

Beijing Jingneng Clean Energy Co., Limited 北京京能清潔能源電力股份有限公司

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

Stock Code : 00579



2013

Interim Report

CONTENTS



- 2 Financial Highlights
- 4 Corporate Profile
- 6 Management Discussion and Analysis
- 21 Corporate Governance and Other Information
- 25 Unaudited Condensed Consolidated Statement of Comprehensive Income
- 26 Unaudited Condensed Consolidated Statement of Financial Position
- 28 Unaudited Condensed Consolidated Statement of Change in Equity
- 29 Unaudited Condensed Consolidated Statement of Cash Flows
- 31 Notes to the Condensed Consolidated Financial Statements

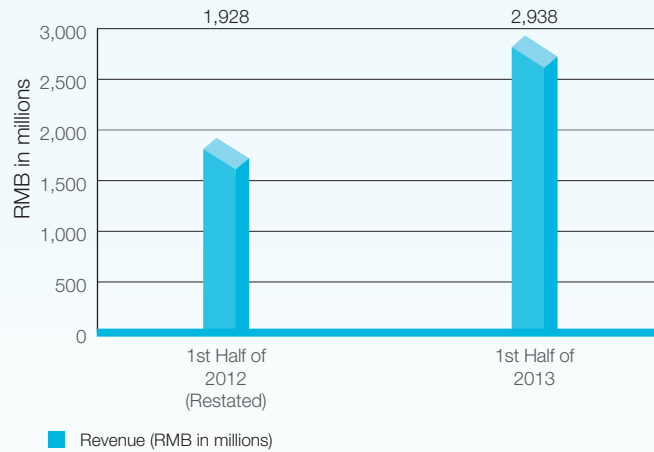




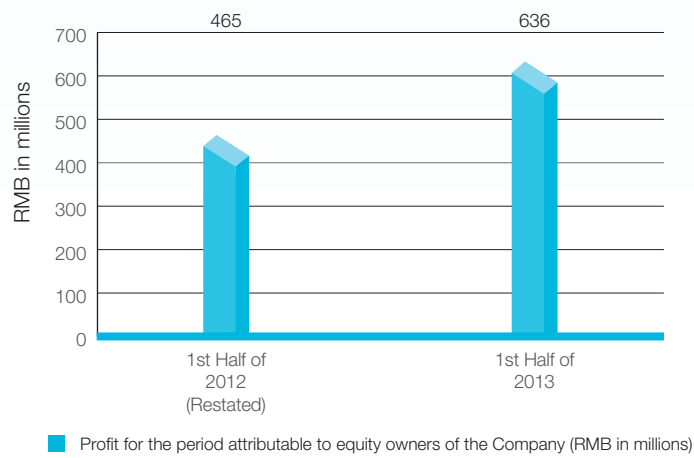
FINANCIAL HIGHLIGHTS

Beijing Jingneng Clean Energy Co., Limited (the "Company")

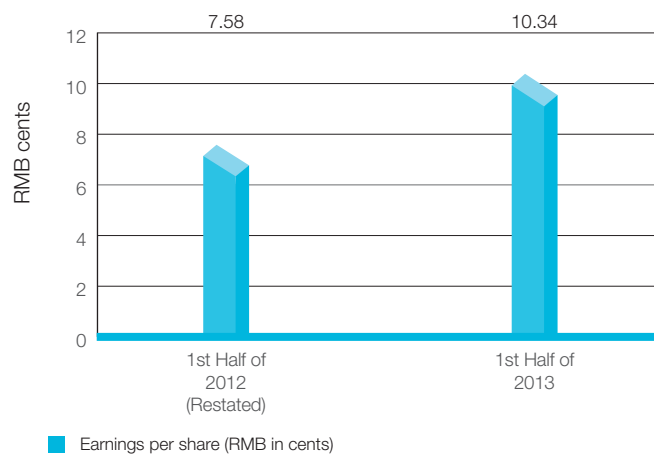
Revenue



Profit for the period attributable to equity owners of the Company



Earnings per share





FINANCIAL HIGHLIGHTS

	For the six months ended June 30	
	2013	2012
	RMB'000	RMB'000 (Restated)
Revenue	2,938,010	1,927,880
Profit before taxation	774,268	585,925
Income tax	(89,467)	(80,835)
Profit and total comprehensive income for the period	684,801	505,090
Profit and total comprehensive income for the period attributable to:		
Shareholders/equity owner of the Company	635,834	465,372
Non-controlling interests	48,967	39,718
Basic and diluted earnings per share (RMB cents)	10.34	7.58

	As at	As at
	June 30,	December 31,
	2013	2012
	RMB'000	RMB'000
Total non-current assets	27,662,618	26,246,970
Total current assets	3,966,406	4,862,108
Total assets	31,629,024	31,109,078
Total current liabilities	8,771,754	7,604,768
Total non-current liabilities	13,151,181	14,181,985
Total liabilities	21,922,935	21,786,753
Net assets	9,706,089	9,322,325
Total equity attributable to the shareholders of the Company	9,451,998	9,046,785
Non-controlling interests	254,091	275,540
Total equity	9,706,089	9,322,325





REGISTERED NAME

Beijing Jingneng Clean Energy Co., Limited

DIRECTORS

Non-executive Directors

Mr. LU Haijun (*Chairman*)

Mr. GUO Mingxing

Mr. XU Jingfu

Mr. LIU Guochen

Mr. YU Zhongfu

Mr. JIN Yudan

Executive Director

Mr. CHEN Ruijin

Independent Non-executive Directors

Mr. LIU Chaoan

Mr. SHI Xiaomin

Ms. LAU Miu Man

Mr. WEI Yuan

STRATEGY COMMITTEE

Mr. LU Haijun (*Chairman*)

Mr. GUO Mingxing

Mr. XU Jingfu

Mr. LIU Guochen

Mr. CHEN Ruijun

REMUNERATION AND NOMINATION COMMITTEE

Mr. LIU Chaoan (*Chairman*)

Mr. GUO Mingxing

Mr. SHI Xiaomin

AUDIT COMMITTEE

Ms. LAU Miu Man (*Chairman*)

Mr. LIU Guochen

Mr. LIU Chaoan

SUPERVISORS

Mr. CHEN Yanshan

Mr. LIU Jiakai

Ms. HUANG Linwei

COMPANY SECRETARIES

Mr. KANG Jian

Ms. LEUNG Wai Han Corinna (FCS, FCIS)

AUTHORIZED REPRESENTATIVES

Mr. LIU Guochen

Ms. LEUNG Wai Han Corinna (FCS, FCIS)

REGISTERED OFFICE

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PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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the PRC

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the PRC

Industrial and Commercial Bank of China Limited
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INTERNATIONAL AUDITORS

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PRC LEGAL ADVISORS

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STOCK CODE

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LISTING PLACE

The Stock Exchange of Hong Kong Limited





The world economy showed signs of recovery in the first half of 2013, but was still subject to volatility risks. Under the influence of the global economic conditions and other factors, China's economic growth slowed down, the economic environment became intricate and the state focused on carrying out economic restructuring and transformation.

Regarding the energy and power sector, an overall balance between power supply and demand was maintained nationwide in the first half of the year, with a medium-paced growth in the society's power consumption. The composition of domestic energy sources had been constantly optimized, with a gradual increase in the proportion accounted for by clean energy. The implementation of a number of state policies, such as increased fiscal and taxation subsidies and strengthened financial support, had promoted the development of the clean energy sector. Besides, Beijing's promulgation of plans and policies for stepping up efforts on the prevention and control of air pollution and accelerating the transformation of energy composition in a clean and efficient manner has also contributed to the build-up of a favourable policy platform and development environment for the Company and its subsidiaries (the "Group").

In the first half of the year, the Group adapted to the market conditions in planning overall strategies and had thoroughly implemented its operation policy of "making progress while maintaining stability, deepening business planning, optimizing composition, strengthening management and improving efficiency" to vigorously carry out all the tasks. By strengthening management, exercising stringent cost control and other measures, the Group realized rapid growth in production capacity with sufficient profitability. At the same time, all the projects had achieved remarkable results as key projects were successfully put into operation and project construction was proceeding solidly and steadily. As a result, the Group experienced a rapid, coordinated, healthy and positive development momentum.

I. BUSINESS REVIEW FOR THE FIRST HALF OF THE YEAR

1. Production capacity grew rapidly with a sharp rise in power generation

In the first half of 2013, as the state and Beijing governments stepped up efforts in promoting the development of clean energy through gradual implementation of various policies, the Group achieved a comparatively higher growth in production and operation efficiencies in various business segments, thus establishing a solid foundation for achieving the targets in both production and operation for this year. The growth was mainly driven by (i) the power generation contribution made by Jingqiao Power Plant which officially commenced commercial production this year with gradually increasing gas-fired power and heat energy generation capacity; (ii) less grid curtailment for our wind power generation; and (iii) the increase in the operating and installed capacity of our photovoltaic power generation segment.

As at June 30, 2013, the Group had a consolidated installed capacity of 4,047.14 MW with a consolidated gross power generation of 5,886,824.31 MWh.





MANAGEMENT DISCUSSION AND ANALYSIS

The Group's consolidated installed capacity by power generation category as at June 30, 2013 was as follows:

Power Generation Category	Consolidated Installed Capacity As at June 30, 2013 (MW)	Percentage
Gas-fired power	2,028.00	50.11%
Wind power	1,600.25	39.54%
Hydropower	368.89	9.11%
Photovoltaic power	50.00	1.24%
Total	4,047.14	100%

The Group's consolidated gross power generation by power generation category for the six months ended June 30, 2013 was as follows:

Power Generation Category	Consolidated Gross Power Generation For the Six Months Ended June 30, 2013 (MWh)	Percentage
Gas-fired power	3,443,545.70	58.50%
Wind power	1,866,226.29	31.70%
Hydropower	541,819.36	9.20%
Photovoltaic power	35,232.96	0.60%
Total	5,886,824.31	100%

2. Profitability surged as a result of efficient operation

The Group maintained stable production operations in the first half of 2013 as each segment developed smoothly in coordination with the others, and all the projects under construction commenced operation on schedule, and therefore further expanded the installed capacity of the Group. By implementing "specialized, refined, regulated, standardized and information-based" management as well as consolidating "existing asset base and incremental benefits", the Group achieved a net profit of RMB684.80 million, an increase of 35.58% from RMB505.09 million for the corresponding period of 2012 (after retroactive adjustment). Net profit attributable to the parent company amounted to RMB635.83 million, an increase of 36.63% from RMB465.37 million for the corresponding period of 2012 (after retroactive adjustment).





3. Each segment developed in a balanced and coordinated manner, with more clearly-defined strategic positioning

In the first half of 2013, the Group continued to execute the quality structural development strategy formulated at the beginning of the year, which aimed at “enlarging gas-fired power segment, strengthening wind power segment, expanding hydropower segment and optimizing photovoltaic power segment”, continued to strengthen production safety management and timely identified and eliminated potential risks to ensure a favourable environment for production safety. Effective measures were taken for carrying out refined management to effectively increase power generation capacity. At the same time, the Group also exercised stringent risk control, mapped out plans in a scientific way, optimized business planning and promoted project development in a proactive and steady manner.

Gas-fired Power and Heat Energy Generation Businesses

During the six months ended June 30, 2013 (the “**Reporting Period**”), Beijing Taiyanggong Gas-fired Power Company (北京太陽宮燃氣熱電有限公司) and Beijing Jingfeng Thermal Power Co., Ltd. (北京京豐熱電有限責任公司) explored incremental benefits and maintained safe and stable equipment operation. Jingqiao Project Phase II in Southwest Thermal Power Center was officially put into commercial operation, contributing to a substantive increase in power generation income from this segment. Meanwhile, the Group progressively developed regional energy projects by making full use of its own advantages in line with Beijing’s gas-fired development and construction plan for the period of the “Twelfth Five-year Plan”. Significant progress was made in the preliminary work on the regional energy projects such as Shangzhuang Gas-fired Power Project, Yizhuang Southern Expansion Zone Project and Changping TBD Project, among which the Shangzhuang Gas-fired Power Project was included as a key project in Beijing for 2013 at a preliminary stage. The Group’s position as a leading industrial player in the capital city continued to consolidate.

Wind Power Business

In the first half of 2013, the Group put a new wind power project into operation, offering an additional consolidated installed capacity of 49.5 MW. Whilst ensuring the operation commenced as scheduled, the Group continued to optimize equipment operation in existing operational wind farms and strived to enhance equipment production capacity and refined management. The average wind power utilization hours were 1,166 hours in the first half of 2013, an increase of 160 hours over the corresponding period of 2012.

Hydropower Business

During the Reporting Period, various hydropower projects were operating safely, efficiently and stably, resulting in a steady rise in power generation income. Stringent control on construction costs and strengthened management of the whole construction process were imposed on hydropower projects under construction to ensure that the construction would be completed on schedule. Meanwhile, to further expand the installed capacity of the hydropower segment, the Group actively sought and developed small- and medium-sized hydropower projects in the southwestern region which is rich in water resources.





Photovoltaic Power Generation Business

The Group seized opportunities arising from the state policies which support the photovoltaic industry to actively expand its photovoltaic projects. During the Reporting Period, Phases I and II of a photovoltaic power generation project with a total capacity of 40 MW in Wujiaqu, Xinjiang commenced operation as scheduled, contributing an increase of 396.45% in the Group's photovoltaic power generation capacity over the corresponding period last year. The Group actively pushed forward projects under construction as well as those subject to approval. In the first half of the year, four photovoltaic power generation projects with a total capacity of 101 MW commenced construction, and four new photovoltaic power generation projects with a total capacity of 100 MW were approved, providing a strong impetus into the development of the Group's photovoltaic power generation segment.

4. Project construction proceeded steadily as a result of strengthened management of project progress

In the first half of 2013, the Group vigorously reinforced the management of the construction progress of key projects with an object to create "green, safe and civilized construction sites in Beijing", strengthened project quality management and implemented stringent control measures before, during and after project construction to carry out project construction in a standardized and regulated manner and ensure that key projects meet high standards for operation.

As to the key projects in Beijing such as Northwest Thermal Power Center, Northeast Thermal Power Center, Future Science and Technology City Project, and Phase III of the Guanting Project, on-site management on the infrastructure was strengthened during the construction period. Focusing on project excellence, infrastructure management was carried out in a regulated, standardized and procedural manner to ensure that the projects proceed orderly and complete with assured quality and quantity. Meanwhile, an accountability system was established for the entire process that covered design, procurement, construction, supervision, inspection and acceptance, debugging, overhaul and maintenance. Infrastructure-production integration was carried out in advance to lay a solid foundation for subsequent production preparations.

5. Fund management and control continued to improve as financing costs kept declining

Following the successful completion of the issuance of short-term debentures in the first half of 2013, the Group's financing cost continued to drop. On January 23, 2013, the first tranche of the short-term debentures was successfully issued which raised RMB900 million at an interest rate of 4.24%. On March 12, 2013, the second tranche of short-term debentures was successfully issued which raised RMB900 million at an interest rate of 4.02%. As at the end of June 2013, the net debt gearing ratio of the Group was 61.30%, representing a decrease of 1.85% from the beginning of the year. Various debt service indicators continued to optimize. Meanwhile, the Group fully utilized the fund management platform by strengthening the centralized management of funds and effective and timely disbursement of funds for reducing capital precipitation, and with constantly improved fund management and control.





6. Strengthened the lead of science and technology to create model application projects

The Group has been focusing on enhancing scientific and technological strengths to step up the popularization and application of science and technology in production operations. The research projects on “In-depth Utilization of Waste Gas Heat” and “Optimization of Field Bus Control System and Application of Field Bus Control Technology in Combined Cycle Generating Units” have been approved by Beijing Committee of Science and Technology. Whilst the production capacity of projects and the efficiency of assets continued to enhance, the Group has set up a number of major model application projects, including certain high-end new energy utilization projects, such as Phases III and IV of the Company’s Guanting Wind Power Project and the Waste Heat Pump Utilization Project in the Future Science and Technology City, which have been included into the designated plan for the new energy industry in Beijing.

Meanwhile, the Group thoroughly adopted the concept of environmental protection and sustainable development and promoted the application and registration of Clean Development Mechanism projects. The Group closely monitored the development of the domestic carbon market and actively participated in the preparatory work on carbon emission rights trading in Beijing.

In the first half of the year, the Group’s three gas-fired thermal power cogeneration projects, namely Future Science and Technology City, Phase II of Jingqiao Project and Northeast Thermal Power Center, were reviewed and approved by the United Nations. The research and development of the methodology for a Clean Development Mechanism for the gas-fired thermal power cogeneration project marked a milestone in methodological studies at home and abroad, and provided broader room of profitability for the Group.

II. OPERATING RESULTS AND ANALYSIS

1. Overview

In the first half of 2013, the Company’s profitability improved gradually. Net profit for the period amounted to RMB684.801 million, representing an increase of 35.58% as compared to RMB505.090 million for the corresponding period in 2012. Net profit attributable to the parent company amounted to RMB635.834 million, representing an increase of 36.63% as compared to RMB465.372 million for the corresponding period in 2012.





2. Operating Income

In the first half of 2013, the total revenue of the Company amounted to RMB2,938.010 million, representing an increase of 52.40% as compared to RMB1,927.880 million for the corresponding period in 2012. In the first half of 2013, our adjusted total operating income was RMB3,166.691 million, representing an increase of 47.77% as compared to RMB2,142.998 million for the corresponding period in 2012, due to the increase in power generation resulting from the increase in installed capacity.

The table below sets forth the revenue by business segments and product types and the reconciliation of the total revenue from reportable segments and the adjusted revenue for the periods indicated:

	For the six months ended June 30 (Unaudited)		Percentage Change (%)
	2013 (RMB ten thousand)	2012 (RMB ten thousand)	
Gas-fired power and heat energy generation segment:			
Sales of electricity	163,083.00	98,230.40	66.02%
Sales of heat energy	27,751.60	21,317.20	30.18%
Others	–	–	–
Total	190,834.60	119,547.60	59.63%
Wind power segment:			
Sales of electricity	85,975.60	60,472.70	42.17%
Others	–	–	–
Total	85,975.60	60,472.70	42.17%
Hydropower segment:			
Sales of electricity	13,316.30	11,137.60	19.56%
Others	–	–	–
Total	13,316.30	11,137.60	19.56%
Other segments:			
Sales of electricity	3,063.50	691.30	343.15%
Sales of heat energy	9.30	67.70	-86.26%
Other income	601.70	871.10	-30.93%
Total	3,674.50	1,630.10	125.42%
Total revenue from reportable segments	293,801.00	192,788.00	52.40%
Add: government grants and subsidies related to clean energy production	22,868.10	21,511.80	6.30%
Adjusted revenue	316,669.10	214,299.80	47.77%





Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment increased by 59.63% from RMB1,195.476 million for the first half of 2012 to RMB1,908.346 million for the first half of 2013, due to the increase in electricity sales and heat supply as a result of the increase in installed capacity in this segment. Revenue from sales of electricity increased by 66.02% from RMB982.304 million for the first half of 2012 to RMB1,630.830 million for the first half of 2013, due to an increase in sales volume of electricity as a result of the increase in production capacity in this segment. Revenue from sales of heat energy increased by 30.18% from RMB213.172 million for the first half of 2012 to RMB277.516 million for the first half of 2013, due to the increased heat energy generation as a result of the increase in installed capacity in this segment.

Wind Power Segment

The revenue from our wind power segment increased by 42.17% from RMB604.727 million for the first half of 2012 to RMB859.756 million for the first half of 2013, which was attributable to an increase in sales of electricity generated by the new projects in operation in this segment and the easing of wind grid curtailment.

Hydropower Segment

The revenue from our hydropower segment increased by 19.56% from RMB111.376 million for the first half of 2012 to RMB133.163 million for the first half of 2013, due to an increase in sales volume of electricity as a result of the expansion of consolidated installed capacity in this segment.

Other Segments

The revenue from other segments increased by 125.42% from RMB16.301 million for the first half of 2012 to RMB36.745 million for the first half of 2013, which was attributable to an increase in sales volume of electricity due to the increase in installed capacity of our photovoltaic projects.

3. Other Income

Other income decreased by 10.17% from RMB309.319 million for the first half of 2012 to RMB277.872 million for the first half of 2013, which was mainly attributable to the decrease in income from CERs.

4. Operating Expenses

Operating expenses increased by 54.06% from RMB1,425.373 million for the first half of 2012 to RMB2,195.985 million for the first half of 2013, due to the increase in production costs and the capitalization of corresponding expenses following the commencement of production of projects in each segment.





Gas Consumption

Gas consumption increased by 67.61% from RMB829.846 million for the first half of 2012 to RMB1,390.889 million for the first half of 2013, due to the increase in gas consumption in the gas-fired power and heat energy generation segment as a result of the increase in installed capacity.

Depreciation and Amortization

Depreciation and amortization increased by 19.80% from RMB432.139 million for the first half of 2012 to RMB517.713 million for the first half of 2013, due to the increase in installed capacity in each segment.

Personnel Cost

Personnel cost increased by 50.29% from RMB99.446 million for the first half of 2012 to RMB149.462 million for the first half of 2013, due to the increased number of employees as a result of the business development of the Group and part of personnel costs expensed following the commencement of production of new projects.

Repairs and Maintenance

Repairs and maintenance increased by 28.85% from RMB47.577 million for the first half of 2012 to RMB61.305 million for the first half of 2013, due to the increase in maintenance expenses following the expiry of quality warranties of certain wind power projects.

Other Expenses

Other expenses increased by 39.23% from RMB116.475 million for the first half of 2012 to RMB162.164 million for the first half of 2013, which was attributable to the increase in other expenses due to the commencement of production of new projects.

Other Gains and Losses

Other gains decreased by 14.55% from RMB100.110 million for the first half of 2012 to RMB85.548 million for the first half of 2013. Gains for the first half of 2012 primarily represents the gains from the transfer of 35% equity interests in Beijing Huayuan Heating Pipeline Co., Ltd. and 100% equity interests in Jingneng Changtu New Energy Co., Ltd., while gains for the first half of 2013 primarily represents the increase of capital reserve resulting from non-public offering of shares to certain non-controlling shareholders by a subsidiary of an associated company, Beijing Jingneng International Power Co., Ltd..





5. Profit from Operations

As a result of the above, our profit from operations increased by 25.63% from RMB811.826 million for the first half of 2012 to RMB1,019.897 million for the first half of 2013.

6. Adjusted Segment Operating Profit

Adjusted segment operating profit increased by 43.22% from RMB616.508 million for the first half of 2012 to RMB882.959 million for the first half of 2013 due to increased electricity sales in all segments.

The table below sets forth the total adjusted segment operating profit as reported on the consolidated statement of comprehensive income by segment and the reconciliation to the operating profit:

	For the six months ended June 30 (Unaudited)		
	2013 (RMB ten thousand)	2012 (RMB ten thousand)	Percentage Change %
Gas-fired power and heat energy generation segment	36,788.70	29,415.00	25.07%
Wind power segment	47,757.30	27,922.20	71.04%
Hydropower segment	5,897.20	6,104.30	-3.39%
Other segments	(2,147.30)	(1,790.70)	19.91%
Total adjusted segment operating profit	88,295.90	61,650.80	43.22%
Less: Government grants and subsidies related to clean energy production	(22,868.10)	(21,511.80)	6.30%
Add: Other income	27,787.20	30,931.90	-10.17%
Add: Unallocated items	8,774.70	10,111.70	-13.22%
Operating profit	101,989.70	81,182.60	25.63%

Note: Unallocated items include dividend income from available-for-sale financial assets, gains from equity transfer, and gains or losses from capital injection by minority shareholders of associated companies.

Gas-fired Power and Heat Energy Generation Segment

The total adjusted segment operating profit of our gas-fired power and heat energy generation segment increased by 25.07% from RMB294.150 million for the first half of 2012 to RMB367.887 million for the first half of 2013 due to increased electricity sales in this segment and reduced cost of power generation per unit.





Wind Power Segment

Adjusted segment operating profit of our wind power segment increased by 71.04% from RMB279.222 million for the first half of 2012 to RMB477.573 million for the first half of 2013 due to the increase in electricity sales as a result of the commencement of production of new projects in this segment and less wind grid curtailment.

Hydropower Segment

Adjusted segment operating profit of our hydropower segment decreased by 3.39% from RMB61.043 million for the first half of 2012 to RMB58.972 million for the first half of 2013 due to the increase in cost of power generation per unit.

Other Segments

Adjusted segment operating loss of other segments increased by 19.91% from RMB17.907 million for the first half of 2012 to RMB21.473 million for the first half of 2013 due to the exchange loss incurred in the foreign currency funds of the Company.

7. Finance Costs

Our finance costs increased by 16.74% from RMB347.072 million for the first half of 2012 to RMB405.186 million for the first half of 2013 due to interest payments expensed following the commencement of production of new projects.

8. Share of Results of Associates and Jointly Controlled Entities

Share of results of associates and jointly controlled entities increased by 35.85% from RMB106.296 million for the first half of 2012 to RMB144.401 million for the first half of 2013 due to the substantial increase in the net profit of Beijing Jingneng International Power Co., Ltd., an associate of the Company, as a result of the decline of fuel prices.

9. Profit before Taxation

As a result of the foregoing, our profit before taxation increased by 32.14% from RMB585.925 million for the first half of 2012 to RMB774.268 million for the first half of 2013.





10. Income Tax Expense

Our income tax expense increased by 10.68% from RMB80.835 million for the first half of 2012 to RMB89.467 million for the first half of 2013. Our effective tax rate decreased from 13.80% for the first half of 2012 to 11.56% for the first half of 2013 primarily due to the tax preferential policies enjoyed by our newly operational wind power projects.

11. Profit for the Period

As a result of the foregoing, profit for the period increased by 35.58% from RMB505.090 million for the first half of 2012 to RMB684.801 million for the first half of 2013.

12. Profit for the Period Attributable to Equity Owners of the Company

Profit for the period attributable to equity owners of the Company increased by 36.63% from RMB465.372 million for the first half of 2012 to RMB635.834 million for the first half of 2013.

13. Foreign Exchange Management

The Group mainly operates its business in Mainland China, and most of its revenue and expenses are denominated in Renminbi. The proceeds from the initial public offering are in Hong Kong dollars, and revenue from CDM projects is in foreign currency. Therefore, fluctuations in the exchange rate of Renminbi may cause exchange loss or gain to the Group's operation settled in foreign currencies. The Group pays active attention to and studies exchange rates changes to respond to changes in foreign exchange market and strengthen the exchange rate risk management through various channels.

III. FINANCIAL POSITION

1. Overview

As at June 30, 2013, total assets of the Group amounted to RMB31,629.024 million, total liabilities were RMB21,922.935 million and shareholders' equity reached RMB9,706.089 million, among which equity attributable to equity owners of the Company amounted to RMB9,451.998 million.





2. Particulars of Assets and Liabilities

Our total assets increased by 1.67% from RMB31,109.078 million as at December 31, 2012 to RMB31,629.024 million as at June 30, 2013 due to increased investment in project construction. The total liabilities increased by 0.63% from RMB21,786.753 million as at December 31, 2012 to RMB21,922.935 million as at June 30, 2013 due to the increase in payables for project construction. Total shareholders' equity increased by 4.12% from RMB9,322.325 million as at December 31, 2012 to RMB9,706.089 million as at June 30, 2013. Equity attributable to equity owners of the Company increased by 4.48% from RMB9,046.785 million as at December 31, 2012 to RMB9,441.998 million as at June 30, 2013.

3. Liquidity

As at June 30, 2013, our current assets amounted to RMB3,966.406 million, including cash of RMB1,814.472 million, bills and account receivables of RMB1,287.054 million (mainly comprising receivables from sales of electricity and heat energy), and prepayment and other current assets of RMB864.880 million (mainly comprising deductible value-added tax and other accounts receivables). Current liabilities amounted to RMB8,771.754 million, including short-term borrowings of RMB2,531.451 million, short-term debentures of RMB1,800 million and bills and account payables of RMB2,695.140 million (mainly comprising payables for gas and purchase of engineering equipment). Other current liabilities amounted to RMB1,745.163 million, mainly including deferred incomes, income tax payable and amounts due to related parties.

Net current liabilities increased by 75.21% from RMB2,742.660 million as at December 31, 2012 to RMB4,805.348 million as at June 30, 2013 due to the increase in trade and other payables.

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, decreased by 1.85% from 63.15% as at December 31, 2012 to 61.30% as at June 30, 2013 due to the decrease in borrowings.

The Group's long-term and short-term borrowings decreased by 5.33% from RMB18,155.565 million as at December 31, 2012 to RMB17,188.087 million as at June 30, 2013, including short-term borrowings of RMB2,531.451 million, short-term debentures of RMB1,800 million, long-term borrowings of RMB8,271.029 million, medium-term notes of RMB1,000 million and corporate bonds of RMB3,585.607 million.

Bank balances and cash held by the Group decreased by 16.69% from RMB2,178.030 million as at December 31, 2012 to RMB1,814.472 million as at June 30, 2013 due to the expenditures incurred for projects construction.





IV. OTHER SIGNIFICANT EVENTS

1. Financing

On January 23, 2013, the Group successfully issued the first tranche of short-term debentures and raised proceeds of RMB900 million at an interest rate of 4.24%. On March 12, 2013, the Group successfully issued the second tranche of short-term debentures and raised proceeds of RMB900 million at an interest rate of 4.02%.

2. Capital Expenditure

In the first half of 2013, the Group's capital expenditure amounted to RMB1,428.501 million, including RMB994.219 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB157.485 million incurred for construction projects in the wind power segment, RMB124.956 million incurred for construction projects in the hydropower segment, and RMB151.841 million incurred for other construction projects.

3. Material Acquisition and Disposal

In the first half of 2013, the Company had no material acquisitions and disposals.

4. Significant Investment

According to the development plan of the Group, the Company established a wholly-owned subsidiary Ningxia Jingneng Zhongwei New Energy Co., Ltd. (寧夏京能中衛新能源有限公司) in June 2013 to carry out the construction of photovoltaic power projects.

5. Contingent Liabilities

As of June 30, 2013, the Group had no external guarantees.

6. Mortgage of Assets

As of June 30, 2013, the Group's bank borrowings with a balance of RMB110 million were secured by fix assets.





7. Employees' Remuneration

As of June 30, 2013, the Group has 2,204 employees in aggregate. The employees' remuneration comprises basic salary and performance-based salary. The performance-based salary is determined by reference to the performance appraisal of the employees of the Group. Through clearly locating position-oriented performance targets and formulating performance standards, the Company has managed to assess employees' performance in an objective manner. By materializing reward and penalty in the performance-related portion of the employees' remuneration, the Company is able to achieve the coexistence of incentives and restraints.

V. OUTLOOK FOR THE SECOND HALF OF THE YEAR

Despite the current slowdown in China's economic growth, the Group believes that the trend of economic development remains positive, implying a further growth in energy demand in the second half of the year. As the energy sector is still undergoing transformation and restructuring, China will continue to optimize the composition of energy sources and adopt a new pattern of energy development.

The PRC State Council has issued ten measures to prevent and control air pollution after heavy fog and haze affected many places across the country at the beginning of the year. The measures include, among other things, the setup of a PM2.5 joint prevention and control mechanism in the Beijing-Tianjin-Hebei Region. To this end, Beijing has taken the lead in the prevention and control of air pollution. A number of plans, including the "Beijing Clean Air Action Plan", were formulated to build an efficient, safe and clean energy system through a number of specific initiatives such as the implementation of the strategy of "Coal-free within the Fifth Ring Road" and the setup of a regional energy center in full swing.

The Group will adhere to the positive development trend, highlight the guidelines on "maintaining stable development with emphasis on Beijing, prioritizing efficient use of resources to achieve maximum cost-efficiency", proactively carry out the guiding principle on investment and operation to "maintain stability, devise strategic planning, optimize structure, strengthen management and promote growth", make progress while maintaining stability and enhance sustainability and corporate competitiveness. With a focus on corporate economic benefits, the Group will fully accelerate the progress of the construction of regional energy projects, such as the Northeast Thermal Power Center, Northwest Thermal Power Center, Future Science and Technology City in Changping District and the project in northern Haidian District, ensure smooth operation of key projects and consolidate its position as a leading industrial player in Beijing on an ongoing basis. The Company will also continue to actively adjust the strategic planning, and steadily promote project development in other segments by adapting to local conditions, diversifying business layout, carrying out refined management and coordinating the development of each segment.





In the second half of 2013, the Group will focus on achieving the following goals:

1. Accomplishing various production, operation and profit indicators for the whole year by strengthening the management of project operation in each segment and exercising stringent control of costs to ensure safe and stable operation of equipment, with an aim of promoting the Company's intrinsic safety standard. Priority is given to performance with emphasis on power generation capacity to further enhance profitability, improve efficiency and maintain the Group's competitiveness and sustainability in the sector.
2. Focusing on the construction of the four major thermal power center projects in Beijing by overcoming all difficulties and making every effort in proceeding with the construction of the Northeast Thermal Power Center, Northwest Thermal Power Center and Future Science and Technology City projects to realize the Group's "Multiplied Capacity Plan" for the gas-fired power and heat energy generation segment early and build up a comprehensive clean energy supply platform in Beijing.
3. Seizing market opportunities by promoting the preliminary construction work of Changping TBD Regional Energy Project, Yizhuang Southern Expansion Zone Project, Phases IV – VIII of Guanting Wind Power Project, as well as Lingwu and Zhongwei Photovoltaic Projects to speed up the progress of such projects.
4. Actively exploring new projects in areas of regional energy, photovoltaic power, hydropower and hybrid wind-photovoltaic power generation. Project reserves will also be expanded to achieve coordinated development of different energy sources, so as to constantly optimize the business structure of the Group.





COMPLIANCE WITH CORPORATE GOVERNANCE CODE

As a company listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the Company always strives to maintain a high level of corporate governance and complied with all code provisions as set out in the Corporate Governance Code as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for the six months ended June 30, 2013.

On December 13, 2012, the Stock Exchange published the consultation conclusions on board diversity, which states that a new code provision on board diversity will be included in the Corporate Governance Code and become effective from September 1, 2013. In order to promote the Company’s continued commitment to high standards of corporate governance, the board of directors of the Company (the “**Board**”) approved the adoption of a Board Diversity Policy of the Company on August 27, 2013.

COMPLIANCE WITH CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 to the Listing Rules as the code of conduct regarding securities transactions of the Company by the directors and supervisors of the Company. Upon making specific enquiries to all of the directors and supervisors of the Company, all directors and supervisors of the Company confirmed that throughout the Reporting Period, each of the directors and supervisors of the Company had fully complied with the required standards set out in the Model Code.

AUDIT COMMITTEE

The audit committee of the Company (the “**Audit Committee**”) has formulated terms of reference in written form in accordance with requirements of the Listing Rules. It comprises three members, namely, Ms. Lau Miu Man (independent non-executive director), Mr. LIU Guochen (non-executive director) and Mr. Liu Chaoan (independent non-executive director). Ms. Lau Miu Man currently serves as the chairman of the Audit Committee.

The Audit Committee of the Company has reviewed the Group’s 2013 interim results announcement, interim report and the unaudited financial statements for the six months ended June 30, 2013 prepared in accordance with the IFRSs.

SHARE CAPITAL

As of June 30, 2013, the total share capital of the Company was RMB6,149,905,454, divided into 6,149,905,454 shares of RMB1.00 each. Details of movements in the share capital of the Company during the year are set out in Note 22 to the Financial Statements.





INTERESTS AND SHORT POSITIONS OF DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at June 30, 2013, no directors, supervisors or senior management members of the Company had any interest or short position in the shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including those taken or deemed as their interests or short position in accordance with such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS IN SHARES

As at June 30, 2013, to the knowledge of the directors of the Company, the persons (other than a director, supervisor or member of the senior management of the Company) who have an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under section 336 of the SFO were as follows:

Name of shareholders	Types of shares	Capacity	Number of shares/underlying shares held (share)		Percentage of relevant class of share capital (%)		Percentage of total share capital (%)	
			Long position	Short position	Long position	Short position	Long position	Short position
Beijing Energy Investment Holding Co., Ltd. (“BEIH”)	Domestic share	Beneficial interest and interest of a controlled corporation	4,217,360,071	–	93.46	–	68.58	–
Beijing State Assets Management and Administration Centre	Domestic share	Beneficial interest and interest of a controlled corporation	4,442,302,231	–	98.45	–	72.23	–
Beijing Enterprises Holdings Limited	H share	Interest of a controlled corporation	219,200,000	–	13.39	–	3.56	–
Beijing Enterprises Energy Technology Investment Co. Limited	H share	Beneficial interest	219,200,000	–	13.39	–	3.56	–
Beijing Enterprises Energy Technology (Hong Kong) Co. Ltd.	H share	Interest of a controlled corporation	219,200,000	–	13.39	–	3.56	–





CORPORATE GOVERNANCE AND OTHER INFORMATION

Name of shareholders	Types of shares	Capacity	Number of shares/underlying shares held (share)		Percentage of relevant class of share capital (%)		Percentage of total share capital (%)	
			Long position	Short position	Long position	Short position	Long position	Short position
SAIF Partners IV L.P.	H share	Beneficial interest	173,532,000	–	10.60	–	2.82	–
SAIF IV GP LP	H share	Interest of a controlled corporation	173,532,000	–	10.60	–	2.82	–
SAIF IV GP Capital Ltd.	H share	Interest of a controlled corporation	173,532,000	–	10.60	–	2.82	–
Yan Andrew Y.	H share	Interest of a controlled corporation	173,532,000	–	10.60	–	2.82	–
Goldwind New Energy (HK) Investment Limited	H share	Beneficial interest	140,118,000	–	8.56	–	2.28	–
Xinjiang Goldwind Science & Technology Co. Ltd.	H share	Interest of a controlled corporation	140,118,000	–	8.56	–	2.28	–
New Wealth Investment Holdings Limited	H share	Beneficial interest	137,008,928	–	8.37	–	2.23	–
Chen Li	H share	Interest of a controlled corporation	137,008,928	–	8.37	–	2.23	–
Hero Asia Investment Limited	H share	Beneficial interest	98,000,000	–	5.98	–	1.59	–
China Longyuan Power Group Corporation Limited	H share	Interest of a controlled corporation	98,000,000	–	5.98	–	1.59	–
HSBC Global Asset Management (Hong Kong) Limited	H share	Investment manager	97,506,000	–	5.95	–	1.59	–
CSOF Inno Investments Limited	H share	Beneficial interest	94,414,000	–	5.77	–	1.54	–
China Special Opportunities Fund III, L.P.	H share	Interest of a controlled corporation	94,414,000	–	5.77	–	1.54	–





PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended June 30, 2013.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended June 30, 2013.

CHANGE IN DIRECTORS' INFORMATION

During the six months ended June 30, 2013, there has been no change in the directors' information of the Company.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED JUNE 30, 2013
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	For the six months ended June 30 (Unaudited)															
		2013 RMB'000	2012 RMB'000 (Restated)														
Revenue	4	2,938,010	1,927,880														
Other income	5	277,872	309,319														
Gas consumption		(1,390,889)	(829,846)														
Depreciation and amortization	9	(517,713)	(432,139)														
Personnel costs		(149,462)	(99,446)														
Repairs and maintenance		(61,305)	(47,577)														
Other expenses		(162,164)	(116,475)														
Other gains and losses	6	85,548	100,110														
Profit from operations		1,019,897	811,826														
Interest income	7	15,156	14,875														
Finance costs	7	(405,186)	(347,072)														
Share of results of associates		144,377	106,166														
Share of results of jointly controlled entities		24	130														
Profit before taxation		774,268	585,925														
Income tax expense	8	(89,467)	(80,835)														
Profit and total comprehensive income for the period	9	684,801	505,090														
Profit and total comprehensive income for the period attributable to:																	
– Equity owners of the Company		635,834	465,372														
– Non-controlling interests		48,967	39,718														
		684,801	505,090														
<table border="1"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Notes</th> <th colspan="2">For the six months ended June 30 (Unaudited)</th> </tr> <tr> <th>2013 RMB (cents)</th> <th>2012 RMB (cents)</th> </tr> </thead> <tbody> <tr> <td>Earnings per share</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Basic and diluted</td> <td>11</td> <td>10.34</td> <td>7.58</td> </tr> </tbody> </table>					Notes	For the six months ended June 30 (Unaudited)		2013 RMB (cents)	2012 RMB (cents)	Earnings per share				Basic and diluted	11	10.34	7.58
	Notes	For the six months ended June 30 (Unaudited)															
		2013 RMB (cents)	2012 RMB (cents)														
Earnings per share																	
Basic and diluted	11	10.34	7.58														



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2013

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	As at June 30, 2013 RMB'000 (Unaudited)	As at December 31, 2012 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	18,363,901	17,405,497
Intangible assets	13	4,573,185	4,656,091
Goodwill		124,194	124,194
Prepaid lease payments		131,930	133,297
Investments in associates		1,687,343	1,455,219
Loans to associates		149,440	149,440
Investments in jointly controlled entities		80,414	80,390
Deferred tax assets	14	102,556	108,356
Available-for-sale financial assets		98,028	98,028
Trade receivables		346,938	354,259
Value-added tax recoverable		546,915	513,977
Deposit paid for acquisition of property, plant and equipment		1,457,774	1,168,222
		27,662,618	26,246,970
Current assets			
Inventories		69,677	69,858
Trade and bill receivables	15	1,287,054	1,475,193
Other receivables, deposits and prepayments		237,298	317,590
Current tax assets		57,483	11,473
Amounts due from related parties	26(b)	15,873	138,478
Prepaid lease payments		2,027	2,116
Value-added tax recoverable		306,844	426,825
Restricted bank deposits		138,717	207,576
Cash and cash equivalents	16	1,814,472	2,178,030
		3,929,445	4,827,139
Assets classified as held for sale		36,961	34,969
		3,966,406	4,862,108



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF JUNE 30, 2013
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	As at June 30, 2013 RMB'000 (Unaudited)	As at December 31, 2012 RMB'000 (Audited)
Current liabilities			
Trade and other payables	17	2,695,140	1,915,092
Amounts due to related parties	26(c)	1,537,688	1,339,284
Bank and other borrowings – due within one year	18	2,531,451	4,266,759
Short-term debentures	19	1,800,000	–
Income tax payable		38,971	49,548
Deferred income – current portion		166,729	32,916
		8,769,979	7,603,599
Liabilities associated with assets classified as held for sale			
		1,775	1,169
		8,771,754	7,604,768
Net current liabilities			
		(4,805,348)	(2,742,660)
Total assets less current liabilities			
		22,857,270	23,504,310
Non-current liabilities			
Bank and other borrowings – due after one year	18	8,271,029	9,305,903
Medium-term notes	20	1,000,000	1,000,000
Corporate bonds	21	3,585,607	3,582,903
Deferred tax liabilities	14	27,487	24,894
Deferred income		267,058	268,285
		13,151,181	14,181,985
Net assets			
		9,706,089	9,322,325
Capital and reserves			
Share capital	22	6,149,905	6,149,905
Reserves		3,302,093	2,896,880
Equity attributable to equity owners of the Company			
		9,451,998	9,046,785
Non-controlling interests			
		254,091	275,540
Total equity			
		9,706,089	9,322,325



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE SIX MONTHS ENDED JUNE 30, 2013

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Attributable to equity owners of the Company					Total	Attributable to non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Other reserves	Accumulated profits			
	RMB'000	RMB'000	RMB'000 (Note b)	RMB'000	RMB'000			
As at January 1, 2012 (Restated)	6,032,200	3,768,982	214,873	3,914	1,050,517	11,070,486	377,815	11,448,301
Issue of shares	117,705	42,360	-	-	-	160,065	-	160,065
Issuance costs	-	(6,118)	-	-	-	(6,118)	-	(6,118)
Disposal of investment in a subsidiary	-	-	(377)	-	377	-	-	-
Distribution to holding company by acquired subsidiaries before the acquisition (Note a)	-	(110,000)	-	-	-	(110,000)	-	(110,000)
Appropriation to statutory surplus reserve	-	-	64,215	-	(64,215)	-	-	-
Dividend declared	-	-	-	-	(619,577)	(619,577)	(82,101)	(701,678)
	6,149,905	3,695,224	278,711	3,914	367,102	10,494,856	295,714	10,790,570
Profit/total comprehensive income for the period (Restated)	-	-	-	-	465,372	465,372	39,718	505,090
As at June 30, 2012 (Restated)	6,149,905	3,695,224	278,711	3,914	832,474	10,960,228	335,432	11,295,660

	Attributable to equity owners of the Company					Total	Attributable to non-controlling interests	Total equity
	Share capital	Capital reserve	Statutory surplus reserve	Other reserves	Accumulated profits			
	RMB'000 (Note 22)	RMB'000	RMB'000 (Note b)	RMB'000	RMB'000			
As at January 1, 2013	6,149,905	1,337,052	381,504	3,914	1,174,410	9,046,785	275,540	9,322,325
Dividend declared (Note 10)	-	-	-	-	(230,621)	(230,621)	(70,416)	(301,037)
	6,149,905	1,337,052	381,504	3,914	943,789	8,816,164	205,124	9,021,288
Profit/total comprehensive income for the period	-	-	-	-	635,834	635,834	48,967	684,801
As at June 30, 2013	6,149,905	1,337,052	381,504	3,914	1,579,623	9,451,998	254,091	9,706,089

Notes:

- (a) During the year ended June 30, 2012, Sichuan Dachuan and Sichuan Zhongneng distributed accumulated profits to BEIH in aggregate amount of RMB110,000,000.
- (b) 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 relevant accounting principles and financial regulations in the PRC ("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.



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2013
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	Six months ended June 30,	
		2013 RMB'000	2012 RMB'000 (Restated)
Operating activities			
Profit before taxation		774,268	585,925
Adjustments for:			
Depreciation and amortization	9	517,713	432,139
Impairment losses on doubtful debt receivables	6	28	72
Dividend from available-for-sale financial assets		–	(2,468)
Loss (gain) on disposal of property, plant and equipment	6	359	(44)
Gain or loss on capital contribution made by minority shareholders of associates	6	(87,747)	–
Share of results of associates		(144,377)	(106,166)
Share of results of jointly controlled entities		(24)	(130)
(Gain) loss on disposal of subsidiaries and jointly controlled entities	6	–	(94,156)
Interest income	7	(15,156)	(14,875)
Finance costs	7	405,186	347,072
Prepaid lease payments released to profit or loss		1,455	986
Deferred income released to profit or loss		(1,316)	(1,316)
Operating cash flows before movements in working capital		1,450,389	1,147,039
Movements in working capital			
Decrease (increase) in inventories		182	(3,939)
Decrease in trade and bill receivables		195,432	269,177
Decrease in amounts due from related parties		131,484	122,613
Increase in other receivables, deposits and prepayments		(11,358)	(73,100)
Increase (decrease) in trade and other payables		488,642	(246,756)
Decrease in amounts due to related parties		–	(1,708)
Increase (decrease) in deferred income		133,902	(158,098)
Cash generated from operations		2,388,673	1,055,228
Income tax paid		(137,661)	(179,688)
Net cash generated from operating activities		2,251,012	875,540



UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED JUNE 30, 2013

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Six months ended June 30,	
	2013	2012
Notes	RMB'000	RMB'000 (Restated)
Investing activities		
Interest received	6,276	14,875
Dividends received	–	2,468
Repayment of loans by associates	–	109,394
Cash advanced to associates	–	(131,072)
Cash inflow on disposal of subsidiaries	–	30,000
Recovery of loans to subsidiaries disposed of	85,000	–
Acquisition of:		
– Property, plant and equipment	(1,396,316)	(945,781)
– Intangible assets	(7,922)	(8,984)
Prepaid lease payments on land use rights	–	(340)
Proceeds on disposals of:		
– Property, plant and equipment	180	118
Cash received from government grants	–	52,650
Net cash used in investing activities	(1,312,782)	(876,672)
Financing activities		
Interest paid	(327,602)	(347,792)
New bank and other loans raised	4,379,809	5,345,430
Repayments of bank and other loans	(5,349,991)	(5,226,573)
H Shares issued under the over-allotment	–	160,065
H shares sold on behalf of National Council for Social Security Fund of the PRC (“NSSF”)	–	16,007
Payment to NSSF for issuance of new shares and sales of shares	–	(156,132)
Payment of transaction costs attributable to issue of new shares and sales of shares	–	(26,796)
Dividends paid to:		
– Shareholders	–	(104,180)
Net cash generated from financing activities	(1,297,784)	(339,971)
Net increase (decrease) in cash and cash equivalents	(359,554)	(341,103)
Cash and cash equivalents at the beginning of the period	2,178,030	2,747,265
Effect of foreign exchange rate changes	(4,004)	5,794
Cash and cash equivalents at the end of the period	1,814,472	2,411,956



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

1. GENERAL AND BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration of the Group's net current liabilities of RMB4,508,348,000 as at June 30, 2013. Taking into consideration of the unutilized banking facilities available to Group 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 consolidated financial statements have been prepared on a going concern basis.

The condensed consolidated financial statements have been prepared in accordance with International Accounting Standard ("**IAS**") 34 Interim Financial Reporting issued by the International Accounting Standards Board as well as with the applicable disclosure requirements of Appendix 16 to the Listing Rules. Such condensed consolidated financial statements have not been audited.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is the same as the function currency of the Company.

2. BASIS OF PREPARATION

The Group's acquisition of Sichuan Dachuan Power Co., Ltd. ("**Sichuan Dachuan**") and Sichuan Zhongneng Power Co., Ltd. ("**Sichuan Zhongneng**") was completed by the end of December 2012 and has been accounted for as a combination of businesses under common control in a manner similar to pooling-of-interests since the directors of the Company consider that the Group, Sichuan Dachuan and Sichuan Zhongneng are under the common control of BEIH since July 7, 2011. As a result, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended June 30, 2012 have been restated to include the operating results and cash flows of Sichuan Dachuan and Sichuan Zhongneng as of June 30, 2012. All intra-group transactions, balances, income and expenses are eliminated.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

2. BASIS OF PREPARATION (Continued)

The effect of restatements arising from acquisition of Sichuan Dachuan and Sichuan Zhongneng accounted for as a combination of businesses under common control (“**Adjustment**”) on the results for the year ended June 30, 2012 by line items is set out below:

	As of June 30, 2012 (Unaudited)		
	Originally stated RMB'000	Adjustment RMB'000	Restated RMB'000
Revenue	1,809,671	118,209	1,927,880
Other income	308,269	1,050	309,319
Gas consumption	(829,846)	–	(829,846)
Depreciation and amortization	(406,560)	(25,579)	(432,139)
Personnel costs	(86,258)	(13,188)	(99,446)
Repairs and maintenance	(45,132)	(2,445)	(47,577)
Other expenses	(92,549)	(23,926)	(116,475)
Other gains and losses	100,162	(52)	100,110
Profit from operations	757,757	54,069	811,826
Interest income	13,813	1,062	14,875
Finance costs	(339,460)	(7,612)	(347,072)
Share of results of associates	106,166	–	106,166
Share of results of jointly controlled entities	130	–	130
Profit before taxation	538,406	47,519	585,925
Income tax expense	(75,167)	(5,668)	(80,835)
Profit and total comprehensive income for the period	463,239	41,851	505,090

	As of June 30, 2012 (Unaudited)		
	Originally stated RMB (cents)	Adjustment RMB (cents)	Restated RMB (cents)
Basic and diluted earnings per share	6.90	0.68	7.58



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

3. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared on the historical cost basis and in accordance with IFRSs except that certain properties, plant and equipment which are recorded as deemed cost.

The accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended June 30, 2013 are consistent with those followed in the preparation of the Group's annual financial statements for the year ended December 31, 2012.

In the Reporting Period, the Group has applied, for the first time, the following amendments to IFRSs:

Amendments to IFRS 1	Government Loans ¹
Amendments to IFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities ¹
Amendments to IFRS 9 and IFRS 7	Mandatory Effective Date of IFRS 9 and Transition Disclosures ²
Amendments to IFRS10, IFRS 11 and IFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance ¹
IFRS 10	Consolidated Financial Statements ¹
IFRS 11	Joint Arrangements ¹
IFRS 12	Disclosure of Interests in Other Entities ¹
IFRS 13	Fair Value Measurement ¹
Amendments to IAS 1	Presentation of Items of Other Comprehensive Income ²
IAS 19 (as revised in 2011)	Employee Benefits ¹
IAS 27 (as revised in 2011)	Separate Financial Statements ¹
IAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures ¹

Notes:

⁽¹⁾ Effective for annual periods beginning on or after January 1, 2013

⁽²⁾ Effective for annual periods beginning on or after July 1, 2012

The application of the above amendments to IFRSs in the Reporting Period has had no material effect on the amounts reported in these condensed consolidated financial statements and disclosures set out in these condensed consolidated financial statements.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

4. REVENUE

An analysis of the Group's revenue is as follows:

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Sales of goods:		
– Electricity	2,654,384	1,705,319
– Heat energy	277,609	213,848
Service income (Note)	6,017	8,713
	2,938,010	1,927,880

Note: Service income represents income generated from repair and maintenance service provided to third parties.

5. OTHER INCOME

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Government grants and subsidies related to:		
– Clean energy production (Note (a))	228,681	215,118
– Construction of assets (Note (b))	1,316	1,316
Dividend from available-for-sale financial assets, unlisted	–	2,468
Income from CERs and VERs (Note (c))	31,696	82,974
Value-added tax refunds (Note (d))	10,137	2,947
Others	6,042	4,496
	277,872	309,319

Notes:

- (a) 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 subsidized rate and quantities approved from time to time for the sale of electricity generated by those facilities. The grants 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.
- (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.
- (c) 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.
- (d) The Group is entitled 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 to residential customers.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

6. OTHER GAINS AND LOSSES

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Other gains (losses) comprise:		
Impairment loss on doubtful debt receivables	(28)	(72)
Gain (Loss) on disposal of property, plant and equipment	(359)	44
Net exchange gain (loss)	(4,567)	6,745
Gain on disposal of subsidiaries and jointly controlled entities	–	94,156
Gain or loss on capital contribution made by minority shareholders of associates (Note)	87,747	–
Others	2,755	(763)
	85,548	100,110

Note: This item represents the increase in the share of capital reserve of Beijing Jingneng International Power Co., Ltd. ("Jingneng International") as a result of issuance of shares by a subsidiary of Jingneng International to certain non-controlling shareholders by way of non-public offering.

7. INTEREST INCOME/FINANCE COSTS

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Interest income	15,156	14,875
Interest expense	473,750	498,331
Less: Amounts capitalized in property, plant and equipment	(68,564)	(151,259)
Total finance costs	405,186	347,072
Net finance costs	390,030	332,197



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

8. INCOME TAX EXPENSE

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Current tax:		
PRC enterprise income tax ("EIT")	81,074	41,942
Deferred tax:		
Current year	8,393	38,893
Income tax expense	89,467	80,835

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 six months ended June 30, 2013.

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. Most wind farms of the Group enjoy this tax concession.

Under the 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, 2020 when the original preferential tax period will expire. Heishui County Sanlian HydroPower Development Co., Ltd. (黑水縣三聯水電開發有限責任公司), Sichuan Dachuan and Sichuan Zhongneng, all being subsidiaries of the Company, enjoy this preferential PRC enterprise income tax rate of 15%. Two wind power projects wholly-owned by subsidiaries of the Company, Chayouzhong Wind Farm Phase I, Jixianghuaya Wind Farm Phase I enjoy the preferential PRC enterprise income tax rate of 15% with a tax exemption for two years ended December 31, 2009 and 2010 and 50% deduction on enterprise income tax for the three years ending December 31, 2011, 2012 and 2013.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

9. PROFIT FOR THE PERIOD

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	309	590
Prepaid lease payments released to profit or loss	1,455	986
Operating lease payments in respect of land and building	5,578	5,356
Depreciation and amortization:		
Depreciation of property, plant and equipment	426,885	328,619
Amortization of intangible assets	90,828	103,520
Total depreciation and amortization	517,713	432,139

10. DIVIDENDS

- (a) On June 18, 2013, a dividend in the total amount of approximately RMB230,621,000 was declared by the Company.
- (b) The directors do not recommend the payment of any interim dividend for the six months ended June 30, 2013 (six months ended June 30, 2012: nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended June 30, 2013 of RMB635,834,000 (six months ended June 30, 2012: RMB465,372,000) and the weighted average number of shares in issue during the six months ended June 30, 2013 of 6,149,905,000 (six months ended June 30, 2012: 6,138,911,000).

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended June 30, 2013, the Group acquired items of property, plant and equipment of approximately RMB1,385,936,000 (six months ended June 30, 2012: approximately RMB1,273,236,000). Items of property, plant and equipment with a net book value of approximately RMB647,000 (six months ended June 30, 2012: approximately RMB13,518,000) were disposed of during the six months ended June 30, 2013, resulting in a loss on disposal of approximately RMB359,000 (six months ended June 30, 2012: gain on disposal of approximately RMB44,000).

13. INTANGIBLE ASSETS

Intangible assets mainly represent concession right of approximately RMB3,242,680,000 (as at December 31, 2012: approximately RMB3,319,066,000), operation right of RMB1,255,880,000 (as at December 31, 2012: approximately RMB1,289,674,000), and software and other assets of approximately RMB74,625,000 (as at December 31, 2012: approximately RMB47,351,000).

14. DEFERRED TAXATION

The following is the Group's major deferred tax assets (liabilities) recognized and movements thereon during the year ended December 31, 2012 and the six months ended June 30, 2013:

	Tax loss	Impairment on doubtful receivables	Temporary differences on fair value adjustments in acquisition of subsidiaries	Trial run profit	Deferred income related to clean energy production	Unpaid employee payroll	Trial run loss	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Note a)	(Note b)		(Note a)		
As at January 1, 2013	13,539	2,709	(22,511)	53,044	37,478	4,873	(3,504)	(2,166)	83,462
(Charge) credit to profit or loss (Note 8)	(1,573)	4	433	3,254	(8,228)	(4,873)	-	2,590	(8,393)
As at June 30, 2013	11,966	2,713	(22,078)	56,298	29,250	-	(3,504)	424	75,069

Notes:

- The revenue and cost generated from trial run of property, plant and equipment were credited or charged respectively to 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/(loss) resulted in the tax bases of the related property, plant and equipment to be higher/(lower) than their carrying value on the consolidated statement of financial position in accounting, which the entity can receive more/(less) deductible depreciation charging to the tax profit to save/(increase) 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).
- The subsidies from the government will be taxable immediately as taxable income upon the receipt, however the income can only be released from deferred income in accounting when the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities. Accordingly, the deferred tax assets are recognized.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

14. DEFERRED TAXATION (Continued)

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:

	As at June 30, 2013 RMB'000	As at December 31, 2012 RMB'000
Deferred tax assets	102,556	108,356
Deferred tax liabilities	(27,487)	(24,894)
	75,069	83,462

15. TRADE AND BILL RECEIVABLES

	As at June 30, 2013 RMB'000 (Unaudited)	As at December 31, 2012 RMB'000 (Audited)
Trade receivables	1,599,288	1,797,045
Bill receivables	35,607	33,282
	1,634,895	1,830,327
Less: allowance for doubtful receivables	903	875
	1,633,992	1,829,452
Trade and bill receivables, classified as:		
– Current	1,287,054	1,475,193
– Non-current	346,938	354,259
	1,633,992	1,829,452



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

15. TRADE AND BILL RECEIVABLES (Continued)

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

	As at June 30, 2013 RMB'000 (Unaudited)	As at December 31, 2012 RMB'000 (Audited)
Within 60 days	711,462	838,116
61 to 365 days	476,019	343,622
1 to 2 years	308,652	514,228
2 to 3 years	137,859	133,486
	1,633,992	1,829,452

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

	For the six months ended June 30, 2013 RMB'000 (Unaudited)	For the year ended December 31, 2012 RMB'000 (Audited)
At the beginning of the year/period	875	710
Provided during the year/period	28	165
At the end of the year/period	903	875

16. CASH AND CASH EQUIVALENTS

The Group'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.

The Group had deposit of approximately RMB128,167,000 placed with 京能集團財務有限公司 (BEIH Finance Co., Ltd., English name for identification purpose) ("**BEIH Finance**"), a non-bank financial institution approved by China Banking Regulatory Commission as at June 30, 2013 (as at December 31, 2012: approximately RMB396,757,000). 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 as at June 30, 2013 have been regarded as cash and cash equivalent.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

17. TRADE AND OTHER PAYABLES

	As at June 30, 2013 RMB'000 (Unaudited)	As at December 31, 2012 RMB'000 (Audited)
Trade payables	1,558,787	1,344,907
Bills payable	607,413	232,576
Advance received from customers	9,955	10,605
Salary and staff welfares	66,796	65,118
Non-income tax related tax payables	20,506	38,969
Accrued interests payable	218,162	143,281
Dividends payables	72,287	–
Payable for costs of new share issuance	–	21,202
Other payables	141,234	58,434
	2,695,140	1,915,092

The following is an ageing analysis of the Group's trade payables by invoice date as at the reporting date:

	As at June 30, 2013 RMB'000 (Unaudited)	As at December 31, 2012 RMB'000 (Audited)
Within 30 days	320,510	520,318
31 to 365 days	706,005	519,998
1 to 2 years	290,155	84,090
2 to 3 years	79,876	48,318
Over 3 years	162,241	172,183
	1,558,787	1,344,907

Trade payables over one year are mainly retention payables.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

18. BANK AND OTHER BORROWINGS

	As at June 30, 2013 RMB'000 (Unaudited)	As at December 31, 2012 RMB'000 (Audited)
Bank loans	8,967,480	10,688,012
Other borrowings from		
– a related non-bank financial institution (Note (a))	605,000	1,054,650
– a jointly controlled entity (Note (b))	80,000	80,000
– a fellow subsidiary (Note (c))	50,000	50,000
– other non-related entities (Note (d))	1,100,000	1,700,000
	10,802,480	13,572,662
Represented by:		
– Unsecured borrowings (Note (e))	10,692,480	13,069,063
– Secured borrowings (Note (f))	110,000	503,599
	10,802,480	13,572,662
Bank and other borrowings repayable:		
– Within one year	2,531,451	4,266,759
– More than one year but not exceeding two years	1,287,595	1,377,403
– More than two years but not exceeding three years	1,534,890	2,294,144
– More than three years but not exceeding five years	2,612,259	2,231,366
– More than five years	2,836,285	3,402,990
	10,802,480	13,572,662
Less: Amount due within one year shown under current liabilities	2,531,451	4,266,759
Amount due after one year	8,271,029	9,305,903

Notes:

- (a) Other borrowings from a related non-bank financial institution as at June 30, 2013 represented loans from BEIH Finance. The loans were unsecured, carried interest at rates which are no higher than 10% of the prevailing interest rates promulgated by the People's Bank of China ("PBOC") and variable by reference to the interest rates promulgated by PBOC. The interest expenses attributed to the above loans from BEIH Finance were RMB28,924,000 for the six months ended June 30, 2013 (six months ended June 30, 2012: RMB24,342,000).
- (b) The amounts represented the borrowings from 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**"), a jointly controlled entity of the Company. The borrowings were unsecured, carried interest at variable interest rate by reference to the interest rate promulgated by the PBOC and were due within one year. The interest expenses attributed to the above loans from Huayuan Huizhong were RMB2,135,000 for the six months ended June 30, 2013 (six months ended June 30, 2012: RMB1,817,000).
- (c) The amounts represented the borrowings from 北京京豐熱電有限公司 (Beijing Jingfeng Thermal Power Co., Ltd., English name for identification purpose) ("**Jingfeng Thermal**"), a fellow subsidiary of the Company. The borrowings were unsecured, carried interest at fixed interest rate at 6.31% and repayable within one year. The interest expenses attributed to above loans from Jingfeng Thermal were RMB1,586,000 for the six months ended June 30, 2013 (six months ended June 30, 2012: Nil).



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

18. BANK AND OTHER BORROWINGS (Continued)

Notes: (Continued)

- (d) The amounts as at June 30, 2013 included the following two other borrowings:
- (i) the entrusted loan from 中國人壽資產管理有限公司 (China Life Insurance Asset Management Company Limited, English name for identification purpose) amounting to RMB800,000,000, which was unsecured, carried at variable interest rate by reference to the interest rate promulgated by the PBOC and repayable in December 2017;
 - (ii) the debt loan granted by 北京市財政局 (Beijing Municipal Bureau of Finance) for clean development amounting to RMB300,000,000, which was unsecured.

As at December 31, 2012, borrowings other than (i) above included two entrusted loans from 中國對外貿易經濟信託有限公司 (China Foreign Economy and Trade Trust Co., Ltd, English name for identification purpose) and 交銀國際信託有限公司 (Bank of Communications International Trust Co., Ltd, English name for identification purpose) totally amounting to approximately RMB900,000,000, which were both unsecured and fully repaid.

- (e) Balance of the Group's guaranteed unsecured borrowing amounted to RMB3,040,839,000 as at June 30, 2013 (as at December 31, 2012: RMB2,020,140,000), and was guaranteed by the Company.
- (f) The Group's bank borrowings with balances amounting to RMB110 million as at June 30, 2013 were secured by fixed assets with net asset value of RMB260,656,000.

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

	As at June 30, 2013 RMB'000	As at December 31, 2012 RMB'000
Variable interest rate	9,522,480	11,502,662
Fixed interest rate	1,280,000	2,070,000
	10,802,480	13,572,662

	As at June 30, 2013	As at December 31, 2012
Range of interest rates per annum:		
– Variable-interest borrowings	5.32% to 7.31%	5.23% to 7.76%
– Fixed-interest borrowings	5.10% to 5.70%	5.04% to 6.56%

19. SHORT-TERM DEBENTURES

On January 24, 2013, the Company issued one-year unsecured short-term debentures of RMB900 million at par value, bearing an interest rate of 4.24%. On March 11, 2013, the Company issued one-year unsecured short-term debentures of RMB900 million at par value, bearing an interest rate of 4.02%. These debentures are traded on the National Association of Financial Market Institutional Investors (銀行間市場交易商協會) in the PRC.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

20. MEDIUM-TERM NOTES

On April 20, 2012, New Energy issued a three-year unsecured medium-term notes amounting to RMB1,000 million at par value with a coupon rate of 5.86% per annum. The medium-term notes are repayable on April 24, 2015, and these notes are traded on the National Association of Financial Market Institutional Investors in the PRC.

21. CORPORATE BONDS

On July 3, 2012, the Company issued corporate bond with par value of RMB100 each totalling RMB3,600 million. The corporate bonds separated into two types of products amounting to RMB2,400 million and RMB1,200 million, namely 3-Year and 5-Year product, which are repayable in July 2015 and 2017, respectively and their applicable interest rate are 4.35% and 4.60% per annum, respectively. Total proceeds received net of issuance costs, amounted to RMB3,580,200,000. BEIH provided irrecoverable guarantee with joint liability to the bonds. These bonds have been traded on Shanghai Stock Exchange since July 20, 2012.

The corporate bonds recognised in the consolidated statement of financial position are calculated as follows:

	As at June 30, 2013
	RMB'000
Nominal value	3,600,000
Issuance cost	(19,800)
Fair value at date of issuance	3,580,200
Effective interest recognized	165,007
Interest payable, included in accrued interest payable	(159,600)
Carrying amount as at June 30, 2013	3,585,607
Fair values of the corporate bonds*	3,577,200

* The fair values of the corporate bonds are determined directly by references to the price quotations published by the Shanghai Stock Exchange on June 30, 2013.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

22. SHARE CAPITAL

	As at June 30, 2013 RMB'000	As at December 31, 2012 RMB'000
Issued and fully paid:		
Domestic ordinary shares of RMB1.00 each	4,512,359	4,512,359
H shares of RMB1.00 each	1,637,546	1,637,546
	6,149,905	6,149,905

23. LEASE ARRANGEMENTS

The Group as a lessee

As at June 30, 2013, the Group had future minimum lease payments under non-cancelable operating leases in respect of leased properties as follows:

	As at June 30, 2013 RMB'000	As at December 31, 2012 RMB'000
Within one year	8,665	3,084
In the second to fifth year inclusive	1,584	4,278
Over five years	6,116	13,302
	16,365	20,664

Operating lease payments represent rentals payable by the Group for certain of its operating and office premises and lands. Leases are negotiated for the term 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 of 19 years.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

24. CAPITAL COMMITMENTS

The Group had the following capital commitments:

	As at June 30, 2013 RMB'000	As at December 31, 2012 RMB'000
Contracted but not provided for acquisition or construction of property, plant and equipment	5,218,119	5,087,428

25. CONTINGENT LIABILITIES

The amounts of the outstanding guarantees provided by the Group as at June 30, 2013 are as follows:

	As at June 30, 2013 RMB'000	As at December 31, 2012 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")	–	598,440



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

26. RELATED PARTY BALANCES AND TRANSACTIONS

- (a) The following parties are identified as related party to the Group and the respective relationships are set out below:

Name of related party	Relationship
BEIH	Ultimate holding company
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")	Fellow subsidiary
BEIH Finance	Fellow subsidiary
Beijing Jingneng International	Fellow subsidiary and an associate company
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
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
北京市熱力集團有限責任公司 (Beijing District Heating (Group) Co., Ltd., English name for identification purpose) ("BDHG")	Fellow subsidiary
北京天湖會議中心有限公司 (Beijing Sky-Line Resort Co., Ltd., English name for identification purpose) ("Sky-Line")	Fellow subsidiary
國電電力發展股份有限公司 (Guodian Power Development Co., Ltd., English name for identification purpose) ("Guodian Power")	Non-controlling interest of Taiyanggong Power



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (b) As at June 30, 2013, other than loans to associates and the deposit in a related non-bank financial institution as set out in Note 16, the Group has amounts receivable from the following related parties and the details are set out below:

	As at June 30, 2013 RMB'000	As at December 31, 2012 RMB'000
Amounts due from:		
Associates	4,913	4,084
Fellow subsidiaries	10,960	134,394
	15,873	138,478
Represented by:		
Trade receivables	8,104	135,512
Non-trade receivables*	7,769	2,966
	15,873	138,478

* The balances were interest-free, unsecured and repayable on demand.

- (c) As at June 30, 2013, other than the borrowings from a related non-bank financial institution as set out in Note 18, the Group has amounts payable to the following related parties and the details are set out below:

	As at June 30, 2013 RMB'000	As at December 31, 2012 RMB'000
Amounts due to:		
BEIH	1,326,729	1,154,504
Guodian Power	100,517	30,102
Fellow subsidiaries	110,442	154,678
	1,537,688	1,339,284
Represented by:		
Trade payables aged within one year by invoice date	111,808	92,957
Consideration payable for acquisition of Sichuan Dachuan and Sichuan Zhongneng	919,929	919,929
Non-trade payables*	505,951	326,398
	1,537,688	1,339,284

* The balances were interest-free, unsecured and repayable on demand.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (d) During the six months ended June 30, 2013, the Group entered into the following significant transactions with its related parties:

Continuing transactions:

- (i) Management services from related parties

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
Jing Xi	1,013	380
BIEE	20,962	5,050

- (ii) Equipment maintenance services from related parties

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
Jingfeng Thermal	1,124	2,631
BIEE	3,291	-

- (iii) Conference services from related parties

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
Jingneng Logistic	1,374	861
Sky-Line	129	-



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) (Continued)

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

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
Jingfeng Thermal	4,020	4,479

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

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
BEIH Finance	2,101	-

(vi) Property management fee charged by a related party

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
Jingneng Logistic	572	3,078

(vii) Heat energy sold to a connected person

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
BDHG	233,351	169,292

The amount of the revenue to this connected person excludes the value added tax based on the 13% rate.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

26. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) (Continued)

(viii) Purchase from related parties

Name of related party	Six months ended June 30,	
	2013 RMB'000	2012 RMB'000 (Restated)
BIEE	6,535	340

(e) During the six months ended June 30, 2013, interest income from loans to associates of the Group amounted to approximately RMB5,205,000 (for the six months ended June 30, 2012: approximately RMB4,605,000).

(f) Details of the guarantees provided to related parties are set out in Note 25.

27. SEGMENT INFORMATION

The Group manages its businesses by divisions. 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: constructs, manages and operates hydropower plants, and generates electric power for sale to external customers.
- Others: business activities other than “Wind power”, “Gas-fired power and heat energy generation” and “hydropower”.



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

27. SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities

An analysis of the Group's reportable segment revenue, results, assets and liabilities for the six months ended June 30, 2013, by operating segment is as follows:

	Wind power RMB'000	Gas-fired power and heat energy generation RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the six months ended June 30, 2013 (Unaudited)					
Revenue from external customers					
Sales of electricity	859,756	1,630,830	133,163	30,635	2,654,384
Sales of heat energy	–	277,516	–	93	277,609
Others	–	–	–	6,017	6,017
Reportable segment revenue/ consolidated revenue	859,756	1,908,346	133,163	36,745	2,938,010
Reportable segment profit (Note(i))	506,863	383,035	63,725	(21,473)	932,150
Reportable segment assets	13,891,406	9,332,000	2,905,781	9,766,435	35,895,622
Reportable segment liabilities	10,083,018	6,136,037	1,812,325	10,209,476	28,240,856
Additional segment information:					
Depreciation	215,637	169,610	32,813	8,825	426,885
Amortization	77,333	34	1	13,460	90,828
Finance costs (Note(ii))	297,593	81,482	14,418	11,693	405,186
Other income	43,897	229,222	4,753	–	277,872
Including:					
– Government grant related to clean energy production	14,607	214,074	–	–	228,681
– Income from Certified Emission Reductions and Voluntary Emission Reductions	17,527	14,169	–	–	31,696
– Others	11,763	979	4,753	–	17,495
Expenditures for reportable segment non-current assets	157,485	994,219	124,956	151,841	1,428,501



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

27. SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

An analysis of the Group's reportable segment revenue, results, assets and liabilities for the six months ended June 30, 2012, by operating segment is as follows:

	Wind power RMB'000	Gas-fired power and heat energy generation RMB'000	Hydropower RMB'000	Others RMB'000	Total RMB'000
For the six months ended June 30, 2012 (Restated, Unaudited)					
Revenue from external customers					
Sales of electricity	604,727	982,304	111,376	6,912	1,705,319
Sales of heat energy	–	213,171	–	677	213,848
Others	–	–	–	8,713	8,713
Reportable segment revenue/ consolidated revenue	604,727	1,195,475	111,376	16,302	1,927,880
Reportable segment profit (Note(i))	289,732	374,120	62,093	(15,236)	710,709
Reportable segment assets	13,398,344	6,750,905	2,738,855	4,877,509	27,765,613
Reportable segment liabilities	10,052,672	4,458,579	1,437,459	2,419,347	18,368,057
Additional segment information:					
Depreciation	173,303	131,714	18,867	4,735	328,619
Amortization	97,467	26	214	5,813	103,520
Finance costs (Note(ii))	236,747	63,405	7,695	39,225	347,072
Other income	25,593	279,978	1,050	2,698	309,319
Including:					
– Government grant related to clean energy production	15,083	200,035	–	–	215,118
– Income from Certified Emission Reductions and Voluntary Emission Reductions	3,816	79,158	–	–	82,974
– Others	6,694	785	1,050	2,698	11,227
Expenditures for reportable segment non-current assets	353,727	1,052,700	217,985	25,024	1,649,436



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

27. SEGMENT INFORMATION (Continued)

(a) Segment revenue, results, assets and liabilities (Continued)

Notes:

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

(b) Reconciliations of segment results, assets and liabilities to the consolidated financial statements

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Results		
Reportable segment profit	932,150	710,709
Unallocated		
Dividend income from available-for-sale financial assets, gains from equity transfer and others	–	101,117
Gain or loss on capital contribution made by minority shareholders of associates	87,747	–
Profit from operations	1,019,897	811,826
Interest income	15,156	14,875
Finance costs	(405,186)	(347,072)
Share of results of associates	144,377	106,166
Share of results of jointly controlled entities	24	130
Consolidated profit before taxation	774,268	585,925



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

27. SEGMENT INFORMATION (Continued)

(b) Reconciliations of segment results, assets and liabilities to the consolidated financial statements (Continued)

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Assets		
Reportable segment assets	35,895,622	27,765,613
Inter-segment elimination	(7,238,138)	(1,887,696)
Unallocated assets:		
– Investments in associates	1,687,343	1,373,915
– Loans to associates*	149,440	158,117
– Investments in jointly controlled entities	80,414	80,351
– Deferred tax assets	102,556	70,084
– Available-for-sale financial assets	98,028	134,090
Different presentation on:		
– Value-added tax recoverable (Note (i))	853,759	813,620
Consolidated total assets	31,629,024	28,508,094

* All the relevant interest income is allocated to segments but these balance sheet items are not allocated to segments, which resulted in the mismatch between the presentation of the segment results and segment assets.

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Liabilities		
Reportable segment liabilities	28,240,856	18,368,057
Inter-segment elimination	(7,238,138)	(1,887,696)
Unallocated liabilities:		
– Income tax payable	38,971	13,291
– Deferred tax liabilities	27,487	26,356
Different presentation on:		
– Value-added tax recoverable (Note (i))	853,759	813,620
Consolidated total liabilities	21,922,935	17,333,628

Note:

(i) Value-added tax recoverable was net off with value-added tax payables under segment information, but reclassified and presented as assets in the statement of financial position.

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



NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED JUNE 30, 2013 (UNAUDITED)

27. SEGMENT INFORMATION (Continued)

(c) Geographical information

All of the Group's revenue and non-current assets (excluding deferred tax assets) are located in the PRC, therefore no geographic segment information was presented. The basis for revenue allocation 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) Information of major customers

Revenue from the PRC government controlled power grid companies for the six months ended June 30, 2013 amounted to RMB2,654,384,000 (six months ended June 30, 2012: RMB1,705,319,000). Sales of electricity to the major customers for the six months ended June 30, 2013 by segment were as follows:

	For the six months ended June 30 (Unaudited)	
	2013 RMB'000	2012 RMB'000 (Restated)
Wind Power	859,756	604,727
Gas-fired Power and Heat Energy Generation	1,630,830	982,304
Hydropower	133,163	111,376
Others	30,635	6,912
Total	2,654,384	1,705,319

28. EVENTS AFTER THE REPORTING PERIOD

Save as disclosed, there has been no events to cause material impact on the Group from June 30, 2013 to the date of this report that need to be disclosed.

29. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board on August 27, 2013.

