank and other borrowings) are subsequently measured at amortized cost using effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments, including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts through the expected life of the financial liability, or, where appropriate, a shorter period to net carrying amount on initial recognition.

Interest expense is recognized on an effective interest basis.

Equity instruments

Equity instruments issued by the group entities are recorded at the proceeds received, net of direct issue costs.

Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognized initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets"; and (ii) the amount initially recognized less, when appropriate, cumulative amortization recognized in accordance with IAS 18 "Revenue".

Derecognition

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the group entity has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The Group makes estimates and assumption concerning the future. Estimates and judgments are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Nevertheless, the resulting accounting estimates will seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Allowance on doubtful receivables

The Group estimates the impairment on trade and bill receivables by assessing their recoverability based on credit history and prevailing market conditions. This requires the use of estimates and judgments. Impairments are applied to trade and bill receivables when events or changes in circumstances indicate that the balances may not be recoverable. Where the expectation is different from the original estimate, such difference will affect the carrying amount of trade and bill receivable and thus the impairment loss in the period in which such estimate is changed. The Group reassesses the impairment on trade and bill receivables at the end of each reporting period. At December 31, 2008, 2009 and 2010, and June 30, 2011, the carrying amount of trade and bill receivables net of allowance on doubtful receivables is RMB301,718,000, RMB849,787,000, RMB1,157,357,000 and RMB732,888,000, respectively.

6. REVENUE

The following is an analysis of the Group's revenue for the Relevant Periods:

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> <i>(unaudited)</i>	<i>RMB'000</i>
Sales of goods:					
—Electricity	1,221,553	1,971,397	3,272,036	1,706,530	1,644,934
—Heat energy	79,066	357,007	368,595	265,241	247,321
—Other goods	37,899	81,368	2,187	867	—
	<u>1,338,518</u>	<u>2,409,772</u>	<u>3,642,818</u>	<u>1,972,638</u>	<u>1,892,255</u>
Construction service revenue under concession arrangements	918,135	2,375,681	—	—	—
	<u>2,256,653</u>	<u>4,785,453</u>	<u>3,642,818</u>	<u>1,972,638</u>	<u>1,892,255</u>

7. OTHER INCOME

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Government grants and subsidies related to:					
—Clean energy production (Note 35)	471,327	434,290	420,487	124,463	329,235
—Construction of assets (Note 35)	—	2,631	2,755	1,358	1,316
Income from CERs and VERs	12,746	120,647	156,263	91,940	95,600
Value-added tax refunds (Note (a))	12,263	21,822	11,160	1,817	2
Income earned from resale of purchased electricity, net (Note (b))	—	—	11,010	—	—
Others	5,906	856	7,369	1,786	3,148
	<u>502,242</u>	<u>580,246</u>	<u>609,044</u>	<u>221,364</u>	<u>429,301</u>

Notes:

- (a) The Group entitles to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy generated to residential customers. A receivable and the corresponding income of the value-added tax refund are recognized when relevant value-added tax refund application is approved by the relevant PRC tax authorities.
- (b) The amount represents the profit earned from the resale of purchased electricity. During the year ended December 31, 2010, the Group purchased electricity from other power plants (including a related party, see Note 43(f)(ix)) and resale it to the grid on the basis of purchase cost plus a profit. That one-time arrangement was made to satisfy the unfulfilled commitment to supply electricity to the grid resulting from the temporary shut-down of one gas-fired power plant of the Group for maintenance.

8. OTHER GAINS AND LOSSES

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Impairment loss on:					
—Property, plant and equipment (Note 15(c))	—	(12,351)	—	—	—
—Doubtful receivables	(185)	(892)	(164)	(13)	—
Gain (loss) on disposal of: Property, plant and equipment	15	(2,979)	(339)	—	(606)
Net exchange gain (loss)	7,698	2,089	(10,019)	(11,269)	840
Fair value changes of held-for-trading financial assets	2,563	5,521	—	—	—
Gain on capital contribution from the non- controlling interests in an associate and a jointly controlled entity (Note a)	—	—	36,796	—	—
Others	200	4,980	1,506	70	71
	<u>10,291</u>	<u>(3,632)</u>	<u>27,780</u>	<u>(11,212)</u>	<u>305</u>

Note:

- (a) Including in this item, the amount RMB30,377,000 represented the share of increase in Jingneng International's capital reserves, which attributed to a private placement to the non-controlling shareholders of a subsidiary of Jingneng International. In addition, the amount RMB6,419,000 represented the share of the increase in the reserve of a jointly controlled entity, because the non-controlling shareholder of this jointly controlled entity made additional contribution into a subsidiary of this jointly controlled entity during the year.

9. INTEREST INCOME/FINANCE COSTS

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Interest income from:					
—Loans to associates	6,480	6,994	5,237	2,377	3,352
—Loans to jointly controlled entities	2,907	2,526	2,296	1,146	1,889
—Loans to a fellow subsidiary	—	—	—	—	1,533
—Held-to-maturity financial assets	586	686	—	—	—
—A related non-bank financial institution (Note a)	7,272	2,810	4,014	2,055	1,308
—Bank balances	4,667	4,958	1,160	807	1,096
Total interest income	<u>21,912</u>	<u>17,974</u>	<u>12,707</u>	<u>6,385</u>	<u>9,178</u>
Interest on bank and other borrowings wholly repayable:					
—Within five years	291,723	298,309	441,505	165,681	261,182
—Over five years	75,128	163,680	188,398	149,673	90,663
Total interest expense	366,851	461,989	629,903	315,354	351,845
Less: Amounts capitalized in:					
—Property, plant and equipment	(122,283)	(105,929)	(129,644)	(59,581)	(68,090)
—Intangible assets—concession rights	(30,220)	(56,859)	—	—	—
Total finance costs	<u>214,348</u>	<u>299,201</u>	<u>500,259</u>	<u>255,773</u>	<u>283,755</u>
Net finance costs	<u>192,436</u>	<u>281,227</u>	<u>487,552</u>	<u>249,388</u>	<u>274,577</u>

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Capitalization rate of borrowing costs to expenditure on qualifying assets	<u>5.34%</u>	<u>5.87%</u>	<u>5.67%</u>	<u>5.06%</u>	<u>6.11%</u>

Note:

(a) A related non-bank financial institution refers to 京能集團財務有限公司 (BEIH Finance Co, Ltd., English name for identification purpose) ("BEIH Finance") which is a fellow subsidiary of the Group.

10. INCOME TAX EXPENSE

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Current tax:					
PRC enterprise income tax	23,750	43,597	104,098	50,133	57,613
Deferred tax (Note 22):					
Current year/period	(3,796)	(25,807)	(47,818)	(2,373)	18,660
Income tax expense	<u>19,954</u>	<u>17,790</u>	<u>56,280</u>	<u>47,760</u>	<u>76,273</u>

PRC enterprise income tax has been generally provided at the applicable enterprise income tax rate of 25% on the estimated assessable profits of the companies in the Group during the Relevant Periods.

Pursuant to the joint circular (2008) No. 46 of the Ministry of Finance and the State Administration of Taxation of the PRC, a PRC enterprise engaging in public infrastructure projects is entitled to a three-year tax exemption and a three-year 50% deduction on the PRC enterprise income tax for taxable income generated by qualified public infrastructure projects which are approved after January 1, 2008 commencing from the first year when relevant projects generate revenue. Details of the group companies and projects enjoy this tax concession are set out below.

<u>Name of subsidiary</u>	<u>Public infrastructure project</u>	<u>Tax exemption period</u>	<u>Tax reduction period</u>
The Company	鹿鳴山官廳一期風電項目 (Lumingshan Guanting Wind Farm Phase I, English name for identification purpose)	2008 to 2010	2011 to 2013
	鹿鳴山官廳二期風電項目 (Lumingshan Guanting Wind Farm Phase II, English name for identification purpose)	2010 to 2012	2013 to 2015
	鹿鳴山官廳二期加密項目 (Lumingshan Guanting Wind Farm Phase II plus, English name for identification purpose)	2011 to 2013	2014 to 2016
New Energy	賽汗一期風電項目 (Saihan Wind Farm Phase I, English name for identification purpose)	2009 to 2011	2012 to 2014
New Energy	哲里根圖一期風電項目 (Zheligentu Wind Farm Phase I, English name for identification purpose)	2009 to 2011	2012 to 2014
New Energy	賽汗二期風電項目 (Saihan Wind Farm Phase II, English name for identification purpose)	2010 to 2012	2013 to 2015
New Energy	哲里根圖二期風電項目 (Zheligentu Wind Farm Phase II, English name for identification purpose)	2010 to 2012	2013 to 2015
Wulanyiligeng Power	烏蘭伊力更風電項目 (Wulanyiligeng Wind Farm, English name for identification purpose)	2009 to 2011	2012 to 2014

<u>Name of subsidiary</u>	<u>Public infrastructure project</u>	<u>Tax exemption period</u>	<u>Tax reduction period</u>
Shangdu Power	商都一期風電項目 (Shangdu Wind Farm Phase I, English name for identification purpose)	2010 to 2012	2013 to 2015

The Company's PRC subsidiary, Shangdong Jingneng Energy, produces products which satisfied the PRC industrial standards by using the resources listed in the Catalogue of Preferential Tax Treatments for Comprehensive Resource Utilization Enterprises issued by the Ministry of Finance, the National Tax Bureau and the National Development and Reform Committee of the PRC as key raw materials. In accordance with the New EIT Law promulgated on March 16, 2007 ("New EIT Law"), only 90% of its income is subject to PRC enterprise income tax.

Under the New EIT Law, the preferential tax treatment for encouraged enterprises located in western PRC and certain industry-oriented tax incentives remains available up to December 31, 2010 when the original preferential tax period was expired. The Company's subsidiary, Sanlian Power, enjoys this preferential PRC enterprise income tax rate of 15% with a tax exemption for two years ended December 31, 2008 and 2009 and 50% deduction on enterprise income tax for the year ended December 31, 2010. Two wind power projects wholly-owned by subsidiaries of the Company, 察右中一期風電項目 (Chayouzhong Wind Farm Phase I, English name for identification purpose), 吉相華亞一期風電項目 (Jixianghuaya Wind Farm Phase I, English name for identification purpose), and 霍林郭勒一期風電項目 (Huolinguole Wind Farm Phase I, English name for identification purpose) enjoys the preferential PRC enterprise income tax rate of 15% with a tax exemption for two years ended December 31, 2009 and 2010. Up to June 30, 2011, the National Tax Bureau has not announced any extension for the preferential period.

The tax charge for the year can be reconciled to the profit before taxation per consolidated statement of comprehensive income as follows:

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> <i>(unaudited)</i>	<u>RMB'000</u>
Profit before taxation	69,189	216,737	577,083	354,591	511,342
PRC enterprise income tax at 25%	17,297	54,184	144,271	88,648	127,836
Tax effect on:					
— Expenses not deductible for tax purposes	5,125	8,621	14,807	15,883	1,336
— Effect of share of result of associate and jointly controlled entities that are exempt from taxation	(4,390)	(5,166)	(14,110)	(13,419)	(19,254)
— Effect of the gain on capital contribution from the non-controlling interests in an associate and a jointly controlled entity . . .	—	—	(9,199)	—	—
— Tax losses and temporary differences not recognized as deferred tax assets	14,401	6,060	9,964	5,664	3,756
— Utilization of tax losses not recognized previously	(166)	(658)	(3,837)	—	(1,638)
— Effect of income that is exempted from taxation	(2,565)	(5,106)	(3,411)	(3,411)	—
— Other PRC enterprise income tax concessions	(9,748)	(40,145)	(82,205)	(45,605)	(35,256)
— Changes on applicable tax rate	—	—	—	—	(507)
	<u>19,954</u>	<u>17,790</u>	<u>56,280</u>	<u>47,760</u>	<u>76,273</u>

11. PROFIT FOR THE YEAR/PERIOD

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> <i>(unaudited)</i>	<u>RMB'000</u>
Profit for the year/period has been arrived at after charging:					
Auditors' remuneration	131	486	883	479	255
Prepaid lease payments released to profit or loss	466	969	1,350	623	799
Operating lease payments in respect of land and building	<u>22,700</u>	<u>27,972</u>	<u>10,132</u>	<u>4,905</u>	<u>3,584</u>
Depreciation and amortization:					
Depreciation of property, plant and equipment (Note 15)	213,239	417,904	558,284	262,802	290,560
Amortization of intangible assets (Note 16)	40,379	78,543	199,833	100,102	101,050
Total depreciation and amortization	<u>253,618</u>	<u>496,447</u>	<u>758,117</u>	<u>362,904</u>	<u>391,610</u>
Staff costs:					
Directors' emoluments (Note 12)	—	—	258	—	246
Other staff costs	<u>72,103</u>	<u>119,396</u>	<u>184,085</u>	<u>64,690</u>	<u>80,958</u>
Total staff costs	<u>72,103</u>	<u>119,396</u>	<u>184,343</u>	<u>64,690</u>	<u>81,204</u>

12. DIRECTORS, SUPERVISORS AND THE FIVE HIGHEST PAID INDIVIDUALS EMOLUMENTS

The emoluments paid or payable to each of the existing Directors and the existing Supervisors by the Group during the Relevant Periods were as follows:

	<u>Director fees</u> <i>RMB'000</i>	<u>Basic salaries and allowances</u> <i>RMB'000</i>	<u>Bonus</u> <i>RMB'000</i>	<u>Retirement benefit contribution</u> <i>RMB'000</i>	<u>Total</u> <i>RMB'000</i> <i>(Note 11)</i>
Year ended December 31, 2008					
Executive Director:					
Mr. Wentao Meng	—	—	—	—	—
	—	—	—	—	—
Non-executive Directors:					
Mr. Haijun Lu(Chairman)*	—	—	—	—	—
Mr. Mingxing Guo*	—	—	—	—	—
Mr. Jingfu Xu*	—	—	—	—	—
Mr. Guochen Liu*	—	—	—	—	—
Mr. Zhongfu Yu	—	—	—	—	—
	—	—	—	—	—
Independent Non-executive Directors:					
Mr. Chaoan Liu	—	—	—	—	—
Mr. Xiaomin Shi	—	—	—	—	—
Ms. Miu Man Lau	—	—	—	—	—
	—	—	—	—	—
Supervisors:					
Mr. Yanshan Chen*	—	—	—	—	—
Mr. Jiakai Liu*	—	—	—	—	—
Ms. Linwei Huang*	—	101	45	19	165
	—	101	45	19	165
	—	101	45	19	165
	—	—	—	—	—
Year ended December 31, 2009					
Executive Director:					
Mr. Wentao Meng	—	—	—	—	—
	—	—	—	—	—
Non-Executive Directors:					
Mr. Haijun Lu(Chairman)*	—	—	—	—	—
Mr. Mingxing Guo*	—	—	—	—	—
Mr. Jingfu Xu*	—	—	—	—	—
Mr. Guochen Liu*	—	—	—	—	—
Mr. Zhongfu Yu	—	—	—	—	—
	—	—	—	—	—
Independent Non-executive Directors:					
Mr. Chaoan Liu	—	—	—	—	—
Mr. Xiaomin Shi	—	—	—	—	—
Ms. Miu Man Lau	—	—	—	—	—
	—	—	—	—	—

APPENDIX I

ACCOUNTANTS' REPORT

	Director fees	Basic salaries and allowances	Bonus	Retirement benefit contribution	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> (Note 11)
Supervisors:					
Mr. Yanshan Chen*	—	—	—	—	—
Mr. Jiakai Liu*	—	—	—	—	—
Ms. Linwei Huang*	—	154	40	23	217
	—	154	40	23	217
	—	154	40	23	217
	<u>—</u>	<u>154</u>	<u>40</u>	<u>23</u>	<u>217</u>
Year ended December 31, 2010					
Executive Director:					
Mr. Wentao Meng	—	178	65	15	258
	—	178	65	15	258
	<u>—</u>	<u>178</u>	<u>65</u>	<u>15</u>	<u>258</u>
Non-executive Directors:					
Mr. Haijun Lu (Chairman)*	—	—	—	—	—
Mr. Mingxing Guo*	—	—	—	—	—
Mr. Jingfu Xu*	—	—	—	—	—
Mr. Guochen Liu*	—	—	—	—	—
Mr. Zhongfu Yu	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Independent Non-executive Directors:					
Mr. Chaoan Liu	—	—	—	—	—
Mr. Xiaomin Shi	—	—	—	—	—
Ms. Miu Man Lau	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Supervisors:					
Mr. Yanshan Chen*	—	—	—	—	—
Mr. Jiakai Liu*	—	—	—	—	—
Ms. Linwei Huang*	—	250	52	27	329
	—	250	52	27	329
	<u>—</u>	<u>250</u>	<u>52</u>	<u>27</u>	<u>329</u>
	<u>—</u>	<u>428</u>	<u>117</u>	<u>42</u>	<u>587</u>
Six months ended June 30, 2010					
(Unaudited)					
Executive Director:					
Mr. Wentao Meng	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Non-executive Directors:					
Mr. Haijun Lu (Chairman)*	—	—	—	—	—
Mr. Mingxing Guo*	—	—	—	—	—
Mr. Jingfu Xu*	—	—	—	—	—
Mr. Guochen Liu*	—	—	—	—	—
Mr. Zhongfu Yu	—	—	—	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

	Director fees	Basic salaries and allowances	Bonus	Retirement benefit contribution	Total
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> (Note 11)
Independent Non-executive Directors:					
Mr. Chaoan Liu	—	—	—	—	—
Mr. Xiaomin Shi	—	—	—	—	—
Ms. Miu Man Lau	—	—	—	—	—
	—	—	—	—	—
Supervisors:					
Mr. Yanshan Chen*	—	—	—	—	—
Mr. Jiakai Liu*	—	—	—	—	—
Ms. Linwei Huang*	—	81	—	15	96
	—	81	—	15	96
	—	81	—	15	96
	—	81	—	15	96
Six months ended June 30, 2011					
Executive Director:					
Mr. Wentao Meng	—	159	72	15	246
	—	159	72	15	246
Non-executive Directors:					
Mr. Haijun Lu (Chairman)*	—	—	—	—	—
Mr. Mingxing Guo*	—	—	—	—	—
Mr. Jingfu Xu*	—	—	—	—	—
Mr. Guochen Liu*	—	—	—	—	—
Mr. Zhongfu Yu	—	—	—	—	—
	—	—	—	—	—
Independent Non-executive Directors:					
Mr. Chaoan Liu	—	—	—	—	—
Mr. Xiaomin Shi	—	—	—	—	—
Ms. Miu Man Lau	—	—	—	—	—
	—	—	—	—	—
Supervisors:					
Mr. Yanshan Chen*	—	—	—	—	—
Mr. Jiakai Liu*	—	—	—	—	—
Ms. Linwei Huang*	—	74	—	13	87
	—	74	—	13	87
	—	233	72	28	333
	—	233	72	28	333

* Represents directors or supervisors appointed on January, 2010. Other directors were appointed on November, 2010.

During the Relevant Periods and the six months ended June 30, 2010, Directors' emoluments were nil, nil, RMB258,000 and RMB246,000 and nil (unaudited), respectively (Note 11). Also, Mr. Haijun Lu, Mr. Mingxing Guo, Mr. Jingfu Xu, Mr. Guochen Liu and Mr. Zhongfu Yu did not receive any remunerations from the Group for their services provided to the Group over the Relevant Periods while Mr. Wentao Meng did not receive any remunerations from the Group up to June 30, 2010. They were also management of BEIH and their remunerations were paid by BEIH over the respective periods. Given the amounts of emoluments paid by BEIH to them are considered to be not material compared with the revenue and profits of the Group, BEIH did not allocate any of their remuneration to the Group.

During the Relevant Periods, no emoluments were paid by the Group to the Directors and Supervisors as an inducement to join or upon joining the Group or as compensation for loss of office. None of the Directors and Supervisors waived any emolument during the Relevant Periods.

Five highest paid individuals

For the years ended December 31, 2008, 2009 and 2010, and the six months ended June 30, 2010 and 2011, the five highest paid individuals do not include any Directors or supervisors. The emoluments of the remaining highest paid individuals for the Relevant Periods are as follows:

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Salaries and allowances	1,753	2,109	2,291	1,126	1,741
Retirement benefit contributions	93	115	118	68	74
	<u>1,846</u>	<u>2,224</u>	<u>2,409</u>	<u>1,194</u>	<u>1,815</u>

Each of the five highest paid individuals in the Group for the Relevant Periods were below HK\$1,000,000.

13. DIVIDENDS

- (a) On October 22, 2008, a dividend in total amount of RMB13,948,000 was declared by Jingfeng Power to its then shareholder, and fully paid during the year of 2009.
- (b) On June 9, 2010, a dividend in the total amount of approximately RMB235,518,000 was declared by the Company. Dividends amounting RMB12,398,000 were declared by subsidiaries to their non-controlling shareholders.
- (c) On May 6, 2011, a dividend in the total amount of RMB167,840,000 was declared by Taiyanggong Power to its then shareholders, including RMB43,638,000 attributable to its non-controlling shareholder.

The rate of distribution and the number of shares ranking for dividend declared by the Company and its subsidiaries are not presented as such information is not meaningful for the purpose of this report.

On November 16, 2010, the Company made a special resolution to make a special distribution to the promoters of the Company (the "Special Distribution") in an amount equal to the Group's profit attributable to the equity owners of the Company derived from April 30, 2010 to September 30, 2011. April 30, 2010 is the date on which the Group's assets are valued for establishment as a joint stock limited company, and September 30, 2011 is the end of the quarter immediately prior to the listing in December 2011. The actual amount of the Special Distribution will be determined based on the lower of the profit as determined under IFRSs or under PRC GAAP according to a special audit of the consolidated financial statements of the Group for the period from April 30, 2010 to September 30, 2011. The Company will make an announcement on the outcome of the special audit and the amount of Special Distribution before actual payment. As advised by the Group's PRC legal advisor, the declaration of the Special Distribution is subject to the Company having sufficient distributable reserves in accordance with PRC law, and as a result, the Company will need to make arrangements for the distribution of dividends from its subsidiaries to the Company prior to declaring and paying the Special Distribution. In the opinion of the Dividends, the special distribution will be paid after the Listing.

14. EARNINGS PER SHARE

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

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Earnings					
Profit for the year/period attributable to equity owners of the Company	44,956	179,585	488,919	285,361	403,889
	<u>44,956</u>	<u>179,585</u>	<u>488,919</u>	<u>285,361</u>	<u>403,889</u>
	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	'000	'000	'000	'000 (unaudited)	'000
Number of shares					
Weighted average number of ordinary shares for the purpose of basic earnings per share	2,572,431	3,676,731	4,778,548	4,553,426	5,000,000
	<u>2,572,431</u>	<u>3,676,731</u>	<u>4,778,548</u>	<u>4,553,426</u>	<u>5,000,000</u>

For the purpose of presenting earnings per share, the weighted average number of shares for each of the three years ended December 31, 2008, 2009 and 2010 and six months ended June 30, 2010 was computed by reference to the 5,000,000,000 shares issued on August 25, 2010 as set out in Note 37(d).

The Company did not have any potential ordinary shares during the Relevant Periods and accordingly, no information of diluted earnings per share is presented.

15. PROPERTY, PLANT AND EQUIPMENT

	Buildings	Generators and related equipment	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP						
COST						
At January 1, 2008	259,191	1,326,498	27,114	14,150	3,471,076	5,098,029
Additions	800	173,901	19,159	2,622	3,282,333	3,478,815
Transfer	1,159,686	2,842,484	341	2,464	(4,004,975)	—
Disposals	—	(18,046)	(3,049)	(2,241)	—	(23,336)
At December 31, 2008	1,419,677	4,324,837	43,565	16,995	2,748,434	8,553,508
Additions	774	5,218	9,140	6,412	3,441,593	3,463,137
Adjustment (note (b))	—	(18,386)	—	—	—	(18,386)
Transfer	131,916	2,431,435	2,667	6,039	(2,572,057)	—
Disposals	(10,156)	—	(1,074)	(5,219)	—	(16,449)
Disposal of subsidiaries (Note 2(c))	(21,023)	(43,926)	(9,494)	(3,678)	—	(78,121)
At December 31, 2009	1,521,188	6,699,178	44,804	20,549	3,617,970	11,903,689
Additions	4,364	15,419	26,517	16,810	1,471,549	1,534,659
Adjustment (note (b))	85,122	(127,116)	—	(253)	—	(42,247)
Transfer	7,969	2,372,000	—	—	(2,379,969)	—
Disposals	(11,275)	(3,631)	(2,836)	(2,035)	—	(19,777)
Reclassified as held for sale (note (d))	(82,015)	(157,398)	(1,396)	(743)	(6,416)	(247,968)
At December 31, 2010	1,525,353	8,798,452	67,089	34,328	2,703,134	13,128,356
Additions	89	2,512	6,981	2,399	1,205,388	1,217,369
Adjustments (note (b))	(228)	(34,628)	—	—	—	(34,856)
Transfer	1,576	35,395	—	—	(36,971)	—
Reclassification (note (e))	—	(204,474)	—	—	204,474	—
Net-off of accumulated depreciation (note (e))	—	(36,141)	—	—	—	(36,141)
Capitalization of depreciation for construction in progress (note (e))	—	—	—	—	2,517	2,517
Disposal	—	(626)	(1,299)	(426)	—	(2,351)
At June 30, 2011	1,526,790	8,560,490	72,771	36,301	4,078,542	14,274,894
DEPRECIATION AND IMPAIRMENT						
At January 1, 2008	17,669	147,732	10,909	5,400	—	181,710
Depreciation provided for the year (Note 11)	23,814	182,234	5,003	2,188	—	213,239
Eliminated on disposals	—	(1,854)	(1,496)	(730)	—	(4,080)
At December 31, 2008	41,483	328,112	14,416	6,858	—	390,869
Impairment loss recognized (note (c))	10,021	2,330	—	—	—	12,351
Depreciation provided for the year (Note 11)	47,925	359,819	6,175	3,985	—	417,904
Eliminated on disposals	(2,622)	—	(419)	(1,090)	—	(4,131)
Disposal of subsidiaries (Note 2(c))	(4,485)	(5,461)	(5,110)	(2,365)	—	(17,421)
At December 31, 2009	92,322	684,800	15,062	7,388	—	799,572
Depreciation provided for the year (Note 11)	54,653	488,750	9,009	5,872	—	558,284
Adjustment	—	—	—	—	—	—
Eliminated on disposals	(1,254)	(1,018)	(1,051)	(1,357)	—	(4,680)
Impairment loss written off	(10,021)	(2,330)	—	—	—	(12,351)
Reclassified as held for sale (note (d))	(3,642)	(20,523)	(644)	(351)	—	(25,160)
At December 31, 2010	132,058	1,149,679	22,376	11,552	—	1,315,665
Depreciation provided for the period (Note 11)	25,582	257,460	4,633	2,885	—	290,560
Capitalization of depreciation for construction in progress (note (e))	1,990	—	283	244	—	2,517
Net-off of accumulated depreciation (note (e))	—	(36,141)	—	—	—	(36,141)
Eliminated on disposals	—	(120)	(774)	(386)	—	(1,280)
At June 30, 2011	159,630	1,370,878	26,518	14,295	—	1,571,321
NET BOOK VALUE						
At December 31, 2008	1,378,194	3,996,725	29,149	10,137	2,748,434	8,162,639
At December 31, 2009	1,428,866	6,014,378	29,742	13,161	3,617,970	11,104,117
At December 31, 2010	1,393,295	7,648,773	44,713	22,776	2,703,134	11,812,691
At June 30, 2011	1,367,160	7,189,612	46,253	22,006	4,078,542	12,703,573

	Buildings	Generators and related equipments	Motor vehicles	Office equipment	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
THE COMPANY						
COST						
At January 1, 2008	10,696	—	5,804	6,305	376,115	398,920
Additions	—	33,509	4,382	640	241,537	280,068
Transfer	—	489,256	—	2,408	(491,664)	—
Disposals	—	—	(2,323)	(2,155)	—	(4,478)
At December 31, 2008	10,696	522,765	7,863	7,198	125,988	674,510
Additions	—	—	1,146	400	713,749	715,295
Transfer	4,588	159,741	—	—	(164,329)	—
Disposals	(10,156)	—	(197)	(5,219)	—	(15,572)
At December 31, 2009	5,128	682,506	8,812	2,379	675,408	1,374,233
Additions	—	—	4,611	2,040	50,817	57,468
Adjustment (note(b))	36,349	(24,648)	—	—	—	11,701
Transfer	—	717,834	—	—	(717,834)	—
Disposal	—	—	(186)	(1,516)	—	(1,702)
At December 31, 2010	41,477	1,375,692	13,237	2,903	8,391	1,441,700
Additions	—	1,028	421	614	2,661	4,724
At June 30, 2011	41,477	1,376,720	13,658	3,517	11,052	1,446,424
DEPRECIATION						
At January 1, 2008	1,993	—	3,259	1,117	—	6,369
Provided for the year	436	16,105	1,795	938	—	19,274
Eliminated on disposals	—	—	(954)	(648)	—	(1,602)
At December 31, 2008	2,429	16,105	4,100	1,407	—	24,041
Provided for the year	309	43,195	1,145	1,108	—	45,757
Eliminated on disposals	(2,622)	—	(187)	(1,090)	—	(3,899)
At December 31, 2009	116	59,300	5,058	1,425	—	65,899
Depreciation provided for the year	162	39,445	852	740	—	41,199
Eliminated on disposals	—	—	(177)	(1,339)	—	(1,516)
At December 31, 2010	278	98,745	5,733	826	—	105,582
Depreciation provided for the period	693	33,415	874	355	—	35,337
At June 30, 2011	971	132,160	6,607	1,181	—	140,919
NET BOOK VALUE						
At December 31, 2008	8,267	506,660	3,763	5,791	125,988	650,469
At December 31, 2009	5,012	623,206	3,754	954	675,408	1,308,334
At December 31, 2010	41,199	1,276,947	7,504	2,077	8,391	1,336,118
At June 30, 2011	40,506	1,244,560	7,051	2,336	11,052	1,305,505

Notes:

(a) The above items of property, plant and equipment, other than construction in progress, are depreciated using the straight-line method, after taking into account of their residual values, at the following rates per annum.

Buildings	2.11% to 4.75%
Generators and related equipments	3.17% to 7.92%
Motor vehicles	9.50% to 18.83%
Office equipment	11.00 to 19.00%

(b) The Directors estimates the final construction cost of certain assets when the assets are ready for use and transferred from construction in progress to respective categories of property, plant and equipment. Adjustments of the final cost will be made in the subsequent periods when the construction cost is finalized with the contractors.

(c) During the year ended December 31, 2009, the Directors conducted a review on the Group's property, plant and equipment and determined that the certain buildings and equipments were fully impaired, due to the recoverable amount was less than its carrying amount. Accordingly, impairment losses of RMB12,351,000 (Note 8) have been recognized to adjust the carrying value those assets to their recoverable amounts. The recoverable amount of the said assets has been determined on the basis of their value in use. Those buildings and equipments were disposed or demolished during the year ended December 31, 2010.

- (d) The net book value of RMB222,808,000 (Note 32) has been classified as the “asset classified as held for sales.”
- (e) Since April 1, 2011, the operation of Jingqiao Project Phase I has been ceased and relevant equipments were transferred for an upgrading project of combined heat and power generation. The net book value of those equipments of RMB204,474,000 was reclassified to construction in progress, and the cumulative depreciation as at the date of transfer amounting to RMB36,141,000 was net off with the cost. Certain property, plant and equipment of Jingqiao Power were also used in the construction of Jingqiao Project Phase II, the depreciation of such assets amounting RMB2,517,000 for the six month period ended June 30, 2011 was capitalized as part of the construction in progress.

16. INTANGIBLE ASSETS

	Concession rights	Operation rights	Patents	Software	Development cost	Total
	RMB'000 (Note (b))	RMB'000 (Note (c))	RMB'000 (Note (d))	RMB'000	RMB'000 (Note (d))	RMB'000
THE GROUP						
COST						
At January 1, 2008	711,171	34,000	46,727	325	—	792,223
Additions	918,135	96,000	—	140	30,841	1,045,116
At December 31, 2008	1,629,306	130,000	46,727	465	30,841	1,837,339
Additions	2,375,681	—	—	231	—	2,375,912
Disposals	—	—	—	(288)	—	(288)
Disposal of subsidiaries (Note 2(c))	—	—	(46,727)	—	(30,841)	(77,568)
At December 31, 2009	4,004,987	130,000	—	408	—	4,135,395
Additions	—	10,134	—	378	—	10,512
Adjustments (Note (f))	(186)	—	—	—	—	(186)
Disposals	—	—	—	(140)	—	(140)
Reclassified as held for sale (Note (e))	—	—	—	(85)	—	(85)
At December 31, 2010	4,004,801	140,134	—	561	—	4,145,496
Additions	—	—	—	248	—	248
Adjustments (Note (f))	9,225	—	—	—	—	9,225
At June 30, 2011	4,014,026	140,134	—	809	—	4,154,969
AMORTIZATION						
At January 1, 2008	25,278	—	13,996	59	—	39,333
Provided for the year (Note 11)	37,946	—	2,337	96	—	40,379
At December 31, 2008	63,224	—	16,333	155	—	79,712
Provided for the year (Note 11)	74,830	1,275	2,359	79	—	78,543
Eliminated on disposals	—	—	—	(87)	—	(87)
Disposal of subsidiaries (Note 2(c))	—	—	(18,692)	—	—	(18,692)
At December 31, 2009	138,054	1,275	—	147	—	139,476
Provided for the year (Note 11)	198,065	1,700	—	68	—	199,833
Eliminated on disposals	—	—	—	(140)	—	(140)
Reclassified as held for sale (Note (e))	—	—	—	(1)	—	(1)
At December 31, 2010	336,119	2,975	—	74	—	339,168
Provided for the period (Note 11)	100,142	846	—	62	—	101,050
At June 30, 2011	436,261	3,821	—	136	—	440,218
CARRYING VALUES						
At December 31, 2008	1,566,082	130,000	30,394	310	30,841	1,757,627
At December 31, 2009	3,866,933	128,725	—	261	—	3,995,919
At December 31, 2010	3,668,682	137,159	—	487	—	3,806,328
At June 30, 2011	3,577,765	136,313	—	673	—	3,714,751

Notes:

- (a) Intangible assets, other than development cost, have finite useful lives and are amortized on a straight-line basis over the following rates:
- | | |
|-------------------------|----------------|
| Concession rights | 5.00% |
| Operation rights | 3.30% |
| Patents | 5.00% |
| Software | 20.0% to 50.0% |
- (b) The Group provides construction services to build up the wind power facilities and generates electricity under the concession rights. The Group recognizes the concession rights as intangible assets according to the fair value of the construction services on related assets. These concession rights are amortized according to the respective beneficial periods.
- (c) Operation rights represent governmental permits or contractual arrangements which grant the operators to construct and operate power facilities. Those operation rights are amortized on straight-line basis according to the estimated beneficial period of such facilities.
- (d) Patents are acquired from third parties relating to the development of automobile energy saving products and development cost represents the expenditures for the development of automobile energy saving technologies. Both the patents and development cost were held by a subsidiary which was disposed of during the year ended December 31, 2009 as set out in Note 2(c).
- (e) The net book value amounted to RMB84,000 (Note 32) has been classified as the "asset classified as held for sale."
- (f) The fair values of construction services provided pursuant to the wind farm concession arrangements are subject to management's estimation on the values of services sub-contracted to third parties. During the year ended December 31, 2010 and six months ended June 30, 2011, changes of estimation of RMB186,000 and RMB9,225,000, respectively, were incurred when the Group finalized the construction costs with sub-contractors.

17. GOODWILL

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
THE GROUP				
Cost and carrying value				
At the beginning of the year/period	12,636	12,636	—	—
Disposal of subsidiaries (Note 2(c))	—	(12,636)	—	—
At the end of the year/period	<u>12,636</u>	<u>—</u>	<u>—</u>	<u>—</u>

This goodwill is attributable to the Company's interests in Beijing Jiajie Boda Automobiles energy Saving Technology Co., Ltd. which was transferred out on December 31, 2009 as set out in Note 2(c) and the goodwill was derecognized accordingly.

For the purposes of impairment testing, goodwill set out above has been allocated to one individual cash generating unit ("CGU"). During the year ended December 31, 2008, the Directors determined that there was no impairment of the CGU. The basis of the recoverable amount of the above CGU and their major underlying assumptions are summarized below.

The recoverable amount had been determined based on a value-in-use calculation. That calculation used cash flow projections based on financial budgets approved by management covering a five year period and discount rate of 10%. The growth rate used was based on management's best estimation on growth forecasts and did not exceed the average long-term growth rate for the relevant markets. Other key assumptions for the value in use calculations related to the estimation of cash inflows/outflows which included budgeted sales and gross margin. Such estimation was based on the unit's past performance and management's expectations for the market development. The Directors believed that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of the CGU to exceed the aggregate recoverable amount.

18. PREPAID LEASE PAYMENTS

	At December 31,			At
	2008	2009	2010	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2011
THE GROUP				<i>RMB'000</i>
Land in the PRC held under medium-term shown in the Financial Information:				
Non-current	21,554	44,121	58,707	85,811
Current	703	1,040	1,294	2,965
	<u>22,257</u>	<u>45,161</u>	<u>60,001</u>	<u>88,776</u>

	At December 31,			At
	2008	2009	2010	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2011
THE COMPANY				<i>RMB'000</i>
Land in the PRC held under medium-term shown in the Financial Information:				
Non-current	—	—	1,436	1,436
Current	—	—	29	29
	<u>—</u>	<u>—</u>	<u>1,465</u>	<u>1,465</u>

19. INVESTMENTS IN SUBSIDIARIES/LOANS TO SUBSIDIARIES

	At December 31,			At June 30,
	2008	2009	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
THE COMPANY				
Unlisted registered capital, at cost	150,015	3,343,524	4,438,366	4,862,632
Loans to subsidiaries				
— Current	—	—	—	1,320,754
— Non-current	73,276	—	—	—
	<u>73,276</u>	<u>—</u>	<u>—</u>	<u>—</u>

The loans to subsidiaries are unsecured and bear interest at rate promulgated by the People's Bank of China ("PBOC"). The maturity terms for loans to subsidiaries as at June 30, 2011 were all within one year.

20. INVESTMENTS IN ASSOCIATES/LOANS TO ASSOCIATES

(a) Investments in associates

	At December 31,			At June 30,
	2008	2009	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
THE GROUP				
Unlisted equity investments, at cost	147,008	1,293,755	947,681	947,681
Share of post-acquisition profits (losses) and other comprehensive income (losses), net of dividend declared	39,914	(2,718)	172,670	250,968
	<u>186,922</u>	<u>1,291,037</u>	<u>1,120,351</u>	<u>1,198,649</u>
THE COMPANY				
Unlisted equity investments, at cost	127,009	1,273,755	947,681	947,681

The summarized financial information in respect of the Group's associates which are accounted for using the equity accounting method is set out below:

	At December 31,			At June 30,
	2008	2009	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
THE GROUP				
Non-current assets	619,900	29,066,377	28,529,694	29,733,740
Current assets	793,418	3,918,589	3,191,580	4,171,002
Non-current liabilities	130,503	12,208,293	8,769,814	10,587,614
Current liabilities	791,794	10,894,620	13,805,360	13,485,836

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
THE GROUP					
Revenue	1,549,327	7,391,157	8,586,570	4,389,509	4,570,775
Total comprehensive income for the year/period	23,620	524,953	402,860	296,877	394,080

(b) Loans to associates

	At December 31,			At June 30,
	2008	2009	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
THE GROUP				
Loans to associates	84,949	110,582	109,961	123,440
THE COMPANY				
Loans to associates	84,949	110,582	109,440	123,440

The loans to associates of the Group and the Company are unsecured and bear interest at the rate promulgated by the People's Bank of China ("PBOC"). The Directors did not expect the repayments would be made within one year at the end of each reporting period, and accordingly the amounts were classified as non-current. The Directors represented that all the associates are not the connected person of the Group and thus the provision of loans to them will not constitute continuing connected transactions under Chapter 14A of the Listing Rules.

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES/LOANS TO JOINTLY CONTROLLED ENTITIES

(a) Investments in jointly controlled entities

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
THE GROUP				RMB'000
Unlisted equity investments, at cost	135,000	105,000	192,000	192,000
Share of post-acquisition profits and other comprehensive income, net of dividend declared	20,288	1,885	8,745	7,464
	<u>155,288</u>	<u>106,885</u>	<u>200,745</u>	<u>199,464</u>
THE COMPANY				
Unlisted equity investments, at cost	<u>130,000</u>	<u>105,000</u>	<u>192,000</u>	<u>192,000</u>

The summarized financial information before non-controlling interests in respect of the Group's jointly controlled entities attributable to the Group's interest therein which are accounted for using the equity accounting method is set out below:

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				
Non-current assets	151,750	429,970	1,022,977	1,184,782
Current assets	273,338	230,475	265,219	339,257
Non-current liabilities	94,935	198,000	839,745	1,029,335
Current liabilities	<u>161,423</u>	<u>350,257</u>	<u>238,788</u>	<u>286,565</u>

	Year ended December 31,			Six months ended	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				(unaudited)	
Revenue	462,283	28,838	31,759	17,913	17,008
Expenses	455,722	29,226	31,045	15,295	18,557
Total comprehensive income (loss) for the year/ period	<u>5,870</u>	<u>3,288</u>	<u>599</u>	<u>366</u>	<u>(1,293)</u>

(b) Loans to jointly controlled entities

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
THE GROUP				
Loans to jointly controlled entities				
Non-current	56,829	46,942	—	—
Current	—	—	40,604	—

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
THE COMPANY				
Loans to jointly controlled entities				
Non-current	46,829	46,942	—	—
Current	—	—	40,604	—

The loans to joint controlled entities of the Group and the Company are unsecured and bear interest at the rate promulgated by the PBOC.

22. DEFERRED TAXATION

The following are the Group's major deferred tax assets (liabilities) recognized and movements thereon during the Relevant Periods:

	Tax loss	Impairment on doubtful receivables	Impairment on property, plant and equipment	Trial run profit (Note a)	Deferred income related to clean energy production	Unpaid employee payroll (Note b)	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP							
At January 1, 2008	422	690	—	—	—	—	1,112
Credit (charge) to profit or loss (Note 10)	1,797	—	—	(2,327)	4,326	—	3,796
At December 31, 2008 ...	2,219	690	—	(2,327)	4,326	—	4,908
(Charge) credit to profit or loss (Note 10)	(2,219)	(690)	3,088	24,504	1,124	—	25,807
At December 31, 2009 ...	—	—	3,088	22,177	5,450	—	30,715
Credit (charge) to profit or loss (Note 10)	6,238	1,575	(3,088)	23,063	17,194	2,836	47,818
At December 31, 2010 ...	6,238	1,575	—	45,240	22,644	2,836	78,533
(Charge) credit to profit or loss (Note 10)	(2,099)	—	—	4,053	(22,332)	1,718	(18,660)
At June 30, 2011	4,139	1,575	—	49,293	312	4,554	59,873

Notes:

- (a) The revenue and cost generated from trial run of property, plant and equipment were credited and debited respectively in the property, plant and equipment but the profit margin is subject to PRC enterprise income tax and results in a temporary difference. The trial run profit resulted in the tax bases of the related property, plant and equipment to be higher than their carrying value on the statements of financial position in accounting, which the entity can receive more deductible depreciation charging to the tax profit to save the future income tax expense during the useful life of the related property, plant and equipment. Accordingly the deferred tax assets/(liabilities) are recognized from the trial run profit/(loss).
- (b) Starting from January 1, 2010, employee payrolls accrued but unpaid at the end of the financial year will not be deductible for PRC enterprise income tax purpose until the allowed amount is paid.

For the purpose of consolidated statements of financial position presentation, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purpose:

	At December 31,			At
	2008	2009	2010	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2011
THE GROUP				<i>RMB'000</i>
Deferred tax assets	4,908	30,715	82,719	63,889
Deferred tax liabilities	—	—	(4,186)	(4,016)
	<u>4,908</u>	<u>30,715</u>	<u>78,533</u>	<u>59,873</u>
	At December 31,			At
	2008	2009	2010	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2011
THE COMPANY				<i>RMB'000</i>
Trial run profit	—	—	18,850	18,850
Tax loss	—	—	2,781	1,173
Impairment on doubtful receivables	—	—	1,565	1,565
Deferred tax assets	—	—	23,196	21,588

Details of tax losses and other temporary differences not recognized during the Relevant Periods are set out below:

	At December 31,			At
	2008	2009	2010	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	2011
THE GROUP				<i>RMB'000</i>
Tax losses	34,530	32,274	60,190	14,473
Deductible temporary differences on:				
— Impairment on doubtful receivables	46,076	6,386	—	—
— Deferred income	50,000	56,746	5,971	—
— Others	5,208	—	—	—
	<u>135,814</u>	<u>95,406</u>	<u>66,161</u>	<u>14,473</u>
THE COMPANY				
Tax loss	14,746	16,374	4,284	—
Deductible temporary differences on:				
— Impairment on doubtful receivables	21,088	6,260	—	—
— Deferred income	50,000	47,369	—	—
— Others	3,307	—	—	—
	<u>89,141</u>	<u>70,003</u>	<u>4,284</u>	<u>—</u>

The Group and the Company have not recognized above tax losses and deductible temporary differences, because it is not probable the future taxable profits will be available in relevant subsidiaries to offset the tax losses and deductible temporary differences.

The unrecognized tax losses will expire as the following:

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
THE GROUP				
2009	6,249	—	—	—
2010	3,776	3,776	—	—
2011	10,065	4,284	4,284	—
2012	5,223	—	—	—
2013	9,217	6,742	6,305	—
2014	—	17,472	9,744	149
2015	—	—	39,857	99
2016	—	—	—	14,225
	<u>34,530</u>	<u>32,274</u>	<u>60,190</u>	<u>14,473</u>
THE COMPANY				
2009	6,249	—	—	—
2010	3,776	3,776	—	—
2011	4,284	4,284	4,284	—
2012	—	—	—	—
2013	437	437	—	—
2014	—	7,877	—	—
2015	—	—	—	—
	<u>14,746</u>	<u>16,374</u>	<u>4,284</u>	<u>—</u>

23. LOAN RECEIVABLES

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
THE GROUP				
Loans to designated users, net of impairment	<u>55,995</u>	<u>—</u>	<u>—</u>	<u>—</u>
THE COMPANY				
Loans to designated users, net of impairment	<u>48,393</u>	<u>—</u>	<u>—</u>	<u>—</u>

Non-current loan receivables were mainly provided by local government agencies to designated users of relevant government funds through the Group, when the Company and relevant subsidiaries were non-incorporated state-owned enterprises. The Directors had assessed the recoverability of such balances and accumulated impairment amounted to RMB39,208,000 has been recognized at January 1, 2008 and December 31, 2008 for the Group and the Company.

Non-current loan receivables of the Group were unsecured, interest-bearing at the rate promulgated by the PBOC and no fixed term of repayment. In the opinion of the Directors, the receivables would not be repaid within one year from December 31, 2008. Those loan receivables were derecognized when the corresponding subsidiaries were transferred-out during the year ended December 31, 2009 as set out in Note 2(c).

Non-current loan receivables of the Company were unsecured, interest-bearing at the rate promulgated by the PBOC and no fixed term of repayment. In the opinion of the Directors, the receivables would not be repaid within one year from December 31, 2008. Those loan receivables of the Company were derecognized when the Company sold them to Yuan Shen Jie Neng, which has been transferred out as set out in Note 2(c) during the year ended December 31, 2009.

24. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
THE GROUP				
Unlisted equity investments, at cost	695,924	88,048	98,048	98,048
Less: Impairment	3,307	—	—	—
	<u>692,617</u>	<u>88,048</u>	<u>98,048</u>	<u>98,048</u>
THE COMPANY				
Unlisted equity investments at cost	695,279	20,000	30,000	30,000
Less: Impairment	3,307	—	—	—
	<u>691,972</u>	<u>20,000</u>	<u>30,000</u>	<u>30,000</u>

The Group's and the Company's balances as at December 31, 2008 include the carrying value of 10.72% equity interest in Beijing Jingneng International amounting to RMB600,000,000. As set out in Note 2(b), BEIH transferred 9.28% equity interest of Beijing Jingneng International to the Company on December 31, 2009 and the Company has had significant influence to Beijing Jingneng International since then. Accordingly, the carrying value of the Beijing Jingneng International at December 31, 2009 amounting to RMB600,000,000 was transferred from available-for-sale financial assets to interests in associates subject to further equity accounting at Group level.

25. INVENTORIES

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
THE GROUP				
Materials and spare parts	11,373	34,151	35,103	37,255
Goods held by customers (note (a))	49,042	—	—	—
Goods held for sale (note (b))	25,426	881	—	—
	<u>85,841</u>	<u>35,032</u>	<u>35,103</u>	<u>37,255</u>
THE COMPANY				
Materials and spare parts	950	—	376	—
Goods held for sale	5,454	881	—	—
	<u>6,404</u>	<u>881</u>	<u>376</u>	<u>—</u>

Notes:

(a) To facilitate the promotion of clean energy initiated by the World Bank, Yuan Shen Jie Neng has supplied certain energy saving equipment to its customers. The risk and rewards of these equipments would only be transferred to the customers

when the energy saving functions of these equipments were tested to be satisfactory by the customers. Inventories at cost amounting to RMB49,042,000, at December 31, 2008 were supplied to the customers pending for the testing procedures. The outstanding inventories held by customers under this circumstances were derecognized when Yuan Shen Jie Neng was transferred out on December 31, 2009 as set out in Note 2(c).

(b) The Group's goods held for sale at December 31, 2008 included items of RMB1,901,000, stating at net realizable value.

26. TRADE AND BILL RECEIVABLES

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
THE GROUP				
Trade receivables	315,171	841,042	1,151,019	719,188
Bill receivables	921	8,745	6,472	13,834
	<u>316,092</u>	<u>849,787</u>	<u>1,157,491</u>	<u>733,022</u>
Less: allowance for doubtful receivables	14,374	—	134	134
	<u>301,718</u>	<u>849,787</u>	<u>1,157,357</u>	<u>732,888</u>
THE COMPANY				
Trade receivables	21,017	11,532	42,111	13,512
Bill receivables	681	785	—	—
	<u>21,698</u>	<u>12,317</u>	<u>42,111</u>	<u>13,512</u>

The following is an aged analysis of the Group's trade and bill receivables net of allowance for doubtful receivables by invoice date at the end of each reporting period:

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
Within 60 days	255,775	679,370	831,888	411,956
61-365 days	36,274	170,220	323,436	314,562
1-2 years	3,652	197	2,167	6,504
2-3 years	6,770	—	—	—
Over 3 years	13,621	—	—	—
	<u>316,092</u>	<u>849,787</u>	<u>1,157,491</u>	<u>733,022</u>
Less: allowance for doubtful receivables	14,374	—	134	134
	<u>301,718</u>	<u>849,787</u>	<u>1,157,357</u>	<u>732,888</u>

The Group's major customers are the PRC state-owned grid companies with good credit rating.

The common credit terms granted to the PRC state-owned grid companies on the sale of electricity and heat energy are 30 to 60 days, except for the wind power price premium to be collected from the PRC state-owned grid companies will normally be due within 1 year. Sale of other goods not having a specific credit terms will normally be recovered within 1 year.

The balance of allowance for doubtful receivables as at December 31, 2008 represents the allowance for doubtful receivables due from customers other than electricity and heat energy sales.

The Directors closely monitors the trade receivables and considers the trade receivables past due but not impaired will be insignificant and the Group does not hold any collateral over those balances. The Directors consider that there is no impairment in view of the continuing repayment from those customers.

The aged analysis of trade receivables which are past due but not impaired is as follows:

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
1-2 years	<u>—</u>	<u>197</u>	<u>2,167</u>	<u>6,504</u>

Bill receivables are mainly issued by the PRC state-owned grid companies and guaranteed by the PRC banks with good credit rating.

At December 31, 2008, 2009 and 2010 and June 30, 2011, trade receivables amounting to nil, RMB13,793,000, RMB40,587,000 and RMB31,329,000 are pledged for bank borrowings set out in Note 34(f).

Movements in the allowance of doubtful receivables are set out as follows:

	Year ended December 31,			Six months ended June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				
At the beginning of the year/period	14,406	14,374	—	134
Provided during the year/period	—	—	134	—
Reversed during the year/period	(32)	(3,035)	—	—
Disposal of subsidiaries (Note 2(c))	—	(11,339)	—	—
At the end of the year/period	<u>14,374</u>	<u>—</u>	<u>134</u>	<u>134</u>

27. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				
Other receivables and deposits, net of impairment (note (a))	109,187	65,876	100,108	146,907
Advances to suppliers (note (b))	<u>17,285</u>	<u>19,543</u>	<u>5,619</u>	<u>44,755</u>
	<u>126,472</u>	<u>85,419</u>	<u>105,727</u>	<u>191,662</u>
THE COMPANY				
Other receivables and deposits, net of impairment	7,159	5,462	10,741	36,691
Advances to suppliers	<u>702</u>	<u>44</u>	<u>2,647</u>	<u>8,034</u>
	<u>7,861</u>	<u>5,506</u>	<u>13,388</u>	<u>44,725</u>

Notes:

(a) The increase in the balance as at June 30, 2011 was mainly due to the receivables from CERs income.

(b) The increase in the balance as at June 30, 2011 was mainly due to the increase in the prepayment for the future maintenance in power plants.

Movements in the impairment of other receivables are set out as follows:

	Year ended December 31,			Six months end June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				
At the beginning of the year/period	29,886	29,955	6,385	6,260
Recognized during the year/period	217	3,927	—	—
Write off	(148)	—	(125)	—
Disposal of subsidiaries (Note 2(c))	—	(27,497)	—	—
At the end of the year/period	<u>29,955</u>	<u>6,385</u>	<u>6,260</u>	<u>6,260</u>
THE COMPANY				
At the beginning of the year/period	16,151	16,341	6,260	6,260
Recognized during the year/period	190	2,247	—	—
Write off	—	(12,328)	—	—
At the end of the year/period	<u>16,341</u>	<u>6,260</u>	<u>6,260</u>	<u>6,260</u>

28. VALUE-ADDED TAX RECOVERABLE

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				
Value-added tax recoverable, classified as:				
— Current	2,584	178,763	245,434	258,259
— Non-current	—	535,590	562,456	494,746
	<u>2,584</u>	<u>714,353</u>	<u>807,890</u>	<u>753,005</u>
THE COMPANY				
Value-added tax recoverable, classified as:				
— Current	—	18,266	35,180	29,249
— Non-current	—	63,576	14,912	464
	<u>—</u>	<u>81,842</u>	<u>50,092</u>	<u>29,713</u>

In accordance with the Provisional Regulations of the People's Republic of China on Value-Added Tax promulgated on November 10, 2008, starting from January 1, 2009, the value-added tax payable on the Group's revenue can be set off by the value-added tax paid by the Group on acquisition of property, plant and equipment and service concession assets. Accordingly, the value-added tax paid by the Group on acquisition of the property, plant and equipment and service concession assets are recognized as value-added tax recoverable and will be set off against the Group's value-added tax payable to be arise on future revenue. Value-added tax recoverable will be classified as current if it would probably be set off by value-added tax payable related to the revenue incurred in the next 12 months.

29. HELD-TO-MATURITY FINANCIAL ASSET

	At December 31,			At
	2008	2009	2010	June 30,
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
THE GROUP				
Held-to-maturity financial asset, classified as current	<u>20,000</u>	<u>—</u>	<u>—</u>	<u>—</u>

Held-to-maturity financial asset is a seven-year PRC treasury bill investment and bears effective interest rate of 2.93% per annum. This financial asset was matured and settled on December 6, 2009.

30. RESTRICTED BANK DEPOSITS

	At December 31,			At
	2008	2009	2010	June 30,
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
THE GROUP				
Restricted bank deposits for a designated fund (note (a))	71,241	—	—	—
Restricted bank deposits for a letter of credit (note (b))	13,828	13,828	—	—
Other restricted bank deposits	2,146	2,389	—	—
	<u>87,215</u>	<u>16,217</u>	<u>—</u>	<u>—</u>
Presented in the Financial Information as:				
Non-current	87,147	2,238	—	—
Current	68	13,979	—	—
	<u>87,215</u>	<u>16,217</u>	<u>—</u>	<u>—</u>
THE COMPANY				
Restricted bank deposits for credit cards presented in the Financial Information as current	<u>68</u>	<u>151</u>	<u>—</u>	<u>—</u>

Notes:

- (a) Restricted bank deposits for a designated fund represent an escrow account deposit designated for repayment of a government loan as set out in Note 36.
- (b) During the year ended December 31, 2008, the Group entered into an equipment maintenance service agreement with a contractor for two years. In accordance with this agreement, the Group was required to provide a deposit, amounting to RMB13,828,000 as the pledge for payment. The corresponding bank deposits were presented as non-current assets as at December 31, 2008 and as current assets as at December 31, 2009.

The restricted bank deposits at the end of each reporting period carry interest at the following variable interest rates by reference to the deposit rate promulgated by the PBOC per annum:

	At December 31,			At
	2008	2009	2010	June 30,
Range of interest rates per annum				<u>2011</u>
The Group and the Company	<u>1.71% to 4.14%</u>	<u>1.71% to 2.25%</u>	<u>N/A</u>	<u>N/A</u>

31. CASH AND CASH EQUIVALENTS

The Group's and the Company's cash and cash equivalents comprise cash on hand and deposits to banks and a related non-bank financial institution with an original maturity of three months or less. Deposits to banks and a related non-bank financial institution carry prevailing market interest rate.

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				
Bank deposits denominated in:				
— RMB	465,152	636,062	446,847	1,123,359
— Euro Dollar ("EUR")	1,114	16,914	8,162	15
Deposits in a related non-bank financial institution denominated in RMB	102,996	100,752	183,681	73,016
Cash on hand	251	171	135	137
	<u>569,513</u>	<u>753,899</u>	<u>638,825</u>	<u>1,196,527</u>
THE COMPANY				
Bank deposits denominated in:				
— RMB	10,632	61,689	4,624	91,233
Deposits in a related non-bank financial institution denominated in RMB	67,996	32,710	87,774	—
Cash on hand	3	2	5	1
	<u>78,631</u>	<u>94,401</u>	<u>92,403</u>	<u>91,234</u>

The Group and the Company had certain amount of deposit in BEIH Finance, a non-bank financial institution approved by China Banking Regulatory Commission. Such deposits were short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, accordingly, the balances at the end of each reporting period have been regarded as cash and cash equivalent. As at the Latest Practicable Date, we have no deposits in BEIH Finance.

The deposits in banks and a related non-bank financial institution at the end of each reporting period carrying interest at the following variable interest rates per annum:

	At December 31,			At June 30,
	2008	2009	2010	2011
THE GROUP				
Range of interest rates per annum	<u>0.72% or 1.71%</u>	<u>0.36% or 1.35%</u>	<u>0.4% or 1.39%</u>	<u>0.5% or 1.49%</u>
THE COMPANY				
Range of interest rates per annum	<u>0.72% or 1.71%</u>	<u>0.36% or 1.35%</u>	<u>0.4% or 1.39%</u>	<u>0.5% or 1.49%</u>

32. DISPOSAL GROUP HELD FOR SALE

On December 30, 2010, the directors resolved to dispose all equity interest held in a subsidiary, Shandong Jingneng Energy and an associate, Guodian Tangyuan. The Company has taken place to negotiate with a potential buyer. The assets and liabilities attributed to such entities, which are expected to be sold within twelve months, have been classified as a disposal group held for sale and are presented separately in the consolidated statement of financial position (see below). Shandong Jingneng Energy is included in other businesses for segment reporting purpose (see note 46). The net proceeds of disposal are expected to exceed the net carrying amount of the relevant assets and liabilities and accordingly, no impairment loss has been recognized.

The major classes of assets and liabilities of the disposal group classified as held for sale are as follows:

	<u>December 31, 2010</u>
	<i>RMB'000</i>
Property, plant and equipment (Note 15(d))	222,808
Intangible assets (Note 16(e))	84
Prepaid lease prepayments	14,089
Inventories	5,507
Trade and bills receivable	35,409
Other receivables, deposits and prepayments	570
Cash and cash equivalents	1,765
Total assets of a subsidiary classified as held for sales	<u>280,232</u>
Investments in an associates classified as asset held for sales	2,166
Total assets classified as held for sales	<u>282,398</u>
Trade and other payables	17,220
Bank and other borrowings	152,956
Deferred Income (Note 35)	5,971
Total liabilities classified as held for sales	<u>176,147</u>

33. TRADE AND OTHER PAYABLES

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
THE GROUP				
Bills payable (Note a)	—	—	694,411	48,000
Trade payables	1,016,249	1,459,391	819,950	559,018
Advance received from customers	3,878	9,690	9,830	—
Salary and staff welfares	13,699	19,639	37,827	34,984
Non-income tax related tax payables	39,221	30,334	35,889	2,270
Accrued interests payable	7,691	10,081	14,964	19,309
Dividends payables	10,003	—	—	17,455
Other payables	31,412	34,362	31,449	38,161
Other current liabilities (Note b)	195,169	—	—	—
	<u>1,317,322</u>	<u>1,563,497</u>	<u>1,644,320</u>	<u>719,197</u>
THE COMPANY				
Trade payables	51,680	216,315	111,316	66,717
Advance received from customers	2,178	—	—	1,387
Salary and staff welfares	1,095	4,025	1,500	521
Non-income tax related tax payables	3,735	2	1,703	5,868
Other payables	10,777	398	6,894	—
Other current liabilities (Note b)	90,207	—	—	—
	<u>159,672</u>	<u>220,740</u>	<u>121,413</u>	<u>74,493</u>

Notes:

- (a) Including in the balances at December 31, 2010 and at June 30, 2011 are bank acceptance notes issued to a fellow subsidiary of the Group amounting to RMB470,000,000 and 48,000,000, respectively.
- (b) Other current liabilities were designated funds received from government which provided to the Group or the Company for various projects when the Company and relevant subsidiaries were non-incorporated state-owned enterprises and related governmental mechanism existed. The projects were designated by various government agencies and to entrust the Group and the Company to transfer those funds to the designated users. Therefore, the Group and the Company accounted for the relevant investments as loan receivables and the funds received from government agencies as other current liabilities. During the year ended December 31, 2009, RMB81,416,000 payable of the Company was approved by BEIH to be transferred to capital reserve (see Note 38). The remaining designated funds were derecognized when subsidiaries holding these funds were transferred to BEIH as set out in Note 2(c).

Trade payables principally comprise amounts outstanding for trade purchases and ongoing costs, as well as payable for property, plant and equipment and relevant retention payables. The Group normally settles the trade payable related to gas purchase within 30 days, settles the trade payable related to equipment purchase and construction cost, according to related contractual arrangements which normally requires progress payments during the construction period and a final payment after construction cost verified by independent valuer.

The following is an aged analysis of the Group's trade payables by invoices date at the end of each reporting period:

	At December 31,			At
	2008	2009	2010	June 30,
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
				<u>RMB'000</u>
Within 30 days	128,418	124,246	39,691	48,209
31-365 days	823,191	1,256,965	447,513	163,178
1-2 years	51,392	52,748	289,980	252,654
2-3 years	12,877	20,841	24,333	87,126
Over 3 years	371	4,591	18,433	7,851
	<u>1,016,249</u>	<u>1,459,391</u>	<u>819,950</u>	<u>559,018</u>

34. BANK AND OTHER BORROWINGS

	At December 31,			At
	2008	2009	2010	June 30,
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
				<u>RMB'000</u>
THE GROUP				
Bank loans	4,838,000	8,180,178	8,251,737	12,848,651
Other borrowings from:				
— ultimate holding company (Note (a))	—	1,950,000	1,665,000	—
— a related non-bank financial institution (Note (b))	1,570,000	1,730,000	1,698,000	—
— other non-related entity (Note (c))	—	200,000	—	—
— local government (Note (d))	104,945	—	—	—
	<u>6,512,945</u>	<u>12,060,178</u>	<u>11,614,737</u>	<u>12,848,651</u>
Represented by:				
— Unsecured borrowings (Note (e))	6,412,945	11,719,178	11,288,737	12,532,651
— Secured borrowings (Note (f))	100,000	341,000	326,000	316,000
	<u>6,512,945</u>	<u>12,060,178</u>	<u>11,614,737</u>	<u>12,848,651</u>
Bank and other borrowings repayable:				
— Within one year	2,718,222	3,599,122	2,731,300	5,416,024
— More than one year but not exceeding two years	993,068	665,583	2,035,777	1,257,523
— More than two years but not exceeding three years	623,122	1,675,993	2,146,777	1,332,130
— More than three years but not exceeding five years	844,733	1,846,620	998,553	1,096,403
— More than five years	1,333,800	4,272,860	3,702,330	3,746,571
	<u>6,512,945</u>	<u>12,060,178</u>	<u>11,614,737</u>	<u>12,848,651</u>
Less: Amount due within one year shown under current liabilities	<u>2,718,222</u>	<u>3,599,122</u>	<u>2,731,300</u>	<u>5,416,024</u>
Amount due after one year	<u>3,794,723</u>	<u>8,461,056</u>	<u>8,883,437</u>	<u>7,432,627</u>

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE COMPANY				
Unsecured loans from:				
— Banks	488,000	960,000	660,000	2,033,000
— a related non-bank financial institution	250,000	—	—	—
	<u>738,000</u>	<u>960,000</u>	<u>660,000</u>	<u>2,033,000</u>
Bank and other borrowings repayable:				
— Within one year	280,000	180,000	200,000	1,573,000
— More than one year but not exceeding two years	30,000	240,000	—	—
— More than two years but not exceeding three years	30,000	75,000	—	—
— More than three years but not exceeding five years	80,000	155,000	—	—
— More than five years	318,000	310,000	460,000	460,000
	<u>738,000</u>	<u>960,000</u>	<u>660,000</u>	<u>2,033,000</u>
Less: Amount due within one year shown under current liabilities	<u>280,000</u>	<u>180,000</u>	<u>200,000</u>	<u>1,573,000</u>
Amount due after one year	<u>458,000</u>	<u>780,000</u>	<u>460,000</u>	<u>460,000</u>

Notes:

- (a) The loans were provided by BEIH in the form of entrusted loans through banks. Except that a loan amounting to RMB150,000,000 is with the annual fixed interest rate of 5.14%, all the other loans are unsecured and carried at variable interest rate by reference to the interest rate promulgated by the PBOC. Among these loans as at December 31, 2009, RMB150,000,000 was repayable in 2010, RMB1,100,000,000 was repayable in 2012 and RMB700,000,000 was repayable in 2014. However, the Group early repaid all remaining loans before June 30, 2011 for listing purpose. During the Relevant Periods, the interest expenses attributed to above entrusted loan were RMB nil, RMB534,000, RMB102,879,000 and RMB20,064,000 for the year ended by December 31, 2008, 2009 and 2010 and the six month ended June 30, 2011, respectively.
- (b) Other borrowings from a related non-bank financial institution represented loans from BEIH Finance. The loans were unsecured, carried interest at beneficial rates higher than 90% of the prevailing interest rates promulgated by PBOC and variable by reference to the interest rates promulgated by PBOC. The loans were repayable no more than three years. However, the Group early repaid all remaining loans before June 30, 2011 for listing purpose. During the Relevant Periods, the interest expenses attributed to above loans from BEIH Finance were RMB56,529,000, RMB83,285,000, RMB93,037,000 and RMB28,393,000 for the three years ended by December 31, 2008, 2009 and 2010 and the six month ended June 30, 2011, respectively.
- (c) The amount represented the loan from 安徽國元信託投資有限公司 (Anhui Guoyuan Trust and Investment Co., Ltd, English name for identification purpose), an independent third party. It was unsecured, carried interest at rate of 5.58% per annum and was mature and repaid in January 2010.
- (d) Other borrowing from local government represented the loan from the Finance Bureau of Beijing Government under a financial program between PRC government and the World Bank in order to promote energy efficiency. Under that loan arrangement in 1998, the Finance Bureau of Beijing Government provided a loan of US\$21,000,000 to Yuan Shen Jie Neng. The loan was secured by restricted bank deposits for a designated fund as mentioned in Note 30, and carried interest rate by reference to the London Interbank offered Rate ("LIBOR") and was repayable on May 15, 2018. As set out in Note 2(c), Yuan Shen Jie Neng was transferred to BEIH on December 31, 2009 and accordingly the Group derecognized the corresponding financial liability.
- (e) The Group's guaranteed borrowing in the unsecured borrowings include:
- the borrowings with the balances amounting to RMB4,250,000,000, RMB6,554,178,000, RMB97,500,000 and RMB65,000,000 as at December 31, 2008, 2009 and 2010 and June 30, 2011 respectively which were guaranteed by the entities not within the Group;
 - the borrowings with the balances amounting to nil, nil, RMB2,264,737,000 and RMB2,397,000,000 as at December 31, 2008, 2009 and 2010 and June 30, 2011 respectively which were guaranteed by the Company and the total guarantee provided by the Company including the unutilized guarantee is RMB3,007,000,000 (Note 41);
- (f) The Group's secured borrowings were pledged by a right to receive the wind power electricity sale consideration in a subsidiary of New Energy, and guaranteed by New Energy as at December 31, 2010 and non-related entities as at December 31, 2008 and 2009. The relevant account receivable balances were nil, RMB13,790,000, RMB40,587,000 and RMB31,329,000 (Note 26) as at December 31, 2008, 2009 and 2010 and June 30, 2011, respectively.

The following is an analysis of the Group's and the Company's bank and other borrowings by variable and fixed interest rate:

	At December 31,			At June 30,
	2008	2009	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
THE GROUP				
Variable interest rate	6,312,945	11,140,178	10,864,737	12,078,651
Fixed interest rate	200,000	920,000	750,000	770,000
	<u>6,512,945</u>	<u>12,060,178</u>	<u>11,614,737</u>	<u>12,848,651</u>
THE COMPANY				
Variable interest rate	738,000	960,000	660,000	1,933,000
Fixed interest rate	—	—	—	100,000
	<u>738,000</u>	<u>960,000</u>	<u>660,000</u>	<u>2,033,000</u>

	Year ended December 31,			Six month ended
	2008	2009	2010	June 30,
				2011
Range of interest rates per annum:				
— Variable-interest borrowings	<u>5.10% to 8.22%</u>	<u>4.39% to 7.47%</u>	<u>4.62% to 7.47%</u>	<u>4.85% to 7.14%</u>
— Fixed-interest borrowings	<u>5.04% to 7.2%</u>	<u>4.8% to 5.58%</u>	<u>4.78% to 5.14%</u>	<u>4.78% to 5.81%</u>

35. DEFERRED INCOME

	Government grants and subsidies for		
	Clean energy production	Construction of assets	Total
	<i>RMB'000</i> <i>(note (a))</i>	<i>RMB'000</i> <i>(note (b))</i>	<i>RMB'000</i>
THE GROUP			
At January 1, 2008	—	—	—
Additions	488,632	50,000	538,632
Released to profit or loss (Note 7)	<u>(471,327)</u>	—	<u>(471,327)</u>
At December 31, 2008	17,305	50,000	67,305
Additions	442,069	6,094	448,163
Released to profit or loss (Note 7)	<u>(434,290)</u>	<u>(2,631)</u>	<u>(436,921)</u>
At December 31, 2009	25,084	53,463	78,547
Additions	485,979	—	485,979
Released to profit or loss (Note 7)	<u>(420,487)</u>	<u>(2,755)</u>	<u>(423,242)</u>
Reclassified to liabilities held for sale (Note 32)	—	<u>(5,971)</u>	<u>(5,971)</u>
At December 31, 2010	90,576	44,737	135,313
Additions	242,068	—	242,068
Released to profit or loss (Note 7)	<u>(329,235)</u>	<u>(1,316)</u>	<u>(330,551)</u>
At June 30, 2011	<u>3,409</u>	<u>43,421</u>	<u>46,830</u>

	Government grants and subsidies for		
	Clean energy production	Construction of assets	Total
	RMB'000 (note (a))	RMB'000 (note (b))	RMB'000
THE COMPANY			
At January 1, 2008	—	—	—
Additions	—	50,000	50,000
At December 31, 2008	—	50,000	50,000
Additions	7,484	—	7,484
Released to profit or loss	(7,484)	(2,631)	(10,115)
At December 31, 2009	—	47,369	47,369
Additions	11,760	—	11,760
Released to profit or loss	(11,760)	(2,632)	(14,392)
At December 31, 2010	—	44,737	44,737
Additions	17,792	—	17,792
Released to profit or loss	(15,630)	(1,316)	(16,946)
At June 30, 2011	2,162	43,421	45,583

Notes:

- (a) During the Relevant Periods, the Group's gas and wind power facilities located in Beijing, the PRC, were entitled to a subsidy policy promulgated by the Beijing Government. The Beijing Government compensated the Group based on a pre-determined rate and quantities approved from time to time for the sale of electricity generated by those facilities. The Group recognize receivable and deferred income when the Group obtains the relevant government approvals to allocate the subsidies. The deferred income will be released to profit or loss based on the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities and at the pre-determined subsidized rate. The amounts released to profit or loss during the Relevant Periods are set out in Note 7.
- (b) Grants related to construction of assets are provided by several local governments in the PRC to encourage the construction of clean energy facilities. The Group records these grants as deferred income upon receipt of the grants and will release to profit or loss to match with the depreciation of related assets. The amounts released to profit or loss during the Relevant Periods are set out in Note 7.

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
Presented in the Financial Information as:				
THE GROUP				
Non-current	47,369	50,688	44,737	43,421
Current	19,936	27,859	90,576	3,409
	<u>67,305</u>	<u>78,547</u>	<u>135,313</u>	<u>46,830</u>
THE COMPANY				
Non-current	47,369	44,737	44,737	43,421
Current	2,631	2,632	—	2,162
	<u>50,000</u>	<u>47,369</u>	<u>44,737</u>	<u>45,583</u>

36. OTHER NON-CURRENT LIABILITIES

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
THE GROUP				
Designated fund for repayment of government's loan (note) . . .	99,698	—	—	—
	<u>99,698</u>	<u>—</u>	<u>—</u>	<u>—</u>

Note:

The balance is related to the loan provided by the Financial Bureau of Beijing Government as set out in Note 34(d). In 1998, the government agency provided RMB65,000,000 as a designated fund to Yuan Shen Jie Neng and required Yuan Shen Jie Neng to deposit the fund in an escrow account (see Note 30(a)). The principal of the fund and its cumulative interest in the escrow account are designated in repayment of the local government loan. The balance represents the principal and cumulative interest of the above mentioned designated fund.

37. REGISTERED CAPITAL/SHARE CAPITAL

	Registered capital			Share capital	
	Year ended December 31,			Year ended	Six months
	2008	2009	2010	December 31,	ended
	RMB'000	RMB'000	RMB'000	2010	June 30,
				RMB'000	2011
At beginning of the year/period	500,000	500,000	1,006,441	—	5,000,000
Cash contribution	—	506,441	159,771	—	—
Transformation into a joint stock company					
— Converted to share capital	—	—	(1,166,212)	1,166,212	—
— Capitalization of reserves	—	—	—	3,833,788	—
At end of the year/period	<u>500,000</u>	<u>1,006,441</u>	<u>—</u>	<u>5,000,000</u>	<u>5,000,000</u>

The amounts at December 31, 2008 and 2009 represented the registered and paid-in capital of Beijing Jingneng Energy Technology Investment Co., Ltd., while the amount at December 31, 2010 and June 30, 2011 represented the issued and fully paid share capital of the Company.

Notes:

- On April 30, 2009, the registered capital of the Company was increased from RMB500,000,000 to RMB1,000,000,000 by cash contribution of RMB400,000,000 from BEIH and capitalization of capital reserve of RMB100,000,000.
- On December 30, 2009, the registered capital of the Company was increased from RMB 1,000,000,000 to RMB1,006,441,000 by cash contribution from 北京國際電氣工程有限責任公司 (Beijing International Electric Engineering Co., Ltd., English name for identification purpose) ("BIEE"), a company controlled by BEIH. BIEE contributed cash of RMB50,000,000 of which RMB6,441,000 was recorded as registered capital and the remaining RMB43,559,000 was recorded as capital reserve.
- On April 29, 2010, the registered capital of the Company was increased from RMB1,006,441,000 to RMB1,166,212,000 by cash contribution of a group of strategic investors (including a foreign financial investor). The group of strategic investors contributed cash of RMB1,243,731,000, of which RMB159,771,000 was recorded as registered capital and the remaining RMB1,083,960,000 was recorded as capital reserve.
- On August 25, 2010, the Company transformed into a joint stock company with limited liability. The initial share capital of the Company is RMB5,000,000,000 divided into 5,000,000,000 shares with the par value of RMB1 each. The share capital was paid up by capitalization of the registered capital of RMB1,166,212,000 and reserves of RMB3,833,788,000.

38. RESERVES

	At December 31,			At June 30,
	2008	2009	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
THE COMPANY				
Capital reserves	675,893	4,285,228	1,491,964	1,410,644
Statutory surplus reserve	3,296	12,824	8,331	43,245
Accumulated losses	(98,043)	(34,521)	(70,826)	243,399
	<u>581,146</u>	<u>4,263,531</u>	<u>1,429,469</u>	<u>1,697,288</u>

(a) Capital reserves

	<i>RMB'000</i>
THE COMPANY	
At January 1 and December 31, 2008	675,893
Capitalization of reserve as registered capital (Note 37(a))	(100,000)
Premium on increase in registered capital (Note 37(b))	43,559
Injection of Common Controlled Entities by BEIH (Note (i))	3,343,524
Transfer of additional interests in an associate held by BEIH (Note 2(b))	548,448
Injection of additional interests in a subsidiary (Note (ii))	15,348
Transfer of the Company's subsidiaries to BEIH (Note 2(c))	(322,960)
Payable waived by BEIH (Note (iii), note 33(b))	81,416
At December 31, 2009	4,285,228
Injection of Common Controlled Entities by BEIH (Note (i))	80,000
Premium on increase in registered capital (Note 37(c))	1,083,961
Transfer of Company's associate to BEIH (Note 2(d))	(12,000)
Adjustment on transferred equity interest (Note 2(b))	(145,731)
Transferred to share capital (Note 37(d))	(3,799,494)
At December 31, 2010	1,491,964
Acquisition of a subsidiary from BEIH (Note 2(a))	(81,320)
At June 30, 2011	<u>1,410,644</u>

Notes:

- (i) The amount represents the fair value of the Common Controlled Entities transferred by BEIH to the Company as set out in Note 2(a).
- (ii) In September 2009, the non-controlling shareholders of the Company's subsidiary, Yuan Shen Jie Neng, transferred their aggregated 25% equity interest in Yuan Shen Jie Neng at no consideration. The non-controlling shareholder is a state-owned entities under the administration of SASAC of Beijing. The amount represents the fair value of the non-controlling interests prior to this transfer.
- (iii) During the year ended December 31, 2009, BEIH acts as the operator of state-owned assets entrusted by the government approved to recognize certain designated government funds, amounting to RMB81,416,000 as capital reserve.

(b) Statutory surplus reserve

	<i>RMB'000</i>
THE COMPANY	
At January 1, 2008	823
Appropriation to statutory surplus reserve	2,473
At December 31, 2008	3,296
Appropriation to statutory surplus reserve	9,528
At December 31, 2009	12,824
Capitalization of reserve on transformation into joint stock company (Note 37(d))	(34,294)
Appropriation to statutory surplus reserve	29,801
At December 31, 2010	8,331
Appropriation to statutory surplus reserve	34,914
At June 30, 2011	<u>43,245</u>

According to the relevant requirement in the memorandum of the Company, a portion of their profits after taxation computed in accordance with the PRC GAAP will be transferred to statutory surplus reserve. The transfer to this reserve must be made before the distribution of a dividend to equity owners. Such statutory surplus reserve can be used to offset the previous years' losses, if any and increase capital. The statutory surplus reserve is non-distributable other than upon liquidation.

(c) Company's accumulated losses

	At December 31,			At
	2008	2009	2010	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
At the beginning of the year/period	(95,977)	(98,043)	(34,521)	(70,826)
Profit for the year/period	407	14,593	229,014	349,139
Appropriate to statutory surplus reserve	(2,473)	(9,528)	(29,801)	(34,914)
Transfer of additional interests in an associate held by BEIH (Note 2(b))	—	58,457	—	—
Dividend declared (Note 13(b))	—	—	(235,518)	—
At the end of the year/period	<u>(98,043)</u>	<u>(34,521)</u>	<u>(70,826)</u>	<u>243,399</u>

39. LEASE ARRANGEMENTS**The Group and the Company as a lessee**

At the end of each reporting period, the Group and the Company had future minimum lease payments under non-cancelable operating leases in respect of leased properties as follows:

	At December 31,			At
	2008	2009	2010	June 30,
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
THE GROUP				
Within one year	18,006	18,006	600	4,633
In the second to fifth year inclusive	18,606	2,400	2,580	2,610
Beyond five years	11,523	9,723	8,943	8,613
	<u>48,135</u>	<u>30,129</u>	<u>12,123</u>	<u>15,856</u>

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
THE COMPANY				RMB'000
Within one year	—	—	600	600
In the second to fifth year inclusive	—	—	2,580	2,610
Beyond five years	—	—	8,943	8,613
	—	—	12,123	11,823

Operating lease payments represent rentals payable by the Group and the Company for certain of its operating and office premises. Leases are negotiated for the term in the range of one to two years and rentals are fixed at the date of signing of lease except for a land lease of the Company with a term for 20 years.

40. COMMITMENTS

At the end of each reporting period, the Group and the Company had the following commitments:

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Contracted but not provided for the acquisition or construction of property, plant and equipment for:				
— The Group	4,450,261	739,191	2,060,295	2,920,940
— The Company	10,395	8,880	513	18,958

41. CONTINGENT LIABILITIES

During the Relevant Periods, the Group and the Company provided guarantees in respect of bank facilities granted to an associate and a jointly controlled entity. The Company also provided guarantees in respect of bank facilities granted to certain subsidiaries. In the opinion of the Directors, the fair values of these financial guarantee contracts are insignificant at the date of issue of the financial guarantee.

The amounts of the outstanding guarantees provided by the Group and the Company at the end of each reporting period are as follows:

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
THE GROUP				RMB'000
Guarantee given to banks in respect of banking facilities granted to:				
— 北京華源熱力管網有限公司 (Beijing Huayuan Heating Pipeline Co., Ltd., English name for identification purpose) (“Huayuan Heating”)	—	200,000	589,440	629,440
— 北京中油華富石油化工有限責任公司 (Beijing Zhongyou Huafu Petrochemical Co., Ltd., English name for identification purpose) (“Zhongyou Huafu”)	40,000	40,000	—	—

At December 31, 2008, 2009 and 2010 and June 30, 2011, the unutilized guarantee facilities were RMB40,000,000, RMB30,000,000, RMB38,738,000 and nil respectively.

	At December 31,			At June 30,
	2008	2009	2010	2011
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
THE COMPANY				
— Huayuan Heating	—	200,000	589,440	629,440
— Zhongyou Huafu	40,000	40,000	—	—
— Certain subsidiaries (Note 34(e)(ii))	—	—	2,731,167	3,007,000
	<u>—</u>	<u>—</u>	<u>2,731,167</u>	<u>3,007,000</u>

At December 2008, 2009 and 2010 and June 30, 2011, the unutilized guarantee facilities were RMB40,000,000, RMB30,000,000, RMB505,168,000 and RMB609,760,000 respectively.

42. RETIREMENT BENEFIT SCHEME CONTRIBUTIONS

During the year ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 (unaudited) and 2011, total cost of RMB7,859,000, RMB11,905,000, RMB18,240,000, RMB4,471,000 and RMB9,529,000 respectively were charged to the profit or loss as retirement benefit scheme contributions.

The Group participates in retirement benefit schemes organized by the local government authority in the PRC. The local government authority in the PRC is responsible for managing the pension liabilities to these retired employees. For the pension liabilities to these retired employees, the Group is required to make monthly contributions at 20% of basic salary for the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 and 2011.

43. RELATED PARTY BALANCES AND TRANSACTIONS

(a) For the Relevant Periods, the following parties are identified as related party to the Group and the respective relationships are set out below:

<u>Name of related party</u>	<u>Relationship</u>
BEIH	Ultimate holding company
BIEE	Fellow subsidiary
北京雷波泰克資訊技術有限公司 (Beijing Lei Bo Ke Information Technology Co., Ltd., English name for identification purpose) (“Lei Bo Tai Ke”)	Fellow subsidiary
北京源拓物業管理有限公司 (Beijing Yuan Tuo Property Management Co., Ltd., English name for identification purpose) (“Yuan Tuo”)	Fellow subsidiary
BEIH Finance	Fellow subsidiary
Beijing Jingneng International	Fellow subsidiary
長治市欣隆煤矸石電廠 (Changzhi Xin Long Gangue Power Plant, English name for identification purpose) (“Changzhi Xin Long”)	Fellow subsidiary
北京京豐熱電有限責任公司 (Beijing Jingfeng Thermal Power Co., Ltd., English name for identification purpose) (“Jingfeng Thermal”) ..	Fellow subsidiary
北京京西發電有限責任公司 (Beijing Jing Xi Power Generation Co., Ltd., English name for identification purpose) (“Jing Xi”)	Fellow subsidiary
北京京能熱電股份有限公司 (Beijing Jing Neng Thermal Power Co., Ltd., English name for identification purpose) (“Jing Neng Thermal Power”)	Fellow subsidiary
京能電力後勤服務有限公司 (Jing Neng Electricity Logistic Services Co., Ltd., English name for identification purpose) (“Jingneng Logistic”) ..	Fellow subsidiary
內蒙古岱電房地產開發公司 (Inner Mongolia Dai Dian Real Estate Development Co., Ltd., English name for identification purpose) (“Dai Dian Real Estate”)	Fellow subsidiary
內蒙古京能建築安裝工程有限公司 (Inner Mongolia Jing Neng Construction & Installation Engineering Co., Ltd., English name for identification purpose) (“Jing Neng Engineering”)	Fellow subsidiary
Yuan Shen Jie Neng	Subsidiary (Before December 31, 2009)/ Fellow subsidiary (After December 31, 2009)
Bo Er Jie Neng	Subsidiary (Before December 31, 2009)/ Fellow subsidiary (After December 31, 2009)
Beijing Keliyuan	Associate (Before February 24, 2010)
Zhongyou Huafu	Associate (Before December 31, 2009)
北京特潔能環保技術發展有限公司 (Beijing Te Jie Neng Environment and Technology Development Co., Ltd., English name for identification purpose) (“Te Jie Neng”)	Associate (Before December 31, 2009)
北京市天銀地熱開發有限責任公司 (Beijing Tian Yin Di Re Development Co., Ltd.) (“Tian Yin Di Re”)	Associate

<u>Name of related party</u>	<u>Relationship</u>
全州柳鋪水電有限公司 (Quanzhou Liupu Hydropower Co., Ltd., English name for identification purpose) ("Quanzhou Liupu")	Associate
Huayuan Heating	Jointly controlled entity
北京市石油化工產品開發供應有限公司 (Beijing Petrochemical Products Development and Supply Co., Ltd., English name for identification purpose) ("Beijing Petrochemical")	Jointly controlled entity (Before December 31, 2009)
北京華源惠眾環保科技有限公司 (Beijing Huayuan Huizhong Environmental Protection Technology Co., Ltd., English name for identification purpose) ("Huayuan Huizhong")	Jointly controlled entity
北京市熱力集團有限責任公司 (Beijing District Heating (Group) Co, Ltd.) ("BDHG")	a non-controlling shareholder held approximately 20% equity interest in a subsidiary

- (b) During the year ended December 31, 2010 and the six months ended June 30, 2010 and 2011, the Group entered into contracts to acquire property, plant and equipment from BIEE amounting to RMB1,608,923,000, RMB1,608,923,000 (unaudited) and nil, and the total amount of equipment and services provided by BIEE to the Group were RMB745,574,000, nil (unaudited) and RMB466,440,000 during the year end December 31, 2010 and the six months ended June 30, 2010 and 2011, respectively. At December 31, 2010 and at June 30, 2011, RMB160,834,000 and RMB133,428,000 was paid to BIEE and recognized as "deposit for acquisition of property, plant and equipment" on the consolidated statement of financial position.

- (c) At the end of each reporting period, other than loans to subsidiaries as set out in Note 19, and receivables from associates and jointly controlled entities as set out in Notes 20 and 21, respectively and the deposit in a related non-bank financial institution as set out in Note 31, the Group and the Company have amounts receivable from the following related parties and the details are set out below:

The GROUP

Name of related party	At December 31,			At
	2008	2009	2010	June 30,
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
				<u>RMB'000</u>
Ultimate holding company:				
BEIH	165	319	2,106	—
Fellow subsidiaries:				
Lei Bo Tai Ke	1,782	1,203	—	—
Yuan Tuo	5,000	—	—	—
Yuan Shen Jie Neng ⁽ⁱ⁾	—	86,562	—	—
BIEE	—	—	2,251	—
Changzhi Xin Long	—	—	1,519	—
Dai Dian Real Estate	—	—	10,364	—
BEIH Finance	—	—	—	2,512
	<u>6,782</u>	<u>87,765</u>	<u>14,134</u>	<u>2,512</u>
Associates:				
Beijing Keliyuan	1,005	—	—	—
Zhongyou Huafu	3,318	3,318	—	—
Te Jie Neng	3,400	3,400	—	—
Quanzhou Liupu	—	—	—	1,212
	<u>7,723</u>	<u>6,718</u>	<u>—</u>	<u>1,212</u>
Jointly controlled entities:				
Huayuan Heating	103	—	—	—
Beijing Petrochemical	—	5,695	—	—
	<u>103</u>	<u>5,695</u>	<u>—</u>	<u>—</u>
	<u>14,773</u>	<u>100,497</u>	<u>16,240</u>	<u>3,724</u>
Represented by:				
Trade receivables aged with within one year by invoice date	1,885	1,203	—	—
Non-trade receivables:				
—Dividend receivable from associates	7,723	6,718	—	—
—Dividend receivable from jointly controlled entities	—	5,695	—	—
—Interest receivable from associate	—	—	—	1,212
—Amount due from BEIH	165	319	2,106	—
—Amounts due from fellow subsidiaries	5,000	86,562	14,134	2,512
	<u>14,773</u>	<u>100,497</u>	<u>16,240</u>	<u>3,724</u>

Note:

(i) It was a subsidiary in 2008.

The balances were interest-free, unsecured and repayable on demand. The Directors will have settled all the non-trade nature balances and the financing nature balances with related parties before the Listing.

THE COMPANY

<u>Name of related party</u>	<u>At December 31,</u>			<u>At</u>
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>June 30,</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
				<u>RMB'000</u>
Ultimate holding company:				
BEIH	<u>165</u>	<u>276</u>	<u>—</u>	<u>—</u>
Fellow subsidiary:				
Yuan Shen Jie Neng	<u>—</u>	<u>86,562</u>	<u>—</u>	<u>—</u>
BEIH Finance	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,096</u>
	<u>—</u>	<u>86,562</u>	<u>—</u>	<u>2,096</u>
Associates:				
Beijing Keliyuan	<u>1,005</u>	<u>—</u>	<u>—</u>	<u>—</u>
Zhongyou Huafu	<u>3,318</u>	<u>3,318</u>	<u>—</u>	<u>—</u>
Te Jie Neng	<u>3,400</u>	<u>3,400</u>	<u>—</u>	<u>—</u>
Quanzhou Liupu	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,212</u>
	<u>7,723</u>	<u>6,718</u>	<u>—</u>	<u>1,212</u>
Jointly controlled entity:				
Beijing Petrochemical	<u>—</u>	<u>5,695</u>	<u>—</u>	<u>—</u>
	<u>7,888</u>	<u>99,251</u>	<u>—</u>	<u>3,308</u>

The balances were interest-free, unsecured and repayable on demand. The Directors will have settled all the non-trade nature balances and the financing nature balances with related parties before the Listing.

- (d) At the end of each reporting period, other than bank acceptance notes issued to related party as set out in Note 33(a) and borrowings from ultimate holding company and related non-bank financial institution as set out in Note 34, the Group and the Company has amounts payable to the following related parties and the details are set out below:

THE GROUP

<u>Name of related party</u>	<u>At December 31,</u>			<u>At</u>
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>June 30,</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
Ultimate holding company:				
BEIH	—	2,390	95,019	142,432
Fellow subsidiaries:				
Beijing Jingneng International	101,747	64,200	3,000	—
Jingfeng Thermal	89,528	22,377	23,858	27,808
Jing Neng Engineering	—	—	—	40
Lei Bo Tai Ke	8	14	—	—
BEIH Finance	1,955	5,292	2,729	—
BIEE	—	250	32,421	193,984
Jing Xi	—	25	358	635
Bo Er Jie Neng	—	—	220	—
	<u>193,238</u>	<u>92,158</u>	<u>62,586</u>	<u>222,467</u>
Associates:				
Beijing Keliyuan	13	—	—	—
Tian Yin Di Re	3,046	3,046	—	—
	<u>3,059</u>	<u>3,046</u>	<u>—</u>	<u>—</u>
Jointly controlled entity:				
Huayuan Huizhong	50,000	—	—	—
	<u>246,297</u>	<u>97,594</u>	<u>157,605</u>	<u>364,899</u>

THE GROUP

	<u>At December 31,</u>			<u>At</u>
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>June 30,</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>2011</u>
Represented by:				
Trade payables aged within one year by invoice date	89,536	25,031	68,165	302,759
Non-trade payables	156,761	72,563	89,440	62,140
	<u>246,297</u>	<u>97,594</u>	<u>157,605</u>	<u>364,899</u>

The Directors will have settled all the non-trade payables and financing nature balances before the Listing.

THE COMPANY

Name of related party	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
Ultimate holding company:				
BEIH	—	—	61,008	142,328
Subsidiaries:				
Yuan Shen Jie Neng	5,300	—	—	—
Bo Er Jie Neng	37,427	—	—	—
	<u>42,727</u>	<u>—</u>	<u>—</u>	<u>—</u>
Fellow subsidiaries:				
BIEE	—	—	393	393
Bo Er Jie Neng	—	—	220	—
	<u>—</u>	<u>—</u>	<u>613</u>	<u>393</u>
Associates:				
Beijing Keliyuan	15	—	—	—
Tian Yin Di Re	3,046	3,046	—	—
	<u>3,061</u>	<u>3,046</u>	<u>—</u>	<u>—</u>
Jointly controlled entity:				
Huayuan Huizhong	50,000	—	—	—
	<u>95,788</u>	<u>3,046</u>	<u>61,621</u>	<u>142,721</u>

The amounts due to related parties by the Group and the Company are unsecured, interest-free and repayable on demand.

- (e) At the end of each reporting period, the Group has the following balances with government/government-related entities other than the balances disclosed above:

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
Trade and bill receivables	122,300	637,915	1,150,774	652,738
Other receivables	1,504,462	1,326,077	98,367	65,011
Bank balances	454,682	720,843	311,929	600,456
Trade payables	925,525	602,108	414,824	253,929
Other payables	239,557	57,454	879	260
Bank borrowings	1,370,000	2,320,000	3,389,837	2,665,990
Other borrowings	104,945	—	—	—
	<u>104,945</u>	<u>—</u>	<u>—</u>	<u>—</u>

- (f) During the Relevant Period, other than interest income paid by related parties and interest expense charged by related parties as set out in Note 9 and Note 34, respectively the Group entered into the following significant transactions with its related parties:

Continuing transactions:

- (i) Management services from related parties

<u>Name of related party</u>	<u>Year ended December 31,</u>			<u>Six months ended June 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2011</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> <i>(unaudited)</i>	<u>RMB'000</u>
Jing Xi	955	1,419	2,751	455	1,672
BIEE	—	—	—	—	6,000
BEIH	—	—	23,600	—	—
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

- (ii) Equipment maintenance services from related parties

<u>Name of related party</u>	<u>Year ended December 31,</u>			<u>Six months ended June 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2011</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> <i>(unaudited)</i>	<u>RMB'000</u>
Jingfeng Thermal	—	4,750	7,218	2,030	3,967
BIEE	—	4,984	4,739	—	4,272
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

- (iii) Conference service from a related party

<u>Name of related party</u>	<u>Year ended December 31,</u>			<u>Six months ended June 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2011</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> <i>(unaudited)</i>	<u>RMB'000</u>
Jingneng Logistic	320	373	1,155	—	335
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

- (iv) Rental expense as a lessee charged by related parties

<u>Name of related party</u>	<u>Year ended December 31,</u>			<u>Six months ended June 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2011</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> <i>(unaudited)</i>	<u>RMB'000</u>
Jingfeng Thermal	3,593	8,065	8,065	4,020	4,000
BEIH	—	25	50	25	25
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

- (v) Commission for entrusted loan service from a related non-bank financial institution

<u>Name of related party</u>	<u>Year ended December 31,</u>			<u>Six months ended June 30,</u>	
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2010</u>	<u>2011</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u> <i>(unaudited)</i>	<u>RMB'000</u>
BEIH Finance	—	14,096	2,421	2,067	2,271
	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>

(vi) Electricity sold to a related party

<u>Name of related party</u>	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Jingfeng Thermal	—	—	11,583	—	—

(vii) Property management fee charged by a related party

<u>Name of related party</u>	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Jingneng Logistic	—	—	1,237	—	1,477

(viii) Heat energy sold to a connected person

<u>Name of connected person</u>	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
BDHG	86,605	297,676	313,664	204,719	203,724

The amount of the revenue to this connected person excludes the value added tax based on the 13% rate but includes the trial run revenue which has offset the construction in progress.

Discontinuing transactions:

(ix) purchase from related parties

<u>Name of related party</u>	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Jingfeng Thermal	11,981	14,795	22,752	20,842	—
Jing Neng Thermal Power (Note 7 (b))	57	—	42,082	—	—
Bo Er Jie Neng	—	—	220	—	—
BIEE	—	—	745,574	—	466,440
Dai Dian Real Estate	—	—	10,364	10,364	—

(x) services from related parties

<u>Name of related party</u>	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i> (unaudited)	<i>RMB'000</i>
Jingfeng Thermal	37,186	26,543	—	—	—
Lei Bo Tai Ke	656	1,512	—	—	—

(xi) Rental expense as a lessee charged by a related party

Name of related party	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Jingfeng Thermal	18,606	18,606	—	—	—

(g) During the Relevant Periods, the Group entered into the following significant transactions with government-related entities other than the amounts disclosed above:

	At December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue from sales of electricity	1,221,553	1,971,397	3,297,281	1,706,658	1,363,093
Revenue from sales of heat energy	79,066	357,007	355,888	266,060	225,959
Revenue from concession construction arrangements	918,135	2,341,546	—	—	—
Purchases	1,010,846	1,475,959	1,973,319	1,054,573	1,029,295
Interest income on bank balances	500	290	1,330	972	1,096
Interest expenses on bank borrowings	17,537	115,621	140,092	61,996	87,927

(h) Details of the remuneration paid and payable to the key management of the Company who are also the Directors for the Relevant Periods are set out in Note 12.

(i) Details of the guarantees provided to related parties are set out in Note 41.

(j) In addition, the Group also has entered into other various transactions with government-related entities in its ordinary course of business. In view of the insignificance of these transactions, the Directors are of the opinion that separate disclosure would not be meaningful.

44. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debts, which includes the bank and other borrowings, amounts due to related parties, net of cash and cash equivalents and equity attributable to owners of the Company, comprising registered capital, reserves and retained profits.

The Directors review the capital structure on a regular basis. As part of this review, the Directors consider the cost of capital and the risks associated with capital, and take appropriate actions to balance its overall capital structure.

45. FINANCIAL INSTRUMENTS

Categories of financial instruments

	At December 31,			At June 30,
	2008	2009	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000
THE GROUP				
Financial assets				
Available-for-sales financial assets	692,617	88,048	98,048	98,048
Loans and receivables (including cash and cash equivalents)	1,280,179	1,943,800	2,062,532	2,248,241
Held-to-maturity financial assets	20,000	—	—	—
Financial liabilities				
Financial liabilities at amortized cost	8,133,163	13,681,245	13,370,943	13,930,476
THE COMPANY				
Financial assets				
Available-for-sales financial assets	691,972	20,000	30,000	30,000
Loans and receivables (including cash and cash equivalents)	164,539	211,626	295,299	1,588,939
Financial liabilities				
Financial liabilities at amortized cost	987,547	1,183,084	841,331	2,243,709

The Group's and the Company's major financial instruments include trade, bill and other receivables, held-to-maturity financial assets, available-for-sale financial assets, restricted bank deposits, cash and cash equivalents, trade and other payables, loans to and amounts due from/to related parties and bank and other borrowings. Details of these financial instruments are set out in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

The Group's activities expose primarily to the market risks of changes in interest rates and foreign currency exchange rates.

There has been no significant change to the Group's exposure to market risks or the manner in which it manages and measures the risk over the Relevant Periods.

Interest rate risk management

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on restricted bank deposits, loan receivables, loans to associates and jointly controlled entities, cash and cash equivalent and bank and other borrowings carried at prevailing market interest based on the interest rates quoted by the PBOC or LIBOR plus a premium or less a discount.

The Company is also exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on restricted bank deposits, loan receivables, loans to associates and jointly controlled entities, cash and cash equivalent, loans to subsidiaries and bank and other borrowings carried at prevailing market interest based on the interest rates quoted by the PBOC or LIBOR plus a premium or less a discount.

The Group's fair value interest rate risk mainly included bank borrowings and held-to-maturity financial assets carried at fixed interest rate. The Company also exposed to fair value interest rate risk from its fixed-rate bank and other borrowings.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for financial instruments at the end of each reporting period. For those financial instruments bearing prevailing interest rate, the analysis is prepared assuming the amount of balances outstanding at the end of each reporting period was outstanding for the whole year/period. A 25 basis points increase or decrease is used which represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Group's profit for the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 (unaudited) and 2011 would decrease (increase) by RMB4,855,000, RMB12,832,000, RMB20,036,000, RMB19,450,000 and RMB19,311,000 respectively.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2011 would decrease/increase by RMB994,000, RMB1,763,000, RMB1,150,000 and RMB3,122,000 respectively.

Foreign currency risk management***Currency risk***

The Group has certain assets and liabilities, including other receivables, bank balances and cash (Note 31) and bank and other borrowings (Note 34) denominated in foreign currencies, hence risk exposure to exchange rate fluctuation arise.

The Group has not entered into any forward contract to hedge against these foreign currencies risk exposure. However, the management of the Group will consider to hedge these balances should the need arise.

Currency sensitivity

The Group is mainly exposed to exchange rate fluctuation on US\$ and EUR. The following table details the Group's sensitivity to a 5% strengthening of RMB against US\$ and EUR. 5% represents management's assessment of the possible change in the exchange rate of RMB against US\$ and EUR. For a 5% weakening of RMB against US\$ and EUR, there would be an equal and opposite impact on the profit:

	At December 31,			At
	2008	2009	2010	June 30,
	RMB'000	RMB'000	RMB'000	2011
				RMB'000
Increase (decrease) in profit (US\$)	3,734	4,424	—	—
Increase (decrease) in profit (EUR)	40	776	1,411	627

Credit risk management

The Group's and the Company's credit risk is primarily attributable to its trade and bill receivables, other receivables, loans to and amounts due from related parties, held-to-maturity financial asset, restricted bank deposits, bank balances and cash, deposit in a non-bank financial institution and financial guarantee contracts. At the end of each reporting period, the Group's and the Company's maximum exposure to credit risk which will cause a financial loss, respectively, to the Group and the Company due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognized financial assets stated in the statements of financial position and the financial guarantee.

In order to minimize the credit risk, the management of the Group has delegated a team responsible for monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regards, the Directors consider that the Groups' credit risk is significantly reduced.

Credit risk on trade receivables is concentrated on a limited number of power grids. However, the management, having considered the strong financial background and good creditability of the power grids, believes there is no significant credit risk. As at December 31, 2008, 2009, and 2010 and June 30, 2011, the Group has concentration of credit risk as 59%, 42%, 47% and 60% of total trade receivable is due from the Group's largest customer, respectively, and 93%, 95%, 97% and 93% were due from the five largest customers, respectively. The Group also has concentration of credit risk in relation to the loans to associates as loans are made to one to two associates only. The associates are engaged in managing and operating of hydropower and heat energy plants in the PRC.

As at December 31, 2008, 2009, and 2010 and June 30, 2011, the Company has concentration of credit risk as 72%, 79%, 97% and 97% of total trade receivable is due from the Company's largest customer, respectively, and 97%, 94%, 100% and 100% were due from the five largest customers, respectively.

The Company has concentration of credit risk in the loans to subsidiaries as at June 30, 2011 as well, among which there were approximately RMB817 million balance with New Energy and RMB401 million balance with 盈江華富水電開發有限公司 (Yingjiang Huafu

HydroPower Development Co., Ltd., English name for identification purpose only) (“Yingjiang huafu”), representing 62% and 30% of the total balance respectively.

The credit risk on liquid funds is limited because the counterparties are authorized financial institutions in the PRC.

In the view of the management of the Company, the credit risk on financial guarantee contract is limited, after considered the counterparties' strong financial capacity.

Liquidity risk

The Group manages liquidity risk by maintaining a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. Management monitors the utilization of bank borrowings from time to time.

The management monitors the utilization of bank borrowings and ensures compliance with loan covenants. As at October 31, 2011, the Group has available unutilized banking facilities of RMB13,997,225,000.

The following table details the Group's and the Company's expected remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay. The table includes both interest and principal cash flows.

The amounts included in the following table for financial guarantee contracts are the maximum amounts the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counterparty to guarantee. Based on expectations at the end of each reporting period, the Group considers that it is more likely than not that no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counterparty claiming under the guarantee which is a function of likelihood that the financial receivables held by the counterparty which are guaranteed suffer credit losses.

The Group has net current liabilities as at December 31, 2008, 2009 and 2010 and June 30, 2011, which exposed the Group to liquidity risk. In order to mitigate the liquidity risk, the management regularly monitors the operating cash flow of the Group as well as the unused bank facilities to meet its liquidity requirements in the short and long term.

THE GROUP	Weighted average effective interest rate %	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At December 31, 2008								
Trade and other payables	—	1,274,223	—	—	—	—	1,274,223	1,274,223
Bank and other borrowings-variable interest rate	6.66	2,854,807	1,212,727	788,962	1,195,615	1,664,709	7,716,820	6,312,945
Bank and other borrowings-fixed interest rate	6.12	212,240	—	—	—	—	212,240	200,000
Amounts due to related parties	—	246,297	—	—	—	—	246,297	246,297
Other non-current liability	4.85	3,153	3,153	3,153	6,306	107,580	123,345	99,698
Financial guarantee contracts ^(a)	—	—	40,000	—	—	—	40,000	—
		<u>4,590,720</u>	<u>1,255,880</u>	<u>792,115</u>	<u>1,201,921</u>	<u>1,772,289</u>	<u>9,612,925</u>	<u>8,133,163</u>
At December 31, 2009								
Trade and other payables	—	1,523,473	—	—	—	—	1,523,473	1,523,473
Bank and other borrowings-variable interest rate	5.93	3,405,851	993,142	2,088,571	2,771,019	5,159,692	14,418,275	11,140,178
Bank and other borrowings-fixed interest rate	5.19	797,767	167,776	—	—	—	965,543	920,000
Amounts due to related parties	—	97,594	—	—	—	—	97,594	97,594
Financial guarantee contracts ^(a)	—	40,000	10,000	20,000	170,000	—	240,000	—
		<u>5,864,685</u>	<u>1,170,918</u>	<u>2,108,571</u>	<u>2,941,019</u>	<u>5,159,692</u>	<u>17,244,885</u>	<u>13,681,245</u>
At December 31, 2010								
Trade and other payables	—	1,598,601	—	—	—	—	1,598,601	1,598,601
Bank and other borrowings-variable interest rate	5.56	2,676,129	2,318,931	2,467,826	1,465,772	4,422,803	13,351,461	10,864,737
Bank and other borrowings-fixed interest rate	5.09	638,175	157,635	—	—	—	795,810	750,000
Amounts due to related parties	—	157,605	—	—	—	—	157,605	157,605
Financial guarantee contracts ^(a)	—	209,442	20,000	70,000	154,000	135,998	589,440	—
		<u>5,279,952</u>	<u>2,496,566</u>	<u>2,537,826</u>	<u>1,619,772</u>	<u>4,558,801</u>	<u>16,492,917</u>	<u>13,370,943</u>

THE GROUP	Weighted average effective interest rate	Within 1 year	1 year to 2 years	2 years to 3 years	3 years to 5 years	Over 5 years	Total undiscounted cash flow	Carrying amount
At June 30, 2011								
Trade and other payables	—	716,926	—	—	—	—	716,926	716,926
Bank and other borrowings-variable interest rate	5.95%	5,226,631	1,662,456	1,660,001	1,607,610	4,526,990	14,683,688	12,078,651
Bank and other borrowings-fixed interest rate ...	5.17%	809,789	—	—	—	—	809,789	770,000
Amounts due to related parties	—	364,899	—	—	—	—	364,899	364,899
Financial guarantee contracts ^(a)	—	60,000	77,700	134,900	86,800	270,040	629,440	—
		<u>7,178,245</u>	<u>1,740,156</u>	<u>1,794,901</u>	<u>1,694,410</u>	<u>4,797,030</u>	<u>17,204,742</u>	<u>13,930,476</u>

Note:

(a) The amount is including both the utilized amount and the unutilized amount.

THE COMPANY	Weighted average effective interest rate %	Within 1 year		2 years to 3 years		3 years to 5 years		Over 5 years		Total undiscounted cash flow	Carrying amount	
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
At December 31, 2008												
Trade and other payables	—	153,759	—	—	—	—	—	—	—	153,759	153,759	
Bank and other borrowings-variable interest rate	6.12	316,598	57,112	55,276	145,729	386,116	—	—	—	960,831	738,000	
Amount due to related parties	—	95,788	—	—	—	—	—	—	—	95,788	95,788	
Financial guarantee contracts ^(a)	—	—	40,000	—	—	—	—	—	—	40,000	—	
		566,145	97,112	55,276	145,729	386,116	—	—	—	1,250,378	987,547	
At December 31, 2009												
Trade and other payables	—	220,038	—	—	—	—	—	—	—	220,038	220,038	
Bank and other borrowings-variable interest rate	5.36	226,632	275,376	101,934	217,310	368,156	—	—	—	1,189,408	960,000	
Amounts due to related parties	—	3,046	—	—	—	—	—	—	—	3,046	3,046	
Financial guarantee contracts ^(a)	—	40,000	10,000	20,000	170,000	—	—	—	—	240,000	—	
		489,716	285,376	121,934	387,310	368,156	—	—	—	1,652,492	1,183,084	
At December 31, 2010												
Trade and other payables	—	119,710	—	—	—	—	—	—	—	119,710	119,710	
Bank and other borrowings-variable interest rate	5.29	229,624	24,334	24,334	48,668	559,981	—	—	—	886,941	660,000	
Amounts due to related parties	—	61,621	—	—	—	—	—	—	—	61,621	61,621	
Financial guarantee contracts ^(a)	—	392,028	249,913	337,913	643,338	1,697,415	—	—	—	3,320,607	—	
		802,983	274,247	362,247	692,006	2,257,396	—	—	—	4,388,879	841,331	

THE COMPANY	Weighted average effective interest rate %	Within 1 year		1 year to 2 years		2 years to 3 years		3 years to 5 years		Over 5 years		Total undiscounted cash flow		Carrying amount		
		RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000	RMB '000
At June 30, 2011																
Trade and other payables	—	67,238	—	—	—	—	—	—	—	—	—	67,238	67,238	67,238	67,238	67,238
Bank and other borrowings-variable interest rate	5.66	1,540,729	26,039	26,039	26,039	26,039	52,077	499,058	1,933,000	1,933,000	1,933,000	2,143,942	2,143,942	1,933,000	1,933,000	1,933,000
Bank and other borrowings-fixed interest rate	5.81	105,810	—	—	—	—	—	—	—	—	—	105,810	105,810	100,000	100,000	100,000
Amounts due to related parties	—	142,721	—	—	—	—	—	—	—	—	—	142,721	142,721	142,721	142,721	142,721
Amounts due to a subsidiary	—	750	—	—	—	—	—	—	—	—	—	750	750	750	750	750
Financial guarantee contracts ^(a)	—	272,463	260,573	366,980	570,304	2,166,120	3,636,440	2,665,178	6,096,901	6,096,901	2,243,709	2,243,709	2,243,709	2,243,709	2,243,709	2,243,709
		2,129,711	286,612	393,019	622,381	2,665,178	6,096,901	2,665,178	6,096,901	6,096,901	2,243,709	2,243,709	2,243,709	2,243,709	2,243,709	2,243,709

Note:

(a) The amount is including the utilized amount and unutilized amount.

Fair value

The fair value of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market bid prices and ask prices respectively; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The held-for-trading financial asset during the years ended December 31, 2008 and 2009 is measured with level 1 fair value measurements which are derived from quoted prices in active market for identical asset.

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortized cost in the consolidated statements of financial position approximate their respective fair values at the end of each reporting period.

46. SEGMENT INFORMATION

After the reorganization set out in Note 2, the Group starts to manage its businesses by divisions, such as performs the monthly revenue analysis by segment which are organized by types of business from 2011. In order to present the segment information in a same rationale, the segment information for the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 (unaudited) were presented in the same rationale according to the management internal report in year 2011, and were consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM"), including general manager, deputy general managers and financial controller, for the purposes of resource allocation and performance assessment during year 2011. The Group has presented the following reportable segments.

- Wind power: constructs, manages and operates wind power plants and generates electric power for sale to external customers.
- Gas-fired Power and Heat Energy Generation: manages and operates natural gas-fired power plants and generates electric power and heat energy for sale to external customers.
- Hydropower and others: manages and operates hydropower plants and sales of electricity generated to external customers and other businesses. Business activities other than "Wind power" and "Gas-fired Power and Heat Energy Generation" are grouped as a whole and named as "Hydropower and others", as they are not significant to the Group individually.

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, result, assets, and liabilities for the Relevant Periods by operating segment is as follows:

	Wind power <i>RMB'000</i>	Gas-fired Power and Heat Energy Generation <i>RMB'000</i>	Hydropower and others <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended December 31, 2008				
Revenue from external customers				
Sales of electricity	114,118	1,093,414	14,021	1,221,553
Sales of heat energy	—	70,245	8,821	79,066
Others	1,187	59	36,653	37,899
Reportable segment revenue	<u>115,305</u>	<u>1,163,718</u>	<u>59,495</u>	<u>1,338,518</u>
Reportable segment profit ^(a)	<u>32,340</u>	<u>186,108</u>	<u>21,332</u>	<u>239,780</u>
Segment assets	<u>4,111,045</u>	<u>5,224,197</u>	<u>1,869,044</u>	<u>11,204,286</u>
Segment liabilities	<u>2,807,557</u>	<u>3,811,697</u>	<u>1,629,329</u>	<u>8,248,583</u>
Additional segment information:				
Depreciation	1,979	184,713	26,547	213,239
Amortization	38,017	456	1,906	40,379
Impairment loss ^(c)	—	—	(185)	(185)
Finance costs ^{(b)(c)}	27,092	137,785	49,471	214,348
Other income	24,004	472,331	5,907	502,242
Including:				
— Government grant related to clean energy production	—	471,327	—	471,327
— Income from CERs and VERs	12,746	—	—	12,746
— Others	11,258	1,004	5,907	18,169
Expenditures for reportable segment non-current assets	<u>2,630,610</u>	<u>1,004,015</u>	<u>256,528</u>	<u>3,891,153</u>

Notes:

- (a) The segment profit is arrived at after the deduction of gas consumption, service concession construction costs, depreciation and amortization, personnel costs, repair and maintenance, other expenses, and other gains and losses from revenue and other income (excluding dividend from available-for-sale financial assets).
- (b) Finance costs have been allocated among the segments for the additional information in the presentation of the segment information, but are not considered to arrive at the segment profit. However, the relevant borrowings have been allocated into the segment liabilities.
- (c) Represent amounts regularly provided to the chief operating decision maker but not included in the measure of segment profit or loss.

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	Wind power <i>RMB'000</i>	Gas-fired Power and Heat Energy Generation <i>RMB'000</i>	Hydropower and others <i>RMB'000</i>	Total <i>RMB'000</i>
For the year ended December 31, 2009				
Revenue from external customers				
Sales of electricity	364,077	1,545,725	61,595	1,971,397
Sales of heat energy	—	346,183	10,824	357,007
Others	3,723	1,200	76,445	81,368
Reportable segment revenue	<u>367,800</u>	<u>1,893,108</u>	<u>148,864</u>	<u>2,409,772</u>
Reportable segment profit (loss) ^(a)	<u>184,289</u>	<u>286,542</u>	<u>(1,178)</u>	<u>469,653</u>
Segment assets	<u>10,453,615</u>	<u>5,188,555</u>	<u>1,358,116</u>	<u>17,000,286</u>
Segment liabilities	<u>8,677,509</u>	<u>3,684,133</u>	<u>738,059</u>	<u>13,099,701</u>
Additional segment information:				
Depreciation	97,576	314,913	5,415	417,904
Amortization	76,686	466	1,391	78,543
Impairment loss ^(c)	—	(12,351)	(892)	(13,243)
Finance costs ^{(b)(c)}	119,966	161,824	17,411	299,201
Other income	46,789	522,918	10,539	580,246
Including:				
— Government grant related to clean energy production	7,484	426,806	—	434,290
— Income from CERs and VERs	25,867	88,369	6,411	120,647
— Others	13,438	7,743	4,128	25,309
Expenditures for reportable segment non-current assets	<u>6,255,835</u>	<u>19,543</u>	<u>333,549</u>	<u>6,608,927</u>
For the year ended December 31, 2010				
Revenue from external customers				
Sales of electricity	1,032,494	2,185,168	54,374	3,272,036
Sales of heat energy	—	368,595	—	368,595
Others	—	—	2,187	2,187
Reportable segment revenue	<u>1,032,494</u>	<u>2,553,763</u>	<u>56,561</u>	<u>3,642,818</u>
Reportable segment profit (loss) ^(a)	<u>556,838</u>	<u>466,490</u>	<u>(51,927)</u>	<u>971,401</u>
Reportable segment assets	<u>11,512,585</u>	<u>5,293,085</u>	<u>1,583,852</u>	<u>18,389,522</u>
Reportable segment liabilities	<u>8,862,564</u>	<u>3,521,709</u>	<u>536,539</u>	<u>12,920,812</u>
Additional segment information:				
Depreciation	223,738	319,588	14,958	558,284
Amortization	198,759	777	297	199,833
Finance costs ^{(b)(c)}	331,504	155,360	13,395	500,259
Other income	47,055	551,209	10,780	609,044
Including:				
— Government grant related to clean energy production	11,760	408,727	—	420,487
— Income from CERs and VERs	31,982	124,281	—	156,263
— Others	3,313	18,201	10,780	32,294
Expenditures for reportable segment non-current assets	<u>1,168,002</u>	<u>125,027</u>	<u>282,236</u>	<u>1,575,265</u>

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	Wind power <i>RMB'000</i>	Gas-fired Power and Heat Energy Generation <i>RMB'000</i>	Hydropower and others <i>RMB'000</i>	Total <i>RMB'000</i>
For the period ended June 30, 2010				
(Unaudited)				
Revenue from external customers				
Sales of electricity	492,584	1,178,547	35,399	1,706,530
Sales of heat energy	—	265,241	—	265,241
Others	—	190	677	867
Reportable segment revenue	<u>492,584</u>	<u>1,443,978</u>	<u>36,076</u>	<u>1,972,638</u>
Reportable segment profit (loss) ^(a)	<u>267,802</u>	<u>295,744</u>	<u>(14,091)</u>	<u>549,455</u>
Reportable segment assets	<u>10,884,257</u>	<u>4,696,646</u>	<u>2,367,276</u>	<u>17,948,179</u>
Reportable segment liabilities	<u>8,371,824</u>	<u>3,128,531</u>	<u>1,134,066</u>	<u>12,634,421</u>
Additional segment information:				
Depreciation	102,793	158,219	1,790	262,802
Amortization	100,070	32	—	100,102
Impairment loss ^(c)	—	—	(13)	(13)
Finance costs ^{(b)(c)}	168,781	80,535	6,457	255,773
Other income	10,669	207,758	2,937	221,364
Including:				
— Government grant related to clean energy production	—	124,463	—	124,463
— Income from CERs and VERs	8,870	83,070	—	91,940
— Others	1,799	225	2,937	4,961
Expenditures for reportable segment non-current assets	<u>423,007</u>	<u>34,845</u>	<u>204,324</u>	<u>662,176</u>
For the period ended June 30, 2011				
Revenue from external customers				
Sales of electricity	608,719	1,034,340	1,875	1,644,934
Sales of heat energy	—	247,302	19	247,321
Others	—	—	—	—
Reportable segment revenue	<u>608,719</u>	<u>1,281,642</u>	<u>1,894</u>	<u>1,892,255</u>
Reportable segment profit (loss) ^(a)	<u>338,728</u>	<u>382,420</u>	<u>(14,342)</u>	<u>706,806</u>
Reportable segment assets	<u>12,184,770</u>	<u>5,304,148</u>	<u>2,834,455</u>	<u>20,323,373</u>
Reportable segment liabilities	<u>9,144,403</u>	<u>3,423,053</u>	<u>1,980,372</u>	<u>14,547,828</u>
Additional segment information:				
Depreciation	137,047	151,607	1,906	290,560
Amortization	101,023	26	1	101,050
Finance costs ^{(b)(c)}	204,134	73,044	6,577	283,755
Other income	17,847	409,358	2,096	429,301
Including:				
— Government grant related to clean energy production	15,629	313,606	—	329,235
— Income from CERs and VERs	—	95,600	—	95,600
— Others	2,218	152	2,096	4,466
Expenditures for reportable segment non-current assets	<u>580,507</u>	<u>448,272</u>	<u>227,729</u>	<u>1,256,508</u>

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 4.

There were no inter-segment revenue during the Relevant Periods.

The relevant key financial data of the hydropower business such as the revenue, operation result, total assets, and total liabilities are listed below:

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Hydropower					
Segment revenue	1,399	5,502	5,315	2,117	1,875
Segment (loss) profit	(155)	1,669	1,501	382	374
Segment assets	358,350	792,594	1,168,321	1,144,395	1,279,682
Segment liabilities	144,500	499,016	639,180	696,880	891,540

(b) Reconciliations of segment revenue, results, assets and liabilities to the Financial Information

	Year ended December 31,			Six months ended June 30,	
	2008	2009	2010	2010	2011
	RMB'000	RMB'000	RMB'000	RMB'000 (unaudited)	RMB'000
Revenue					
Reportable segment revenue	1,338,518	2,409,772	3,642,818	1,972,638	1,892,255
Concession construction revenue	918,135	2,375,681	—	—	—
Consolidated revenue	<u>2,256,653</u>	<u>4,785,453</u>	<u>3,642,818</u>	<u>1,972,638</u>	<u>1,892,255</u>
Results					
Reportable segment profit	239,780	469,653	971,401	549,455	706,806
Unallocated					
Gain on capital contribution from the non-controlling interests in an associate and a jointly controlled entity	—	—	36,796	—	—
Dividend income from available-for-sale financial assets	1,721	2,126	847	847	2,096
Fair value changes on held-for-trading financial assets	2,563	5,521	—	—	—
Profit from operation	244,064	477,300	1,009,044	550,302	708,902
Interest income	21,912	17,974	12,707	6,385	9,178
Finance costs	(214,348)	(299,201)	(500,259)	(255,773)	(283,755)
Share of results of associates	9,933	15,559	55,151	53,312	78,298
Share of results of jointly controlled entities	7,628	5,105	440	365	(1,281)
Consolidated profit before taxation	<u>69,189</u>	<u>216,737</u>	<u>577,083</u>	<u>354,591</u>	<u>511,342</u>

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	At December 31,			At June 30,
	2008	2009	2010	2011
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Assets				
Reportable segment assets	11,204,286	17,000,286	18,389,522	20,323,373
Inter-segment elimination	—	(330)	—	(1,321,256)
Unallocated assets:				
— Investments in associates	186,922	1,291,037	1,120,351	1,198,649
— Loans to associates	84,949	110,582	109,961	123,440
— Investments jointly controlled entities	155,288	106,885	200,745	199,464
— Loans to jointly controlled entities	56,829	46,942	40,604	—
— Held-to-maturity financial assets	20,000	—	—	—
— Deferred tax assets	4,908	30,715	82,719	63,889
— Available-for-sale financial assets	692,617	88,048	98,048	98,048
Different presentation on:				
— Value-added tax recoverable ^{(Note (i))}	2,584	714,353	807,890	753,005
— Accrued of unpaid land use right ^{(Note (ii))} ..	(7,600)	(13,908)	(580)	—
Consolidated total assets	<u>12,400,783</u>	<u>19,374,610</u>	<u>20,849,260</u>	<u>21,438,612</u>
Liabilities				
Reportable segment liabilities	8,248,583	13,099,701	12,920,812	14,547,828
Inter-segment elimination	—	(330)	—	(1,321,256)
Unallocated liabilities:				
— Income tax payable	2,046	9,251	43,495	15,066
— Deferred tax liabilities	—	—	4,186	4,016
Different presentation on:				
— Value-added tax recoverable ^{(Note (i))}	2,584	714,353	807,890	753,005
— Accrued of unpaid land use right ^{(Note (ii))}	(7,600)	(13,908)	(580)	—
Consolidated total liabilities	<u>8,245,613</u>	<u>13,809,067</u>	<u>13,775,803</u>	<u>13,998,659</u>

Notes:

- (i) Value-added tax recoverables are net-off with value-added tax payables under segment information, but reclassified and presented as assets on the statement of financial position
- (ii) The Group records prepayments related to land use rights as assets but records the full contract value for the segment analysis purpose.

All assets are allocated to reportable segments, other than available-for-sale financial assets, held-to-maturity financial assets, investments in associates and jointly controlled entities, loans to associates and jointly controlled entities and deferred tax assets; all liabilities are allocated to reportable segments other than income tax payable and deferred tax liabilities.

(c) Geographical information

All of the Group's revenue and non-current assets (non-current assets excluded deferred tax assets) are located in the PRC, therefore no geographic segment information was presented. The basis for attributing the revenue is based on the location of customers from which the revenue is earned, which are located in the PRC and the sales activities are made in the PRC.

(d) Major customers

Revenue from the PRC government controlled power grid companies amounted to RMB1,221,553,000, RMB1,971,397,000, RMB3,272,036,000, RMB1,706,530,000 and RMB1,644,934,000 for the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 (unaudited) and 2011, respectively. Sales of electricity to the major customers for the three years ended December 31, 2010 and the six months ended June 30, 2010 (unaudited) and 2011 by segment were as follows:

	Year ended December 31,			Six Months ended June 30,	
	2008	2009	2010	2010	2011
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Wind Power	114,118	364,077	1,032,494	492,584	608,719
Gas-fired Power and Heat Energy Generation	1,093,414	1,545,725	2,185,168	1,178,547	1,034,340
Hydropower and others	14,021	61,595	54,374	35,399	1,875
Total	<u>1,221,553</u>	<u>1,971,397</u>	<u>3,272,036</u>	<u>1,706,530</u>	<u>1,644,934</u>

47. SUBSIDIARIES

Throughout the Relevant Periods and as at the date of this report, the Company had the following subsidiaries:

Name of subsidiary	Date and place of incorporation/ establishment	Place of operations	Issued and fully paid up share capital/ registered capital	Equity interest attributable to the Group				Principal activities	
				At December 31,		At June 30,	At the date of this report		
				2008	2009	2010	2011		
Yuan Shen Jie Neng	April 5, 1996 PRC	PRC	RMB20,000,000	75%	—	—	—	Energy reduction service	
Bo Er Jie Neng	September 18, 1997 PRC	PRC	RMB5,000,000	60%	—	—	—	Energy reduction service	
Beijing Huayuangaolie Energy Supplying Technology Co., Ltd.	April 11, 2006 PRC	PRC	RMB18,000,000	80%	—	—	—	Hotel service	
Beijing Jiajie Boda Automobiles Energy Saving Technology Co., Ltd.	December 20, 2001 PRC	PRC	RMB60,958,000	51%	—	—	—	Vehicle energy saving technology development	
內蒙古京能科右中風力發電有限責任公司 (Inner Mongolia Jingneng Keyouzhong Wind Power Co., Ltd., English name for identification purpose) ("Keyouzhong Power")	March 11, 2010 PRC	PRC	RMB78,000,000	—	—	100%	100%	100%	Wind power generation
內蒙古京能旗杆風力發電有限公司 (Inner Mongolia Jingneng Qigan Wind Power Co., Ltd., English name for identification purpose) ("Qigan Power")	March 4, 2010 PRC	PRC	RMB73,000,000	—	—	100%	100%	100%	Wind power generation
松源京能新能源有限公司 (Songyuan Jingneng New Energy Ltd., English name for identification purpose) ("Songyuan New Energy")	October 14, 2009 PRC	PRC	RMB1,000,000	—	100%	—	—	—	Deregistration
Taiyanggong Power	October 13, 2005 PRC	PRC	RMB700,000,000	74%	74%	74%	74%	74%	Gas-fired Power and Heat Energy Generation
Jingqiao Power	December 20, 2003 PRC	PRC	RMB500,751,000	78%	78%	80.03%	80.03%	80.03%	Gas-fired Power and Heat Energy Generation
Jingfeng Power	September 10, 2003 PRC	PRC	RMB325,770,000	85%	100%	100%	100%	100%	Gas-fired Power and Heat Energy Generation

Name of subsidiary	Date and place of incorporation/ establishment	Place of operations	Issued and fully paid up share capital/ registered capital	Equity interest attributable to the Group				Principal activities
				At December 31,		At June 30,	At the date of this report	
				2008	2009	2010	2011	
New Energy	September 3, 2003 PRC	PRC	RMB1,999,670,000	100%	100%	100%	100%	Investment management, wind power generation
Shangdu Power	July 17, 2008 PRC	PRC	RMB207,520,000	100%	100%	100%	100%	Wind power generation
Chayouzhong Energy	October 16, 2007 PRC	PRC	RMB313,641,000	100%	100%	100%	100%	Wind power generation
Wulanyiligeng Power	May 12, 2008 PRC	PRC	RMB655,520,000	100%	100%	100%	100%	Wind power generation
Xilinguole Power	April 19, 2007 PRC	PRC	RMB324,468,000	100%	100%	100%	100%	Wind power generation
Huoliuguole Power	October 24, 2007 PRC	PRC	RMB129,220,000	51%	100%	100%	100%	Wind power generation
京能昌圖新能源有限公司 (Jingneng Changtu New Energy Co., Ltd., English name for identification purpose)	June 5, 2009 PRC	PRC	RMB108,000,000	—	100%	100%	100%	Wind power generation
Shandong Jingneng Energy (Note (a))	May 10, 2007 PRC	PRC	RMB50,000,000	60%	60%	—	—	Biomass energy generation
Sanlian Power	October 12, 2004 PRC	PRC	RMB155,690,000	100%	100%	100%	100%	Water power generation
Beijing Huafu Energy	August 9, 2005 PRC	PRC	RMB199,170,000	100%	100%	100%	100%	Investment management
Yingjiang Huafu	November 22, 2005 PRC	PRC	RMB198,170,000	100%	100%	100%	100%	Water power generation
騰冲縣猴橋水興河水電開發有限公司 (Tengchong County Hou Qiao Yong Xing River HydroPower Development Co., Ltd., English name for identification purpose) ("Tengchong HydroPower")	June 20, 2010 PRC	PRC	RMB51,300,000	—	—	100%	100%	Water power generation
Balinyou Wind Power	November 5, 2007 PRC	PRC	RMB79,000,000	100% (Note 2(a))	100% (Note 2(a))	100% (Note 2(a))	100%	Wind power generation
寧夏京能新能源有限公司 (Ningxia Jingneng New Energy Co., Limited., English name for identification purpose only) ("Ningxia New Energy")	June 3, 2010 PRC	PRC	RMB126,700,000	—	—	100%	100%	Wind power generation

Name of subsidiary	Date and place of incorporation/ establishment	Place of operations	Issued and fully paid up share capital/ registered capital	Equity interest attributable to the Group					Principal activities
				At December 31,		At June 30,	At the date of this report		
				2008	2009	2010	2011		
寧夏京能靈武風電有限公司 (Ningxia Jingneng Lingwu Wind Power Co., Ltd., English name for identification purpose only) ("Lingwu Wind Power")	October 10, 2010 PRC	PRC	RMB65,000,000	—	100%	100%	100%	Wind power generation	
內蒙古京能巴音風力發電有限公司 (Inner Mongolia Jingneng Bayin Wind Power Co., Ltd., English name for identification purpose) ("Bayin Wind Power")	March 30, 2011 PRC	PRC	RMB5,000,000	—	—	100%	100%	Wind power generation	
內蒙古京能烏蘭風力發電有限公司 (Inner Mongolia Jingneng Wulan Wind Power Co., Ltd., English name for identification purpose) ("Wulan Wind Power")	March 15, 2011 PRC	PRC	RMB5,000,000	—	—	100%	100%	Wind power generation	
內蒙古京能文真烏拉風力發電有限公司 (Inner Mongolia Jingneng Wengongwula Wind Power Co., Ltd., English name for identification purpose) ("Wengong Wula Wind Power")	March 29, 2011 PRC	PRC	RMB65,000,000	—	—	100%	100%	Wind power generation	
左雲京能風力發電有限公司 (Zuoyun Jingneng Wind Power Co., Ltd., English name for identification purpose) ("Zuoyun Jingneng Wind Power")	May 23, 2011 PRC	PRC	RMB3,000,000	—	—	100%	100%	Wind power generation	
Gaoantun Power	December 30, 2010 PRC	PRC	RMB80,000,000	—	100% (Note 2(a))	100% (Note 2(a))	100%	Gas-fired Power and Heat Energy Generation	

Note:

- (a) This subsidiary of New Energy has been classified in to the disposal group held for sale. Please refer to Note 32 for more details.

The following subsidiaries have issued statutory financial statements which were prepared under PRC GAAP and audited by the respective firms of certified public accountants registered in the PRC during the Relevant Periods:

<u>Name of subsidiary</u>	<u>Financial period covered</u>	<u>Name of auditor</u>
Yuan Shen Jie Neng	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
Bo Er Jie Neng	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
Beijing Huayuanguaojie Energy Supplying Technology Co., Ltd.	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
Beijing Jiajie Boda Automobiles Energy Saving Technology Co., Ltd.	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
Taiyanggong Power	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
	Year ended December 31, 2009	天健正信會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Jingqiao Power	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
	Year ended December 31, 2009	天健正信會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Jingfeng Power	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
	Year ended December 31, 2009	天健正信會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
New Energy	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Shangdu Power	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Chayouzhong Energy	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Wulanyiligeng Power	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Balinyou Wind Power	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司

<u>Name of subsidiary</u>	<u>Financial period covered</u>	<u>Name of auditor</u>
Xilinguole Power	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Huoliuguole Power	Year ended December 31, 2008	興華會計師事務所
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Changtu Energy	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Shandong Jingneng Energy	Year ended December 31, 2008	天健光華(北京)會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Sanlian Power	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Beijing Huafu Energy	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Yingjiang Huafu	Year ended December 31, 2008	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2009	中瑞岳華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Keyouzhong Power	Year ended December 31, 2010	國富浩華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Tengchong Power	Year ended December 31, 2010	國富浩華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Ningxia New Energy	Year ended December 31, 2010	國富浩華會計師事務所有限公司
	Year ended December 31, 2010	國富浩華會計師事務所有限公司
Lingwu Wind Power	Year ended December 31, 2010	國富浩華會計師事務所有限公司

48. ASSOCIATES

Throughout the Relevant Periods and as at the date of this report, the Group had the following incorporated associates:

Name of entity	Date and place of incorporation/ establishment	Place of operations	Issued and fully paid up share capital/ registered capital	Equity interest attributable to the Group				Principal activities
				At December 31,		At June 30,	At the date of this report	
				2008	2009	2010	2011	
Beijing Jingneng International	January 16, 2007 PRC	PRC	RMB4,000,000,000	10.72%	20%	20%	20%	Electric power and energy construction, investment management
Quanzhou Liupu	October 11, 2004 PRC	PRC	RMB25,000,000	40%	40%	40%	40%	Water power project development and investment
國電湯原生物質發電有限公司 (Guodian Tanyuan Biomass Power Co., Ltd., English name for identification purpose) (Note a)	April 12, 2007 PRC	PRC	RMB50,000,000	40%	40%	—	—	Resources of materials utilization and development
Tian Yin Di Re	September 7, 2001 PRC	PRC	RMB70,000,000	43%	43%	43%	43%	Geothermal power development and heating
Te Jie Neng	November 14, 1995 PRC	PRC	RMB75,000,000	40%	—	—	—	Energy saving and environment protection technology development, sale of equipments
北京東方真空電器有限公司 (Beijing Orient Vacuum Electronics Co., Ltd., English name for identification purpose)	September 14, 1998 PRC	PRC	RMB35,000,000	40%	—	—	—	Vacuum equipment production and sale
Beijing Keliyuan	October 1, 1987 PRC	PRC	RMB25,576,000	47%	47%	—	—	Power generation and heating
Zhongyou Huatu	March 9, 2001 PRC	PRC	RMB5,000,000	20%	—	—	—	Finished oil wholesale and retail
北京九環實業有限公司 (Beijing Jiu Huan Industry Co., Ltd., English name for identification purpose)	March 1, 1993 PRC	PRC	RMB24,689,000	44.44%	—	—	—	Sale of saving energy and saving material equipment

Note:

(a) The investment in this associate company has been classified into "assets classified as held for sale" as at December 31, 2010.

49. JOINTLY CONTROLLED ENTITIES

Throughout the Relevant Periods and as at the date of this report, the Group had the following incorporated jointly controlled entities:

Name of entity	Date and place of incorporation/ establishment	Place of operations	Issued and fully paid up share capital/ registered capital	Equity interest attributable to the Group				Principal activities
				At December 31, 2008	At December 31, 2009	At June 30, 2011	At the date of this report	
Huayuan Huizhong	August 1, 2007 PRC	PRC	RMB160,000,000	50%	50%	50%	50%	Environment protection technology development
Huayuan Heating	July 25, 2007 PRC	PRC	RMB224,000,000	50%	50%	50%	50%	Heating service, contraction
Beijing Petrochemical	July 19, 1993 PRC	PRC	RMB50,000,000	50%	—	—	—	Finished oil retail
北京聯眾為民供暖科技有限責任公司 (Beijing Lian Zhong Wei Min Heating Technology Co., Ltd., English name for identification purpose)	July 30, 2002 PRC	PRC	RMB10,000,000	50%	—	—	—	Sale of electrical heater

50. MAJOR NON-CASH TRANSACTION

During the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 (unaudited) and 2011, the Group entered into several concession agreements with local government to construct wind power facilities and was authorized to operate these wind power facilities for 20 to 25 years. In accordance with IFRSs, RMB918,135,000, RMB2,341,546,000, nil, nil and nil were recognized as concession rights (presented as intangible assets in the consolidated statements of financial position) and concession service revenue for the years ended December 31, 2008, 2009 and 2010 and the six months ended June 30, 2010 (unaudited) and 2011, respectively. No cash has been received from the concession service revenue.

B. DIRECTORS' REMUNERATION

Save as disclosed herein, no other remuneration has been paid or is payable to the Company's directors by the Company or any of its subsidiaries during the Relevant Periods. Under the arrangements presently in force, the aggregate remuneration excluding bonus payable, if any, of the Company's Directors for the year ending December 31, 2011 will be approximately RMB331,000.

C. SUBSEQUENT EVENTS

On November 2, 2011, the Group decided that a subsidiary, New Energy would issue medium-term notes amounting to RMB1,000 million with maturity for three years in the inter-bank bond market in the PRC, which is to finance its construction and operations for certain wind power farms. New Energy has filed an application to the National Association of Financial Market Institutional Investors (銀行間市場交易商協會) for approval of this notes issue, which is expected to be obtained in early 2012. The joint underwriters will be Shanghai Pudong Development Bank Co., Ltd and Bank of Beijing Co., Ltd.

D. SUBSEQUENT FINANCIAL STATEMENTS

No audited financial statements of the Group, the Company or any of the companies now comprising the Group have been prepared in respect of any period subsequent to June 30, 2011.

Yours faithfully,

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong