



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

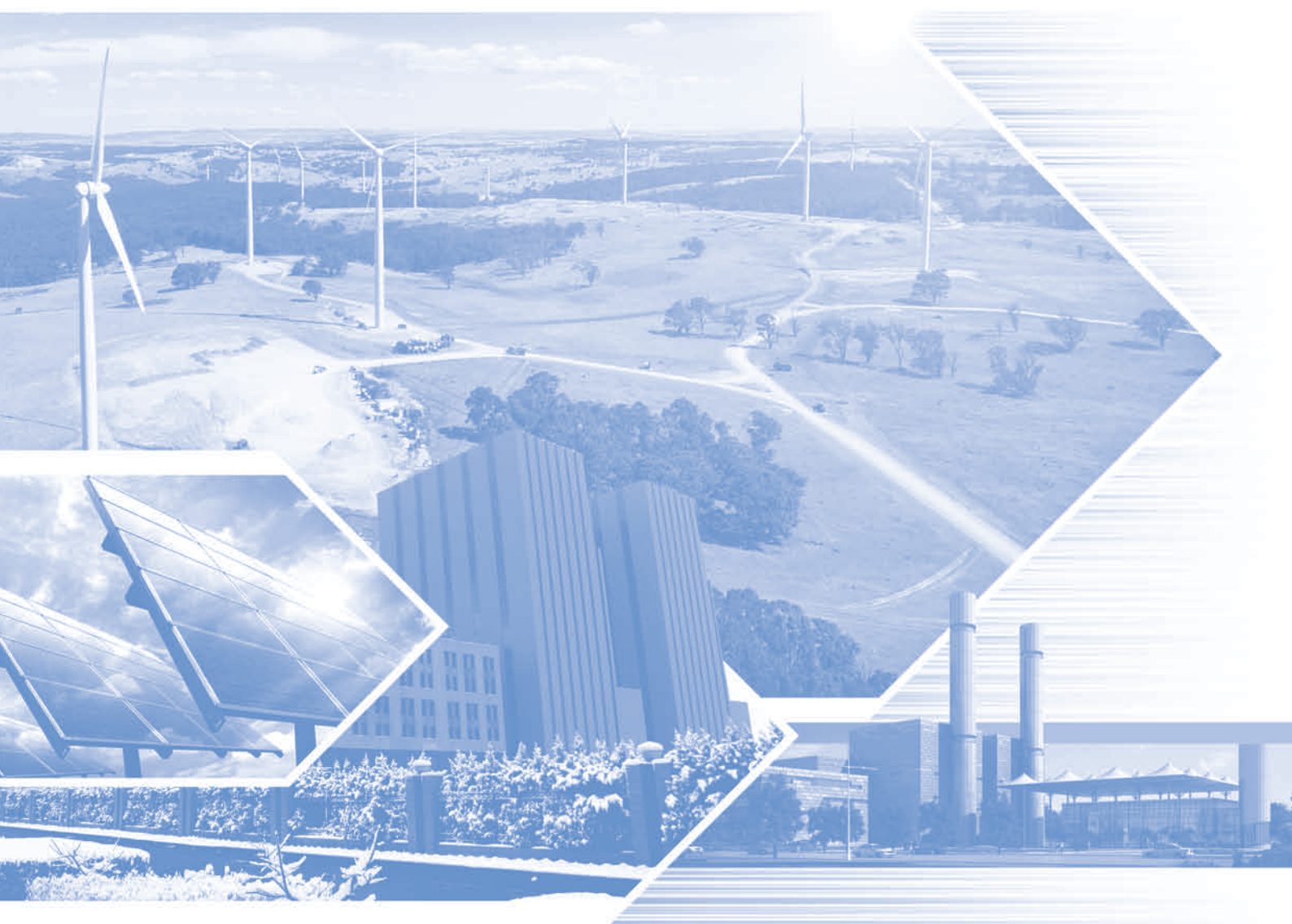
(A joint stock company incorporated in the People's Republic of China with limited liability)
Stock Code : 00579



INTERIM REPORT 2015

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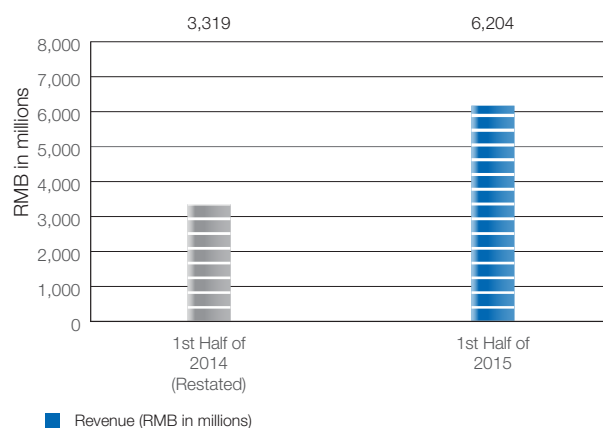
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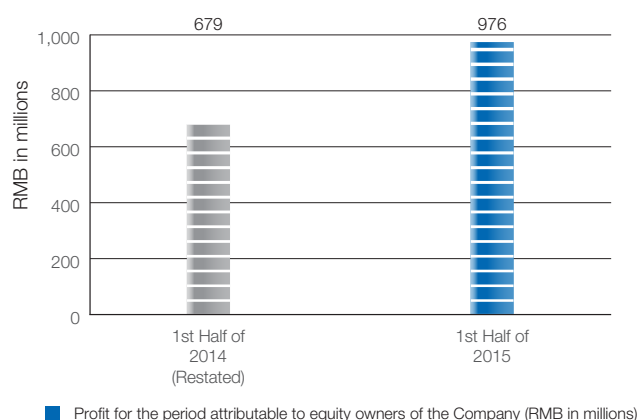
FINANCIAL HIGHLIGHTS

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

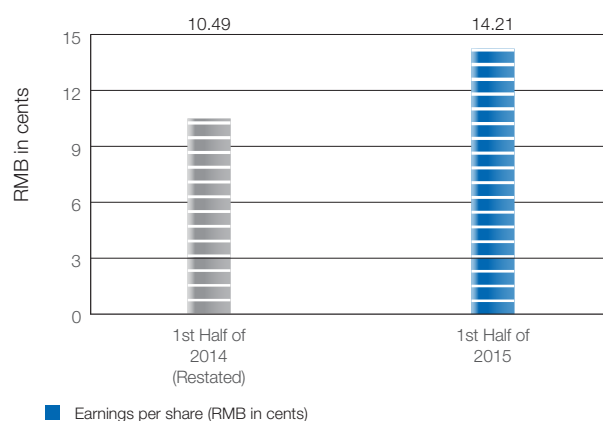
REVENUE



PROFIT FOR THE PERIOD ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY



EARNINGS PER SHARE



FINANCIAL HIGHLIGHTS

	For the six months ended June 30	
	2015 RMB'000	2014 RMB'000
		(Restated)
Revenue	6,204,052	3,319,463
Profit before taxation	1,308,618	857,244
Income tax	(274,549)	(129,703)
Profit for the period	1,034,069	727,541
Profit for the period attributable to:		
Shareholders/equity owner of the Company	976,331	679,248
Non-controlling interests	57,738	48,293
Basic and diluted earnings per share (RMB cents)	14.21	10.49

	As at	As at
	June 30, 2015 RMB'000	December 31, 2014 RMB'000
Total non-current assets	38,050,104	37,640,795
Total current assets	8,429,103	10,441,684
Total assets	46,479,207	48,082,479
Total current liabilities	14,661,886	16,487,571
Total non-current liabilities	16,735,619	18,653,138
Total liabilities	31,397,505	35,140,709
Net assets	15,081,702	12,941,770
Total equity attributable to the shareholders of the Company	13,168,328	12,499,837
Perpetual notes	1,486,500	–
Non-controlling interests	426,874	441,933
Total equity	15,081,702	12,941,770

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. ZHANG Fusheng

Ms. LAU Miu Man

Mr. HAN Xiaoping

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. ZHANG Fusheng

AUDIT COMMITTEE

Ms. LAU Miu Man (*Chairman*)

Mr. LIU Guochen

Mr. LIU Chaoan

SUPERVISORS

Mr. LI Xun

Mr. LIU Jiakai

Ms. HUANG Linwei

COMPANY SECRETARY

Mr. KANG Jian

AUTHORIZED REPRESENTATIVES

Mr. CHEN Ruijin

Mr. KANG Jian

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

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
5-11F, West Tower, China Overseas Property Plaza,
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 2015, China's economy achieved 7% growth despite a complicated domestic and international economic environment and increasing downward pressure, with various indicators gradually picking up and showing the development trend of "slow but stabilizing, steady for the better".

According to the statistics from the China Electricity Council, in the first half of 2015, society-wide power consumption across the country reached 2,662.4 billion KWH, representing an increase of 1.3% year-on-year; and power generation by power plants above designated size across the country reached 2,709.1 billion KWH, representing an increase of 0.6% year-on-year. The total installed capacity of power plants with a capacity of 6,000 KW and above across the country was 1.36 billion KW, representing an increase of 8.7% year-on-year, of which, hydropower was 423.4 billion KWH, representing an increase of 13.3% year-on-year or 3.6% in terms of growth rate; thermal power was 2,087.9 billion KWH, representing a decrease of 3.2% year-on-year or 7.9% in terms of growth rate; nuclear power was 77.2 billion KWH, representing an increase of 34.8% year-on-year; wind power was 99 billion KWH, representing an increase of 26.2% year-on-year or 14.2% in terms of growth rate; and photovoltaic power was 19 billion KWH with an additional installed capacity of 7.73 million KW. In the first half of the year, growth rate of power consumption dropped significantly under the influence of falling industrial consumption, industrial restructuring as well as temperature and precipitation and other factors. However, the monthly growth rate slightly increased consecutively in the second quarter. By the end of June, the installed electricity generation capacity was close to 1.4 billion KW, providing sufficient power supply capacity. Power generation of non-fossil energy increased 16.0% year-on-year while that of thermal power decreased year-on-year for 12 consecutive months and the decline of facilities utilization hours continued to expand year-on-year. Power supply and demand became more relaxed across the country and the operation was safe and stable.

In the first half of the year, the government implemented the "The Belt and Road initiative" development strategy and provided favorable conditions for the "go global" development of the Group as the development of Beijing-Tianjin-Hebei Integration was accelerated and the scope of Beijing-based development became broader. Focusing on raising quality and efficiency, the Group drew its new development plan with a new starting point and adhered to the approach of seeking progress while maintaining stability, optimizing adjustments, improving quality and efficiency and integrating development as it continued to maintain good and steady business development.

MANAGEMENT DISCUSSION AND ANALYSIS

I. BUSINESS REVIEW FOR THE FIRST HALF OF THE YEAR

1. Power generation rose sharply as capacity grew rapidly

As environmental issues increasingly become the focus of public concern, the government is attaching more and more importance to the development of clean energy and introduced various policies including “Ten Measures for Air Pollution Prevention and Control”, “Implementation Rules for the Action Plan of Air Pollution Prevention and Control in Beijing-Tianjin-Hebei and Surrounding Areas”, the RMB5 billion special fund established by the Ministry of Finance for air pollution prevention and control in Beijing-Tianjin-Hebei and surrounding areas, and the “Energy Development Strategic Action Plan (2014-2020)”, all of which had created a favorable environment for the development of the industry. As the acceleration of clean energy development has become a major strategic preference and inevitable trend of China’s energy industry, the Group’s business in the gas-fired heating, wind power, photovoltaic and hydroelectric power sectors will continue to benefit from favorable industry outlook in clean energy development in the country.

As of June 30, the consolidated installed capacity of the Group was 7,174 MW and aggregate consolidated power generation was 10.994 billion KWH, representing an increase of 77.35% when compared to 6.199 billion KWH for the same period of last year.

As at 30 June 2015, the consolidated installed capacity of the Group, classified by types of power generation, was as follows:

Types of power generation	Consolidated installed capacity as at 30 June 2015 (MW)	Percentage
Gas-fired power and heat energy generation	4,436	61.83%
Wind power generation	1,865	26.00%
Hydropower generation	433	6.04%
Photovoltaic power generation	440	6.13%
Total	7,174	100.00%

MANAGEMENT DISCUSSION AND ANALYSIS

For the six months ended 30 June 2015, the aggregate consolidated power generation of the Group, classified by types of power generation, was as follows:

Types of power generation	Aggregate consolidated power generation for the six months ended 30 June 2015 (MWH)	Aggregate consolidated power generation for the six months ended 30 June 2014 (MWH)	Aggregate consolidated power generation increase year-on-year (%)
Gas-fired power and heat energy generation	8,058,935	3,811,300	111.45
Wind power generation	2,029,999	1,682,433	20.66
Hydropower generation	598,851	490,757	22.03
Photovoltaic power generation	306,534	214,891	42.65
Total	10,994,319	6,199,381	77.35

2. Gas-fired power and heat energy projects continued to gain ground while wind power projects demonstrated solid progression

Following the commencement of operation of the Northeast Thermal Power Center and Northwest Thermal Power Center, all of the four thermal power centers commissioned by the Group came into operation successfully and safely. In terms of installed capacity, the Company had secured a market share of about 60% in Beijing's gas-fired power market, accounted for over 70% in central heating, and therefore became the largest gas-fired thermal power supplier in Beijing. For the development of the regional energy network, both of the two regional energy projects approved by the Beijing government were owned by the Group. The Future Hightech City Project in Changping commenced operation on 3 July 2014 as scheduled, becoming the only regional energy project in operation in the city of Beijing, as well as a national level energy demonstration project. With an installed capacity of 240 MW, Shangzhuang Thermal Project was approved in 2014 and has officially commenced construction in 2015. The construction progress of the project was sound and steady, positioning itself to become a state-of-the-art project. The Group closely focused on the development strategy of expanding gas-fired power, reserved gas-fired power projects of which the installed capacity amounted to over 3,000 MW, and continuously enhanced its leading position in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS

According to the “Energy Development Strategic Action Plan (2014-2020)” published by the State Council during the reporting period, the PRC government will exert great efforts to propel the development of wind power. According to the Plan, by 2020 the installed capacity of wind power plants will amount to 200 million KW. During the first half of 2015, the installed capacity of the Group’s operating wind power plants increased from 1,699 MW to 1,865 MW, representing a rise of 166 MW year-on-year. The Group leveraged on its competitive advantage in traditional regions and continued to generate strong momentum from the developing projects in Ningxia and Inner Mongolia, and in May of this year, the Group commenced the construction of Machang Stage II wind power project in ULanhot, Inner Mongolia and Zhongning wind power project in Ningxia, the installed capacity of which amounted to 49.5 MW and 100 MW respectively. Aside from the traditional regional advantages, the Group had closely followed the changes in national policies and ceaselessly refined the layout of our strategic planning. Having commenced the construction of Stage I and Stage II projects in Bei Ta Mountain, Xinjiang, the aggregate installed capacity of which amounted to 99 MW, we safeguarded the Group’s sustainable development with new opportunities. In the meanwhile, the Group actively proceeded with the work in preliminary project stage in regions such as Gansu and Shaanxi, reserving a large number of high-quality wind power projects of which the installed capacity amounted to over 1,000 MW. In addition, the Group completed the acquisition of the Gullen Range wind power project in Australia while grid-connected power generation systems were completely activated at the end of last year, signaling a good start for our “go global” strategy. We entered into Australia’s wind power market through acquisitions of overseas wind power assets, and by evolving into a bigger market player, the Company’s core competitiveness will be enhanced substantially.

MANAGEMENT DISCUSSION AND ANALYSIS

3. Photovoltaic power business took off under the support of waste-to-electricity business

In 2015, the central and local governments continued to launch supportive policies for the photovoltaic power industry, and hence the Group kept up with the trend through aggressive expansion and development. During the Reporting Period, our consolidated installed capacity by photovoltaic power generation amounted to 440 MW, representing an increase of 109.52% year on year; our consolidated photovoltaic power generation amounted to 306 million KWH, representing an increase of 64.83% year on year. The Group actively expanded the installed capacity of projects under construction and approved projects, among which, the aggregate installed capacity of photovoltaic power generation projects under construction in Yanqing, Qianxi, and Wulatehouqi, Inner Mongolia amounted to 91MW and the aggregate installed capacity of approved photovoltaic power generation projects in Bei Ta Mountain, Xinjiang, Huangqi Stage II, Inner Mongolia, Gonghe Stage I, Qinghai and Huade amounted to 80 MW. During the Reporting Period, the Group set sail for the photovoltaic business and exploring new development models for the segment. In addition to the terrestrial photovoltaic area, the Group aggressively sought collaborations in the agricultural, livestock and fishery industries. During the Reporting Period, the 30 MW photovoltaic power generation project in Jianhu, Jiangsu has been put into operation and generated power as scheduled. Currently, the 30 MW "Fishing-solar Complementary" photovoltaic power generation project in Helan, Ningxia has entered into the comprehensive construction stage. In addition, the Group has obtained the approval for the 40 MW "Fishing-solar Complementary" photovoltaic power generation project in Dongying, Shandong. At the end of 2014, the Company acquired 100% equity interest in Golmud Jingneng New Energy Co., Ltd. from QHJN, a wholly owned subsidiary of the Company, for a total consideration of RMB138.76 million. Currently, the installed capacity of the Company's solar projects amounted to 80 MW. In the meanwhile, the Group has been identified as one of the seven pacemakers in national 1,000 MW solar model projects, and the 100 MW photovoltaic power generation project in Datong, Shanxi will commence its construction by the end of this year. There are photovoltaic reserve projects in Qinghai, Gansu and Ningxia.

The Company obtained the approval from Beijing Municipal Commission of Development and Reform for the development of Asuwei Circular Economy Park Project (Asuwei Waste-to-Electricity Project) on 8 May 2015. The project has a planned municipal solid waste incineration capacity of 3,000 tonne/day, decomposed waste screening capacity of 3,000 tonne/day, residue treatment capacity of 1,200 tonne/day, and leakage treatment capacity of 850 tonne/day. The project encompasses four sets of machinery grate incinerators with a capacity of 750 tonne/day and two sets of 30 MW extraction condensing steam turbine power generators. Major construction items include municipal solid waste incineration power generation facilities, decomposed waste screening facilities, residue landfills, leakage treatment facilities, an integrated management area and relevant ancillary facilities. Construction of the project has already commenced.

MANAGEMENT DISCUSSION AND ANALYSIS

4. Earnings grew fast as operation efficiency enhanced

In the first-half of 2015, the Group firmly grasped the management of production and operation while balancing the development of various business segments. By ensuring professional, refined, systemic, standardized and informatized management, the Group managed to achieve total assets of RMB46.5 billion, and total consolidated equity attributable to equity owners reached RMB15.1 billion, of which equity attributable to equity holders was RMB13.2 billion, net profit was RMB1,034 million, representing an increase of 42.13% from RMB728 million for the same period last year, and profit attributable to equity holders was RMB976 million, representing an increase of 43.74% from RMB679 million for the same period last year.

5. Optimizing financial structure to continuously diversify financing channels

Through optimizing the financial structure and promoting efficient utilization of financial resources, the Group continued to broaden its financing channels. In the first half of 2015, the Company issued RMB1 billion short-term financing notes, RMB3.5 billion ultra-short-term financing notes in three tranches, and successfully launched the first batch of RMB1.5 billion perpetual bonds. The Group continuously optimized various indicators with full utilization of the capital management platform and strengthened integration of capital management, while timely and effective fund appropriation was made and fund precipitation reduced, resulting in sustained improvement of the funding management.

II. OPERATING RESULTS AND ANALYSIS

1. Overview

In the first half of 2015, the Company's profitability improved significantly. Net profit for the period amounted to RMB1,034.07 million, representing an increase of 42.13% as compared to RMB727.54 million for the corresponding period in 2014. Net profit attributable to equity owners amounted to RMB976.33 million, representing an increase of 43.74% as compared to RMB679.25 million for the corresponding period in 2014.

2. Operating Income

In the first half of 2015, the total revenue of the Company amounted to RMB6,204.05 million, representing an increase of 86.90% as compared to RMB3,319.46 million for the corresponding period in 2014. In the first half of 2015, adjusted total operating income was RMB7,622.06 million, representing an increase of 100.25% as compared to RMB3,806.19 million for the corresponding period in 2014, due to the increase in sales volume of electricity as a result of an increase in the installed capacity in each segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Gas-fired Power and Heat Energy Generation Segment

The revenue from the gas-fired power and heat energy generation segment increased by 116.60% from RMB2,236.93 million for the first half of 2014 to RMB4,845.18 million for the first half of 2015, due to the increase in sales volume of electricity and heat as a result of an increase in the installed capacity in this segment. Revenue from sales of electricity increased by 113.42% from RMB1,975.55 million for the first half of 2014 to RMB4,216.29 million for the first half of 2015, due to the increase in sales volume of electricity as a result of an increase in the installed capacity in this segment. Revenue from sales of heat energy increased by 140.60% from RMB261.38 million for the first half of 2014 to RMB628.89 million for the first half of 2015, due to hike of heat tariffs and the increase in sales volume of heat energy as a result of an increase in the installed capacity.

Wind Power Segment

The revenue from wind power segment increased by 22.86% from RMB769.42 million for the first half of 2014 to RMB945.33 million for the first half of 2015, due to the increase in sales volume of electricity as a result of an increase in the installed capacity in this segment.

Photovoltaic Power Segment

The revenue from photovoltaic power segment increased by 39.74% from RMB186.42 million for the first half of 2014 to RMB260.51 million for the first half of 2015, due to the increase in sales volume of electricity as a result of an increase in the installed capacity in this segment.

Hydropower Segment

The revenue from hydropower segment increased by 20.54% from RMB125.72 million for the first half of 2014 to RMB151.54 million for the first half of 2015, due to the increase in sales volume of electricity as a result of an increase in the installed capacity in this segment.

Others

Other revenue increased by 53.61% from RMB0.97 million for the first half of 2014 to RMB1.49 million for the first half of 2015, due to the increase in revenue from providing external maintenance service.

3. Other Income

Other income increased by 182.51% from RMB519.34 million for the first half of 2014 to RMB1,467.21 million for the first half of 2015, due to an increase in the installed capacity in gas-fired power and heat energy generation segment and increase in government grants and subsidies related to clean energy production as a result of the increase in gas prices.

4. Operating Expenses

Operating expenses increased by 119.73% from RMB2,680.99 million for the first half of 2014 to RMB5,890.87 million for the first half of 2015, due to an increase in gas cost in the gas-fired power and heat energy generation segment as a result of rising gas prices as well as the increase in production costs and corresponding expenses following the commencement of production of projects in each segment.

Gas consumption

Gas consumption increased by 152.59% from RMB1,757.68 million for the first half of 2014 to RMB4,439.81 million for the first half of 2015, due to an increase in gas cost in the gas-fired power and heat energy generation segment as a result of rising gas prices as well as an increase in gas consumption as a result of an increase in installed capacity.

Depreciation and amortization

Depreciation and amortization increased by 47.63% from RMB598.28 million for the first half of 2014 to RMB883.22 million for the first half of 2015, due to an increase in equipments for commissioning in each segment.

Personnel cost

Personnel cost increased by 34.95% from RMB153.97 million for the first half of 2014 to RMB207.79 million for the first half of 2015, due to the increased number of employees as a result of the business development of the Group and additional personnel costs expensed following the commencement of production of new projects.

Repairs and maintenance

Repairs and maintenance increased by 143.47% from RMB74.38 million for the first half of 2014 to RMB181.09 million for the first half of 2015, due to an increase in maintenance expenses as a result of an increase in the installed capacity in the gas-fired power and heat energy generation segment.

Other expenses

Other expenses increased by 84.38% from RMB141.70 million for the first half of 2014 to RMB261.27 million for the first half of 2015, due to an increase in other expenses as a result of the inauguration of projects of each segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Other gains and losses

Other gains increased by 82.83% from RMB45.02 million for the first half of 2014 to RMB82.31 million for the first half of 2015. Gains in the first half of 2014 mainly resulted from subsequent 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. Gains in the first half of 2015 mainly resulted from changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company during the holding period.

5. Operating Profit

As a result of the above, operating profit increased by 53.77% from RMB1,157.81 million for the first half of 2014 to RMB1,780.40 million for the first half of 2015.

6. Adjusted Segment Operating Profit

Total adjusted segment operating profit increased by 54.17% from RMB1,122.91 million for the first half of 2014 to RMB1,731.20 million for the first half of 2015, due to an increase in electricity sales as a result of the increase in installed capacity in the gas-fired power and heat energy generation segment, wind power segment as well as the photovoltaic segment.

Gas-fired Power and Heat Energy Generation Segment

The total adjusted segment operating profit of gas-fired power and heat energy generation segment increased by 83.93% from RMB565.62 million for the first half of 2014 to RMB1,040.34 million for the first half of 2015, due to an increase in electricity sales as a result of the newly installed capacity in this segment.

Wind Power Segment

Adjusted segment operating profit of wind power segment increased by 10.86% from RMB406.48 million for the first half of 2014 to RMB450.64 million for the first half of 2015, due to the increase in sales volume of electricity as a result of an increase in installed capacity in this segment.

Photovoltaic Power Segment

Adjusted segment operating profit of photovoltaic power segment increased by 26.46% from RMB137.36 million for the first half of 2014 to RMB173.71 million for the first half of 2015, due to the increase in sales volume of electricity as a result of an increase in installed capacity in this segment.

MANAGEMENT DISCUSSION AND ANALYSIS

Hydropower Segment

Adjusted segment operating profit of hydropower segment decreased by 10.24% from RMB59.27 million for the first half of 2014 to RMB53.20 million for the first half of 2015, due to the increase cost of power generation per unit in this segment.

Others

Adjusted segment operating profit of other increased from a loss of RMB45.82 million for the first half of 2014 to a profit of RMB13.31 million for the first half of 2015, due to increased gains from changes in the fair value of H shares of CGN Power Co., Ltd. held by the Company during the holding period.

7. Finance Costs

Finance costs increased by 35.29% from RMB493.89 million for the first half of 2014 to RMB668.18 million for the first half of 2015, 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 decreased by 11.86% from RMB180.36 million for the first half of 2014 to RMB158.97 million for the first half of 2015, due to a decrease in net profit as a result of reduced power generation generated from a subsidiary of Beijing Jingneng International Power Co., Ltd., an associate of the Company.

9. Profit before Taxation

As a result of the foregoing, profit before taxation increased by 52.66% from RMB857.24 million for the first half of 2014 to RMB1,308.62 million for the first half of 2015.

10. Income Tax Expense

Income tax expense increased by 111.68% from RMB129.70 million for the first half of 2014 to RMB274.55 million for the first half of 2015. Effective tax rate increased from 15.13% for the first half of 2014 to 20.98% for the first half of 2015 primarily due to an increase in income tax on newly operated gas-fired power projects.

11. Profit for the Period

As a result of the foregoing, profit for the period increased by 42.13% from RMB727.54 million for the first half of 2014 to RMB1,034.07 million for the first half of 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

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 43.74% from RMB679.25 million for the first half of 2014 to RMB976.33 million for the first half of 2015.

III. FINANCIAL POSITION

1. Overview

As at 30 June 2015, total assets of the Group amounted to RMB46,479.21 million, total liabilities were RMB31,397.51 million and shareholders' equity reached RMB15,081.70 million, among which equity attributable to the equity owners amounted to RMB13,168.33 million.

2. Particulars of Assets and Liabilities

Total assets decreased by 3.33% from RMB48,082.48 million as at 31 December 2014 to RMB46,479.21 million as at 30 June 2015, due to the recycling of electricity tariffs. Total liabilities decreased by 10.65% from RMB35,140.71 million as at 31 December 2014 to RMB31,397.51 million as at 30 June 2015, due to the repayment of borrowings. Total equity increased by 16.54% from RMB12,941.77 million as at 31 December 2014 to RMB15,081.70 million as at 30 June 2015, due to the issuance of perpetual notes and the accretion from business results in the first half year of 2015. Equity attributable to equity owners of the Company increased by 5.35% from RMB12,499.84 million as at 31 December 2014 to RMB13,168.33 million as at 30 June 2015, due to the accretion from business results in the first half year of 2015.

3. Liquidity

As at 30 June 2015, current assets amounted to RMB8,429.10 million, including cash of RMB3,998.44 million, bills and account receivables of RMB2,694.75 million (mainly comprising receivables from sales of electricity and heat energy), and prepayment and other current assets of RMB1,735.91 million (mainly comprising deductible value added tax and other account receivables). Current liabilities amounted to RMB14,661.89 million, including short-term borrowings of RMB3,762.20 million, short-term debentures of RMB4,500.00 million and bills and account payables of RMB4,835.17 million (mainly comprising payables for gas, payables for engineering and purchase of equipment). Other current liabilities amounted to RMB1,564.52 million, mainly including income tax payable and amounts due to related parties.

MANAGEMENT DISCUSSION AND ANALYSIS

Net current liabilities increased by 3.09% from RMB6,045.89 million as at 31 December 2014 to RMB6,232.78 million as at 30 June 2015, due to the increase in advance government grants and subsidies related to clean energy production.

Current ratio decreased by 5.84% from 63.33% as at 31 December 2014 to 57.49% as at 30 June 2015, due to the significant decrease in trading receivable at the end of the period driven by the recycling of electricity and heat tariffs.

4. Net Gearing Ratio

Net gearing ratio, calculated by dividing net debts (total borrowings minus cash and cash equivalents) by the sum of net debts and total equity, decreased by 7.76% from 65.40% as at 31 December 2014 to 57.64% as at 30 June 2015, due to the repayment of borrowings in the first half of 2015.

The Group's long-term and short-term borrowings decreased by 14.46% from RMB28,665.65 million as at 31 December 2014 to RMB24,520.99 million as at 30 June 2015, including short-term borrowings of RMB3,762.20 million, long-term borrowings of RMB14,071.63 million, corporate bonds of RMB2,187.16 million and short-term debentures of RMB4,500.00 million.

Bank balances and cash held by the Group decreased by 4.95% from RMB4,206.83 million as at 31 December 2014 to RMB3,998.44 million as at 30 June 2015, due to the whole utilization of the proceeds from the placing of H shares for 2014 in 2015.

IV. OTHER SIGNIFICANT EVENTS

1. Financing

On 15 May 2015, the Group completed the issuance of the first tranche extremely short-term debentures of 270 days, amounting to RMB1 billion with an interest rate of 3.50%. On 26 May 2015, the Group completed the issuance of the second tranche extremely short-term debentures of 270 days, amounting to RMB1 billion with an interest rate of 3.45%. On 27 May 2015, the Group completed the issuance of the first tranche short-term debentures, amounting to RMB1 billion with an interest rate of 3.70%. On 11 June 2015, the Group completed the issuance of the third tranche extremely short-term debentures of 60 days, amounting to RMB1.5 billion with an interest rate of 3.25%.

On 18 June 2015, the Group completed the issuance of the first tranche perpetual notes, amounting to RMB1.5 billion with an interest rate of 5.15%.

MANAGEMENT DISCUSSION AND ANALYSIS

2. Capital Expenditure

In the first half of 2015, the Group's capital expenditure amounted to RMB1,181.46 million, including RMB226.89 million incurred for construction projects in the gas-fired power and heat energy generation segment, RMB270.36 million incurred for construction projects in the wind power segment, RMB613.94 million incurred for construction projects in the photovoltaic power segment, RMB36.84 million incurred for construction projects in the hydropower segment, and RMB33.43 million incurred for construction projects in other segments.

3. Material Acquisition and Disposal

In the first half of 2015, the Company did not have material acquisition or disposal.

4. Significant Investment

According to the development plan of the Group, the Group established Fugu Jingneng New Energy Co., Limited (府谷縣京能新能源有限公司) as a wholly-owned subsidiary in 2015 to carry out construction in wind power project and established Gonghe Jingneng Clean Energy Co., Limited (共和京能清潔能源有限公司) as a wholly-owned subsidiary to carry out the construction of photovoltaic power projects.

5. Contingent Liabilities

As of 30 June 2015, the Group had no external guarantees.

6. Mortgage of Assets

As of 30 June 2015, the Group's bank borrowings were secured by trade receivables of RMB95.62 million.

V. BUSINESS OUTLOOK FOR SECOND HALF OF THE YEAR

The Group will strive to realize various business objectives by accomplishing the following tasks:

1. **Enhancing the management of project progress and ensuring key tasks to be completed on time**

In the second half of 2015, the Group will continue to push forward the management of work progress for key projects with a grasp of its unique competitive edge in the regional energy projects in Beijing, and will ensure the timely commencement of Shangzhuang Thermal Project, which will serve as a demonstration of full utilization of wind-power and photovoltaic power in Beijing. It will spare no effort to advance other key projects such as the Badaling Solar Energy Composite Pilot Project, Qianxi Photovoltaic Project and Guanting Wind Farm (Phase III), which are set to make tremendous contributions to energy transformation, easing of smog and the acceleration of synergistic development and regional integration of Beijing-Tianjin-Hebei. At the same time, the Group actively promotes the development of approved wind power projects in Jingyuan, Gansu, photovoltaic projects in Bei Ta Mountain, Xinjiang, Huangqi Stage II, Inner Mongolia, Gonghe Stage I, Qinghai and the construction at preliminary stage of photovoltaic power projects in Helan, Ningxia which is under construction, aiming to accelerate the progress of the project, seize opportunities arising from the market and put those projects into operation as soon as possible.

2. **Optimizing investment structure of projects and acquiring quality projects as reserve**

The Group will uphold its own principle of doing the right things by conducting full analysis of various factors including national policies, the market scale, structure and demand and profitability, while screening the existing projects to retain quality projects for development, so as to formulate positive interaction with the market and fully utilize social resources. The Group will further improve the investment structure of its projects and enhance the return on assets. During the reporting period, Beijing & Zhangjiakou won the bid for the Winter Olympics and the State Council officially approved the "Pilot Development Plan of Renewable Energy Zone in Zhangjiakou, Hebei Province", which will present a broader platform for the strategic development of the Group's objective of "going global with a foothold in Beijing". We will actively participate in a demonstration project of renewable energy and clean heat energy generation in Beijing, implement the guidance of "Notice on relevant requirement of carrying out demonstration of providing heating with renewable energy in Beijing" issued by the National Energy Administration of the PRC, enforce the cooperation on energy in Beijing and Hebei region, and further improve environmental air quality in Beijing and Zhangjiakou, with the increase of the proportion of clean energy in Beijing to realize the goal of alternative coal-fired heating in Yanqing county in 2020. The Group plans to develop wind and solar energy resources with capacity of 1,000 MW in Zhangjiakou City and construct transmission lines with new-energy-generated power to be sent to Beijing City, while using of some new energy for power and heat generation to achieve clean energy cogeneration, providing clean and efficient energy sources to the Winter Olympics.

MANAGEMENT DISCUSSION AND ANALYSIS

Meanwhile, the Group follows the national concept of low-carbon and sustainable development with efforts to push forward the development of Shenzhen International Low-carbon Energy Project, which is a 50 MW-graded IC system, reflecting a genuine distributed energy resource system. The system works on the basis of a distributed energy resource combining heating, electricity and cooling, while relying on a smart power grid as the core, and supplemented by renewable energy for coordinating and solving the energy demand for electricity, heating and cooling in the launching zone, helping to attain the goal of energy on-site supplies and consumption. The project has adopted the most advanced equipment and facilities in the current world and made some innovations in solutions to energy systems by achieving direct regional power-supply model through smart power network. At the same time, we explored energy operating models different from the traditional ones, which provided new thoughts for reforms of the electric power system. Meanwhile, this project will strengthen the leading position of the Group in the notional distributed energy sector.

The Group actively explores opportunity to capture premium projects in reverse in Yangtze River Delta, smoothly implement 240 MW gas-fired power project in Nanxun, Zhejiang, in order to provide great support to the balanced development of each business segment and maintenance of core competitiveness of the Group.

In addition, the Group plans to establish an energy internet demonstration base in north of Haidian, Beijing, which could effectively and comprehensively take advantage of combined cooling, heating, and power to greatly facilitate to access to renewable energy. Meanwhile, the project could help to create multilateral open and flexible electricity trading, achieving deep interconnection between information and energy. The project has a generation unit of combined cooling, heating, and power under construction, with installed capacity of 200 MW; 7 newly built generation units of distributed and combined cooling, heating, and power, with installed capacity of 66.5 MW; constructed 1.61 square kilometers of roof photovoltaic power generation; had a maximum power generation of 124.94 MW, with phase transition storage capacity of 343 MW; and electricity storage capacity of 80 MWH.

3. Current and future planning in anticipation of the 13th Five-year Plan

The year 2015 does not only mark the end of the “12th Five-year Plan”, but also the beginning of the “13th Five-year Plan”. During the five-year period from 2011 to 2015, the Company implemented the 12th Five-year Plan and achieved a leap frog development. Gaining a firm foothold on the current position, the Company is setting its goals for the future with an all-rounded strategic plan, which incorporates a round-up of the 12th Five-year Plan, as well as the formulation of the 13th Five-year Plan, in order to build a solid foundation for the sustainable development of the Company.

CORPORATE GOVERNANCE AND OTHER INFORMATION

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company, being listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), consistently commits to retain high level of corporate governance, and complied throughout the six months ended 30 June 2015 with all the code provisions stated in the Corporate Governance Code as contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

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 2015 interim results announcement, interim report and the unaudited financial statements for the six months ended 30 June 2015 prepared in accordance with the IFRSs.

SHARE CAPITAL

As of 30 June 2015, the total share capital of the Company was RMB6,870,423,454, divided into 6,870,423,454 shares of RMB1.00 each. Details of movements in the share capital of the Company during the six months ended 30 June 2015 are set out in note 23 to the Financial Statements.

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 2015, 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 2015, 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:

* Note: (L) – Long position

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	61.38
BSAMAC	Domestic share	Beneficial interest and interest of a controlled corporation	4,442,302,231(L)	98.45	64.66
SAIF IV GP Capital Ltd.	H share	Interest of a controlled corporation	173,532,000(L)	7.36	2.53
SAIF IV GP LP	H share	Interest of a controlled corporation	173,532,000(L)	7.36	2.53
SAIF Partners IV L.P.	H share	Beneficial Interest	173,532,000(L)	7.36	2.53
Yan Andrew Y.	H share	Interest of a controlled corporation	173,532,000(L)	7.36	2.53
Beijing Enterprises Holdings Limited	H share	Interest of a controlled corporation	196,964,000(L)	8.35	2.87
Beijing Enterprises Energy Technology Investment Co. Limited	H share	Beneficial interest	196,964,000(L)	8.35	2.87

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 (%)
Beijing Enterprises Energy Technology (Hong Kong) Co. Ltd.	H share	Interest of a controlled corporation	196,964,000(L)	8.35	2.87
Gold Wind New Energy (HK) Investment Ltd.	H share	Beneficial interest	140,118,000(L)	5.94	2.04
Xinjiang Goldwind Science & Technology Co. Ltd.	H share	Interest of a controlled corporation	140,118,000(L)	5.94	2.04
New Wealth Investment Holdings Limited	H share	Beneficial interest	137,008,928(L)	5.81	1.99
Chen Li	H share	Interest of a controlled corporation	137,008,928(L)	5.81	1.99
Keywise Capital Management (HK) Limited	H share	Investment manager	208,280,000(L)	8.83	3.03
Norges Bank	H share	Beneficial interest	161,156,000(L)	6.83	2.35
CSOF III GP Limited	H share	Interest of a controlled corporation, Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	140,040,000(L)	5.94	2.04
China Special Opportunities Fund III, L.P.	H share	Interest of a controlled corporation, Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	140,040,000(L)	5.94	2.04
Forebright Partners Limited	H share	Interest of a controlled corporation, Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	140,040,000(L)	5.94	2.04
China Everbright Holdings Company Limited	H share	Interest of a controlled corporation, Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	140,040,000(L)	5.94	2.04

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 (%)
China Everbright Limited	H share	Interest of a controlled corporation, Interests of any parties to an agreement to acquire interests in a particular listed corporation required to be disclosed under s.317(1)(a) and s.318 of the SFO	140,040,000(L)	5.94	2.04
Central Huijin Investment Ltd.	H share	Interest of a controlled corporation	140,040,000(L)	5.94	2.04
China Everbright Group Ltd.	H share	Interest of a controlled corporation	140,040,000(L)	5.94	2.04

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 2015.

INTERIM DIVIDEND

The Board has not made any recommendation on the distribution of an interim dividend for the six months ended 30 June 2015.

CHANGE IN DIRECTORS' INFORMATION

On 25 June 2015, Mr. Li Fuqiang resigned as an Independent Non-executive Director of the Company.

On the same day, Mr. Zhang Fusheng was elected as an Independent Non-executive Director at the 2014 Annual general meeting of the Company.

Save as disclosed above, as of 30 June 2015, there has been no change in the directors' information of the Company.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June (Unaudited)	
		2015 RMB'000	2014 RMB'000 (Restated)
Revenue	4	6,204,052	3,319,463
Other income	5	1,467,208	519,343
Gas consumption		(4,439,810)	(1,757,677)
Depreciation and amortization	9	(883,217)	(598,279)
Personnel costs		(207,785)	(153,973)
Repairs and maintenance		(181,088)	(74,375)
Other expenses		(261,268)	(141,704)
Other gains and losses	6	82,308	45,016
Profit from operations		1,780,400	1,157,814
Interest income	7	37,428	12,958
Finance costs	7	(668,181)	(493,887)
Share of results of associates		159,371	180,452
Share of results of jointly controlled entities		(400)	(93)
Profit before taxation		1,308,618	857,244
Income tax expense	8	(274,549)	(129,703)
for the period	9	1,034,069	727,541
Profit for the period attributable to:			
– Equity owners of the Company		976,331	679,248
– Non-controlling interests		57,738	48,293
		1,034,069	727,541
For the six months ended 30 June (Unaudited)			
		2015	2014
		RMB (cents)	RMB (cents) (Restated)
Earnings per share			
Basic and diluted	11	14.21	10.49

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	For the six months ended 30 June (Unaudited)	
		2015 RMB'000	2014 RMB'000 (Restated)
Profit for the period	9	1,034,069	727,541
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations:			
Exchange differences arising during the period		(27,770)	(58)
Cash flow hedges:			
Gains during the period		2,736	–
Income tax relating to projects that may be reclassified subsequently to profit or loss		(821)	–
Other comprehensive expense for the period (net of income tax)		(25,855)	(58)
Profit and total comprehensive income for the period		1,008,214	727,483
Profit and total comprehensive income for the period attributable to:			
– Equity owners of the Company		957,736	679,190
– Non-controlling interests		50,478	48,293
		1,008,214	727,483

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2015
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Non-current assets			
Property, plant and equipment	12	29,626,159	29,448,034
Intangible assets	13	4,254,649	4,353,754
Goodwill		190,049	190,049
Prepaid lease payments		156,902	136,334
Investments in associates		2,014,245	1,853,829
Loans to associates		150,000	150,000
Investments in joint ventures		80,066	80,466
Deferred tax assets	14	345,339	222,183
Available-for-sale financial assets		128,028	128,528
Value-added tax recoverable		372,693	414,170
Deposit paid for acquisition of property, plant and equipment		731,974	663,448
		38,050,104	37,640,795
Current assets			
Inventories		122,823	116,687
Trade and bill receivables	15	2,694,751	4,020,647
Other receivables, deposits and prepayments		375,770	395,355
Derivative financial assets		–	18,163
Current tax assets		16,511	10,472
Amounts due from related parties	26(b)	19,346	266,347
Prepaid lease payments		4,634	3,983
Value-added tax recoverable		671,053	875,052
Financial assets held for trading		446,578	370,803
Restricted bank deposits		79,196	157,348
Cash and cash equivalents	16	3,998,441	4,206,827
		8,429,103	10,441,684

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS OF 30 JUNE 2015

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Current liabilities			
Trade and other payables	17	4,835,172	5,188,552
Amounts due to related parties	26(c)	441,792	290,356
Bank and other borrowings – due within one year	18	3,762,198	5,286,789
Short-term debentures	19	4,500,000	1,800,000
Medium-term notes – due within one year	20	–	1,000,000
Corporate bonds – due within one year	21	–	2,397,701
Income tax payable		256,275	192,570
Deferred income – current portion		866,449	331,603
		14,661,886	16,487,571
Net current liabilities		(6,232,783)	(6,045,887)
Total assets less current liabilities		31,817,321	31,594,908
Non-current liabilities			
Derivative financial liabilities		28,262	30,998
Bank and other borrowings – due after one year	18	14,071,625	15,996,513
Corporate bonds	21	2,187,161	2,184,649
Deferred tax liabilities	14	115,962	106,236
Deferred income		332,609	334,742
		16,735,619	18,653,138
Net assets		15,081,702	12,941,770
Capital and reserves			
Share capital	23	6,870,423	6,870,423
Reserves		6,297,905	5,629,414
Equity attributable to equity owners of the Company		13,168,328	12,499,837
Perpetual notes		1,486,500	–
Non-controlling interests		426,874	441,933
Total equity		15,081,702	12,941,770

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Attributable to equity owners of the Company							Attributable to non-controlling interests RMB'000	Total equity RMB'000
	Share capital	Capital reserve	Statutory surplus reserve	Other reserves	Currency translation differences	Accumulated profits	Total		
	RMB'000 (Note 23)	RMB'000	RMB'000 (Note a)	RMB'000	RMB'000	RMB'000	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 10)	-	-	-	-	-	(281,120)	(281,120)	(74,447)	(355,567)
	6,477,413	1,724,931	586,417	3,914	(58)	1,603,290	10,395,907	212,626	10,608,533
Profit/total comprehensive income for the period	-	-	-	-	-	679,248	679,248	48,293	727,541
As at 30 June 2014 (restated)	6,477,413	1,724,931	586,417	3,914	(58)	2,282,538	11,075,155	260,919	11,336,074

	Attributable to equity owners of the Company								Attributable to non-controlling interests RMB'000	Total equity RMB'000	
	Share capital	Capital reserve	Statutory surplus reserve	Other reserves	Cash flow hedging reserve	Currency translation differences	Accumulated profits	Total			
	RMB'000 (Note 23)	RMB'000	RMB'000 (Note a)	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000			
As at 1 January 2015	6,870,423	2,303,646	814,162	3,914	(5,893)	(70,290)	2,583,875	12,499,837	-	441,933	12,941,770
Issue of perpetual bonds, net of issuance costs	-	-	-	-	-	-	-	-	1,486,500	-	1,486,500
Capital contribution in a subsidiary from non-controlling interest	-	-	-	-	-	-	-	-	-	4,000	4,000
Dividend declared (Note 9)	-	-	-	-	-	-	(289,245)	(289,245)	-	(69,537)	(69,537)
	6,870,423	2,303,646	814,162	3,914	(5,893)	(70,290)	2,294,630	12,210,592	1,486,500	376,396	14,073,488
Profit for the period	-	-	-	-	-	-	976,331	976,331	-	57,738	1,034,069
Total comprehensive income for the period	-	-	-	-	1,436	(20,031)	-	(18,595)	-	(7,260)	(25,855)
As at 30 June 2015	6,870,423	2,303,646	814,162	3,914	(4,457)	(90,321)	3,270,961	13,168,328	1,486,500	426,874	15,081,702

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 2015

(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Notes	Six months ended 30 June	
		2015 RMB'000	2014 RMB'000 (Restated)
Operating activities			
Profit before taxation		1,308,618	857,244
Adjustments for:			
Depreciation and amortization	9	883,217	598,279
Gain arising on change in fair value of held for trading financial asset	6	(72,094)	–
Impairment losses on doubtful debt receivables	6	754	946
Dividend from available-for-sale financial assets		–	(2,290)
(Gain) loss on disposal of property, plant and equipment	6	592	(34)
Gain or loss on capital contribution made by minority shareholders of associates	6	–	–
Share of results of associates		(159,371)	(180,452)
Share of results of joint ventures		400	93
Interest income	7	(37,428)	(12,958)
Finance costs	7	668,181	493,887
Prepaid lease payments released to profit or loss		2,089	2,081
Deferred income released to profit or loss		(3,816)	(1,316)
Operating cash flows before movements in working capital		2,591,142	1,755,480
Movements in working capital			
Increase in inventories		(6,135)	(8,118)
Decrease (increase) in trade and bill receivables		1,325,896	(34,276)
Decrease in amounts due from related parties		254,896	112,740
Decrease in other receivables, deposits and prepayments		18,541	72,581
Increase (decrease) in trade and other payables		996,172	(916,640)
Increase (decrease) in amounts due to related parties		(23,144)	405,505
Increase in deferred income		534,846	–
Cash generated from operations		5,692,214	1,387,272
Income tax paid		(331,133)	(156,328)
Net cash generated from operating activities		5,361,081	1,230,944

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2015
(AMOUNT EXPRESSED IN THOUSANDS OF RMB UNLESS OTHERWISE STATED)

	Six months ended 30 June		
	Notes	2015 RMB'000	2014 RMB'000 (Restated)
Investing activities			
Interest received		29,533	8,694
Repayment of loans by associates		–	138,072
Cash advanced to associates		–	(150,000)
Cash inflow on disposal of subsidiaries		11,200	20,160
Payment to acquisition of:			
– Property, plant and equipment		(2,080,792)	(2,526,032)
– Intangible assets		(3,198)	(1,591)
Prepaid lease payments on land use rights		(23,307)	(1,201)
Proceeds on disposals of:			
– Property, plant and equipment		206	38
Deposit of restricted bank deposits		78,152	348,741
Net cash used in investing activities		(1,988,206)	(2,163,119)
Financing activities			
Interest paid		(860,989)	(480,985)
Issue of perpetual bonds		1,486,500	–
Capital contribution made by minority shareholders of subsidiary		4,000	–
New bank and other borrowings raised		4,471,469	6,841,515
Repayments of bank and other borrowings		(7,920,948)	(4,945,833)
Proceeds from issuance of short-term debentures		4,500,000	1,800,000
Issuance cost for short-term debentures		(9,000)	(7,200)
Repayment of short-term debentures		(1,800,000)	(1,800,000)
Repayment of medium-term notes		(1,000,000)	–
Repayment of corporate bonds		(2,400,000)	–
Dividends paid to:			
– Equity owners of the Company		–	–
– Non-controlling shareholders of subsidiaries		(39,312)	–
Net cash generated from financing activities		(3,568,280)	1,407,497
Net increase (decrease) in cash and cash equivalents		(195,405)	475,322
Cash and cash equivalents at the beginning of the period		4,206,827	2,319,504
Effect of foreign exchange rate changes		(12,981)	(4,999)
Cash and cash equivalents at the end of the period		3,998,441	2,789,827

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

1. GENERAL AND BASIS OF PRESENTATION

In preparing the consolidated financial statements, the directors have given careful consideration of the Group's net current liabilities of RMB6,232,783,000 as at 30 June 2015. 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. BASIS OF PREPARATION

On December 29, 2014, the Group's acquisition of 青海格爾木京能新能源有限公司 (Golmud Jingneng New Energy Co., Ltd., English name for identification purpose) ("Golmud New Energy") was completed and has been accounted for as a combination of businesses under common control in a manner similar to pooling-of-interests since January 9, 2014, the date of incorporation of Golmud New Energy. Therefore, the Consolidated Statement of Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the period ended 30 June 2014 are restated to include the operating results and cash flows as of 30 June 2014 of Golmud New Energy. All intragroup transactions, balances, incomes and expenses are eliminated.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

2. BASIS OF PREPARATION (CONTINUED)

Impact of restating arising from acquisition of Golmud New Energy is accounted for as a combination of businesses under common control ("Adjustment"), impact of which on the results for the year ended 30 June 2014 is set out below:

	Ended 30 June 2014		
	Originally stated RMB'000	Adjustment RMB'000	Restated RMB'000
Revenue	3,293,500	25,963	3,319,463
Other income	519,343	–	519,343
Gas consumption	(1,757,677)	–	(1,757,677)
Depreciation and amortization	(591,871)	(6,408)	(598,279)
Personnel costs	(153,580)	(393)	(153,973)
Repairs and maintenance	(74,327)	(48)	(74,375)
Other expenses	(140,199)	(1,505)	(141,704)
Other gains and losses	45,016	–	45,016
Profit from operations	1,140,205	17,609	1,157,814
Interest income	12,891	67	12,958
Finance costs	(484,683)	(9,204)	(493,887)
Share of results of associates	180,452	–	180,452
Share of results of jointly controlled entities	(93)	–	(93)
Profit before taxation	848,772	8,472	857,244
Income tax expense	(129,703)	–	(129,703)
Profit for the period	719,069	8,472	727,541

	Ended 30 June 2014		
	Originally stated RMB (cents)	Adjustment RMB (cents)	Restated RMB (cents)
Basic and diluted earnings per share	10.36	0.13	10.49

3. PRINCIPAL ACCOUNTING POLICIES

Amendments to IAS 19	Defined Benefit Plans: Employee Contributions
Amendments to IFRSs	Annual Improvements to IFRSs 2010-2012 Cycle
Amendments to IFRSs	Annual Improvements to IFRSs 2011-2013 Cycle

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 financial statements.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

4. REVENUE

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

	For the six months ended 30 June	
	2015 RMB'000	2014 RMB'000 (Restated)
Sales of goods:		
– Electricity	5,573,671	3,057,107
– Heat energy	628,887	262,056
Service income (Note)	1,494	300
	6,204,052	3,319,463

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

5. OTHER INCOME

	For the six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Government grants and subsidies related to:		
– Clean energy production (Note a)	1,418,009	486,732
– Construction of assets (Note b)	3,816	1,316
Dividend from available-for-sale financial assets, unlisted	–	2,290
Income from CERs and VERs	15,611	–
Value-added tax refunds (Note (c))	15,206	23,210
Others	14,566	5,795
	1,467,208	519,343

Notes:

- (a) The Group's gas and wind power facilities located in Beijing, the PRC, were entitled to a subsidy policy promulgated by the Beijing Government. The Beijing Government compensated the Group based on a pre-determined subsidized rate and quantities approved from time to time for the sale of electricity generated by those facilities. The grants will be released to profit or loss based on the actual volume of electricity generated from and sold by the Group's related gas and wind power facilities and at the pre-determined subsidized rate.
- (b) Grants related to construction of assets are provided by several local governments in the PRC to encourage the construction of clean energy facilities. The Group records these grants as deferred income upon receipt of the grants and will release to profit or loss to match with the depreciation of related assets.
- (c) The Group is entitled to a 50% refund of value-added tax for its revenue from the sale of electricity generated from the wind farms and a full refund of value-added tax for its revenue from the sale of heat energy to residential customers.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

6. OTHER GAINS AND LOSSES

	For the six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Other gains (losses) comprise:		
Impairment loss on doubtful debt receivables	(754)	(946)
(Loss) gain on disposal of property, plant and equipment	(592)	34
Net exchange loss	(2,141)	(4,941)
Gain arising on change in fair value of financial asset classified as held for trading	72,094	–
Gain on disposal of available-for-sale investments	10,700	–
Others	3,001	50,869
	82,308	45,016

7. INTEREST INCOME/FINANCE COSTS

	For the six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Interest income	37,428	12,958
Interest expense	720,355	642,079
Interest expense :-Property, plant and equipment	(52,174)	(148,192)
Total finance costs	668,181	493,887
Net finance costs	630,753	480,929

8. INCOME TAX EXPENSE

	For the six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Current tax:		
PRC enterprise income tax ("EIT")	388,800	129,550
Deferred tax (Note 14):		
Current year	(114,251)	153
Income tax expense	274,549	129,703

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

8. INCOME TAX EXPENSE (CONTINUED)

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 2015.

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.

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.

Hong Kong Profit Tax and Australia Profit Tax are calculated at 16.5% and 30%, respectively, of the estimated assessable profit. During the year ended June 30, 2015 taxation arising in other jurisdictions is calculated at the rate prevailing in Australia. No provision for Hong Kong profit tax has been made as the Group has no assessable profit.

9. PROFIT FOR THE PERIOD

	For the six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Profit for the period has been arrived at after charging:		
Auditors' remuneration	942	652
Prepaid lease payments released to profit or loss	2,089	2,081
Operating lease payments in respect of land and building	6,337	6,064
Depreciation and amortization:		
Depreciation of property, plant and equipment	780,915	501,987
Amortization of intangible assets	102,302	96,292
Total depreciation and amortization	883,217	598,279

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

10. DIVIDENDS

- (a) On 25 June 2015, 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 2015 (six months ended 30 June 2014: nil).

11. EARNINGS PER SHARE

The calculation of basic earnings per share is based on the profit attributable to shareholders of the Company for the six months ended 30 June 2015 of RMB976,331,000 (six months ended 30 June 2014: RMB679,248,000) and the weighted average number of shares in issue during the six months ended 30 June 2015 of 6,870,423,000 (six months ended 30 June 2014: 6,477,413,000).

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

12. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired items of property, plant and equipment of approximately RMB959,987,000 (six months ended 30 June 2014: approximately RMB992,282,000). Items of property, plant and equipment with a net book value of approximately RMB947,000 (six months ended 30 June 2014: approximately RMB1,749,000) were disposed of during the six months ended 30 June 2015, resulting in a gain on disposal of approximately RMB592,000 (six months ended 30 June 2014: loss on disposal of approximately RMB34,000).

13. INTANGIBLE ASSETS

Intangible assets mainly represent concession right of approximately RMB2,925,654,000 (as at 31 December 2014: approximately RMB3,009,006,000), Project operation right of RMB1,258,435,000 (as at 31 December 2014: approximately RMB1,272,049,000), and software of approximately RMB70,560,000 (as at 31 December 2014: approximately RMB72,699,000).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

14. DEFERRED TAXATION

The following is the Group's major deferred tax assets (liabilities) recognized and movements thereon during the year ended 31 December 2014 and the six months ended 30 June 2015:

	Tax loss	Impairment on doubtful receivables	Temporary differences on fair value adjustments in acquisition of subsidiaries	Trial run profit	Deferred income related to clean energy production	Unpaid employee payroll	Trial run loss	Held for sale financial asset	Derivative financial liabilities	Others	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Note a)	(Note b)		(Note a)				
As at 1 January 2015	47,941	2,856	(19,446)	44,613	114,117	6,270	(71,830)	(10,684)	3,368	(1,258)	115,947
(Charge) credit to profit or loss (Note 8)	-	-	433	(649)	130,899	(6,270)	2,394	(12,556)	-	-	114,251
(Charge) credit comprehensive income	-	-	-	-	-	-	-	-	(821)	-	(821)
As at 30 June 2015	47,941	2,856	(19,013)	43,964	245,016	-	(69,436)	(23,240)	2,547	(1,258)	229,377

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

14. DEFERRED TAXATION (CONTINUED)

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

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Deferred tax assets	345,339	222,183
Deferred tax liabilities	(115,962)	(106,236)
	229,377	115,947

15. TRADE AND BILL RECEIVABLES

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Trade receivables	2,560,605	3,969,927
Bill receivables	136,523	52,343
	2,697,128	4,022,270
Less: allowance for doubtful receivables	2,377	1,623
	2,694,751	4,020,647

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 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Within 60 days	1,188,021	2,934,813
61 to 365 days	1,095,772	552,741
1 to 2 years	291,337	155,960
2 to 3 years	100,321	40,258
Over 3 years	19,300	336,875
	2,694,751	4,020,647

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

15. TRADE AND BILL RECEIVABLES (CONTINUED)

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

	For the six months ended 30 June 2015 RMB'000 (Unaudited)	For the year ended 31 December 2014 RMB'000 (Audited)
At the beginning of the year/period	1,623	1,580
Provision during the year/period	827	194
Reversed during the year/period	(73)	(151)
At the end of the year/period	2,377	1,623

16. CASH AND CASH EQUIVALENTS

The Group's cash and cash equivalents comprise cash on hand and deposits to banks and a related nonbank 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 RMB905,000,000 placed with 京能集團財務有限公司 (BEH Finance Co., Ltd., English name for identification purpose) ("BEH Finance"), a non-bank financial institution approved by China Banking Regulatory Commission as at 30 June 2015 (as at 31 December 2014: approximately RMB386,082,000). 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 2015 have been regarded as cash and cash equivalents.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

17. TRADE AND OTHER PAYABLES

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Trade payables	4,186,757	4,154,237
Bills payable	96,224	438,438
Advance received from customers	46,464	34,139
Salary and staff welfares	43,963	58,644
Non-income tax related tax payables	24,155	50,703
Accrued interests payable	53,857	228,600
Dividends payables	178,326	39,312
Promissory notes payable	95,913	95,913
Other payables	109,513	88,566
	4,835,172	5,188,552

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

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Within 30 days	960,236	833,209
31 to 365 days	2,492,698	2,576,215
1 to 2 years	381,006	562,831
2 to 3 years	274,057	112,706
Over 3 years	78,760	69,276
	4,186,757	4,154,237

Trade payables over one year are mainly retention payables.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

18. BANK AND OTHER BORROWINGS

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Bank loans	11,948,923	14,249,802
Other borrowings from		
– a related non-bank financial institution (Note (a))	720,500	2,246,500
– a fellow subsidiary (Note (b))	100,000	150,000
– other non-related entities	4,560,000	4,165,000
– BEH	504,400	472,000
	17,833,823	21,283,302
Represented by:		
– Unsecured borrowings	15,827,397	19,003,921
– Secured borrowings	2,006,426	2,279,381
	17,833,823	21,283,302
Bank and other borrowings repayable:		
– Within one year	3,762,198	5,286,789
– More than one year but not exceeding two years	2,301,135	2,216,844
– More than two years but not exceeding three years	5,162,517	6,472,963
– More than three years but not exceeding five years	2,941,141	1,768,089
– More than five years	3,666,832	5,538,617
	17,833,823	21,283,302
Less: Amount due within one year shown under current liabilities	3,762,198	5,286,789
Amount due after one year	14,071,625	15,996,513

Notes:

- (a) Other borrowings from a related non-bank financial institution represented loans from BEH Finance and 深圳京能融資租賃有限公司 (Shenzhen Jingneng Finance Lease Limited, English name for identification purpose) ("Jingneng Lease"), a subsidiary of BEH.
- (i) As at 30 June 2015, the loans from BEH Finance were unsecured, carried interest at rates which are no higher than 10% of the prevailing interest rates promulgated by the People's Bank of China ("PBOC") and variable by reference to the interest rates promulgated by PBOC. The interest expenses attributed to the above loans from BEH Finance were RMB41,267,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB39,830,000).
- (ii) The loan from Jingneng Lease, amounting to RMB298,500,000 were secured, carried fixed interest rates at 5.84% per annum, and should be fully repaid in 2017.
- (b) 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 2015, the borrowing from Jingfeng Thermal was an entrusted loan, carried at fixed interest rate at 5.04% and repayable within one year. As at 30 June 2015, the borrowing from Jingxi Power was an entrusted loan, carried at fixed interest rate at 5.60% and repayable within one year. The interest expenses attributed to above loans were RMB 4,048,000 for the six months ended 30 June 2015 (six months ended 30 June 2014: RMB 2,094,000).

During the six months ended 30 June 2015, the Group's borrowings increased RMB 4,471,469,000 (six months ended 30 June 2014: RMB 6,841,515,000), and repayments of borrowings of the Group were RMB 7,920,948,000 (six months ended 30 June 2014: RMB 4,945,833,000).

The borrowings carried at annual interest rate ranging from 2.56% to 6.10% (31 December 2014: 2.53% to 6.88%).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

19. SHORT-TERM DEBENTURES

On 15 May 2015, the Company issued 270 days unsecured extremely short-term debentures of RMB 1,000 million at par value, bearing an interest rate of 3.50%. On 27 May 2015, the Company issued one-year unsecured short-term debentures of RMB 1,000 million at par value, bearing an interest rate of 3.70%. On 26 May 2015, the Company issued 270 days unsecured extremely short-term debentures of RMB 1,000 million at par value, bearing an interest rate of 3.45%. On 11 June 2015, the Company issued 60 days unsecured extremely short-term debentures of RMB 1,500 million at par value, bearing an interest rate of 3.25%. 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.

20. 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 have been settled on 20 April 2015, and these notes are traded on the National Association of Financial Market Institutional Investors in the PRC.

21. CORPORATE BONDS

On 23 December 2014, Jingneng Clean Energy Investment Holdings ("JCEIH")("The Issuer"), a subsidiary of the Group, issued senior guaranteed bonds with total value of RMB1,000 million, which are repayable on 23 December 2017. The applicable interest rate is 4.30% per annum. Total proceeds received net of issuance costs, amounted to RMB988,132,000. Jingneng Clean Energy (Hong Kong) Limited ("Jingneng HK")("The Guarantor"), a subsidiary of the Group, provided irrecoverable guarantee with joint liability to the bonds. The Issuer, the Guarantor and BEH, the parent company of the issuer entered into agreement and BEH will assist the Issuer and the Guarantor in meeting their respective obligations under the senior guaranteed bonds. These bonds have been traded on the Stock Exchange since 23 December 2014. The fair value of the bonds were RMB981,250,000 as at 30 June 2015.

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. BEH provided irrecoverable guarantee with joint liability to the bonds. These bonds have been traded on Shanghai Stock Exchange since 20 July 2012.

3-Year product has been repaid at 30 June 2015. As at 30 June 2015, the fair value of 5-Year product was RMB1,219,200,000.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

22. PERPETUAL NOTES

The Company issued first batch of perpetual notes with total principal amounted to RMB 1,500 million as at 18 June 2015. These notes are perpetual, unless they are redeemed by the Company according to terms of issue and will become due when being redeemed. The coupon interest rate is 5.15% per annum for the first three years. In the third and each subsequent interest payment date, the Company is entitled to redeem notes at principal amount plus all deferred interest. The coupon interest rate is 5.15% per annum for the first three years. If the Company does not redeem the notes, the coupon interest rate will be reset every three years. The coupon interest rate for the second three-year term will be reset to the benchmark interest rate of the period plus initial margin and 300 basis points per annum. Subsequently, the coupon interest rate for every three-year term will be reset to the benchmark interest rate of the period plus initial interest margin and 300 basis points per annum.

The Company is entitled to defer each event of interest payments at the date of coupon interest rate to another date of coupon interest rate without limitation of defer event on condition that there is no event of compulsory interest payments, and this will not lead to the breach of contracts of the Company. Compound interest will be included in deferred interest based on the interest rate of the deferred period.

The Company will not defer the interest of the current period and all deferred interest of 12 months before the date of interest payments when following events of compulsory interest payments happened:

- (i) Declare dividends to shareholders of ordinary shares;
- (ii) Reduce registered capital.

These perpetual notes have no specific maturity. The Company is entitled to defer interests and redeem notes. As the Company has no contractual liability to pay cash or deliver other financial assets to others, deferred notes are recognized as the equity.

23. SHARE CAPITAL

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 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	2,358,064	2,358,064
	6,870,423	6,870,423

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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24. LEASE ARRANGEMENTS

The Group as a lessee

As at 30 June 2015, the Group had future minimum lease payments under non-cancellable operating leases in respect of leased properties as follows:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Within one year	2,776	14,235
In the second to fifth year inclusive	21,499	11,733
Over five years	17,032	25,412
	41,307	51,380

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 between one and two years and rentals are fixed at the date of signing of lease.

25. CAPITAL COMMITMENTS

The Group had the following capital commitments:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Contracted but not provided for acquisition or construction of property, plant and equipment	2,987,730	1,382,626

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

26. RELATED PARTY BALANCES AND TRANSACTIONS

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

Name of related party	Relationship
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
BEH Finance	Fellow subsidiary
Jingfeng Thermal	Fellow subsidiary
Jingxi Power	Fellow subsidiary
(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
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
北京京能電力股份有限公司 (Beijing Jingneng Power Co., Ltd., English name for identification purpose) ("Jingneng Power")	Fellow subsidiary
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
內蒙古岱電房地產開發公司 (Inner Mongolia Dai Dian Real Estate Development Co., Ltd., English name for identification purpose)	Fellow subsidiary

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

26. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

- (b) As at 30 June 2015, other than loans to associates and the deposit in a related non-bank financial institution as set out in Note 16, the Group has amounts receivable from the following related parties and the details are set out below:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Amounts due from:		
Associates	5,038	4,456
Fellow subsidiaries	14,308	261,891
	19,346	266,347
Represented by:		
Trade receivables	10,391	261,866
Non-trade receivables*	8,955	4,481
	19,346	266,347

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

- (c) As at 30 June 2015, other than the borrowings from a related non-bank financial institution as set out in Note 18, the Group has amounts payable to the following related parties and the details are set out below:

	As at 30 June 2015 RMB'000 (Unaudited)	As at 31 December 2014 RMB'000 (Audited)
Amounts due to:		
BEH	305,405	166,156
Fellow subsidiaries	136,387	124,200
	441,792	290,356
Represented by:		
Trade payables aged within one year by invoice date	130,764	120,035
Non-trade payables*	311,028	170,321
	441,792	290,356

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

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

26. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

- (d) During the six months ended 30 June 2015, 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 (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Jingxi Power	426	419
BIEE	9,210	10,200

- (ii) Equipment maintenance services from related parties

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Jingfeng Thermal	–	214
BIEE	19,333	9,976
Jingneng Power	28,256	–

- (iii) Conference services from related parties

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Daihai LvYou	896	393
Sky-Line	33	51

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

26. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(d) (Continued)

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

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Jingfeng Thermal	2,010	4,020
YuanShen Financial Leasing	138	114

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

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
BEH Finance	4,216	2,022

(vi) Interest income from related non-bank financial institutions

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
BEH Finance	8,562	1,869

(vii) Property management fee charged by a related party

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
Jingneng Logistic	5,235	1,493

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

26. RELATED PARTY BALANCES AND TRANSACTIONS (CONTINUED)

(d) (Continued)

(viii) Heat energy sold to a connected person

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
BDHG	554,652	227,471

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

(ix) Equipment purchase framework agreement

Name of related party	Six months ended 30 June (Unaudited)	
	2015 RMB'000	2014 RMB'000 (Restated)
BIEE	23,203	49,530

(e) During the six months ended 30 June 2015, interest income from loans to associates of the Group amounted to approximately RMB4,262,000 (for the six months ended 30 June 2014: approximately RMB4,492,000).

(f) During the six months ended 30 June 2015, there was no guarantee provided to related parties.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

27. SEGMENT INFORMATION

The Group manages its businesses by divisions. The Group has presented the following reportable segments.

- Wind power: constructs, manages and operates wind power plants and generates electric power for sale to external customers.
- Gas-fired power and heat energy generation: manages and operates natural gas-fired power plants and generates electric power and heat energy for sale to external customers.
- Hydropower: constructs, manages and operates hydropower plants, and generates electric power for sale to external customers.
- Photovoltaic power: constructs, manages and operates photovoltaic power plants and generates electric power, sales of electricity generated to external customers.
- Others: business activities other than “Wind power”, “Gas-fired power and heat energy generation”, “Hydropower” and “Photovoltaic power”.

(a) Segment revenue, results

An analysis of the Group’s reportable segment revenue, results for the six months ended 30 June 2015, by operating segment is as follows:

	Wind power RMB'000	Gas-fired power and heat energy generation RMB'000	Hydropower RMB'000	Photovoltaic power RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2015 (Unaudited)						
Revenue from external customers						
Sales of electricity	945,326	4,216,292	151,539	260,514	–	5,573,671
Sales of heat energy	–	628,887	–	–	–	628,887
Others	–	–	–	–	1,494	1,494
Reportable segment revenue/ consolidated revenue	945,326	4,845,179	151,539	260,514	1,494	6,204,052
Reportable segment profit before depreciation and amortization	843,282	1,444,871	112,828	244,638	17,998	2,663,617
Depreciation	275,016	385,013	47,433	70,874	2,579	780,915
Amortization	85,895	2,117	12,192	53	2,045	102,302
Reportable segment profit (Note(i))	482,371	1,057,741	53,203	173,711	13,374	1,780,400

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (Unaudited)

27. SEGMENT INFORMATION (CONTINUED)

(a) Segment revenue, results (Continued)

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	Photovoltaic power RMB'000	Others RMB'000	Total RMB'000
For the six months ended 30 June 2014 (Restated, unaudited)						
Revenue from external customers						
Sales of electricity	769,418	1,975,550	125,723	186,416	–	3,057,107
Sales of heat energy	–	261,383	–	–	673	262,056
Others	–	–	–	–	300	300
Reportable segment revenue/ consolidated revenue	769,418	2,236,933	125,723	186,416	973	3,319,463
Reportable segment profit before depreciation and amortization	739,901	773,320	104,387	177,981	(41,786)	1,753,803
Depreciation	227,014	203,112	30,058	40,622	1,181	501,987
Amortization	81,440	1,090	11,702	–	2,060	96,292
Reportable segment profit (Note(ii))	431,447	569,118	62,627	137,359	(45,027)	1,155,524

(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).

(b) Geographical information

Over 95% of the Group's revenue and non-current assets (excluding deferred tax assets and financial assets) are located in the PRC, therefore no geographic segment information was presented. The basis for revenue allocation is based on the location of customers from which the revenue is earned, which are located in/outside the PRC and the sales activities are made in/outside the PRC.

28. THE FINANCIAL STATEMENTS WERE APPROVED BY THE BOARD OF THE COMPANY ON 20 AUGUST 2015.