



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

2014
INTERIM REPORT



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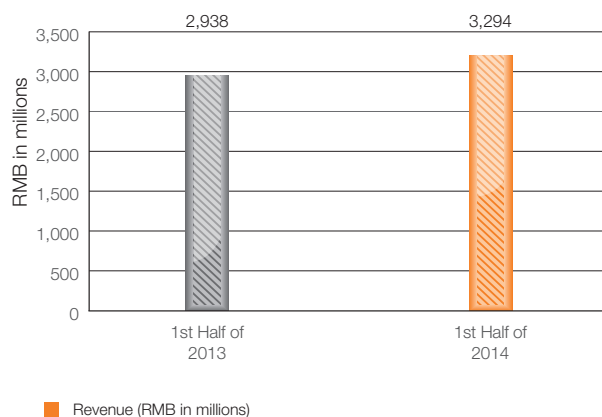
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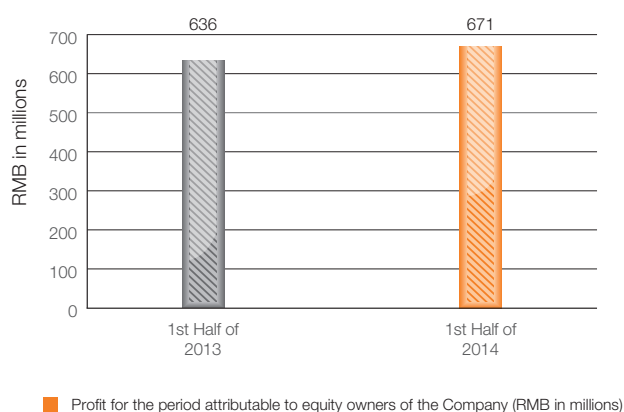
FINANCIAL HIGHLIGHTS

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

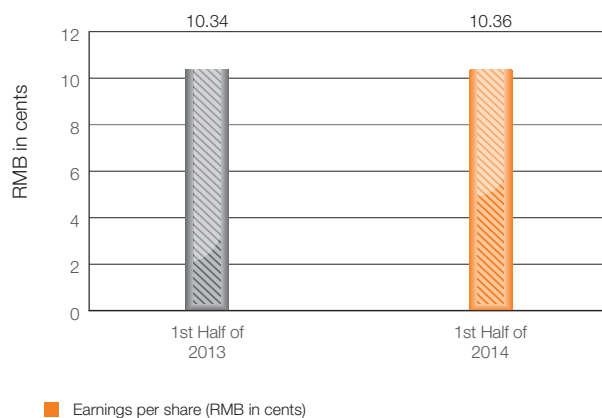
REVENUE



PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY



EARNINGS PER SHARE



FINANCIAL HIGHLIGHTS

	For the six months ended June 30	
	2014	2013
	RMB'000	RMB'000
Revenue	3,293,500	2,938,010
Profit before taxation	848,772	774,268
Income tax	(129,703)	(89,467)
Profit and total comprehensive income for the period	719,069	684,801
Profit and total comprehensive income for the period attributable to:		
Shareholders/equity owner of the Company	670,776	635,834
Non-controlling interests	48,293	48,967
Basic and diluted earnings per share (RMB cents)	10.36	10.34

	As at	As at
	June 30, 2014	December 31, 2013
	RMB'000	RMB'000
Total non-current assets	32,859,974	32,090,764
Total current assets	6,181,089	6,402,388
Total assets	39,041,063	38,493,152
Total current liabilities	9,685,228	10,645,896
Total non-current liabilities	18,028,233	16,883,098
Total liabilities	27,713,461	27,528,994
Net assets	11,327,602	10,964,158
Total equity attributable to the shareholders of the Company	11,066,683	10,677,085
Non-controlling interests	260,919	287,073
Total equity	11,327,602	10,964,158

CORPORATE PROFILE

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. LI Fuqiang

Ms. LAU Miu Man

Mr. WEI Yuan

STRATEGY COMMITTEE

Mr. LU Haijun (*Chairman*)

Mr. GUO Mingxing

Mr. XU Jingfu

Mr. LIU Guochen

Mr. CHEN Ruijin

REMUNERATION AND NOMINATION COMMITTEE

Mr. LIU Chaoan (*Chairman*)

Mr. GUO Mingxing

Mr. LI Fuqiang

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

Room 118, No.1 Ziguang East Road, Badaling Economic Development Zone, Yanqing County, Beijing, the People's Republic of China (the "PRC")

PRINCIPAL PLACE OF BUSINESS IN PRC

7/8 Floor, No. 6 Xibahe Road, Chaoyang District, Beijing, the PRC

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong

CORPORATE PROFILE

PRINCIPAL BANKERS

Shanghai Pudong Development Bank Co., Ltd.
(Fucheng Branch)
No. 3, Chegongzhuangdajie,
Xicheng District, Beijing,
the PRC

Bank of Communications Co., Ltd. (Fuwai Branch)
Building 1, No. 9, Chegongzhuangdajie,
Xicheng District, Beijing,
the PRC

Agricultural Bank of China Limited (Fengtai Branch)
No. 9, East Avenue Street,
Fengtai District, Beijing,
the PRC

Industrial and Commercial Bank of China Limited
(Taoranting Branch)
No. 55, Taoranting Road,
Xicheng District, Beijing,
the PRC

INTERNATIONAL AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants
35/F, One Pacific Place, 88 Queensway, Hong Kong

DOMESTIC AUDITORS

Ruihua Certified Public Accountants
10F, West Tower, China Overseas Property Plaza,
Yard No.8, Xidianhe Road, Yongdingmen,
Dongcheng District, Beijing, the PRC

HONG KONG LEGAL ADVISORS

Freshfields Bruckhaus Deringer
11/F, Two Exchange Square, Central, Hong Kong

PRC LEGAL ADVISORS

Tian Yuan Law Firm
10/F, CPIC Plaza, 28 Fengsheng Lane, Xicheng District,
Beijing, the PRC

H SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre,
183 Queen's Road East, Wanchai, Hong Kong

STOCK CODE

579

COMPANY'S WEBSITE

www.jncec.com

LISTING PLACE

The Stock Exchange of Hong Kong Limited

MANAGEMENT DISCUSSION AND ANALYSIS

In the first half of 2014, the Chinese economy, in general, was running stably with a steady progress in its restructuring and a sound momentum in its transformation and upgrading. Some profound changes were taking place in economic structure as the economy began to stabilize, as witnessed by the development and growth of new industries, new types of business and new products during the course of diversification.

According to the statistics from the China Electricity Council, there was a balance in power supply and demand on a nationwide basis in the first half of 2014, while society-wide power consumption across the country reached 2,627.6 billion KWH, an increase of 5.3% year-on-year, and power generation by power plants above a designated size across the country reached 2,616.3 billion KWH, an increase of 5.8% year-on-year. As at the end of June, the installed capacity of power plants with a capacity of 6,000 KW and above across the country was 1.25 billion KW, an increase of 9.4% year-on-year, among which, hydropower, 254 million KW; thermal power, 879 million KW; nuclear power, 17.78 million KW; grid-connected wind power, 82.75 million KW; and grid-connected solar power, 18.14 million KW. From January to June, new power generating capacity of nationwide infrastructure reached 36.7 million KW, representing an increase in the increased operating capacity of 4.27 million KW compared with that of the corresponding period last year, among which, hydropower, 13.01 million KW; nuclear power, 3.29 million KW; and wind power, 4.43 million KW, representing an increase in the increased operating capacity of 4.12 million KW, 1.09 million KW and 0.33 million KW respectively compared with those of the corresponding period last year; thermal power, 15.03 million KW; and solar energy, 0.94 million KW, representing a decrease in the increased operating capacity of 820,000 KW and 440,000 KW respectively compared with those of the corresponding period last year.

Faced with the complicated economic situations during the Reporting Period, the Group continued to focus on the quality and efficiency of development, strengthened internal management, made full use of its own comparative advantages and earnestly executed the established business policies. Each business segment was growing healthily and orderly, and the Group's profitability, competitiveness and sustainability were rising steadily, enabling the Group to maintain a good momentum of operation and development.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW FOR THE FIRST HALF OF THE YEAR

1. Constant rise in power generation and steadily increasing profitability

In the first half of the year, mixed development trends were presented across our business segments with a generally improving condition. In response to the strengthening of air pollution prevention and control in Beijing, the Group leveraged on its competitive advantage of gas-fired power and heat energy generation business in Beijing, achieving a rapid growth in the power generation in gas-fired power and heat energy generation business through stronger internal management, an adequate production plan, and the full utilization of its capacity. The power generation of gas-fired power and heat energy generation business has enjoyed an increase of 10.68% over the corresponding period of last year. Seizing the opportunity, the Group actively expanded its photovoltaic power generation and achieved a relatively substantial increase in the photovoltaic power generation in the first half of the year, following a rise of installed capacity of the photovoltaic power generation business since 2013. During the Reporting Period, the power generation of the Group was 6,170,456 MWH, with a year-on-year increase of 4.82%. Both income and profit grew steadily, recording revenue of RMB3,293.50 million, with a year-on-year increase of 12.10% as compared with that of 2013, and profit before taxation of RMB848.77 million in the first half of 2014, with a year-on-year increase of 9.62% as compared with that of 2013.

As at 30 June 2014, the aggregate consolidated power generation of the Group was classified by types of power generation as follows:

Types of power generation	The aggregate consolidated power generation for the six months ended 30 June 2014 (MWH)	The aggregate consolidated power generation for the six months ended 30 June 2013 (MWH)	The year-on-year growth of the aggregate consolidated power generation for 2014 (%)
Gas-fired and heat energy generation	3,811,300	3,443,546	10.68
Wind power generation	1,682,433	1,866,226	-9.85
Hydropower generation	490,757	541,819	-9.42
Photovoltaic power generation	185,966	35,233	427.82
Total	6,170,456	5,886,824	4.82

MANAGEMENT DISCUSSION AND ANALYSIS

2. Fully Utilized the policy benefits to push forward the business development

In the second meeting of the 14th National People's Congress of Beijing on 22 January 2014, Regulations regarding the Prevention and Control of Air Pollution in Beijing (北京市大氣污染防治條例) were approved, pursuant to which, since 1 March 2014, the control of total emission of major pollutants and the prevention and control of fixed pollution sources were to be regulated by such regulations. The approval of such regulations represented the establishment of a more specific legal basis regarding the prevention and control of air pollution in Beijing. Moreover, the Beijing Municipal government indicated that an amount of RMB760 billion is to be invested in the control of PM2.5 in the period from 2013 to 2017.

Benefitting from the above preferential policies, as a municipality-owned clean energy enterprise in Beijing, the Group has made huge contribution to the social development, especially the prevention and control of air pollution in Beijing. Meanwhile, the Group greatly improved its core competitiveness by leveraging on the Beijing's efforts in preventing and controlling air pollution. In the first half of 2014, the gas-fired power generation projects of the Group progressed smoothly, and key projects, namely the Northwest Thermal Power Center – Jingxi Project and the Northeast Thermal Power Center – Gaoantun Project, that aimed at facilitating the smooth implementation of air pollution prevention and control plan by the Beijing government, had accelerated their construction in an orderly and effective manner. With an effective infrastructure management, the target of each phase for the construction of the projects was completed for testing, laying a solid foundation for the timely commencement of operation at the end of 2014. Shangzhuang Gas-fired Power Project, a regional energy project, was approved in May 2014 with its construction commenced while Future Hightech City Gas Project, another regional energy project, officially commenced its operations on 3 July after a series of installations and testing. In respect of wind power generation, the construction and equipment installation under Guanting Project Phase III accelerated to meet the target of operation commencement within the year. In respect of photovoltaic power generation, the “Jingneng Badaling Solar Power Pilot Project”, the sole ground solar power project in Beijing, is undergoing full construction with a steady progress in the laying of solar panels. The project is expected to commence operation in 2014.

MANAGEMENT DISCUSSION AND ANALYSIS

In addition to the projects located in Beijing, leveraging on the benefits brought about by the policies, the Group aggressively pushed forward the construction related to photovoltaic power generation. In February 2014, the National Energy Administration of the PRC announced that the additional installed capacity for photovoltaic power generation was to be 14GW in 2014, of which distributed photovoltaic power generation was to account for 8 GW and ground photovoltaic power generation was to account for 6 GW. To facilitate the healthy development of the photovoltaic power generation industry in the PRC, the central government, together with various local governments, has been promulgating supporting policies for photovoltaic power generation. Seizing the opportunity brought about by such policies, the Group selectively pushed forward its production, witnessed by the installed capacity of photovoltaic power generation of 210 MW in the first half of the year, an increase of 160MW or 320% over the corresponding period of last year. Meanwhile, the Group has actively prepared for the projects in Inner Mongolia, Hebei, Heilongjiang, Liaoning, Xinjiang, Ningxia, Gansu, Shanxi, and Hunan, reserving abundant high quality photovoltaic power generation projects.

3. Strong support from policies with upward adjustment of on-grid tariff of gas-fired power generation projects

Supported by strong policies of the National Development and Reform Commission, the gas-fired power generation projects of the Group increased its on-grid tariff with effect from 20 January 2014. The tariff was increased from RMB573/MWH (including value-added tax) to RMB650/MWH, an accumulated increase of RMB77/MWH in on-grid tariff, which safeguarded the Company's continued operating results.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Upheld safety management to ensure effective operations

The four business segments of the Group, namely gas-fired power and heat energy generation, wind power, hydropower and photovoltaic power generation, enabled the Group's projects to spread across regions with rich natural resources in the PRC. In the first half of the year, focusing on the safe production management, the Company refined a series of management rules, further implemented the system of post responsibility, and deepened its benchmarking management by comprehensively expanding the range and scope of benchmarking analysis. By implementing the correction and improvement measures, the Group stepped up its efforts in technical training and production safety training for employee, constantly improving their consciousness in safe production and technical level of production operation. Based on the operation rules of different equipment, the Group enhanced equipment management by inspection, safety examination, and repair and maintenance of equipment. Depending on the solid and refined fundamental management and innovative management approaches, the operating power plants under the Group were safe, efficient, and operating in an orderly manner.

5. Enhanced capital management with effective cost control

In the first half of 2014, facing with an unbalanced capital market in terms of supply and demand and increasing capital requirements for the Company, the Company further strengthened its capital allocation, speeded up the capital turnover and improved the financing efficiency on top of the guaranteed capital for development and construction. Utilizing multiple business models including finance lease, the Group endeavored to control the finance costs in an effective manner.

6. Breakthrough development in overseas business

After more than half a year of hard work, due diligence and a number of business negotiations, on 9 July 2014, the Group entered into an agreement with Goldwind Science & Technology in relation to its first overseas collaboration. Upon completion of the project, the Group will own 75% of the equity interests in the wind power project of Gullen Range. The project is the first overseas project after the implementation of the strategy of "outward expansion", representing the Group's first official step into the foreign energy market.

MANAGEMENT DISCUSSION AND ANALYSIS

II. OPERATING RESULTS AND ANALYSIS

1. Overview

In the first half of 2014, the Company's profitability further improved. Net profit for the period amounted to RMB719.07 million, representing an increase of 5.00% as compared to RMB684.80 million for the corresponding period in 2013. Net profit attributable to the parent company amounted to RMB670.78 million, representing an increase of 5.50% as compared to RMB635.83 million for the corresponding period in 2013.

2. Operating Income

In the first half of 2014, the total revenue of the Company amounted to RMB3,293.50 million, representing an increase of 12.10% as compared to RMB2,938.01 million for the corresponding period in 2013. In the first half of 2014, our adjusted total operating income was RMB3,780.23 million, representing an increase of 19.37% as compared to RMB3,166.69 million for the corresponding period in 2013, due to an increase in sale of power generation resulting from an increase in the installed capacity.

The table below sets forth the revenue by business segments and product types for the six months ended 30 June (unaudited) and the reconciliation of the total revenue from reportable segments and the adjusted revenue for the periods indicated:

	For the six months ended		
	30 June		
	2014	2013	Change
	(RMB	(RMB	Percentage
	ten thousand)	ten thousand)	%
	(Unaudited)	(Unaudited)	
Gas-fired power and heat energy generation segment:			
Sales of electricity	197,555.00	163,083.00	21.14%
Sales of heat energy	26,138.30	27,751.60	-5.81%
Total	223,693.30	190,834.60	17.22%
Wind power segment:			
Sales of electricity	76,941.80	85,975.60	-10.51%
Others	-	-	-
Total	76,941.80	85,975.60	-10.51%
Hydropower segment:			
Sales of electricity	12,572.30	13,316.30	-5.59%
Others	-	-	-
Total	12,572.30	13,316.30	-5.59%

MANAGEMENT DISCUSSION AND ANALYSIS

	For the six months ended		
	30 June		
	2014 (RMB ten thousand) (Unaudited)	2013 (RMB ten thousand) (Unaudited)	Change Percentage %
Other segments:			
Sales of electricity	16,045.30	3,063.50	423.76%
Sales of heat energy	67.30	9.30	623.66%
Others	30.00	601.70	-95.01%
Total	16,142.60	3,674.50	339.31%
Total revenue from reportable segments	329,350.00	293,801.00	12.10%
Add: government grants and subsidies related to clean energy production	48,673.20	22,868.10	112.84%
Adjusted revenue	378,023.20	316,669.10	19.37%

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment increased by 17.22% from RMB1,908.35 million for the first half of 2013 to RMB2,236.93 million for the first half of 2014, due to the increase of on-grid tariff to RMB0.65/KWH effective from 20 January 2014 and the increase in sales volume of electricity in this segment. Revenue from sales of electricity increased by 21.14% from RMB1,630.83 million for the first half of 2013 to RMB1,975.55 million for the first half of 2014, due to the increase in both on-grid tariff and sales volume of electricity in this segment. Revenue from sales of heat energy decreased by 5.81% from RMB277.52 million for the first half of 2013 to RMB261.38 million for the first half of 2014, mainly due to the decreased heat energy generation because of the weather.

Wind Power Segment

The revenue from our wind power segment decreased by 10.51% from RMB859.76 million for the first half of 2013 to RMB769.42 million for the first half of 2014, which was attributable to a decrease in sales volume of electricity as a result of the lower average wind speed.

Hydropower Segment

The revenue from our hydropower segment decreased by 5.59% from RMB133.16 million for the first half of 2013 to RMB125.72 million for the first half of 2014, due to a decrease in sales volume of electricity as a result of the reduced water volume in this segment.

Other Segments

The revenue from other segments increased by 339.31% from RMB36.75 million for the first half of 2013 to RMB161.43 million for the first half of 2014, due to an increase in sales volume of electricity as a result of the inauguration of new installed capacity of our photovoltaic projects.

3. Other Income

Other income increased by 86.90% from RMB277.87 million for the first half of 2013 to RMB519.34 million for the first half of 2014, which was attributable to an increase in government grants and subsidies related to clean energy production due to the increase in gas prices in gas-fired power and heat energy generation segment.

4. Operating Expenses

Operating expenses increased by 21.71% from RMB2,195.99 million for the first half of 2013 to RMB2,672.64 million for the first half of 2014, due to an increase in gas consumption as a result of the rising gas prices as well as an increase in production costs as a result of the inauguration of new projects.

Gas consumption

Gas consumption increased by 26.37% from RMB1,390.89 million for the first half of 2013 to RMB1,757.68 million for the first half of 2014 due to an increase in gas consumption in the gas-fired power and heat energy generation segment as a result of rising gas prices.

Depreciation and amortization

Depreciation and amortization increased by 14.32% from RMB517.71 million for the first half of 2013 to RMB591.87 million for the first half of 2014, due to an increase in depreciation of assets as a result of the increase in installed capacity.

Personnel cost

Personnel cost increased by 2.76% from RMB149.46 million for the first half of 2013 to RMB153.58 million for the first half of 2014, due to the increased number of employees as a result of the business development of the Group as well as the increased staff cost as a result of the inauguration of new projects.

Repairs and maintenance

Repairs and maintenance increased by 21.24% from RMB61.31 million for the first half of 2013 to RMB74.33 million for the first half of 2014, due to an increase in maintenance expenses as a result of the inauguration of new projects in the gas-fired power and heat energy generation segment and the expiry of quality warranties of certain wind power projects.

MANAGEMENT DISCUSSION AND ANALYSIS

Other expenses

Other expenses decreased by 13.54% from RMB162.16 million for the first half of 2013 to RMB140.20 million for the first half of 2014, due to a decrease in the preparation expenses for production amortized on a one-off basis when the new projects in the gas-fired power and heat energy generation segment commenced operation.

Other gains and losses

Other gains decreased by 47.38% from RMB85.55 million for the first half of 2013 to RMB45.02 million for the first half of 2014. Gains in the first half of 2013 mainly resulted from the increase of capital reserve as a result of non-public offering of shares to certain non-controlling shareholders by a subsidiary of an associated company, Beijing Jingneng International Power Co., Ltd.. Gains in the first half of 2014 mainly resulted from continuous receipt of payments from the equity transfer in Inner Mongolia Jingneng Bayin Wind Power Co., Ltd. and written back of provision on transfer payment receivable previously made.

5. Profit from Operations

As a result of the above, our profit from operations increased by 11.80% from RMB1,019.90 million for the first half of 2013 to RMB1,140.21 million for the first half of 2014.

6. Adjusted Segment Operating Profit

Adjusted segment operating profit increased by 25.18% from RMB882.96 million for the first half of 2013 to RMB1,105.30 million for the first half of 2014 due to increased sales of electricity in the gas-fired power and heat energy generation segment and our photovoltaic projects in other segments.

MANAGEMENT DISCUSSION AND ANALYSIS

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 30 June		
	2014 (RMB ten thousand) (Unaudited)	2013 (RMB ten thousand) (Unaudited)	Change Percentage %
Gas-fired power and heat energy generation segment	56,562.10	36,788.70	53.75%
Wind power segment	40,648.30	47,757.30	-14.89%
Hydropower segment	5,926.70	5,897.20	0.50%
Other segments	7,393.30	(2,147.30)	444.31%
Total adjusted segment operating profit	110,530.40	88,295.90	25.18%
Less: Government grants and subsidies related to clean energy production	(48,673.20)	(22,868.10)	112.84%
Add: Other income	51,934.30	27,787.20	86.90%
Add: Unallocated items	229.00	8,774.70	-97.39%
Operating profit	114,020.50	101,989.70	11.80%

Note: Unallocated items include dividend income from available-for-sale financial assets and gains or losses from capital investment made 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 53.75% from RMB367.89 million for the first half of 2013 to RMB565.62 million for the first half of 2014 due to increased sales of electricity in this segment.

Wind Power Segment

Adjusted segment operating profit of our wind power segment decreased by 14.89% from RMB477.57 million for the first half of 2013 to RMB406.48 million for the first half of 2014 due to a decrease in sales of electricity as a result of the lower average wind speed in this segment.

Hydropower Segment

Adjusted segment operating profit of our hydropower segment increased by 0.50% from RMB58.97 million for the first half of 2013 to RMB59.27 million for the first half of 2014 due to a decrease in operation cost of hydropower.

Other Segments

Adjusted segment operating profit of other segments increased from a loss of RMB21.47 million for the first half of 2013 to a profit of RMB73.93 million for the first half of 2014 due to an increase in sales of electricity as a result of inauguration of new photovoltaic projects.

MANAGEMENT DISCUSSION AND ANALYSIS

7. Finance Costs

Our finance costs increased by 19.62% from RMB405.19 million for the first half of 2013 to RMB484.68 million for the first half of 2014 due to interest payments expensed following the commencement of production of new projects.

8. Share of Results of Associates and Joint Ventures

Share of results of associates and joint ventures increased by 24.90% from RMB144.40 million for the first half of 2013 to RMB180.36 million for the first half of 2014 due to an increase in net profit of Beijing Jingneng International Power Co., Ltd., an associate of the Company, as a result of the decline of unit price of standard coal.

9. Profit before Taxation

As a result of the foregoing, our profit before taxation increased by 9.62% from RMB774.27 million for the first half of 2013 to RMB848.77 million for the first half of 2014.

10. Income Tax Expense

Our income tax expense increased by 44.97% from RMB89.47 million for the first half of 2013 to RMB129.70 million for the first half of 2014. Our effective tax rate increased from 11.56% for the first half of 2013 to 15.28% for the first half of 2014 primarily due to an increase in income tax on our newly operated gas-fired power projects.

11. Profit for the Period

As a result of the foregoing, profit for the period increased by 5.00% from RMB684.80 million for the first half of 2013 to RMB719.07 million for the first half of 2014.

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 5.50% from RMB635.83 million for the first half of 2013 to RMB670.78 million for the first half of 2014.

III. FINANCIAL POSITION

1. Overview

As at 30 June 2014, total assets of the Group amounted to RMB39,041.06 million, total liabilities were RMB27,713.46 million and shareholders' equity reached RMB11,327.60 million, among which equity attributable to the equity owners of the company amounted to RMB11,066.68 million.

2. Particulars of Assets and Liabilities

Our total assets increased by 1.42% from RMB38,493.15 million as at 31 December 2013 to RMB39,041.06 million as at 30 June 2014 due to increased investment in project construction. Total liabilities increased by 0.67% from RMB27,528.99 million as at 31 December 2013 to RMB27,713.46 million as at 30 June 2014 due to an increase in bank borrowings. Total shareholders' equity increased by 3.31% from RMB10,964.16 million as at 31 December 2013 to RMB11,327.60 million as at 30 June 2014, and equity attributable to equity owners of the Company increased by 3.65% from RMB10,677.09 million as at 31 December 2013 to RMB11,066.68 million as at 30 June 2014, due to the accretion from business results.

3. Liquidity

As at 30 June 2014, our current assets amounted to RMB6,181.09 million, including cash of RMB2,712.26 million, bills and account receivables of RMB1,833.48 million (mainly comprising receivables from sales of electricity and heat energy), and prepayment and other current assets of RMB1,635.35 million (mainly comprising deductible value added tax and other account receivables). Current liabilities amounted to RMB9,685.23 million, including short-term borrowings of RMB4,146.97 million, short-term debentures of RMB1,800 million and bills and account payables of RMB3,102.13 million (mainly comprising payables for gas and purchase of engineering equipment). Other current liabilities amounted to RMB636.13 million, mainly including income tax payable and amounts due to related parties.

Net current liabilities decreased by 17.42% from RMB4,243.51 million as at 31 December 2013 to RMB3,504.14 million as at 30 June 2014 due to the decrease 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, increased by 0.69% from 64.32% as at 31 December 2013 to 65.01% as at 30 June 2014 due to an increase in bank borrowings.

MANAGEMENT DISCUSSION AND ANALYSIS

The Group's long-term and short-term borrowings increased by 7.60% from RMB22,083.81 million as at 31 December 2013 to RMB23,761.14 million as at 30 June 2014, including short-term borrowings of RMB4,146.97 million, short-term debentures of RMB1,800 million, long-term borrowings of RMB13,222.84 million, medium-term notes of RMB1,000 million and corporate bonds of RMB3,591.33 million.

Bank balances and cash held by the Group increased by 16.93% from RMB2,319.50 million as at 31 December 2013 to RMB2,712.26 million as at 30 June 2014 due to an increase in unused borrowings.

IV. OTHER SIGNIFICANT EVENTS

1. Financing

On 19 March 2014, the Group successfully issued the first tranche short-term debentures of RMB900 million, bearing an interest rate of 5.70%. On 14 May 2014, the Group successfully issued the second tranche short-term debentures of RMB900 million, bearing an interest rate of 5.20%.

2. Capital Expenditure

In the first half of 2014, the Group's capital expenditure amounted to RMB1,257.68 million, including RMB761.45 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB137.99 million incurred for construction projects in the wind power segment, RMB116.09 million incurred for construction projects in the hydropower segment, and RMB242.15 million incurred for construction projects in other segments.

3. Material Acquisition and Disposal

In the first half of 2014, the Company had no material acquisitions or disposals.

4. Significant Investment

According to the development plan of the Group, the Company established Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (北京京能清潔能源電力股份(香港)有限公司) as a wholly-owned subsidiary in January 2014 to explore and initiate project construction in overseas markets. In addition, the Company established three wholly-owned subsidiaries, namely Jianhu Jingneng New Energy Co., Ltd. (建湖京能新能源有限公司), Ningxia Helan Jingneng New Energy Co., Ltd. (寧夏賀蘭京能新能源有限公司) and Ningxia Zhongning County Jingneng New Energy Co., Ltd. (寧夏中寧縣京能新能源有限公司) in March 2014 to carry out the construction of photovoltaic power projects.

5. Contingent Liabilities

As of 30 June 2014, the Group had no external guarantees.

MANAGEMENT DISCUSSION AND ANALYSIS

V. RISK FACTORS AND RISK MANAGEMENT

Currently, the operation and development of the Group are not exposed to any material risks, but certain risk factors may exert impacts in the short run:

1. Interest Rate Risk

Uncertainty of interest rate will pose certain impacts on financing cost of the Group. The Group's good credit standing and sufficient credit facility from banks can ensure our safe, stable and smooth funding chains. Also, for the purpose of minimizing financing costs, the Group has obtained a large sum of stable funding at low cost and ensured the funding source of projects by issuing bonds, medium-term notes and short-term debentures and raising other low cost funding.

The Group shall closely monitor the changes in economic environment, predict the movement tendency of bank interest rate and improve the management of liability structure with timely adjustment, so as to minimize interest rate exposure.

2. Exchange Rate Risk

The businesses of the Group are mainly located in mainland China. Most of the Group's income and expenses are denominated in Renminbi. The proceeds raised by the Group are denominated in Hong Kong dollars. Movement in the Renminbi exchange rate may cause exchange loss or gain for the Group's foreign currency denominated business.

The Group actively monitors and studies the changes of exchange rates, so as to respond to changes in the foreign exchange market and improve the management on the exchange rate risk through various management measures.

VI. OUTLOOK FOR THE SECOND HALF OF THE YEAR

In the second half of 2014, the Group will endeavor to accomplish the following tasks for the purpose of achieving the business targets:

1. Pushing forward projects under construction in full swing to ensure the smooth operation of key projects

The Group will uphold the idea of building high quality projects and push forward the construction of various projects in full swing to ensure the timely commencement of operation of the key projects, such as the Northeast Thermal Power Center and the Northwest Thermal Power Center, for further enhancing its leading position of the gas-fired generation business in Beijing, playing an active role model of the wind power generation business and photovoltaic power generation business in Beijing and further strengthening the Group's core competitiveness to lay a good foundation to significantly raise its profitability.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Increasing the utilization of resources to try to generate higher yields

In the second half of 2014, the Group will continue to make overall coordination and planning according to the targets set at the beginning of the year for broadening sources of income and reducing expenditure, strengthening cost control and fully unleashing the potential of each business segment to try to offset the adverse effects due to natural factors. On the one hand, the Group will continue to optimize its production management methods, raise the comprehensive management standards, reduce equipment failure rates and minimize resulting costs. On the other hand, the Group will step up communication and coordination with the relevant government departments and grid companies, and carry out marketing for electricity well to ensure the annual tasks on electricity volume are accomplished.

3. Carrying out development in a scientific and orderly manner, and making planning in a reasonable way

The Group will vigorously promote the application of information technology in its business management and project operation, and strive to raise its operational efficiency, with an aim to attaining modern management standards as early as possible. The Group will strive to build high quality projects, fully respect the objective rules in carrying out new projects, and accomplish project management while proactively promoting the application of new technologies in project construction. The Group will take into full account the direction of the industry's development, seize the main theme which is clean energy and make full use of its advantages to strive to maintain a dominant position in Beijing and to acquire more high-quality resources in other parts of the country.

4. Exploring more channels for financing to reduce financing costs

In order to meet the Group's funding needs due to its ongoing business expansion, and to minimize corporate financial risks and financing costs, the Group will proactively explore new financing methods, in addition to financing methods such as bank loans, issuance of corporate bonds, medium-term notes and short-term financing bills.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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 contained in Appendix 14 to the Listing Rules for the six months ended 30 June 2014.

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 of 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 during 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 the 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 2014 interim results announcement, interim report and the unaudited financial statements for the six months ended 30 June 2014 prepared in accordance with the IFRSs.

SHARE CAPITAL

As of 30 June 2014, the total share capital of the Company was RMB6,477,413,454, divided into 6,477,413,454 shares of RMB1.00 each. Details of movements in the share capital of the Company during the six months ended 30 June 2014 are set out in note 21 to the Financial Statements.

Reference is made to the announcements of the Company dated October 16, 2013 and October 23, 2013. In order to raise capital and broaden shareholder base, on October 23, 2013, the Company completed the placing of 327,508,000 new H Shares at the price of HK\$2.82 per H Share, representing a discount of approximately 6.9% to the closing price of HK\$3.03 per H Share as quoted on the Stock Exchange on 15 October 2013, being the last trading day prior to the publication of the announcement dated October 16, 2013 as well as the date on which the terms of the Placing were fixed. The aggregate nominal value of the Placing Shares under the Placing was RMB327,508,000. The net price (after deducting all applicable costs and expenses, including commission and legal fees) raised per H Share upon completion of the Placing was approximately HK\$2.76. The Placing Shares were placed to professional, institutional or other investors, whose ultimate beneficiary owner is independent and not a connected person of the Company. As of 31 December 2013, all proceeds have been applied to repay loans, which were drawn to fund the business development of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

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

As at 30 June 2014, no director, supervisor 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 and 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 30 June 2014, 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:

* Notes: (L) – Long position, (S) – Short position, (P) – Lending pool

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 (%)
BEIH	Domestic share	Beneficial interest and interest of a controlled corporation	4,217,360,071(L)	93.46	65.11
BSAMAC	Domestic share	Beneficial interest and interest of a controlled corporation	4,442,302,231(L)	98.45	68.58
SAIF IV GP Capital Ltd.	H share	Interest of a controlled corporation	173,532,000(L)	8.83	2.68
SAIF IV GP LP	H share	Interest of a controlled corporation	173,532,000(L)	8.83	2.68
SAIF Partners IV L.P.	H share	Beneficial Interest	173,532,000(L)	8.83	2.68
Yan Andrew Y.	H share	Interest of a controlled corporation	173,532,000(L)	8.83	2.68
Beijing Enterprises Holdings Limited	H share	Interest of a controlled corporation	207,206,000(L)	10.54	3.20
Beijing Enterprises Energy Technology Investment Co. Limited	H share	Beneficial interest	207,206,000(L)	10.54	3.20
Beijing Enterprises Energy Technology (Hong Kong) Co. Ltd.	H share	Interest of a controlled corporation	207,206,000(L)	10.54	3.20
Gold Wind New Energy (HK) Investment Ltd.	H share	Beneficial interest	140,118,000(L)	7.13	2.16

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 (%)
Xinjiang Goldwind Science & Technology Co. Ltd.	H share	Interest of a controlled corporation	140,118,000(L)	7.13	2.16
New Wealth Investment Holdings Limited	H share	Beneficial interest	137,008,928(L)	6.97	2.12
Chen Li	H share	Interest of a controlled corporation	137,008,928(L)	6.97	2.12
Keywise Capital Management (HK) Limited	H share	Investment manager	163,290,000 (L)	8.31	2.52
JP Morgan Chase & Co	H share	Beneficial interest, Investment manager and Custodian corporation/ approved lending agent	140,201,000 (L) 135,068,000 (P)	7.13 6.87	2.16 2.09
JP Morgan Chase Bank, N.A.	H share	Beneficial interest and Custodian corporation/ approved lending agent	2,802,000 (L) 135,068,000 (P)	0.14 6.87	0.04 2.09
Norges Bank	H share	Beneficial interest	124,826,000 (L)	6.35	1.93
Allianz SE	H share	Interest of a controlled corporation	117,762,000 (L)	5.99	1.82
Allianz Asset Management AG	H share	Interest of a controlled corporation	117,762,000 (L)	5.99	1.82
Allianz Global Investors GmbH	H share	Interest of a controlled corporation	117,622,000 (L)	5.99	1.82
RCM Asia Pacific Ltd.	H share	Beneficial interest	115,954,000 (L)	5.90	1.79

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 30 June 2014.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2014.

CHANGE IN DIRECTORS' INFORMATION

On 20 March 2014, Mr. Shi Xiaomin resigned as an Independent Non-executive Director of the Company.

On 10 June 2014, Mr. Li Fuqiang was elected as an Independent Non-executive Director at the 2013 annual general meeting of the Company.

Save as disclosed above, as of 30 June 2014, there has been no change in the director's information of the Company.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2014

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June	
		2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Revenue	3	3,293,500	2,938,010
Other income	4	519,343	277,872
Gas consumption		(1,757,677)	(1,390,889)
Depreciation and amortization	8	(591,871)	(517,713)
Personnel costs		(153,580)	(149,462)
Repairs and maintenance		(74,327)	(61,305)
Other expenses		(140,199)	(162,164)
Other gains and losses	5	45,016	85,548
Profit from operations		1,140,205	1,019,897
Interest income	6	12,891	15,156
Finance costs	6	(484,683)	(405,186)
Share of results of associates		180,452	144,377
Share of results of jointly controlled entities		(93)	24
Profit before taxation		848,772	774,268
Income tax expense	7	(129,703)	(89,467)
Profit and total comprehensive income for the period	8	719,069	684,801
Profit and total comprehensive income for the period attributable to:			
– Equity owners of the Company		670,776	635,834
– Non-controlling interests		48,293	48,967
		719,069	684,801
		For the six months ended 30 June	
		2014	2013
		RMB (cents)	RMB (cents)
		(Unaudited)	(Unaudited)
Earnings per share (Basic)	10	10.36	10.34

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2014

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	11	24,430,023	23,935,069
Intangible assets	12	4,399,946	4,494,646
Goodwill		124,194	124,194
Prepaid lease payments		131,032	131,905
Investments in associates		1,831,356	1,650,903
Loans to associates		161,368	149,440
Investments in joint ventures		80,370	80,463
Deferred tax assets	13	98,532	100,140
Available-for-sale financial assets		98,528	98,528
Value-added tax recoverable		801,257	561,830
Deposit paid for acquisition of property, plant and equipment		703,368	763,646
		32,859,974	32,090,764
Current assets			
Inventories		92,731	84,613
Trade and bill receivables	14	1,833,475	1,858,614
Other receivables, deposits and prepayments		1,028,819	1,040,249
Current tax assets		9,225	9,125
Amounts due from related parties	24(b)	11,443	117,696
Prepaid lease payments		2,261	2,269
Value-added tax recoverable		417,827	548,531
Restricted bank deposits		73,046	421,787
Cash and cash equivalents	15	2,712,262	2,319,504
		6,181,089	6,402,388
Current liabilities			
Trade and other payables	16	3,102,129	4,797,551
Amounts due to related parties	24(c)	534,505	304,700
Bank and other borrowings – due within one year	17	4,146,973	3,617,543
Short-term debentures	18	1,800,000	1,800,000
Income tax payable		101,621	126,102
		9,685,228	10,645,896
Net current liabilities		(3,504,139)	(4,243,508)
Total assets less current liabilities		29,355,835	27,847,256

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2014

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Non-current liabilities			
Bank and other borrowings – due after one year	17	13,222,844	12,077,830
Medium-term notes	19	1,000,000	1,000,000
Corporate bonds	20	3,591,326	3,588,434
Deferred tax liabilities	13	24,637	26,092
Deferred income		189,426	190,742
		18,028,233	16,883,098
Net assets			
		11,327,602	10,964,158
Capital and reserves			
Share capital		6,477,413	6,477,413
Reserves	21	4,589,270	4,199,672
Equity attributable to equity owners of the Company		11,066,683	10,677,085
Non-controlling interests		260,919	287,073
Total equity			
		11,327,602	10,964,158

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2014
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

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

	Attributable to equity owners of the Company					Total RMB'000	Attributable to non- controlling interests RMB'000	Total equity RMB'000	
	Share capital RMB'000 (Note 21)	Capital reserve RMB'000	Statutory surplus reserve RMB'000 (Note a)	Other reserves RMB'000	Currency translation differences RMB'000				Accumulated profits RMB'000
As at 1 January 2014	6,477,413	1,724,931	559,061	3,914	-	1,911,766	10,677,085	287,073	10,964,158
Appropriation to surplus reserve	-	-	27,356	-	-	(27,356)	-	-	-
Currency translation differences	-	-	-	-	(58)	-	(58)	-	(58)
Dividend declared (Note 9)	-	-	-	-	-	(281,120)	(281,120)	(74,447)	(355,567)
Profit/total comprehensive income for the period	6,477,413	1,724,931	586,417	3,914	(58)	1,603,290	10,395,907	212,626	10,608,533
	-	-	-	-	-	670,776	670,776	48,293	719,069
As at 30 June 2014	6,477,413	1,724,931	586,417	3,914	(58)	2,274,066	11,066,683	260,919	11,327,602

Notes:

- (a) According to the relevant requirements 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 losses in the previous years, 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 30 JUNE 2014

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	Six months ended 30 June	
		2014 RMB'000	2013 RMB'000
Operating activities			
Profit before taxation		848,772	774,268
Adjustments for:			
Depreciation and amortization	8	591,871	517,713
Impairment losses on doubtful debt receivables	5	946	28
Dividend from available-for-sale financial assets		(2,290)	–
(Gain) loss on disposal of property, plant and equipment	5	(34)	359
Gain or loss on capital contribution made by minority shareholders of associates	5	–	(87,747)
Share of results of associates		(180,452)	(144,377)
Share of results of joint ventures		93	(24)
Interest income	6	(12,891)	(15,156)
Finance costs	6	484,683	405,186
Prepaid lease payments released to profit or loss		2,081	1,455
Deferred income released to profit or loss		(1,316)	(1,316)
Operating cash flows before movements in working capital		1,731,463	1,450,389
Movements in working capital			
(Increase) decrease in inventories		(8,118)	182
Decrease in trade and bill receivables		24,192	195,432
Decrease in amounts due from related parties		112,740	131,484
Decrease (increase) in other receivables, deposits and prepayments		72,879	(11,358)
(Decrease) increase in trade and other payables		(912,263)	488,642
Decrease in amounts due to related parties		(375)	–
Increase in deferred income		–	133,902
Cash generated from operations		1,020,518	2,388,673
Income tax paid		(154,130)	(137,661)
Net cash generated from operating activities		866,388	2,251,012

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2014
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	Six months ended 30 June	
		2014 RMB'000	2013 RMB'000
Investing activities			
Interest received		8,694	6,276
Repayment of loans by associates		138,072	–
Cash advanced to associates		(150,000)	–
Cash inflow on disposal of subsidiaries		20,160	–
Recovery of loans to subsidiaries disposed of		–	85,000
Payment to acquisition of:			
– Property, plant and equipment		(2,030,287)	(1,465,174)
– Intangible assets		(1,591)	(7,922)
Prepaid lease payments on land use rights		(1,201)	–
Proceeds on disposals of:			
– Property, plant and equipment		38	180
Deposit of restricted bank deposits		348,741	68,858
Cash received from government grants		–	–
Net cash used in investing activities		(1,667,374)	(1,312,782)
Financing activities			
Interest paid		(476,939)	(327,602)
New bank and other loans raised		6,621,515	4,379,809
Repayments to bank and other loans		(4,945,833)	(5,349,991)
Net cash generated from financing activities		1,198,743	(1,297,784)
Net increase (decrease) in cash and cash equivalents		397,757	(359,554)
Cash and cash equivalents at the beginning of the period		2,319,504	2,178,030
Effect of foreign exchange rate changes		(4,999)	(4,004)
Cash and cash equivalents at the end of the period		2,712,262	1,814,472

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

1. GENERAL AND BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors have given careful consideration of the Group's net current liabilities of RMB3,504,139,000 as at 30 June 2014. Taking into consideration of the unutilized banking facilities available to the 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 in 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (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. PRINCIPAL ACCOUNTING POLICIES

Amendments to IFRS 10, IFRS 12 and IAS 27	Investment Entities
Amendments to IAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to IAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to IAS 39	Novation of Derivatives and Continuation of Hedge Accounting
IFRIC 21	Levies

The application of the above new and revised IFRSs in the current interim period has had no material effect on the amounts reported in these condensed consolidated financial statements and on disclosures set out in these condensed consolidated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

3. REVENUE

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

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Sales of goods:		
– Electricity	3,031,144	2,654,384
– Heat energy	262,056	277,609
Service income (Note)	300	6,017
	3,293,500	2,938,010

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

4. OTHER INCOME

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Government grants and subsidies related to:		
– Clean energy production (Note (a))	486,732	228,681
– Construction of assets (Note (b))	1,316	1,316
Dividend from available-for-sale financial assets, unlisted	2,290	–
Income from CERs and VERs (Note (c))	–	31,696
Value-added tax refunds (Note (d))	23,210	10,137
Others	5,795	6,042
	519,343	277,872

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

4. OTHER INCOME (Continued)

Notes: (Continued)

- (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 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.

5. OTHER GAINS AND LOSSES

	For the six months ended	
	30 June	2013
	2014	2013
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Other gains (losses) comprise:		
Impairment loss on doubtful debt receivables	(946)	(28)
Gain (loss) on disposal of property, plant and equipment	34	(359)
Net exchange loss	(4,941)	(4,567)
Gain or loss on capital contribution made by minority shareholders of associates (Note (a))	–	87,747
Others (Note (b))	50,869	2,755
	45,016	85,548

Notes:

- (a) This item represents the increase in the share of capital reserve of 北京京能國際能源股份有限公司 (Beijing Jingneng International Power Co., Ltd., English name for identification purpose) ("**Jingneng International**") as a result of non-public offering of shares by a subsidiary of Jingneng International to certain non-controlling shareholders.
- (b) The Group entered into a share disposal agreement with a major Chinese power company (the "Buyer") to dispose 90% equity interest in 內蒙古京能巴音風力發電有限公司 (Inner Mongolia Jingneng Bayin Wind Power Co., Ltd., English name for identification purpose) ("Bayin Power"). As of 31 December 2013, the Buyer refused to settle the rest RMB50,400,000 due to an unfixed on-grid tariff in Bayin Power which attributed to certain conflicting policies promulgated by different government administrations. The management of the Company estimated the unsettled consideration may probably be impaired. Accordingly, an allowance of consideration was recognized in full. As of 30 June 2014, after arm's length negotiation between the parties, the Buyer continued to execute the share disposal agreement and the Company had recovered part of unsettled consideration.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

6. INTEREST INCOME/FINANCE COSTS

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Interest income	12,891	15,156
Interest expense	632,766	473,750
Less: Amounts of interest capitalized in property, plant and equipment	(148,083)	(68,564)
Total finance costs	484,683	405,186
Net finance costs	471,792	390,030

7. INCOME TAX EXPENSE

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Current tax:		
PRC enterprise income tax ("EIT")	129,550	81,074
Deferred tax (Note 13):		
Current year	153	8,393
Income tax expense	129,703	89,467

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 30 June 2014.

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 1 January 2008 commencing from the first year when relevant projects generate revenue. The Group's certain subsidiaries and wind farm projects enjoy this tax concession.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

7. INCOME TAX EXPENSE (Continued)

Under the EIT Law, the preferential tax treatment for encouraging enterprises located in western PRC and certain industry-oriented tax incentives remains available up to 31 December 2020 when the original preferential tax period will expire. A PRC enterprise which enjoys this tax treatment is entitled to a preferential tax rate of 15% with a two-year tax exemption and a three-year 50% deduction on the PRC enterprise income tax for taxable income commencing from the first year when relevant projects generate revenue. The Group's certain wind farm projects and hydropower projects are entitled to this tax concession.

8. PROFIT FOR THE PERIOD

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	652	309
Prepaid lease payments released to profit or loss	2,081	1,455
Operating lease payments in respect of land and building	6,064	5,578
Depreciation and amortization:		
Depreciation of property, plant and equipment	495,579	426,885
Amortization of intangible assets	96,292	90,828
Total depreciation and amortization	591,871	517,713

9. DIVIDENDS

- (a) On 9 June 2014, a dividend in the total amount of approximately RMB281,120,000 was declared by the Company.
- (b) The directors do not recommend the payment of any interim dividend for the six months ended 30 June 2014 (six months ended 30 June 2013: nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

10. 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 30 June 2014 of RMB670,776,000 (six months ended 30 June 2013: RMB635,834,000) and the weighted average number of shares in issue during the six months ended 30 June 2014 of 6,477,413,000 (six months ended 30 June 2013: 6,149,905,000).

No diluted earnings per share is presented for the six months ended 30 June 2014 and 2013 since there is no potential ordinary shares in issue during both periods.

11. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2014, the Group acquired items of property, plant and equipment of approximately RMB992,282,000 (six months ended 30 June 2013: approximately RMB1,385,936,000). Items of property, plant and equipment with a net book value of approximately RMB1,749,000 (six months ended 30 June 2013: approximately RMB647,000) were disposed of during the six months ended 30 June 2014, resulting in a gain on disposal of approximately RMB34,000 (six months ended 30 June 2013: loss on disposal of approximately RMB359,000).

12. INTANGIBLE ASSETS

Intangible assets mainly represent concession right of approximately RMB3,083,224,000 (as at 31 December 2013: approximately RMB3,164,036,000), Project operation right of RMB1,248,831,000 (as at 31 December 2013: approximately RMB1,262,445,000), and software and other assets of approximately RMB67,891,000 (as at 31 December 2013: approximately RMB68,165,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

13. DEFERRED TAXATION

The following is the Group's major deferred tax assets (liabilities) recognized and movements thereon during the year ended 31 December 2013 and the six months ended 30 June 2014:

	Tax loss RMB'000	Impairment on doubtful receivables RMB'000	Temporary differences on fair value adjustments in acquisition of subsidiaries RMB'000	Trial run profit RMB'000 (Note (a))	Deferred income related to clean energy production RMB'000 (Note (b))	Unpaid employee payroll RMB'000	Trial run loss RMB'000 (Note (a))	Others RMB'000	Total RMB'000
As at 1 January 2014	11,228	2,703	(21,238)	51,522	29,249	2,428	(7,971)	6,127	74,048
(Charge) credit to profit or loss (Note 7)	-	-	771	762	-	(2,428)	742	-	(153)
As at 30 June 2014	11,228	2,703	(20,467)	52,284	29,249	-	(7,229)	6,127	73,895

Notes:

- (a) 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 trial run profit is subject to PRC enterprise income tax and resulted 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).
- (b) 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.

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 preparing financial reporting purpose:

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Deferred tax assets	98,532	100,140
Deferred tax liabilities	(24,637)	(26,092)
	73,895	74,048

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

14. TRADE AND BILL RECEIVABLES

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Trade receivables	1,778,351	1,815,299
Bill receivables	57,650	44,895
	1,836,001	1,860,194
Less: allowance for doubtful receivables	2,526	1,580
	1,833,475	1,858,614
Trade and bill receivables, classified as:		
– Current	1,833,475	1,858,614
– Non-current	–	–
	1,833,475	1,858,614

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 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Within 60 days	621,764	1,051,620
61 to 365 days	608,352	402,133
1 to 2 years	228,295	66,914
2 to 3 years	286,564	329,766
Over 3 years	88,500	8,181
	1,833,475	1,858,614

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

14. TRADE AND BILL RECEIVABLES (Continued)

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

	For the six months ended 30 June 2014 RMB'000 (Unaudited)	For the year ended 31 December 2013 RMB'000 (Audited)
At the beginning of the year/period	1,580	875
Provision during the year/period	946	705
At the end of the year/period	2,526	1,580

15. 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 deposits of approximately RMB213,000,000 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 30 June 2014 (as at 31 December 2013: approximately RMB50,769,000). 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 30 June 2014 have been regarded as cash and cash equivalents.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

16. TRADE AND OTHER PAYABLES

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Trade payables	2,238,731	3,192,253
Bills payable	400,220	1,201,155
Advance received from customers	32,155	17,004
Salary and staff welfares	43,899	53,697
Non-income tax related tax payables	19,842	72,827
Accrued interests payable	219,118	213,029
Dividends payables	95,089	–
Other payables	53,075	47,586
	3,102,129	4,797,551

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

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Within 30 days	605,194	1,414,727
31 to 365 days	1,241,345	1,393,880
1 to 2 years	156,110	235,503
2 to 3 years	121,143	37,070
Over 3 years	114,939	111,073
	2,238,731	3,192,253

Trade payables over one year are mainly retention payables.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

17. BANK AND OTHER BORROWINGS

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Bank loans	11,722,817	10,855,373
Other borrowings from		
– a related non-bank financial institution (Note (a))	1,590,000	1,130,000
– a jointly controlled entity (Note (b))	–	80,000
– a fellow subsidiary (Note (c))	120,000	120,000
– other non-related entities (Note (d))	3,665,000	3,300,000
– BEIH (Note (e))	272,000	210,000
	17,369,817	15,695,373
Represented by:		
– Unsecured borrowings (Note (f))	16,881,067	15,157,873
– Secured borrowings (Note (g))	488,750	537,500
	17,369,817	15,695,373
Bank and other borrowings repayable:		
– Within one year	4,146,973	3,617,543
– More than one year but not exceeding two years	1,999,238	1,572,144
– More than two years but not exceeding three years	4,749,559	1,260,443
– More than three years but not exceeding five years	1,941,153	4,498,087
– More than five years	4,532,894	4,747,156
	17,369,817	15,695,373
Less: Amount due within one year shown under current liabilities	4,146,973	3,617,543
Amount due after one year	13,222,844	12,077,830

Notes:

- (a) Other borrowings from a related non-bank financial institution as at 30 June 2014 represented loans from BEIH Finance. The loans were unsecured, carried interest at rates which are no higher than 110% 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 RMB39,830,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: RMB28,924,000).
- (b) As at 31 December 2013, the amount 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 fully repaid. The interest expenses attributed to the above loans from Huayuan Huizhong were RMB980,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: RMB2,135,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

17. BANK AND OTHER BORROWINGS (Continued)

- (c) The amount represented the borrowings from 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**"), and 北京京西發電有限責任公司 (Beijing Jingxi Power Generation Co., Ltd., English name for identification purpose) ("**Jingxi Power**"), fellow subsidiaries of the Company. As at 30 June 2014, the borrowing from Jingfeng Thermal was an entrusted loan, carried at fixed interest rate at 6.00% and repayable within one year. As at 30 June 2014, the borrowing from Jingxi Power was an entrusted loan, carried interest at rate which is not lower than 90% of the prevailing interest rates promulgated by PBOC and variable by reference to the interest rates promulgated by PBOC. The interest expenses attributed to above loans were RMB2,094,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: RMB1,586,000).
- (d) As at 30 June 2014, the amount included 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 RMB3,000,000,000 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 loan granted by Beijing Municipal Bureau of Finance for clean development amounting to RMB665,000,000, which was unsecured, carried a fixed interest rate at 5.2275% with RMB300,000,000 repayable in 2016 and RMB365,000,000 repayable in 2017.
- (e) The borrowings were unsecured, carried interest at fixed interest rate at 6.10%, among which RMB210,000,000 repayable in 2018, and RMB62,000,000 repayable in 2019. The interest expenses attributed to the borrowings were RMB7,905,000 for the six months ended 30 June 2014 (six months ended 30 June 2013: Nil).
- (f) The Group's balances of borrowings, unsecured but guaranteed, amounted to RMB2,715,020,000 as at 30 June 2014 (as at 31 December 2013: RMB1,988,696), which were guaranteed by the Company.
- (g) The Group's secured borrowings were pledged by a right to receive the wind power electricity sales consideration in two subsidiaries of the Company, and guaranteed by 北京京能新能源有限公司 (Beijing Jingneng New Energy Co., Ltd., English name for identification purpose) ("**New Energy**") as at 30 June 2014. The relevant account receivable balances were RMB111,078,000 as at 30 June 2014 (as at 31 December 2013: RMB95,390,000).

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

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Variable interest rate	16,084,817	13,119,373
Fixed interest rate	1,285,000	2,576,000
	17,369,817	15,695,373

	As at 30 June 2014 (Unaudited)	As at 31 December 2013 (Audited)
Range of interest rates per annum:		
– Variable-interest borrowings	5.40% to 6.77%	5.40% to 7.04%
– Fixed-interest borrowings	5.23% to 6.00%	5.04% to 6.56%

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

18. SHORT-TERM DEBENTURES

On 19 March 2014, the Company issued one-year unsecured short-term debentures of RMB900 million at par value, bearing an interest rate of 5.70%. On 14 May 2014, the Company issued one-year unsecured short-term debentures of RMB900 million at par value, bearing an interest rate of 5.20%. 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.

19. MEDIUM-TERM NOTES

On 20 April 2012, New Energy issued 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 24 April 2015, and these notes are traded on the National Association of Financial Market Institutional Investors in the PRC.

20. CORPORATE BONDS

On 3 July 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 irrevocable guarantee with joint liability to the bonds. These bonds have been traded on Shanghai Stock Exchange since 20 July 2012.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

20. CORPORATE BONDS (Continued)

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

	As at 30 June 2014
	RMB'000
Nominal value	3,600,000
Issuance cost	(19,800)
Fair value at date of issuance	3,580,200
Effective interest recognized	82,503
Interest payable, included in accrued interest payable	(79,800)
Carrying amount as at 31 December 2012	3,582,903
Effective interest recognized	165,131
Interest payable, included in accrued interest payable	(159,600)
Carrying amount as at 31 December 2013	3,588,434
Effective interest recognized	82,692
Interest payable, included in accrued interest payable	(79,800)
Carrying amount as at 30 June 2014	3,591,326
Fair values of the corporate bonds*	3,566,160

* The fair values of the corporate bonds are determined directly by references to the price quotations published by the Shanghai Stock Exchange on 30 June 2014.

21. SHARE CAPITAL

	As at 30 June 2014	As at 31 December 2013
	RMB'000 (Unaudited)	RMB'000 (Audited)
Issued and fully paid:		
Domestic ordinary shares of RMB1.00 each	4,512,359	4,512,359
H shares of RMB1.00 each	1,965,054	1,965,054
	6,477,413	6,477,413

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

22. LEASE ARRANGEMENTS

The Group as a lessee

As at 30 June 2014, the Group had future minimum lease payments under non-cancelable operating leases in respect of leased properties as follows:

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Within one year	6,446	12,579
In the second to fifth year inclusive	6,989	9,182
Over five years	50,693	27,757
	64,128	49,518

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 and rentals are fixed at the date of signing of lease.

23. CAPITAL COMMITMENTS

The Group had the following capital commitments:

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Contracted but not provided for acquisition or construction of property, plant and equipment	2,488,420	3,174,243

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

24. 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
北京能源投資(集團)有限公司 (Beijing Energy Investment Holding Co., Ltd., English name for identification purpose) ("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
Jingfeng Thermal	Fellow subsidiary
Jingxi Power	Fellow subsidiary
京能電力後勤服務有限公司 (Jing Neng Electricity Logistic Services Co., Ltd., English name for identification purpose) ("Jingneng Logistic")	Fellow subsidiary
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
內蒙古岱海旅遊學校 (Daihai LvYou Vocational Education Co., Ltd., English name for identification purpose) ("Daihai LvYou")	Fellow subsidiary
北京京能源深融資租賃有限公司 (Beijing Jingneng YuanShen Financial Leasing Co., Ltd., English name for identification purpose) ("YuanShen Financial Leasing")	Fellow subsidiary

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(a) (Continued)

Name of related party	Relationship
全州柳鋪水電有限公司(Quanzhou Liupu Hydropower Co., Ltd., English name for identification purpose) ("Quanzhou Liupu")	Associate
北京市天銀地熱開發有限責任公司(Beijing Tian Yin Di Re Development Co., Ltd., English name for identification purpose) ("Tian Yin Di Re")	Associate
Huayuan Huizhong	Joint venture
Jingneng International	Fellow subsidiary and an associate company
北京豪特耐管道設備有限公司 (Beijing HTN Pipeline Equipment Co. Ltd, English name for identification purpose) ("Beijing HTN")	Fellow subsidiary

(b) As at 30 June 2014, other than loans to associates and the deposit in a related non-bank financial institution as set out in Note 15, the Group has amounts receivable from the following related parties and the details are set out below:

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Amounts due from:		
Associates	105	4,819
Fellow subsidiaries	11,338	112,877
	11,443	117,696
Represented by:		
Trade receivables	4,128	112,708
Non-trade receivables*	7,315	4,988
	11,443	117,696

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

- (c) As at 30 June 2014, other than the borrowings from a related non-bank financial institution, fellow subsidiaries, a joint controlled entity and BEIH as set out in Note 17, the Group has amounts payable to the following related parties and the details are set out below:

	As at 30 June 2014 RMB'000 (Unaudited)	As at 31 December 2013 RMB'000 (Audited)
Amounts due to:		
BEIH	396,704	200,822
Guodian Power Associates	74,447	–
Fellow subsidiaries	–	1,108
	63,354	102,770
	534,505	304,700
Represented by:		
Trade payables aged within one year by invoice date	70,422	99,963
Non-trade payables*	464,083	204,737
	534,505	304,700

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

- (d) During the six months ended 30 June 2014, 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 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Jing Xi	419	1,013
BIEE	10,200	20,962

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) (Continued)

(ii) Equipment maintenance services from related parties

Name of related party	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Jingfeng Thermal	214	1,124
BIEE	9,976	3,291

(iii) Conference services from related parties

Name of related party	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Jingneng Logistic	–	1,374
Daihai LvYou	393	–
Sky-Line	51	129

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

Name of related party	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Jingfeng Thermal	4,020	4,020
YuanShen Financial Leasing	114	–

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

Name of related party	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
BEIH Finance	2,022	2,101

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

24. RELATED PARTY BALANCES AND TRANSACTIONS (Continued)

(d) (Continued)

(vi) Property management fee charged by a related party

Name of related party	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Jingneng Logistic	1,493	572

(vii) Heat energy sold to a connected person

Name of related party	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
BDHG	227,471	233,351

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

(viii) Purchase from related parties

Name of related party	Six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
BIEE	49,530	6,535
Beijing HTN	7,224	-

(e) During the six months ended 30 June 2014, interest income from loans to associates of the Group amounted to approximately RMB4,492,000 (for the six months ended 30 June 2013: approximately RMB5,205,000).

(f) During the six months ended 30 June 2014, there was no guarantee provided to related parties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

25. 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 30 JUNE 2014 (UNAUDITED)

25. 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 30 June 2014, 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 30 June 2014 (Unaudited)					
Revenue from external customers					
Sales of electricity	769,418	1,975,550	125,723	160,453	3,031,144
Sales of heat energy	–	261,383	–	673	262,056
Others	–	–	–	300	300
Reportable segment revenue/ consolidated revenue	769,418	2,236,933	125,723	161,426	3,293,500
Reportable segment profit (Note(i))	431,447	569,118	62,627	74,723	1,137,915
Reportable segment assets	14,040,348	14,100,922	4,575,501	11,575,035	44,291,806
Reportable segment liabilities	9,722,042	9,116,986	2,040,419	14,228,653	35,108,100
Additional segment information:					
Depreciation	227,014	203,112	30,058	35,395	495,579
Amortization	81,440	1,090	11,702	2,060	96,292
Finance costs (Note(ii))	271,131	91,167	29,091	93,294	484,683
Other income	36,800	478,393	3,360	790	519,343
Including:					
– Government grant related to clean energy production	11,836	474,896	–	–	486,732
– Others	24,964	3,497	3,360	790	32,611
Expenditures for reportable segment non-current assets	137,989	761,446	116,089	242,151	1,257,675

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

25. 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 30 June 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 30 June 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

(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, but are not considered be included in 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

25. SEGMENT INFORMATION (Continued)

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

	For the six months ended	
	30 June 2014	2013
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Results		
Reportable segment profit	1,137,915	932,150
Unallocated		
Dividend income from available-for-sale financial assets, gains from equity transfer and others	2,290	–
Gain or loss on capital contribution made by minority shareholders of associates	–	87,747
Profit from operations	1,140,205	1,019,897
Interest income	12,891	15,156
Finance costs	(484,683)	(405,186)
Share of results of associates	180,452	144,377
Share of results of joint ventures	(93)	24
Consolidated profit before taxation	848,772	774,268

	For the six months ended	
	30 June 2014	2013
	RMB'000 (Unaudited)	RMB'000 (Unaudited)
Assets		
Reportable segment assets	44,291,806	35,895,622
Inter-segment elimination	(8,739,981)	(7,238,138)
Unallocated assets:		
– Investments in associates	1,831,356	1,687,343
– Loans to associates*	161,368	149,440
– Investments in joint ventures	80,370	80,414
– Deferred tax assets	98,532	102,556
– Available-for-sale financial assets	98,528	98,028
Different presentation on:		
– Value-added tax recoverable (Note (i))	1,219,084	853,759
Consolidated total assets	39,041,063	31,629,024

* 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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

25. SEGMENT INFORMATION (Continued)

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

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Liabilities		
Reportable segment liabilities	35,108,100	28,240,856
Inter-segment elimination	(8,739,981)	(7,238,138)
Unallocated liabilities:		
– Income tax payable	101,621	38,971
– Deferred tax liabilities	24,637	27,487
Different presentation on:		
– Value-added tax recoverable (Note (i))	1,219,084	853,759
Consolidated total liabilities	27,713,461	21,922,935

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 joint ventures, 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 30 JUNE 2014 (UNAUDITED)

25. SEGMENT INFORMATION (Continued)

(c) Geographical information

All of the Group's revenue and non-current assets (excluding deferred tax assets) are located in the People's Republic of China (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 30 June 2014 amounted to RMB3,031,144,000 (six months ended 30 June 2013: RMB2,654,384,000). Sales of electricity to the major customers for the six months ended 30 June 2014 by segment were as follows:

	For the six months ended 30 June	
	2014 RMB'000 (Unaudited)	2013 RMB'000 (Unaudited)
Wind Power	769,418	859,756
Gas-fired Power and Heat Energy Generation	1,975,550	1,630,830
Hydropower	125,723	133,163
Others	160,453	30,635
Total	3,031,144	2,654,384

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2014 (UNAUDITED)

26. EVENTS AFTER THE REPORTING PERIOD

Beijing Jingneng Clean Energy (Hong Kong) Co., Limited (“Jingneng Hong Kong”) entered into the Share Subscription Agreement with Goldwind Capital (Australia) Pty Ltd (“Goldwind Australia”), New Gullen Range Wind Farm (Holding) Pty Ltd (“New GRWF Holdco”) and New Gullen Range Wind Farm Pty Ltd (“New GRWF”), pursuant to which, Jingneng Hong Kong has agreed to subscribe for, and New GRWF Holdco has agreed to issue, shares of New GRWF Holdco, representing 75% of the total issued shares of New GRWF Holdco. Goldwind Australia owns the remaining 25% of the total issued shares of New GRWF Holdco. New GRWF Holdco owns 100% of the issued share capital of New GRWF.

On 9 July 2014, New GRWF entered into the Nomination and Asset Sale Agreement with Gullen Range Wind Farm Pty Ltd (“GRWF”), pursuant to which, New GRWF has agreed to purchase the Target Asset at a total consideration of approximately AUD319,460,000 (equivalent to approximately RMB2,296,917,400) from GRWF.

The Target Asset refers to part of the assets and liabilities of GRWF and mainly includes the Wind Farm Project. GRWF owns and operates the Wind Farm Project in Australia. As at the date of this announcement, the Wind Farm Project is still under construction. The Wind Farm Project will install 17 sets of GW82/1500 wind turbine generators (WTGs) and 56 sets of GW100/2500 WTGs in total. The Wind Farm Project has started construction in August 2012. It is expected that the grid connection will be completed in the second half of 2014.

27. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of the Company on 19 August 2014.